

Submitter: Sarah Foreman, MSW/MPH Student
On Behalf Of:
Committee: Senate Committee On Rules
Measure: HB4130

My name is Sarah Foreman, and I am a current MSW student at Portland State University's School of Social Work and an MPH student with a focus on Health Management & Policy at the PSU-OHSU School of Public Health. I am writing to express my support for HB4130.

HB4130 aims to mitigate the trend of privatization and profit-seeking in healthcare by ensuring that decision-making power resides with medical professionals rather than profit-driven entities. This legislation emphasizes patient welfare by limiting the influence of non-medical corporate entities on healthcare practices, thereby fostering an environment where healthcare decisions are made based on the best interests of patients. Through such measures, HB4130 seeks to safeguard the integrity of healthcare services and realign the sector's priorities towards delivering high-quality patient care.

1. HB4130 seeks to recenter physician voices and uplift patient voices by ensuring that healthcare governance and decision-making remain in the hands of medical professionals. By prohibiting non-medical individuals with significant stakes in management services organizations from influencing the management or governance of medical corporations, and mandating that only licensed medical practitioners can make key decisions, including the removal of directors or officers, the bill ensures that medical ethics and patient care remain the primary focus.
2. Noncompete, nondisclosure, and nondisparagement agreements are considered antithetical to healthcare physicians because they can restrict physicians' ability to practice medicine freely, limit their employment opportunities, and deter them from speaking out against unethical practices or poor working conditions. Such agreements prioritize the business interests of healthcare organizations over the professional autonomy and moral obligations of physicians to their patients and the broader healthcare community.
3. The convergence of privatization and corporatization in healthcare prioritizes profit over patient welfare, creating a conflict with physicians' ethical duty to prioritize patient care. Despite regulations preventing direct ownership of practices by private equity (PE) firms in states like Oregon, these entities circumvent these restrictions through partnerships with physician management companies (PMCs), by managing crucial administrative functions, namely billing and insurance contracting. This arrangement fosters an incentive structure that values financial returns over quality patient care, contributing to poorer patient outcomes, including increased mortality¹. Moreover, the private nature of PE investments shields them from the transparency and regulatory oversight that public companies face, complicating the assessment of their true impact on healthcare quality and financial performance².
4. Private equity firms' portfolio companies lack the transparency and accountability standards of publicly traded companies, making it challenging to assess PE's claimed profitability and raising concerns about risk. This opacity supports profit-driven decision-making, contrasting with legislative efforts to ensure medical decisions remain in the hands of physicians, not

¹ Gupta, Atul, et al. *Does Private Equity Investment in Healthcare Benefit Patients? Evidence from Nursing Homes*. Feb. 2021, <https://doi.org/10.3386/w28474>.

² Henry, Caitlin, and Jessa M. Loomis. "Healthcare as Asset: Private Equity Investment and the Changing Geographies of Care in the United States." *Geoforum*, vol. 146, Nov. 2023, p. 103866, <https://doi.org/10.1016/j.geoforum.2023.103866>.

business-focused entities. PE ownership is linked to higher patient or payer costs and variable impacts on care quality³. As PE continues to infiltrate into healthcare settings, it raises significant concerns about prioritizing financial gains over patient care quality and accessibility given its opacity and lack of regulatory scrutiny⁴.

I urge you to pass HB 4130, safeguarding the integrity of medical practice in Oregon.

Sincerely,

Sarah Foreman
sforeman@pdx.edu

³ Borsa, Alexander, et al. "Evaluating Trends in Private Equity Ownership and Impacts on Health Outcomes, Costs, and Quality: Systematic Review." *BMJ*, vol. 382, no. 1, 19 July 2023. <https://doi.org/10.1136/bmj-2023-075244>.

⁴ Henry, Caitlin, and Jessa M. Loomis.