

From the Offices of Representative Ben Bowman, Representative Cyrus Javadi, Representative Lisa Fragala

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Oregon Passes First-in-the-Nation Bill to Block Corporate Takeovers of Medical Practices

The bill ensures that medical decisions stay in the hands of your trusted doctor

SALEM, Ore. - Today, the Oregon House passed <u>SB 951</u>, landmark legislation to ensure that medical practices in Oregon are owned and controlled by licensed medical professionals, not corporations. The bill responds to a growing national trend of corporate and private equity takeovers of independent medical practices, <u>which data says is putting profits over patients</u>.

"We're at an inflection point in this country when it comes to the corporatization of healthcare," **said House Majority Leader Ben Bowman (D-Tigard, Metzger, S Beaverton)**, who introduced the bill. "With the passage of this bill, every Oregonian will know that decisions in exam rooms are being made by doctors, not corporate executives."

Oregon's corporate practice of medicine (CPOM) doctrine, established in 1947, was designed to ensure that medical decisions are made by licensed professionals. That includes everything from how much money is spent on care, what staffing levels should be, how much time should be spent with each patient, when and to whom physicians sell their ownership in the practice, and how much to charge for medical services.

"We're not reinventing the wheel here—we're defending a principle that once made Oregon a leader in protecting patients," said **Rep. Cyrus Javadi (R-Tillamook, Clatskanie)**. "Back in 1947, we drew a clear line between who could own a clinic and who could practice medicine, because we understood that healthcare isn't just a business, it's personal. SB 951 updates that line for a world where private equity firms and management companies have figured out how to blur it. We owe it to patients and to the doctors who still believe in putting care first to draw that line again."

In Oregon and across the country, there has been a sharp rise in private equity firms and large for-profit corporations acquiring medical practices in the last decade. These entities have exploited loopholes by employing or contracting with physicians who are listed as owners to be in compliance with CPOM on paper, but who lack true control over the practice. Senate Bill 951

closes that loophole, restoring the intent of CPOM and protecting the integrity of patient care in Oregon.

"This bill is about preventing the kind of takeover that happened at the Oregon Medical Group in Eugene," said **Rep. Lisa Fragala (D-Eugene, Creswell)**. "When we see consolidation in the healthcare market, we see three things happen: higher prices, negative effects on the quality of care, and decreased access to care. Today the Oregon Legislature took steps to address this crisis of cost, access and quality of care."

SB 951 previously passed the Senate in a 21-8 vote. It now proceeds to the desk of Governor Tina Kotek.

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