

Submitter: Bruce Thomson
On Behalf Of: All patients injured by CPOM
Committee: House Committee On Behavioral Health and Health Care
Measure, Appointment or Topic: HB3225

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I am Bruce Thomson, MS, MD a family physician retired from my private independent medical practice and I write in support of SB 951. SB 951, is a critical bill to protect the integrity of medical practice in Oregon. SB 951 is especially important to support and maintain independent medical practices throughout Oregon especially in rural areas as well as metropolitan areas. The ethical dilemma that Corporate Practice of Medicine (CPOM) poses has been problematic to medical ethics for decades.

CPOM threatens the doctor-patient relationship, undermines clinical decision-making and most egregiously prioritizes financial (stockholders) profits over patient care. Witness the voluminous public outrage to CPOM practices by a multinational health insurer regarding patients' care. This public outrage was brought on by an individual's extreme action against another human being just a few months ago in New York City.

From New England Journal of Medicine: "Emerging empirical evidence suggests three primary risks that corporatized medicine poses: (a) increased health care prices and spending owing to market consolidation and exploitation of payment loopholes; (b) moral injury and burnout among physicians, nurses and medical staff ; (c) patient care concerns associated with changes in practice patterns and (d) patient scheduling pressures due to reduce staffing. Despite claims by CPOM transactions of "improving health care", the preponderance of evidence hasn't yet suggested commensurate improvements in quality, access, efficiency, or equity of health care.

One study in the New England Journal of Medicine showed that when Private Equity buys a clinic, costs rise by as much as 20%; patient time spent with the provider decreases; unnecessary procedures go up, and the risk of complications rises. Across Oregon, patients have felt the impact of CPOM's practices;
- A Private-equity backed dialysis clinic in Tillamook announced it would abruptly shut down, leaving a rural, coastal community with few options. One woman said: "Two or three people have said they're just going to call it a day, stop dialysis, and go home

to be with the Lord in a couple of days.”

- Private-equity-owned Sound Physicians, who won the Providence anesthesiology contract, led to a 50% decline in surgeries, with thousands estimated to have been canceled, according to a story on The Oregonian.

CPOM practices in private equity transactions often go a step further: they will cut the captive physicians in on the profits by giving them a minority equity stake in the Management Services Organizations (MSO) creating a built-in financial conflict of interest in this medical practice model.

I urge Oregon Legislators to pass SB951 in order to regulate more strictly CPOM practices and to document the multiple harmful aspects that patients and medical providers endure as a result of these Corporate Practice of Medicine entities and their business practices.

Bruce Thomson, MS,MD