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October 26, 2023

VIA EMAIL

Sarah Bartelmann, MPH
Health Care Market Oversight Program Manager
Oregon Health Authority
421 SW Oak St.
Suite 850
Portland, OR 97204

Re: Transaction ID: 007: Radia Inc. P.S. and Medford Radiological Group, PC

Sarah:

On March 9, 2023, the Oregon Health Care Market Oversight Program (“HCMO”) issued an order approving a proposed material change transaction (the “Proposed Transaction”) involving Radia Inc. P.S. (“Radia”) and Medford Radiological Group, PC (“MRG”).

Since then, the parties have continued working towards a potential transaction and, on October 9, 2023 executed a new letter of intent (the “Revised LOI”) that changes the way in which the parties will effectuate the Proposed Transaction. The Revised LOI no longer contemplates that Radia will acquire the shares of MRG. Instead, Radia will extend to each MRG shareholder the option for immediate admission as a shareholder of Radia (the “Option”). MRG shareholders who accept the Option will become shareholders of Radia and employees of either Radia or a newly formed Radia affiliate, Radia Oregon Radiology Medical Group, LLC (“RORMG”). MRG will not be a subsidiary or affiliate of Radia. RORMG will acquire certain assets of MRG’s interventional radiology clinic but, otherwise, MRG will continue to hold, either directly or through existing MRG shareholders, all existing assets, including ownership interests in two joint ventured outpatient imaging centers: Cardiovascular Institute of Southern Oregon (“CVISO”) with Asante and Oregon Advanced Imaging with Providence Health System. Radia and MRG are in the process of a needs analysis to determine which MRG non-physician staff will be offered employment at RORMG.

Although the structure of the transaction differs from the structure described in the Initial LOI, the effect of the Proposed Transaction is the same. As with the initial proposal, the parties anticipate that all existing MRG shareholders will continue to practice in the current MRG service area and that patients in that area will have better access to sub-specialty care through Radia’s physician roster. The intent is also for all MRG physicians to retain their existing payer contracts. Likewise, Radia will continue to provide service to MRG’s current hospitals and other sites of service under mutually agreeable terms, which may include assignment of MRG’s existing contracts.

Sarah Bartelmann, MPH

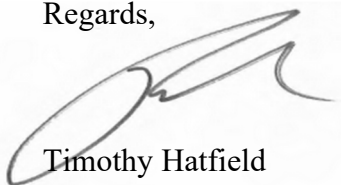
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As such, we believe the Proposed Transaction presents no new issues for consideration and HCMO's March 9, 2023 conditional approval will apply equally to this revised structure. The transaction continues to involve the same parties and the same result will be achieved, except that MRG, as a legal entity, will not become a subsidiary or affiliate of Radia and will remain separately owned by its existing shareholders. As with the initial Proposed Transaction, the Revised LOI will not lead to any significant consolidation within the market for radiology services in Oregon.

Attached to this letter is the Revised LOI, which is confidential and not subject to public disclosure. In accordance with OAR 409-070-0045(5), we will provide final executed versions of the definitive deal documents in advance of closing. If you have any questions about the revised structure, please contact me as soon as possible. We anticipate closing the Proposed Transaction on or around December 31, 2023.

Regards,

A handwritten signature in black ink, appearing to read "Timothy Hatfield", is written over a light gray rectangular background.

Timothy Hatfield