

Optum agrees to Oregon lawmakers' demands not to enforce noncompete agreements

Elizabeth Hayes :: 5/10/2024



Image: Rep. Nancy Nathanson

A group of eight lawmakers last month asked the UnitedHealth not to enforce restrictive contract language, after constituents said a Eugene clinic and its owners "abandoned them."

Optum Inc. agreed to [a request by state and congressional leaders](#) representing Lane County not to enforce noncompete and non-solicitation agreements.

Optum and Oregon Medical Group are "letting clinicians know non-compete language in contracts will not be enforced" against any advanced practice physician, Rep. Nancy Nathanson and Sen. Floyd Prozanski, both Eugene Democrats, announced Thursday.

Nathanson, Prozanski and six other lawmakers had said in an April letter to UnitedHealth that numerous constituents had complained that Optum and OMG had "abandoned them," and noncompete agreements were making the situation worse. Since Optum acquired Oregon Medical Group about three years ago, almost three dozen physicians have left the Eugene practice, leaving thousands of patients in the lurch.

Noncompete and non-solicitation clauses in their contracts prevented many of these clinicians from setting up or joining other practices in the area.

Read more about the corporate influence in Oregon health care: [Private equity and corporate ownership in Oregon health care are surging — and worrying critics](#)

Oregon Medical Group also agreed to refill prescriptions, Nathanson said.

“I am relieved that Optum is listening to our constituents and making the right choice,” she said in a written statement. “We must ensure that Oregonians have no lapses in access to the care or lifesaving medicines that they need. I am grateful to those constituents who contacted me, so that I could convey the real impacts caused by this disruption of care.”

Optum did not immediately respond to a request for comment or confirmation of the decision. Optum parent UnitedHealth Group also operates the largest U.S. health plan and made nearly \$372 billion in 2023. Optum, which employs 70,000 physicians, has also acquired independent medical practices in Portland and Corvallis.

The noncompete issue has come to the fore as [for-profit corporations and private equity firms have moved aggressively into health care](#), from primary care to specialty care to hospice care and more.

Lawmakers in Salem earlier this year considered legislation to place more guardrails around corporate ownership of medical practices amid growing alarm of a loss of physician independence and prioritization of profits over quality of care. While the bill didn’t pass, the sponsor has vowed to try again next session.

“This news is a win for patients, providers, and members of our wider community who are concerned about the impact of a disruption in health care services in our area,” Prozanski said of the Optum decision on noncompetes. “We in the Legislature need to continue to look out for our communities as health care companies change to make sure access and cost of care is not negatively impacted.”