

**OREGON ACADEMY OF FAMILY PHYSICIANS  
CONGRESS OF THE MEMBERS  
77th ANNUAL MEETING  
April 13, 2024  
Resolution #4**

**Introduced by Antonio Germann, MD, FAAFP  
Subject: Corporate Practice of Medicine**

- 1 **WHEREAS**, Corporate influence in medical decision-making can compromise patient safety,  
2 quality of care, and the doctor-patient relationship; and
- 3 **WHEREAS**, Allowing corporations to impact medical decisions may undermine the autonomy of  
4 healthcare professionals and prioritize profits over patient well-being; and
- 5 **WHEREAS**, Corporate ownership in medical practices can create conflicts of interest between  
6 profit motives and best practices in patient care; and
- 7 **WHEREAS**, Allowing corporations to engage in medical practices risks blurring the line between  
8 healthcare and commercial interests, potentially jeopardizing the integrity of patient care; and
- 9 **WHEREAS**, Many changes have occurred in the healthcare market landscape, increasingly  
10 corporate entities including public companies and private equity firms have entered into the  
11 arena of healthcare provision with ownership interests; and
- 12 **WHEREAS**, Those ownership interests have become controlling interests in the vast majority of  
13 cases, despite most states maintaining laws against the corporate practice of medicine (1,2);  
14 and
- 15 **WHEREAS**, Private equity acquisitions in healthcare have been increasing rapidly since 2000,  
16 with a notable presence in primary care, hospitals, nursing homes, and various medical  
17 specialties; and
- 18 **WHEREAS**, Private equity ownership in healthcare operators is associated with increased costs  
19 for patients and payers, with up to a 32% rise in costs observed across various healthcare  
20 settings<sup>25</sup>; and
- 21 **WHEREAS**, Some business entities have sought to silence criticism of their operations and  
22 management practices through nondisclosure, non competition and non disparagement

23 agreements and other devices that stifle reporting of and accountability for these operations  
24 and practices; and

25 **WHEREAS**, To protect the best interests of our patients and enable medical practitioners to  
26 exercise medical judgment free from interference from those who are not licensed to practice  
27 medicine, we must prohibit business entities from practicing medicine or employing actively  
28 practicing physicians and other practitioners and using noncompetition agreements,  
29 nondisclosure agreements and non-disparagement agreements to restrict reasonable and  
30 honest criticism; and

31 **WHEREAS**, AAFP collaboratively works with policymakers, healthcare organizations, and other  
32 stakeholders to promote a healthcare system that prioritizes patient-centered care,  
33 professional autonomy, and ethical standards in medical practice; now therefore be it

34 **RESOLVED**: that the OAFP advocates for the prohibition of the corporate practice of medicine in  
35 all healthcare settings by supporting policies and state-level legislation that prioritizes clinician  
36 autonomy and restricts corporate influence in medical decision-making; and be it further

37 **RESOLVED**, that the AAFP will promote state and federal legislative efforts to enforce strict  
38 regulations that prevent corporations from directly influencing healthcare providers in clinical  
39 decision-making.

### Resources

Perspective: “A Doctrine in Name Only — Strengthening Prohibitions against the Corporate Practice of Medicine”; Jane M. Zhu, M.D., M.P.P., M.S.H.P., Hayden Rooke-Ley, J.D., and Erin Fuse Brown, J.D., M.P.H.; September 14, 2023, N Engl J Med 2023; 389:965-968, DOI: 10.1056/NEJMp2306904 <https://www.nejm.org/doi/full/10.1056/NEJMp2306904>

ACEP Policy Statement

<https://www.acep.org/patient-care/policy-statements/corporate-practice-of-medicine>

AMA Issue Brief

<https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=https://www.ama-assn.org/media/7661/download&ved=2ahUKewiMi-vwzP6EAxWfkYkEHRg9DYgQFnoECBEQAQ&usq=AOvVaw3I0sn8SPujJDC8-wyv9tsD>

2024 House Bill 4130 Oregon

<https://olis.oregonlegislature.gov/liz/2024R1/Downloads/MeasureDocument/HB4130/B-Engrossed>

Research \_ private equity into medicine

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10354830/>

<https://sph.brown.edu/news/2024-02-14/private-equity-health-care>

<https://hbr.org/2023/03/research-what-happens-when-private-equity-firms-buy-hospitals>

<https://www.publichealth.columbia.edu/news/private-equity-investments-health-care-may-increase-costs-degrade-quality>

<https://jamanetwork.com/journals/jama/article-abstract/2808164>