

Submitter: Ed Boyle
On Behalf Of: An Independent Doctor
Committee: Senate Committee On Rules
Measure: HB4130

This bill has some admirable instincts to protect independent physicians and providers from being taken over by large out of state predatory private equity firms but it totally misses the 800 pound Gorilla in the room: the perils of government legislation supported vertical integration of healthcare so that we in Oregon end up with only a few major healthcare systems to seek care. This bill mistakenly very narrowly only applies to independent doctors in mostly outpatient private practice and notably excludes doctors and providers that work for hospitals, or insurance companies that own hospitals that own doctors. This bill specifically excludes the big healthcare delivery systems because they qualify as non profits even if they pay their non physician administrators millions of dollars a year in salary and bonus and send patients to collections when they cannot pay their bill.

If you are not familiar with the term vertically integrated healthcare delivery system consider this: If your insurance card has the same name as the hospital and your doctor's office has the same name as the hospital AND insurance company then you are getting care at a vertically integrated healthcare system and they are excluded from this bill. In that setting your doctor can legally charge you over 2.5X for the exact same outpatient service as an independent doctor in a private clinic. As expenses go up and allowable fees for independent doctors go down, private practices shut down, are forced to merge with the vertically integrated big hospital systems and become employed by that system or seek refuge from private equity to stay open. Prices then go up for patients as do our insurance premiums. This bill only addresses the less common private equity issue.

This bill eliminates non competes for small independent practices. However, you should be aware: The doctors at the large systems have non competes, but this bill excludes them. They have non disparagement agreements. There they answer to non physician managers. It used to be that most doctors worked in independent practices in their own offices outside the hospital system. In Oregon, as seen across the country, now a far majority work for the hospital systems where the costs are far higher for the patients, access is harder, and even little things like parking or getting a real person on the phone are hard. Of course we need hospitals for inpatient trauma care, ICU work, big emergency rooms. But we also need independent practices with better access and lower costs where you can quickly park and go in and the phone is answered by a real person. By only targeting small independent physician groups and excluding the larger vertically integrated healthcare systems this will drive more small practices out of business and we will all pay more for that.

At the very least, this bill should be expanded to apply to all doctors, not just the less politically influential small independent practice doctors who do not and cannot employ lobbyist and former politicians to do their bidding to apply only to those who have the least influence in our state. My suggestion is put this bill on hold this session and give all parties time to weigh in. Or my suggestion is to at the very least apply these rule broadly to all physicians, regardless to where they work and who they work for. Level the playing field for independent doctors with the big systems and lets all work by the same rules to keep healthcare costs down with smart legislation that is fair and has that intent.