



Submitted via Electronic Mail at hcmo.info@oha.oregon.gov

February 17, 2025

Oregon Health Authority
421 SW Oak Street, Suite 850
Portland, OR 97204

Re: 039-OHSU-Legacy Public Comment:
Ensuring Independent Practice Viability in the OHSU–Legacy Merger

Dear Oregon Health Authority:

Oregon Anesthesiology Group (OAG) is a single specialty independent practice composed of more than 150 physicians and 25 nurse anesthetists working and living in Oregon. We provide anesthesiology services to patients in more than 20 facilities, including hospitals, surgery centers, and office-based practices.

We support the merger between OHSU and Legacy Health as a way to strengthen Oregon’s health care system. However, we are concerned about the long-term viability of independent medical practices in a more consolidated market. Preserving independent practices not only fosters competition and innovation but also safeguards patient choice and community-based care.

Below is a brief two-fold review:

1. Key questions about how the merger will affect independent practices.
2. Potential qualifications or recommendations (conditions) the Health Care Market Oversight program could impose to ensure independent clinics remain viable.

Part I Key questions about how the merger will affect independent practices.

1. Competition and Market Power
 - Will the new entity use its expanded market position to pressure or absorb independent groups?
 - How will regulators ensure a level playing field for community-based providers?
2. Referral Networks and Contracting
 - Will OHSU–Legacy maintain open, non-exclusive referral networks that allow patients continued access to independent clinics?

- Will existing contracts be honored, and will fair terms for non-affiliated providers remain?

3. Financial Stability

- What safeguards will be in place to prevent reduced reimbursement rates for independent practices?
- Is there a plan to mitigate the financial strain these practices might face due to new competitive pressures?

4. Access and Quality

- Could consolidation limit care options in underserved or rural areas where independent practices are vital?
- Will community providers still receive support, resources, and collaboration opportunities?

5. Absorption Concerns

- Is there an explicit or implicit intent to fold independent groups into employed physician networks?
- What enforcement mechanisms will ensure that independent clinics remain genuinely independent?

Part II

Potential qualifications or recommendations (conditions) the Health Care Market Oversight program could impose to ensure independent clinics remain viable.

1. Maintain Network Adequacy

- Require the merged system to preserve or expand contracts with independent practices, ensuring broad patient access and fair referral pathways.

2. Prohibit Exclusive Arrangements

- Bar the new entity from entering contracts that lock out other providers or force them into unfavorable terms.

3. Fair Payment Terms

- Mandate transparent reimbursement benchmarks so that independent providers are compensated equitably relative to employed physicians.

4. Community Benefit & Investment

- Condition approval on targeted financial support for independent clinics (e.g., grants or joint programs) that strengthen local health infrastructure.

5. Monitoring & Oversight

- Establish ongoing reporting on merger impacts — cost, access, and outcomes — for independent practices.
 - Include independent providers on advisory or oversight committees to ensure meaningful accountability.
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CONCLUSION

We believe a well-regulated OHSU–Legacy merger has the potential to enhance healthcare in Oregon. However, it is crucial to safeguard the interests of independent practices, which play a key role in providing choice, competition, and personalized patient care. We urge the Oregon Health Authority to consider these questions and recommendations during its review, ensuring that independent clinics remain strong contributors to Oregon’s healthcare landscape.

Sincerely,

Michael Axley, MD, MS
President
Oregon Anesthesiology Group, P.C. (OAG)