

Mid Valley Health Care Advocates (MVHCA) is a 501 (c)(3) organization whose mission is to "...establish a publicly funded, equitable, affordable health care system for all people in Oregon..." . MVHCA advocates have been working to achieve an equitable healthcare system in Oregon for decades. Our members include physicians, nurses, and other health care providers with over 100 years of combined experience. Some of our medical providers have been employed with large group practices; others have owned and/or worked for small private medical businesses. Other members of MVHCA include Medicaid and Medicare patients, people with disabilities, as well as college students many of whom are on Medicaid wondering how they can afford health care in Oregon.

We have substantial concerns about the upheaval that the proposed CareOregon-SCAN merger will create in Clackamas, Columbia, Tillamook, Jackson, Multnomah and Washington counties. While no providers in our region would be directly affected by the proposed CareOregon merger with SCAN, patients from our community may be directly affected as many patients are referred out of the mid-valley community. In 2015 we watched as Trillium Community Health Plan, a CCO in Lane County and a recognized leader for innovative approaches and outstanding coordination of community-based healthcare was bought outright by Centene a national health insurance corporation. A proposed "forward looking" smooth transition was very hard on Oregon Medicaid patients, in particular the disabled population. Taxpayer monies flowed through to Centene and out of Oregon. In 2022 United Health Care (UHC) "quietly" purchased Oregon Medical Group (OMG) in Lane County. The transaction was NOT quiet for the affected patient population. For several months OMG closed their offices to patient care every afternoon while they learned how to manage the computer system that UHC required for all patient transactions. In the midst of a Pandemic, disabled Medicaid patients were being sent to the Peace Health hospital ED for primary care evaluation. Some of us had family members who were caught in this troublesome situation. Given this history, we have serious concerns as taxpayers that the proposed merger of CareOregon with SCAN California will create significant upheaval for Oregon patients, particularly those on Medicaid and more particularly those who are disabled based on our "lived experiences".

The proposed merger of CareOregon with SCAN California raises several serious questions that need to be addressed and answered before a decision is made. There are several "forward-looking statements" made in the application document that may or may not come to pass. Unfortunately due to the proprietary and confidential nature of corporate financials, much of the data is not available. Answers to significant questions are difficult to find in reviewing the organizational chart or the application for merger documents. In addition, the public is ill prepared to find specific answers to their questions. In the application document SCAN states that the merger will allow for more specialty care for the Medicaid patients of CareOregon. Yet the documents do not state how such an important achievement will be accomplished. Where will SCAN find the specialists to meet the needs of the CareOregon patients given the shortage of specialists nationally? If the specialists are in another state how will CareOregon patients be able to access that specialist?

Many of us ask "Why is SCAN so interested in CareOregon that SCAN has applied for a merger"? These two corporations have different foci. SCAN focuses on providing Medicare insurance plans to the elderly in California, Arizona, Texas and New Mexico, and with an

expressed desire to market those plans in Oregon and Washington; whereas, CareOregon is focused on current healthcare needs of Oregon Medicaid patients and promoting health equity.

The OHA Medicaid Advisory Committee has as a slide in their powerpoint with the statement **“CareOregon does not anticipate any changes to current services in Oregon and plans to keep current management and staffing.”** With this statement from CareOregon, why is CareOregon willing to transfer a total of \$145 million (primarily taxpayer) dollars to form HealthRight and a Charitable Foundation. It appears from the available documents, that SCAN is most interested in the flow of taxpayer money from Oregon to the corporate offices of SCAN so they can expand SCAN corporate businesses?

Other questions are as follows:

1. How will the merger of CareOregon and SCAN California benefit the clients of CareOregon who are primarily Medicaid or Medicaid/Medicare dual eligible persons?
2. How will the merger of CareOregon and SCAN California improve equity in healthcare for the clients of CareOregon?
3. How will the transfer of \$120 million by CareOregon to SCAN impact CareOregon’s operations and how will this payment benefit clients in a better way than these clients are already benefiting? Please be specific.
4. How will the payment of an additional \$25 million dollars to form a Charitable Foundation affect patient care or provide additional benefits to CareOregon clients? Please be specific.
5. What will happen to the \$1 billion dollar reserve owned by Care Oregon after the merger?
6. What specific tangible service improvements would result for CareOregon clients?
7. While CareOregon would retain its Board of directors and have four members of the SCAN HealthRight Group Board post-merger, who will have control over the budget and use of the funds generated by CareOregon?
8. How will Oregon taxpayers be able to trust OHA when CareOregon operating revenue and net assets leave the state, just as taxpayer monies left the state in the Centene-Trillium merger. (In 2020 CareOregon reported \$2.4 billion in operating revenue and had net assets of \$712 million.) Similarly, taxpayer monies are leaving the state in the UHC-OMG merger as CCO patients are being treated by UHC-owned medical providers.

We ask that until these questions about benefits for clients of CareOregon and the transfer of financial assets from CareOregon and Oregon taxpayers to SCAN California, that the merger not be approved. It is hoped that OHA truly understands the imbalances these types of mergers can entail for patients; the merger of Centene and Trillium as well as the more recent merger of United Health Care with Oregon Medical Group in Lane County, disrupted medical care in that

community from which clients are still recovering. We foresee significant disruptions for the clients of CareOregon if the current proposed merger is approved.

Oregon has been a leader among several other states who are also focused on developing an equitable affordable high quality healthcare system for their state; Oregon has been developing the CCO model. The proposed merger between SCAN and CareOregon CCO is likely to bring more harm than good as Oregon endeavors to move forward as a leader in state based healthcare.

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