

## EXECUTIVE SUMMARY

# SDB Transaction Review

The [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals to make sure they support statewide goals related to cost, equity, access, and quality. After completing a review, the Oregon Health Authority (OHA) issues a decision about whether a business deal, or transaction, involving a health care company should proceed. On August 9, 2022 OHA received a completed [notice of material change transaction](#) from Specialty Dental Brands (SDB), a dental support organization.

## Proposed Transaction

Specialty Dental Brands (SDB) is seeking to sell an ownership stake in the company to TSG Consumer Partners, a private equity firm. SDB is a dental support organization that provides business and non-clinical supports to specialty dentists in 20 states, including one practice in Oregon, OR Specialty Dental. SDB has existing majority private equity ownership (Leon Capitol Group). After the transaction, ownership in SDB will be split between management and dentist owners, TSG Consumer Partners, and Leon Capitol Group.

## OHA's Review

OHA conducted a 30-day preliminary review of the proposed transaction. During the review, OHA gathered background information about the companies involved and assessed the likely impact of the transaction across four domains: cost, access, quality, and equity. OHA held a 14-day public comment period and received one public comment submission. The public comment letter raised concerns that private equity involvement in health care can lead to lower quality of care and worse health outcomes.

## Key Findings



### Cost

OHA does not have specific concerns about price increases resulting from consolidation, as there is no increase in consolidation. Ownership of the dental practices in Oregon will not change because of this transaction. The Entity has stated that they do not expect the transaction to have negative impacts on the price of health care services in Oregon. But, because many services provided by OR Specialty Dental are paid out of pocket, the practice could increase prices depending on if there are competing dental specialists nearby. OHA will monitor for price increases and other cost impacts in follow-up analyses.



### Access

OHA does not have specific concerns about reductions in access to care resulting from this transaction. The entities have stated that the transaction is unlikely to affect access, as the transaction focuses on a change of ownership of the DSO, but not the practice. OHA will monitor for access issues in follow-up analyses.

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### Quality

OHA does not have specific concerns about quality of care for this transaction. While there are broader concerns about the negative impacts of private equity involvement on quality of care, patient outcomes, and provider experience, OHA does not have access to specific quality information for the entities involved. OHA will continue to monitor quality impacts in follow-up reviews.



### Equity

OHA does not have specific concerns about equity for this transaction. There are more general potential concerns about access to care and impact of private equity involvement for low income and vulnerable populations. OHA will monitor for equity impacts in follow-up reviews.

## Conclusions and Decision

Based on preliminary review findings, **OHA approved this transaction on September 9, 2022.** (See [Review Order 004 – SDB](#) and [Review Summary Report](#).) OHA made this decision based on these criteria:

- 1. The transaction is unlikely to substantially reduce access to affordable health care in Oregon.** The transaction represents a partial change in the indirect ownership of the DSO that provides business support services to a specialty dental practice in Oregon. The transaction will not increase consolidation in the market for dental support services or specialty dental services in Oregon. In the notice of material change transaction, SDB states that “[t]he transaction is not expected to have any negative impact on the price of or access to health care services within Oregon ...”
- 2. The transaction is not likely to substantially alter the delivery of health care in Oregon.** The transaction is not expected to alter the delivery of specialty dental services by the dental practice involved in the transaction. It does not change the ownership of the dental practice itself nor the types of support services the practice receives from SDB.

OHA will monitor the impact of the transaction by conducting follow up analyses one year, two years, and five years after the business deal is completed. During these reviews, OHA will analyze the impact of the transaction on quality of care, access to care, affordability, and health equity, specifically following up on concerns or observations noted in the Findings & Potential Impacts section of the Review Summary Report. OHA will also assess whether the parties to the transaction have kept to the commitments stated in the notice of transaction regarding cost, access, and quality of care.

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