California Attorney General Reinforces State's Corporate Practice of Medicine Prohibition in Amicus Filing

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The California Attorney General filed an amicus brief in a pending California Court of Appeal case, *Art Center Holdings, Inc., et al. v. WCE CA Art, et al.*, reaffirming the state's long-standing ban on the corporate practice of medicine. The brief supports a trial court ruling that contractual provisions allowing a private equity–backed management services organization (MSO) to replace a physician-owner or otherwise exert excessive control over an affiliated medical practice violate California law, underscoring that MSOs are limited to administrative support. In announcing the filing, the AG emphasized the state's commitment to protecting independent medical judgment—particularly as private equity investment in health care expands. The brief marks the latest signal of heightened state scrutiny of PC–MSO arrangements, alongside recent legislative activity, including California's passage of SB 351 and Oregon's passage of SB 951.