On March 20th, Eugene Emergency Physicians leveraged its new rights under SB 951 and filed a lawsuit against PeaceHealth and ApolloMD, elucidating the "friendly physician" model that ApolloMD is using as an out-of-state MSO to overstep beyond the administrative realm and into clinical decision-making over the ER. Due to these violations, EEP is asking the court to ban ApolloMD from operating in Oregon and to preserve the current contract between PeaceHealth and EEP until litigation is complete. Only time will tell if any of these strategies will be effective in keeping our ER safely in the hands of the best equipped and locally invested physicians.

By now many have heard that PeaceHealth is not renewing its contract with the Eugene Emergency Physicians, who make up the staff of the ERs in three Lane County hospitals, including RiverBend. More difficult to parse out is why and how this is happening, and what defenses are available to the community. This requires a deeper look at corporations' profit incentives to leech off of healthcare systems, and a critical eye to understand exactly who will be losing the most in what is scheduled to be a major disturbance to the entire fabric of Willamette Valley's emergency medicine on July 1st.

What's happening?

Over the last few decades, corporations have increasingly edged their way into profiting off of the sick and dying through contract management groups (CMGs) and management service organizations (MSOs), third-party companies that handle emergency room's 24/7 staffing, billing services, and business administration for a cut of the profits. Currently, more than half of all emergency physicians in the US are employed by these third-party companies; and many physicians report when these management groups signed contracts with hospitals that employ them, they lost autonomy and patient care declined. By design, these models introduce new greedy recipients of profit – CEOs, administrative staff, stockholders – without introducing new sources of revenue,

which motivates them to cut costs, reduce physician pay, and pressure ERs to be more efficient (often sacrificing quality of patient care) in order to cut their own paychecks.

For the past 35 years, PeaceHealth has staffed the only Level II trauma center between Portland and Roseburg, RiverBend Hospital, by contracting with "Eugene Emergency Physicians" (EEP) a small physician-owned and self-managed group of local doctors. With EEP holding the contract, our physicians make their own informed decisions about our community's healthcare and they don't have to cater to external interests that inevitably result in the trends described above. Without explanation or warning, on February 3rd, PeaceHealth Chief Hospital Executive Jim McGovern announced he will not renew the contract with EEP when it ends on July 1st, and instead will replace it with a contract with an Atlanta-based MSO, ApolloMD.

Due to the 2023 closure of University District Hospital, combined with Eugene/Springfield's aging population, RiverBend's patient numbers are at a record high and ER wait times have been steadily increasing. But it seems only Jim McGovern and the corporate stakeholders who will profit off of this decision think a partnership with ApolloMD is the appropriate solution. PeaceHealth executives have insisted ApolloMD is *not* a private equity firm, despite records that show it was backed by private equity interest ValorBridge up until one year ago.

Although ApolloMD has obscured its financial profile, the available public record reveals a clear trend of cutting corners whenever possible to improve profits, to the detriment of its employees and patients. In 2016, the Equal Employment Opportunity Commission sued ApolloMD for the discriminatory firing of a doctor due to his disability. Shortly after, one doctor that had worked for ApolloMD for eight years brought a lawsuit against them for medicare fraud, accusing them of a pattern of intentionally misrepresenting the care patients had

received in order to bill their insurance for more. A judge substantiated these claims in 2021 by denying ApolloMD's motion to dismiss.

ApolloMD's obsession with cutting costs has also drawn in AI technology ventures vying to profit off the sick and dying too. On its website, ApolloMD brags that its recent partnership with CleoHealth is "one of the largest deployments of AI-powered clinical documentation technology in emergency medicine". Yet Cleo Health's short track record reveals its own predatory nature, most notably through a court-ordered 17 million dollar payout to consumers who proved in federal court that Cleo Health was "preying on the poor people that need a helping hand."

Will ApolloMD really be able to do this?

ApolloMD's entry into the community of Eugene Springfield is the perfect test for Oregon law SB 951, a law passed last year in order to prevent this exact kind of sudden corporate takeover. The president of the American Academy of Emergency Medicine, Robert Frolichstein, called on Oregon state officials to evaluate the contract with ApolloMD in the context of SB 951, explaining how the law was designed to "prohibit ownership of a medical practice by physicians with a significant stake in the management-services organizations (MSOs)."

Meanwhile, ApolloM has been emphasizing its image as a "physician-owned company", operating under CEO Yogin Patel who is a graduate of UO and has a license to practice in Oregon (along with 10 other states). ApolloMD went so far as to create a new "local" corporation, Lane Emergency Physicians LLC. In order to feign compliance with these Oregon state laws that protect against outside corporations pushing out physician-run medicine, ApolloMD established this LLC the same day the contract with ApolloMD was announced; arguing that this LLC, with an Atlanta-based physician as the sole owner,

would serve as primary decision-maker on clinical matters, with ApolloMD simply offering administrative support. Former Oregon representative Marty Wile explains this structure is "commonly used in the industry to give a management company [like ApolloMD] effective operational control while maintaining the appearance of physician ownership."

Governor Tina Kotek has asked PeaceHealth and ApolloMD to delay the proposed transition by six months, and a group of other Oregon representatives published a letter asking PeaceHealth to submit the transition for review for compliance with SB 951.

The local government's response to ApolloMD's intrusion in our community follows PeaceHealth medical staff's prompt and coordinated resistance. In just a few weeks following McGovern's announcement, 93% of PeaceHealth medical staff voted "no confidence" in PeaceHealth executive leadership, and supported restoring the contract with EEP. On the same day, all 41 of the physicians and physician assistants of Eugene Emergency Physicians signed a pledge not to work for ApolloMD for 90 days.

Various medical staff at the RiverBend ER report that physicians and nurses have tried proposing their own innovative solutions to the ER overwhelm crisis to PeaceHealth management. Again and again, physicians have been dismissed or ignored. This decision to contract with ApolloMD – without any forewarning or opportunity to challenge that decision – is the final straw for most doctors. ApolloMD recruiters began calling the doctors working in the RiverBend ER to offer them the jobs they currently hold, with contracts for $50/hr less than their current wages, but none of them have accepted an offer. Many are already finding other jobs, making it unlikely RiverBend ER will have any of its experienced physicians at any point in this transition.

What is PeaceHealth's incentive?

In the face of doctors, nurses, community members, representatives, and the governor all begging him to reconsider, Jim McGovern has refused to change his mind and failed to produce any reason for replacing EEP other than a vague gesture to ApolloMD having "more resources". Although PeaceHealth's decision to contract with ApolloMD is a new, distinctly horrifying level of misalignment with what our community needs, it has been foreshadowed by many profit-motivated decisions by PeaceHealth in the last handful of years. At the end of 2023 when PeaceHealth shut down University District, Eugene's only hospital, its defense was that it just couldn't make enough money with a patient population that was too poor and too uninsured. PeaceHealth management told its staff the RiverBend patient load would increase 15-20% following the closure – in reality, nurses report it's been a 30-40% increase in patients.

Nurses explain that this surge in patients, especially in the wake of the provider crisis following the early years of the COVID pandemic, resulted in two primary factors responsible for the declining RiverBend ER: shortage of beds and a shortage of staff. Nurses report the provider-to-patient ratio is most often 4:1, even though due to recent Oregon laws that protect healthcare workers and patients, the ratio should be half as much for patients who need more intensive care. The 57 ER beds are almost always full, and it has become normalized to have 12-16 hall beds full of patients. This hallway bed set-up is precarious – there aren't enough monitors for the hallway, so these patients can't be synced up with the central system, so unless a nurse is standing right next to a patient, they won't know whose condition is worsening and who needs immediate care. Despite this dangerous set-up, McGovern has insisted the use of hallway beds can be depended on as a typical use of space and resources. As if this wasn't enough, McGovern's policies have also mandated the automatic receival of all cardio and stroke patient transfers from surrounding facilities, regardless of

RiverBend's ability to bed them. There's no contingency plan, no option for RiverBend staff to refuse these transfers – even if accepting them into the already-overwhelmed ER may pull nurses and resources away from other critical patients needing care.

Instead of an influx of beds and staff, which would address the true root cause in this crisis, RiverBend nurses have witnessed an escalating trend of cost-cutting measures that continue to compromise their quality of employment and patient care. Within the last six months, PeaceHealth has laid off 3% of its staff, including all overnight social workers and crisis workers, and all distribution staff, who managed and stocked equipment.

RiverBend admin has put increasing pressure on doctors to go faster and to see more patients, somehow twisting the culpability of a failing, commodified healthcare system onto the shoulders of the only people who directly provide the humanistic care. This is profit-driven medicine at its most dangerous. One experienced nurse explains, "kindness, compassion, and time to connect with a patient could be the difference between life & death."

How will this affect the community?

Many ER nurses are on the path to retirement or finding another job before all hell breaks loose in this transition. One nurse tells us to expect the ER to start "hemorrhaging nurses." When questioned about a plan to retain nurses in the ensuing chaos that his decision has caused, McGovern didn't have a response. But truly, the ER nurses are the only thing standing between us and total chaos. The emergency room requires a high level of collaboration and trust among doctors and nurses. Of course it's not perfect, but "it's a well-oiled machine", one nurse explains. It has taken decades to build up this kind of experience and cohesion in this high-paced environment.

Furthermore, emergency rooms are embedded in an ecosystem much broader than themselves – EMS, CAHOOTS, shelters and social service providers, memory care facilities, and more. Good patient care depends on knowledge of and relationships with local resources. Ignorance of these will impede this new wave of doctors' ability to transition care and support of their patients outside the ER.

Just three months before this massive transition, McGovern has not shared any plans with the ER staff as to how it is supposed to take place. Scheduled for July, one of the busiest months of the year, this transition will undoubtedly increase the staff's workload and ER wait times. Experienced nurses who are preparing to remain through this transition fear the higher risk of injuries and mistakes given the impossible pace and lack of resources, which they will likely be blamed for, and patients will likely suffer for.

What can we do?

The nurses who will be shouldering this transition encourage all community members to use their voices to speak out against PeaceHealth's contract change, and to keep the spotlight on these injustices. They ask the public to continue writing letters to representatives at state and national levels, and email Jim McGovern. Sign this petition, circulated by the Oregon Nurses Association (ONA): https://fs22.formsite.com/nAjztM/thhpknqu2o/index and follow the ONA nurses at RiverBend on instagram for continued ways to support them: https://www.instagram.com/sacredheartnurses/.

Have confidence in the doctors and nurses of the RiverBend ER. In the coming months, compassion and a little understanding for the hell that our nurses are about to endure will go a long way. While mismanagement and a lack of institutional support are usually driving causes of provider burnout, patients who fail to show their caretakers patience and humanity can also take a huge hit to morale. More than

ever, our nurses need to know that we see them, we want them here, and we want them to have the support they need to succeed. Nurses and doctors say they are seeing their colleagues continue to give the best care they can, in spite of the policies and politics that are handed down to them. “If nursing is anything, it is overcoming obstacles. We are good at what we do, and we love each other and what we do.”