

What Physician Practices Should Know About the Stop Corporate Takeovers of Physicians Act

The structure and ownership of physician practices has changed substantially over the past decade. On September 16, 2026, federal lawmakers introduced the [Stop Corporate Takeovers of Physicians Act of 2026](#), a proposal that would establish federal restrictions on the ownership and control of medical practices by certain corporate entities and would address the authority exercised through management services organization (MSO) arrangements.

The legislation was introduced by Representatives Alexandria Ocasio-Cortez, Val Hoyle and Suhas Subramanyam and Senators Elizabeth Warren, Ron Wyden and Jeff Merkley. It is modeled in part on Oregon's recently enacted corporate-practice-of-medicine legislation. Importantly, the federal bill is proposed legislation and is not current federal law. The Stop Corporate Takeovers of Physicians Act ensures health care decisions are made by physicians, not private equity firms, insurance companies, or other corporate actors.

For physician practices and their RCM partners, the proposal is noteworthy because its definition of corporate control extends beyond ownership and into several operational areas that intersect with the revenue cycle.

What Physician Practices Should Know

- The proposal would create federal limits on corporate ownership and control of physician practices.
- MSO authority over billing, contracting, compensation, revenue targets and disbursement of revenue is specifically relevant.
- Outside administrative support, including RCM, coding and credentialing, would remain distinct from ownership or prohibited control; the key issue is who retains decision-making authority.
- Practices should monitor both federal developments and state corporate-practice-of-medicine requirements.

A Changing Physician Practice Landscape

The legislation arrives amid a significant shift away from independently owned physician practices. According to the Physicians Advocacy Institute (PAI) and Avalere Health, 82.0% of U.S. physicians were employed by hospitals or other corporate entities as of January 1, 2026: 59.7% by hospitals and 22.3% by other corporate entities. The same research found that 63.9% of physician practices were owned by hospitals or other corporate entities.

The distinction matters: the 82.0% figure combines hospital employment with employment by other corporate entities, including entities such as private equity firms and health insurers; it does not mean that 82.0% of physicians are employed by private equity firms or insurers.

What Would the Federal Legislation Do?

At a high level, the proposal would:

- Generally restrict certain for-profit corporations, private equity firms and insurers from owning or controlling medical practices;
- Require qualifying medical practices to be majority-owned and controlled by licensed healthcare professionals;
- Address arrangements in which a physician nominally owns a professional entity while another organization exercises substantial operational or financial control;

- Restrict specified MSO control over functions such as hiring and firing, schedules, compensation, revenue targets, billing practices, contracting and disbursement of revenue; and
- Limit corporate interference with professional medical judgment and address certain restrictive employment agreements.

Why Oregon Matters

The federal proposal follows a broader state-level trend and is modeled in part on [Oregon Senate Bill 951](#). Oregon SB 951 became law in 2025 and restricts an MSO and certain individuals associated with an MSO, from owning, controlling or participating in management of a professional medical entity with which the MSO has a management services agreement. The law also addresses certain non-competition, non-disclosure and non-disparagement agreements.

Oregon's framework illustrates how policymakers are attempting to distinguish between administrative support for physician practices and arrangements that transfer substantive ownership or control of a professional medical entity to non-clinical organizations. The Oregon law includes phased implementation, including later application of certain ownership and control restrictions to pre-existing entities.

Why This Matters for Revenue Cycle Management

Although the federal legislation is primarily an ownership, governance and physician-independence proposal, several provisions intersect directly with revenue cycle operations. The proposal identifies billing practices, contracting, compensation, revenue targets and the disbursement of practice revenue among areas relevant to determining the degree of control exercised over a physician practice.

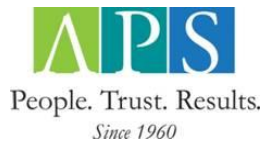
This does not mean physician practices must perform all administrative functions internally. Practices routinely rely on outside organizations for revenue cycle management, coding, credentialing, information technology, accounting and other business services. The practical distinction is between providing administrative expertise and exercising ownership or decision-making authority that the law would reserve to the professional medical entity or licensed clinicians.

For pathology, laboratory and radiology groups, the issue deserves particular attention because these specialties often operate within complex relationships involving hospitals, independent physician groups, laboratories, MSOs and third-party service organizations. Practice structure can also affect payer enrollment, credentialing, contracting, billing workflows and the handling of practice revenue.

What Practices Should Watch

Because the Stop Corporate Takeovers of Physicians Act has only recently been introduced, its provisions could change during the legislative process and enactment is not certain. For now, physician groups may want to understand their existing ownership structure, MSO and management agreements, physician governance, decision-making authority, restrictive covenants and allocation of responsibility for billing, contracting and revenue management.

Practices considering a sale, investment, affiliation or new MSO relationship should also monitor state-specific corporate practice of medicine requirements, which vary considerably by jurisdiction.

**APS Perspective**

As the healthcare business environment evolves, changes involving practice ownership and governance can have downstream implications for revenue cycle operations. Regardless of ownership structure, an effective RCM relationship should provide physician practices with transparency into financial performance while maintaining clearly defined responsibilities for clinical, business and administrative decisions. Accurate charge capture, compliant coding, payer enrollment, contract management, denial management and transparent reporting remain essential to the financial health of a medical practice.

APS will continue monitoring the Stop Corporate Takeovers of Physicians Act and related state developments for potential implications to physician practices and revenue cycle management. Should you have any questions, please contact your Practice Manager.