

CareOregon & SCAN Group

Overview of OHA Form A Review
Office of Actuarial and Financial Analytics



Why we're here

OHA would like to:

- Provide high level information about the planned transaction between CareOregon and SCAN Group and the review process
- Engage members of the Medicaid Advisory Committee about this transaction
- Receive member comments and feedback

This presentation is for informational purposes only.

OHA will use what we hear to inform our review of the CareOregon and SCAN Group transaction.

OHA's role today is to listen and gather information. We won't be responding to questions.

OHA's Form A Review

The **Oregon Health Authority** reviews business transactions that involve the ownership or control of CCOs to:

- Promote the public interest, including CCO members and stakeholders
- Advance the goals and mission of OHA and the Oregon Integrated and Coordinated Care Delivery System

Background

- In 2019, the Oregon Legislature authorized OHA to regulate the financial condition of CCOs
- OHA was required to adopt rules that aligned with the powers of the Department of Business and Consumer Services (DCBS) to regulate domestic insurers
- This includes the authority to approve, approve with conditions, or disapprove transactions involving CCOs

Form A

The “Form A” is:

- the name of a form developed by the National Association of Insurance Commissioners (“NAIC”)
- the document each individual or entity proposing to acquire an insurance company is required to complete and submit to all insurance departments in the United States.

Oregon has explicitly incorporated the NAIC’s Form A requirements into both DCBS’s and OHA’s statutes or regulations.

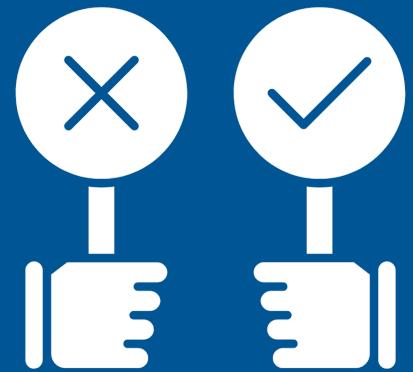
During the Form A review, OHA looks at how the transaction could affect:

- CCO financial stability
- Ability of the CCO to provide services within cost-growth limits
- Ability of the CCO to innovate, coordinate care, provide value and deliver high quality services without unnecessary barriers to access
- Legality of CCO ownership, control, affiliations and governance
- Ability of the CCO to equitably serve diverse populations, including underserved populations
- CCO-community relationships
- Ability of the CCO to support social determinants of health
- Access to and quality of health care for Oregonians who are not OHP members
- Ability of the CCO to perform contractual responsibilities
- Ability of the CCO to advance OHA policy goals

What authority does OHA have?

For each proposed transaction, OHA may:

- Approve
- Approve with conditions
- Disapprove



How we assess impact

Business and policy research

We look at the terms and conditions of a business transaction, the planned activities of the business, and the laws and regulations they must follow.

Engagement and public input

We are required to engage the public, the Medicaid Advisory Committee, and the Community Advisory Councils of the CCOs. In addition, we seek public comment on our review.

Data analysis

We use data from the companies, public sources, and state agency databases to understand how the companies currently perform and how the transaction might change that.

About the SCAN-CareOregon transaction



CareOregon is an Oregon non-profit company that provides health insurance benefits to more than 500,000 Oregon Health Plan members.

CareOregon affiliated companies

- **Columbia Pacific CCO**
- **Jackson Care Connect CCO**
- **Health Share of Oregon CCO** – provides benefits to members and administrative services
- **CareOregon Dental** - dental care organization
- **CareOregon Advantage** - Medicare Advantage plan
- **Housecall Providers** - home health business





SCAN Group is a California non-profit company that serves older adults. SCAN serves about 270,000 people across multiple states.

About SCAN Group

- Offers **Medicare Advantage plans** in
 - California
 - Arizona
 - Nevada
 - Texas
- Operates medical provider groups and services for older adults and people with unstable housing

SCAN and CareOregon plan to combine

Under the proposed transaction:

- SCAN and CareOregon plan to create an organization that will serve Medicare and Medicaid members across multiple states.
- SCAN Group will be renamed HealthRight
- HealthRight plans to become the parent company of CareOregon
- CareOregon will pay SCAN Group \$120 million to become a subsidiary of HealthRight
- CareOregon will contribute \$25 million to launch a charitable foundation to serve the needs of Oregonians



What will the new company do?

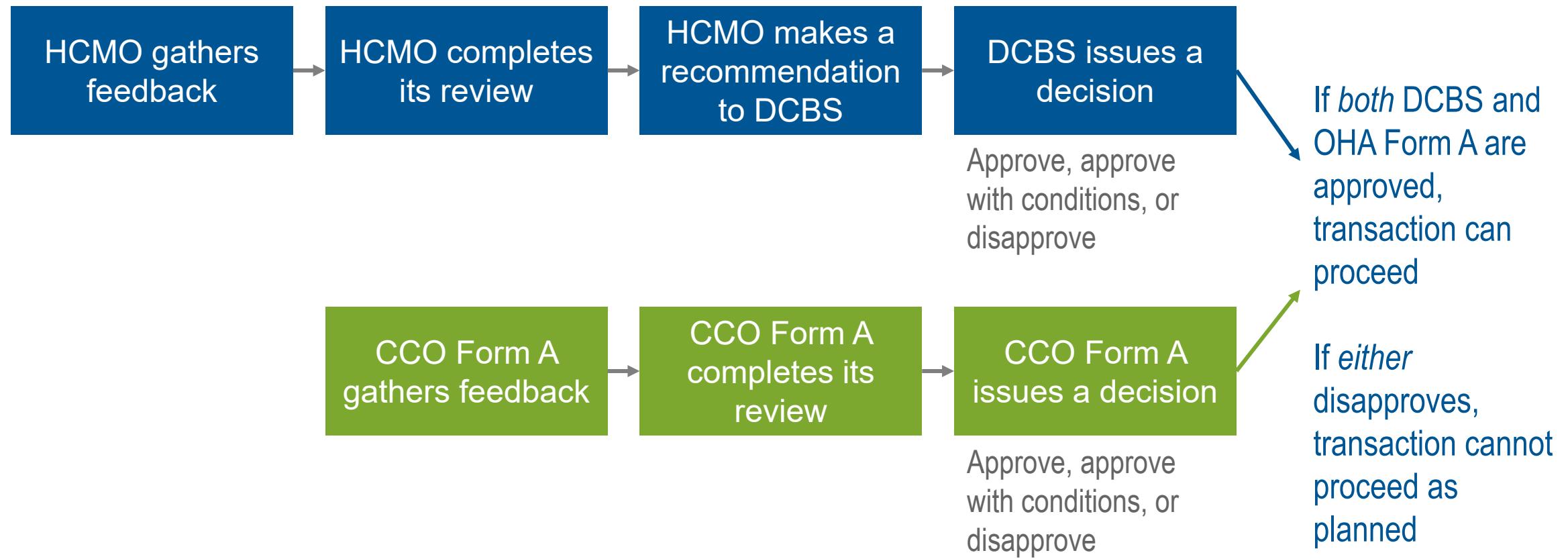
- HealthRight will include a Medicaid Division, led by CareOregon's President and CEO, that will focus on expanding Medicaid plans into other regions
- SCAN and CareOregon say that combining will allow them to compete with large, for-profit health insurance companies and provide new services
- CareOregon has stated that it does not anticipate any changes to current services in Oregon and plans to keep current management and staffing

What's next?

Multiple state regulators reviewing this transaction

Regulator	OHA Health Care Market Oversight	OHA CCO Form A	DCBS Domestic Insurer Form A
What does the review look at?	Cost, access, equity, quality, market share, competition, and benefit to the public	Alignment with CCO requirements, leadership, control and governance, competition, equity, cost, quality	Alignment with legal requirements, financial conditions, leadership, control and governance, competition

What happens next?



Stay informed

- Visit our [Form A website](#)
- Email any questions or thoughts to
FormACareOregon.CCO@odhsoha.oregon.gov

Your input

We want your feedback



Submit a written public comment

Anyone can email FormACareOregon.CCO@odhsoha.oregon.gov with their thoughts about this transaction

- Mention “CareOregon” in your message
- Written public comments may be used in reports and publications
- Public comments will be posted to OHA’s website
- Please do not include any sensitive or confidential information

Thank you!