



Pacific Northwest Hospital Medicine Association

AFT Local 6552

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Feb 25, 2024

To: Senate Health Care Committee

Senator Deb Patterson, Chair
Senator Cedric Hayden, Vice Chair
Senator Daniel Bonham
Senator Winsvey Campos
Senator Chris Gorsek

CC: Lane County Senators

Senator Floyd Prozanski, District 4
Senator Dick Anderson, District 5
(Senator Cedric Hayden, District 6)
Senator James Manning, District 7

Subject: Please Support HB 4130-A

Dear Members of the Senate Health Care Committee,

We, the 60 physician and APP members of the Pacific Northwest Hospital Medicine Association, the oldest physician union in the nation, and all of whom practice at PeaceHealth Sacred Heart Medical Centers in Eugene and Springfield, OR, are writing to ask you to support HB 4130-A, which seeks to close existing loopholes and strengthens Oregon's corporate practice of medicine laws.

We ourselves were founded in 2014 in direct response to an attempt to outsource local Hospitalists to a 3rd party vendor by a short-term and short-sighted local PeaceHealth administration, all in a transparent attempt to employ the corporate practice of medicine within the hospital setting. Since the Union's inception and successful first contract negotiation 10 years ago, we have grown from 24 members to 60 members, we have dramatically improved the overall quality of patient care at PeaceHealth, and we helped to earn RiverBend Medical Center its first-ever CMS 5-Star ranking in 2023. We have the lowest provider turnover of any Hospitalist group in the PeaceHealth network, and we produce the best length of stay metrics in the network. We care for between 66% and 75% of all patients admitted at RiverBend on any given day, and our patients come from all over Lane County. We also serve as the main regional sub-specialty referral hospital for patients from Douglas, Coos, Curry and Josephine counties, and for select patients from Linn and Benton counties. Furthermore, all 60 of us live in Senate Districts 4, 6 and 7.

Over the last 10 years, we have witnessed the wholesale destruction of most of the existing private primary care and subspecialty clinic networks in Lane County, from the coast to the central Cascades. The demise was created, in significant part, by a series of leveraged corporate buy-outs and/or by clinics engaging Management Service Organizations to help with non-clinical business management, but who then became trapped in restrictive contracts that allowed the corporation to dictate the clinical practice of medicine. Not only has this practice proven to be a leading cause of escalating healthcare costs nationally, with these corporately-owned clinics charging 20% more on average, there has been no benefit, and in some cases a noticeable decline in the quality of care these clinics provide ^(1,2,3).

United Health's late 2020 acquisition of Eugene-based Oregon Medical Group (through its subsidiary, Optum MSO) and the subsequent regional fall-out serves as a prime example. Oregon Medical Group (OMG) was founded in 1988 by a small group of Lane County physicians who believed that providers,



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rather than non-clinicians should direct medical care. At its zenith, providers practiced in 10 separate locations in Eugene/Springfield and the surrounding communities, and OMG employed approximately 100 physicians. Since its acquisition by United Health, providers have left OMG in droves, and OMG has contracted down to 3 Eugene locations only, closing all out-of-town clinics. OMG now employs 60-65 physicians. All Dermatology, Neurology, Surgery, and Cardiology providers have left OMG, and many have left the county and/or the state because of OMG's restrictive 1-year county-wide non-compete clause. Other physicians have taken early retirement to avoid dealing with United Health's punitive practice requirements. As of early 2024, at least 50% of longstanding OMG providers had either resigned or retired, and many of their replacements have also left. One locally well-known and well-respected Eugene internist even committed suicide last month, shortly after leaving OMG.

Several of our members (and co-signees to this letter) were previously OMG patients themselves, and they have subsequently transferred to non-OMG PCPs in protest of United Health's restrictive internal policies designed to create unnecessary additional clinic visits as a vehicle to increase corporate revenue. For example, one of our providers was told by a new PA in the clinic last month that all follow-up appointments were now 8 minutes long, and the PA was only allowed to address "two or three" issues per appointment. Each new patient symptom counted as a separate issue. Medication refills required a separate appointment, which would be an additional 6-8 week wait. If our provider ran out of refills prior to that clinic appointment, she may or may not be granted a short-term fill to continue her chronic maintenance medications until that clinic visit. In addition, as of 2024, the PA reported that USPSTF-recommended health maintenance screening studies would now have to be ordered by the appropriate OMG specialist, after a clinic visit with that same specialist, and not by the PCP. Consequently, the 1-year follow-up DEXA scan that this patient's OMG Endocrinologist requested in early 2023 to be performed in early 2024 would no longer be done prior to her 2024 Endocrine clinic appointment. As a result, provider was given the "opportunity" to make a second Endocrine clinic appointment (after a 6-month wait), if she wished to follow up on her DEXA results. None of these internal practices are supported by published national or subspecialty guidelines, nor are they designed to provide the best and safest patient care. Needless to say, our provider quickly transferred to a new non-OMG PCP, which she can only do in this community because she has commercial insurance and is willing to pay a significant additional out-of-pocket monthly fee to see a concierge doctor.

Unfortunately, our patients with fewer financial resources feel the brunt of this impact most acutely. Many who live in smaller surrounding communities have watched their local clinic close and have lost their PCP entirely. If they wish to stay with OMG and re-establish at a Eugene clinic, they are placed on a 6-9 month wait list, especially if they are insured through Oregon Health Plan or Medicare. Even those who are current OMG patients still have to wait 2-4 months to see a PA in their PCP's office and 6-9 months to see one of the few remaining OMG specialists. Those who do not wish to stay with OMG are left scrambling to receive services in the few area clinics still taking new patients, but the initial wait times are similar to those at OMG.

The situation in Lane and surrounding counties has gotten so bad that, in the last two years, between 30% and 50% of patients we care for in the hospital on any given day have been admitted as the direct result of a failure of outpatient management of their chronic medical condition(s). In the overwhelming majority of cases, these patients were unable to access their PCP, outpatient specialists,



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and/or outpatient procedures in a timely fashion, and ended up in the RiverBend ED or a surrounding regional ED out of desperation. They are overwhelmingly either underprivileged patients on OHP or Medicaid, or elderly patients on Medicare or a Medicare replacement plan with multiple comorbidities. We consequently admit those patients who require hospital level care, tune them up, expedite specialty consults and procedures, and make every attempt to arrange improved outpatient follow-up on discharge. Unfortunately, even our efforts fail a portion of the time, because there are simply not enough qualified PCPs and not enough area specialists left to meet patient demand.

While some of this shortage is the result of other external factors (changing CMS reimbursement plays a role), a large portion of Lane and the surrounding counties' major healthcare provider shortages are the direct result of non-patient centered corporate practice of medicine decisions at the outpatient clinic system level. Corporate interests are actively taking over Oregon's healthcare, and they are leaving the poor, the vulnerable, and the elderly behind. Many physicians find the corporate practice of medicine untenable, and they are voting with their feet by leaving their practices and by leaving the state. We, the providers of the Pacific Northwest Hospital Medicine Association, strongly encourage the Senate Health Care Committee and all Lane County Senators to support HB 4130-A as an important first step in stemming this tide of destruction.

Sincerely,

The Pacific Northwest Hospital Medicine Association

Charlotte H. Yeomans, MD. President.

Amy Keech, DO. Vice President.

Sarah Barry, CNS-AH. Secretary.

Joshua Salter, MD. Treasurer.

Rajeev Alexander, MD

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Nancy Austin, ARNP

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Melissa Duart, MD

Preetivi Ellis, MD

Brittany Ellison, DO

William Emerson, MD

Peter W. Ganter, MD

Waleed Gliza, MD

Adrienne Nicklin, MD

Swati Gobhil, MD

Gayan Gunasekara, MD

Benjamin Huneycutt, MD

Cristian Hutanu, MD

Prajeesh Kandoth Karerat, MD

Kanti Karki, MD

Michelle Kelley, ARNP

Mohammed Habib Khan, MD

Arjun Khunger, MD

Kimberly Kuo, MD

Julius C. Laban, MD

Luis Leyton-Gonzalez, MD

Harold Lim, MD

Samantha Loomis, ARNP

Kiran Narreddy, MD

Perry V. Nelson, MD

Bibhuti Neupane, MD

Elena Shinn, ARNP



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Vivek Pantangi, MD
Basanta Pathak, MD
Eva Pradhan, MD
Precious Ramirez-Arao, MD
Rency Roy, MD
Glacel Salagan, ARNP
Arturo Salazar, MD
Tanmay Samant, MD
David Schwartz, MD
Heidi Schultz, ARNP

Saroj Shrestha, MD
Jaswinder K. Singh, MD
Mollie Skov-Ortega, MD
Kathleen Sullivan, MD
Yiyakchu Thapa, MD
Tsewang Tuladhar, MD
Erik Young, MD
Marc J. Zarraga, MD
Malgorzata Zukowska, MD
Vani Zutshi, MD

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