



April 7, 2025

Senate Committee on Health & Human Services
Room 1100 Minnesota Senate Bldg.
St. Paul, MN 55155

RE: Support for SF2939 - Health Care Entity Ownership Transparency and Corporate Practice of Medicine Prohibition

Dear Chair Wiklund, Vice Chair Mann, and Members of the Senate Committee on Health & Human Services,

Thank you for the opportunity to provide testimony in support of [SF 2939](#), commonsense legislation that would create much needed transparency and accountability for medical practice ownership in Minnesota. United States of Care (USofCare) is a non-partisan, non-profit organization working to ensure [everyone](#) has access to quality, affordable health care, regardless of health status, social need, or income. We work in states across the country to develop pragmatic policy solutions that are designed to respond to the needs of people. We often hold up Minnesota as a leader in addressing affordability and access issues for health care consumers.

Minnesota's [Corporate Practice of Medicine \(CPOM\) Doctrine](#) was [enacted](#) as a means to make sure doctors, not corporations, were in charge of medical practices and patient care. However, the recent proliferation of third party vendors, known as Management Services Organizations (MSOs), coupled with loopholes in Minnesota's CPOM doctrine, means the role of MSOs has evolved beyond patient scheduling and billing to setting clinical operations processes and procedures that ultimately harm patients.

Additionally, corporations and private equity are able to bypass current laws by creating [increasingly complex and obscured](#) ownership structures, which in turn makes it [difficult](#) for researchers and policymakers to address the harmful impacts of provider consolidation on patient costs and care.

When non-medical corporate entities own and control medical practices, clinical decisions are [influenced](#) by financial pressures rather than patient needs. The shift to prioritize financial gain creates [higher prices](#), unsafe and [reduced staffing](#), and [reduction of services](#), regardless of community need. The consequences directly impact patient cost and affordability:

- [Three in five](#) Minnesotans report healthcare affordability burdens;
- [Over half](#) of Minnesotans have delayed or foregone needed care due to cost;
- Hospital care represents approximately [\\$30 of every \\$100](#) spent on healthcare in Minnesota; and

- Communities of color and rural patients face disproportionate impacts, as [52%](#) of Black, Indigenous and other Minnesotans of color report going into debt for medical bills.

SF 2939 addresses these challenges through two mechanisms: 1) enacting transparency requirements and 2) strengthening the prohibitions on corporations' control over clinical operations rather than licensed healthcare providers.

First, the bill requires healthcare entities to annually report detailed ownership information to the Commissioner of Health, offering transparency to regulators, researchers, and policymakers so they can better understand and address the complex impact that provider consolidation has on the health care system.

Second, this bill ensures that only licensed healthcare professionals can own and operate medical practices, requiring "meaningful ownership" through active engagement in care delivery or practice management. It prohibits arrangements where corporate entities effectively control clinical decision-making and prevents compensation models that incentivize profit over patient care. The bill specifically protects clinical decision-making in areas most vulnerable to corporate interference, including how time with patients is allocated, revenue distribution, staffing arrangements, negotiations with payers, diagnostic coding decisions, and most importantly, clinical standards and practices. This legislation aims to target one of the negative impacts of provider consolidation while maintaining flexibility for legitimate business arrangements. By prohibiting practice-based compensation that ties payment to volume or financial metrics, the bill helps to ensure that the financial incentives of corporate actors align with meeting the needs of patients.

Minnesota is not alone in this effort – [nine other states](#), including [Oregon](#) and [Indiana](#), are considering similar legislation this legislative session. This bill provides the necessary guardrails in Minnesota to ensure provider consolidation and corporate involvement don't undermine the patient-provider relationship or diminish quality of care. **For these reasons, USofCare supports this legislation and respectfully requests a “yes” vote.** We hope you consider United States of Care as a resource and should you have any questions regarding our testimony, please don't hesitate to contact us.

Sincerely,

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