

## EXECUTIVE SUMMARY

# Envision 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 October 19, 2023, OHA accepted a completed [notice of material change transaction](#) from Envision Healthcare Corporation, an owner of five ambulatory surgery centers (ASCs) in Oregon.

## Proposed Transaction

Envision Healthcare Corporation (“Envision”) is a Delaware corporation that owns hundreds of subsidiary companies including ambulatory surgery centers (ASCs), five of which are located in Oregon. Envision filed for chapter 11 bankruptcy in May 2023. On October 11, 2023, the bankruptcy court confirmed a proposed plan of reorganization that would split Envision into Envision Physician Services and AmSurg, with each having separate leadership and new ownership structures. AmSurg’s newly formed parent company will become the new indirect owner of the five ASCs in Oregon. This restructuring is not expected to impact the operational structure or governance of the five ASCs in Oregon.

## OHA’s Review

OHA completed a preliminary review of the proposed transaction. During the review, OHA assessed the likely impact of the transaction across four domains: cost, access, quality, and equity. OHA held a public comment period and received no public comment submissions.

## Key Findings



### Cost

The proposed transaction is unlikely to affect costs because no consolidation is occurring. The addition of a new parent company and indirect owner is unlikely to affect the negotiated prices the Oregon ASCs receive from payers like health insurance companies.



### Access

The five ASCs will continue to provide the same types and amounts of medical services to individuals in the same geographic region. The proposed transaction is also unlikely to impact the types of insurance – commercial, Medicare, and the Oregon Health Plan – that the ASCs accept.



### Quality

The transaction is unlikely to affect health care quality. The five ASCs will continue to provide the same types and amounts of medical services to individuals in the same geographic regions.



### Equity

The proposed transaction is unlikely to affect the types of medical services offered at the facilities, the medical staff who treat patients, or the patients’ ability to access ambulatory surgical care services. The restructuring is unlikely to affect health equity.

### Conclusions and Decision

Based on preliminary review findings, OHA concluded that the material change transaction is not likely to substantially alter the delivery of health care in Oregon. Envision's proposed restructuring will split Envision into Envision Physician Services and AmSurg, where each will have separate leadership and new ownership structures. AmSurg's new parent company will own each of the following corporate subsidiaries: 1) AmSurg HoldCo, LLC, 2) AmSurg, LLC, and 3) AmSurg Holdings, LLC. AmSurg Holdings, LLC has majority ownership of the five ASCs in Oregon. The addition of a parent company four corporate levels above the operating entities is not likely to substantially alter the delivery of health care among the five ASCs in Oregon. The transaction is unlikely to result in any changes in operations or management of the five ASCs, and they will continue to provide the same types and amounts of medical services to individuals in the same geographic region. The proposed transaction is also unlikely to impact the types of insurance – commercial, Medicare, and the Oregon Health Plan – that the ASCs accept. No consolidation is occurring, and the addition of a new parent company is unlikely to affect the negotiated prices the Oregon ASCs receive from payers like health insurance companies. **OHA approved the transaction on October 30, 2023.** (See [order](#)).

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 any 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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