

March 18, 2025

Honorable Nancy Nathanson
900 Court Street
Salem, Oregon 97301

Dear Representative Nathanson,

As a physician who has served patients from the Southern and Central Willamette Valley, for almost 22 years, I am writing to express my strong support for Oregon House Bill 3234-- which addresses harmful business practices that reduce access to health care in Oregon. I'd like to share from my personal experience how those practices negatively impacted patients and healthcare providers in the communities I serve. Unfortunately, I am not able to attend the hearing on HB 3234, so I hope you will share this message with your colleagues. Passage of this bill is crucial to ensuring that Oregonians will have access to the health care services they need and that other communities in Oregon don't suddenly lose a significant number of trusted primary care physicians, leaving patients competing to find a doctor and without sufficient care.

Background on HB 3234

House Bill 3234 authorizes the Attorney General to investigate and take legal action against health insurers or their affiliates for violations of antitrust laws. This measure is essential for preventing detrimental monopolistic practices and for promoting fair competition in the health care industry. By allowing the Attorney General to seek damages, civil penalties, restitution, and injunctions against unlawful trade practices, HB 3234 will help protect consumers and ensure that health care remains accessible and affordable for everyone.

Real World Impacts of Optum, Inc's Buyout of Oregon Medical Group (OMG)

From 2011-2023 I worked for Oregon Medical Group. I experienced firsthand the negative impacts that Optum, Inc.'s buyout of the group had on patients and health care providers.

In 2021, coming off the pandemic, Oregon Medical Group was in financial distress. Its leadership was searching for ways to stay afloat. This ultimately led to the Optum, Inc. buyout. We physicians were assured that the buyout was a good thing, and it was our understanding that nothing would change the in first year--no new contracts would need to be signed, and leadership would remain local. And while there were no major changes in 2021, we learned that new contracts did need to be signed, and that leadership was not local.

In 2022, things changed a lot. It caused total chaos.

One big issue was understaffing.

- First, the front desk staff, medical assistants, and clinic managers were tasked with more work and became more stressed as a result.
- Then, quite suddenly, the front desk staff was trimmed from 6 to 2.
- This led to a backlog of patients trying to reach their healthcare providers.
- The staff who remained encouraged patients to use messaging through the EPIC system when they were unable to get through on the phone. This was problematic.
 - Physicians became overwhelmed with the constant messaging, lack of staff, and the inability of clinics to answer their phones due to understaffing.
 - Patients started dropping by medical offices to get medications refilled or to be seen without an appointment.
 - Several elderly patients did not understand how to use the messaging system, became frustrated with no one answering the phones, and put off needed care.

Another harmful change in early 2022 was the centralization of scheduling, which did not seem to consider the unique demands of the second wave of Covid and the established patient-physician relationships. Previously, patient scheduling was overseen by the physician and was based on patient need and informed by the doctor-patient relationship. After the Optum, Inc. buyout, there were mandatory front-loaded slots that had to be filled with Annual Wellness Visits (AWVs)--presumably for reimbursement and early coding of high-risk conditions. My schedule was filled like a game of Tetris. The system went from being very functional to extremely dysfunctional in a matter of months.

Suddenly, No One Can Find a Doctor

In September 2022, Optum, Inc. informed the medical staff that we would have to sign new contracts by a certain date in December 2022. The new contract included unacceptable changes to pay structure, FTE status, and time off. Physicians were repeatedly told, if you do not sign, you will no longer be employed at Optum, Inc. There was no negotiation. I sent email messages telling Optum, Inc. that I was not prepared to sign, but received no response. And so, after the deadline passed, my career at Optum/OMG was over. I would have continued serving area residents as a primary care physician, but was informed that was not allowed under the non-compete clause in my contract.

I believe more than 30 physicians left Optum, Inc./OMG between 2023 and 2024. Cultivating a practice takes time, energy and care. No physician would choose to leave their practice under ordinary circumstances. In my panel, I had close to 2000 patients. Using very conservative numbers, I estimate more than 20, 000 people in our area were left without a physician. People-- especially those with pressing health care needs--were desperately competing with one another to find a doctor who was accepting new patients.

The stress imposed by the Optum, Inc. take-over on patients, staff, and clinicians should not be glossed over. The fallout for some was extreme, including the suicide of my good friend and medical partner, Dr. Ross Schwarz. (I urge legislators to support HB3227, which voids noncompetition agreements among other things, for this reason.) I was fortunate to get a job as a hospitalist at Peace Harbor Medical Center in Florence, Oregon. It keeps me away from my children one to two weeks per month but will allow them to finish their education in Eugene.

Concerned by what happened to Oregon Medical Group, I have spent a significant amount of time over the last three years learning about the business of medicine and the growing trend of corporations/private equity firms buying up medical practices. Insurance companies owning clinical practices and pharmacies may seem beneficial, but it is the opposite. In addition to the impacts described above, it results in extensive data sharing. Data that could be and likely is used to cull the healthiest and wealthiest into their insurance plan and elbow out competitors, complex patients, and patients with limited resources. Without appropriate oversight or a standard method to investigate, this problem will continue to grow.

Thank you so much for your leadership, Rep. Nathanson. I urge your colleagues to support House Bill 3234 (and HB 3225 and HB3227) and advance this important legislation. It will make a significant difference in the lives of many Oregonians who rely on fair and accessible health care services. I look forward to seeing positive progress on this bill.

Sincerely,
Sharon H. Flynn, MD