



August 23, 2022

TO: Oregon's Health Care Mergers Oversight Program
FR: Maribeth Guarino, Oregon State Public Interest Research Group (OSPIRG)
RE: SDB

OSPIRG is a consumer advocacy organization with members across the state. We appreciate the opportunity to provide some brief comments on the transaction filed by SDB.

We have some concerns about this merger that are similar to concerns we have raised in previous merger transactions filed with this program regarding the increasing stake private equity firms have taken in the health care industry. Private equity involvement in health care can provide some benefits like efficiency, but that efficiency can come at the cost of lower quality care and worse health outcomes.¹ We would encourage continued monitoring of this transaction for any negative effects stemming from the transition of ownership to a private equity firm (TSG) and the involvement of so-called 'non-health care entities' in the ownership and management of health care services.

We would also ask that the state require or provide further clarity about the transaction. The filing references "LCG" as the company undergoing the change, but it is unclear what this company is and where it falls in the plethora of entities involved in this transaction. Without this clarification, it would be difficult to evaluate whether the transaction would have an effect on cost or quality of care. We do appreciate that the notice indicates that the current service agreements will not change as a result of the transaction, but believe that the continued monitoring of the transaction will be the most telling indication of that.

¹ Maanasa Kona, "Understanding the Role of Private Equity in the Health Care Sector. Georgetown Center on Health Insurance Reform," 21 June 2022.
<https://chirblog.org/understanding-role-private-equity-health-care-sector/>