

**STATE OF OREGON  
OREGON HEALTH AUTHORITY  
HEALTH POLICY AND ANALYTICS DIVISION**

In the Matter of the	)	First Stipulated Supplemental Order
Material Change Transaction of	)	
Adventist Health System/West	)	Transaction ID: 006
and Mid-Columbia Medical Center	)	

**BACKGROUND**

On April 14, 2023, the Oregon Health Authority (“OHA”) conditionally approved the affiliation between Adventist Health System (“Adventist”) and Mid-Columbia Medical Center (“MCMC”) (the “Transaction”) following a preliminary review by the Health Care Market Oversight (“HCMO”) program, captioned *Findings of Fact, Conclusions of Law, and Final Order in the Matter of the Proposed Material Change Transaction of Adventist Health System/West and Mid-Columbia Medical Center* (the “Order”).

The Transaction closed on June 1, 2023 (“Closing Date”), and MCMC is now known as Adventist Health Columbia Gorge (“AHCG”).

OHA’s Order required that AHCG comply with certain conditions until June 1, 2033, which is ten (10) years following the Closing Date.

Since the Closing Date, AHCG has satisfied many of the conditions set forth in the Order. In particular, AHCG has satisfied the requirements of Conditions 2.a., 2.g., 2.l., and 3. In addition, while untimely, AHCG did submit the Capital Investment Plan to OHA, as required by Condition 2.k.

On September 16, 2025, OHA accepted a complete Petition to modify the Order to permit AHCG to significantly reduce, restrict, or terminate the facilities, services, or programs referenced in Conditions 2.c., through 2.g., of the Order in order to move forward with plans to obtain federal certification as a Critical Access Hospital (the “Petition”).

On November 7, 2025, OHA issued a Determination on AHCG’s Petition finding that (1) AHCG has met its burden to establish “good cause” for purposes of modifying certain Order conditions; and (2) on multiple occasions post-closing, AHCG has violated the terms of OHA’s Order conditions (the “Determination”). OHA now supplements its Order to incorporate certain modified Order conditions.

Now, therefore, upon due consideration of the circumstances, including the Petition and documentation filed in support thereof, other reports and documentation submitted to OHA following the close of the Transaction, and OHA’s Determination, OHA enters this First Stipulated Supplemental Order:

The Order is hereby modified as follows:

1. Condition 2.c. is modified to read:

For ten years following the Closing Date, AHCG shall continue to operate and maintain AHCG as a licensed general hospital, pursuant to OAR 333-500-0032 and OAR 333-520-0000 through 0120.

- i. The hospital shall use commercially reasonable efforts to maintain the following services at or above service levels existing as of the Closing Date:
  1. general medical, maternity, and surgical services;
  2. an emergency department;
  3. dietary, laboratory, and radiology services (on-site or through contract);
  4. an on-site pharmacy;
  5. a pharmacist on call 24/7 to staff the pharmacy; and
  6. on-site or in-house 24/7 staffing for its laboratory and radiology services.
- ii. AHCG shall notify HCMO of any request to OHA's Health Facility Licensing & Certification division, under OAR 333-500-0065, for a waiver of these requirements within five (5) business days from the date such request is filed. OHA reserves the right to request AHCG submit a notification pursuant to the requirements of Condition 2.h. should the waiver contemplate a significant reduction, restriction or termination of the facilities, services, or programs contemplated by Conditions 2.c. through 2.g., or should the waiver request otherwise be in noncompliance with Conditions 2.c. through 2.g. or Conditions 2.n. through 2.o.
- iii. Nothing in this Condition shall preclude AHCG from completing the plans set out in AHCG's Petition, which include (1) reducing AHCG's licensed inpatient bed count from 49 to 25; and (2) completing all federal and state requirements necessary to convert AHCG to a Critical Access Hospital ("CAH").
- iv. In the event such federal and state requirements result in a significant reduction, restriction, or termination of AHCG's facilities, services, or programs existing as of the Closing Date, other than that noted in

AHCG's Petition, AHCG shall follow the notification procedure outlined in Condition 2.h.

2. Condition 2.d. is modified to read:

For ten years following the Closing Date:

- i. AHCG shall continue to use commercially reasonable efforts to operate and maintain all AHCG facilities, services, and programs at or above service levels existing as of the Closing Date, even if such services and programs would otherwise contravene current or future policies or procedures of Adventist. At minimum, this shall include offering the following essential health care services, to the extent they were being offered at AHCG/MCMC as of the Closing Date, at or above service levels existing as of the Closing Date:
  1. obstetrics & gynecology;
  2. behavioral health/ psychiatric services; and
  3. family medicine/ primary care services.
- ii. AHCG shall maintain services and programs currently offered at the Celilo Cancer Center at existing service levels as of the date of this First Stipulated Supplemental Order.
- iii. Nothing in this Condition shall preclude AHCG from completing the plans set out in AHCG's Petition, which include (1) reducing AHCG's licensed inpatient bed count from 49 to 25; and (2) completing all federal and state requirements necessary to convert AHCG to a Critical Access Hospital ("CAH").
- iv. In the event such federal and state requirements result in a significant reduction, restriction, or termination of AHCG's facilities, services, or programs existing as of the Closing Date, other than that noted in AHCG's Petition, AHCG shall follow the notification procedure outlined in Condition 2.h.

3. Condition 2.h. is modified to include references to new conditions 2.n. and 2.o., and now reads:

AHCG shall not significantly reduce<sup>1</sup>, restrict or terminate the facilities, services, or programs contemplated by Conditions 2.c. through 2.g., or otherwise be in noncompliance with Conditions 2.c. through 2.g., or Conditions 2.n. through 2.o. except for good cause shown as approved by OHA.

Remainder of Order Condition 2.h. remains unchanged.

4. Condition 2.m. is modified to read:

For ten years following the closing date of the transaction, the Entities shall submit a Compliance Report annually to OHA. The report shall include:

- i. Information demonstrating compliance with approval Conditions, including detailed narrative and supporting documentation, as applicable, to address each Condition.
- ii. Data on AHCG facilities and service volumes in the format provided in Appendix C, attached hereto and incorporated herein.
- iii. Data on the operation of AHCG's Celilo Cancer Center in the format provided in Appendix C.
- iv. For each Level III Trauma Center Requirement listed in Appendix B attached hereto and incorporated herein, certification of AHCG's compliance with the requirement and a detailed description of activities undertaken to ensure compliance, consistent with Condition 2.n.
- v. A non-binding reporting of expenditures (current and planned) under the Capital Investment Plan. The report shall include:
  1. a description of the expense and/or project;
  2. the amount spent and/or allocated; and
  3. the applicable category of use under the Capital Commitment, as outlined in Section 3.1 of the Agreement

The first report shall be due within 10 months after the closing date, and subsequent reports shall be due every 12 months thereafter. The Entities shall submit a publicly

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<sup>1</sup> AHCG shall use the criteria outlined in OAR 409-070-0010(3) when determining whether there has been a significant reduction of facilities, services, or programs necessary to trigger OHA's approval.

shareable version of each Compliance Report to OHA and make this available on AHCG's website.

5. A new condition "2.n." is added as follows:

Until at least June 1, 2033, AHCG shall maintain the level of trauma facilities, services, and programs that it is providing as of the date of this First Stipulated Supplemental Order. In particular, AHCG shall maintain its designation as a Level IV Trauma Center *and* continue to fulfill the Level III Trauma Center Requirements listed in Appendix B, subject to any amendments to standards for Level III Trauma Centers.

AHCG shall notify HCMO of any request to OHA's Trauma System Program for a waiver of requirements under OAR Chapter 333, Division 200, within five (5) business days from the date such request is filed. OHA reserves the right to request AHCG submit a notification pursuant to the requirements of Condition 2.h. should the waiver contemplate a significant reduction, restriction or termination of the facilities, services, or programs contemplated by Conditions 2.c. through 2.g., or should the waiver request otherwise be in noncompliance with Conditions 2.c. through 2.g. or Conditions 2.n. through 2.o.

6. A new condition "2.o." is added as follows:

Should AHCG become certified by the Centers for Medicare and Medicaid Services ("CMS") as a CAH, AHCG shall designate and maintain all 25 inpatient beds at AHCG as "swing beds," as such term is defined by CMS.

7. A new condition "2.p." is added as follows:


In the event AHCG fails to comply with the requirements under the Order and this First Stipulated Supplemental Order, OHA and AHCG shall take the following steps:

- i. OHA shall issue a Notice of Deficiencies and Opportunity to Cure ("Deficiency Notice") to AHCG. This Deficiency Notice shall specify the applicable Condition(s), describe in detail the compliance issues OHA has identified related to such Condition(s), identify the action(s) required by AHCG to remedy each compliance issue, and provide a deadline for completing such remedial action(s) ("Compliance Deadline").
- ii. OHA staff shall be reasonably available to meet with AHCG representatives, if requested, to discuss any questions related to the Deficiency Notice.
- iii. AHCG's Compliance Officer appointed pursuant to Condition 7.iv. below shall ensure AHCG completes the remedial action(s) identified in the Deficiency Notice by the Compliance Deadline unless otherwise extended upon mutual agreement between OHA and AHCG. AHCG shall notify OHA within one (1) business day from the date of completion.

- iv. AHCG shall, within thirty (30) calendar days of receipt of OHA's Deficiency Notice, appoint an individual who shall be responsible for overseeing AHCG's compliance with the Order and this First Stipulated Supplemental Order ("Compliance Officer").
    - a. AHCG shall provide the Compliance Officer's name and contact information to OHA within one (1) business day from the date on which the Compliance Officer was appointed.
    - b. The Compliance Officer's responsibilities shall include ensuring that AHCG completes the remedial action(s) identified in OHA's Deficiency Notice no later than the Compliance Deadline.
    - c. The Compliance Officer's responsibilities shall extend through the end of the Term. Should the Compliance Officer voluntarily depart from their position, AHCG shall appoint a new Compliance Officer and provide the name and contact information of such individual no later than thirty (30) calendar days from the date of the Compliance Officer's departure.
  - v. In the event AHCG fails to complete the remedial action(s) set out in the Deficiency Notice by the Compliance Deadline or other mutually agreed date, AHCG agrees to the appointment of an Independent Monitor to monitor and evaluate compliance with these Conditions using the agreed upon criteria outlined in Appendix A, attached hereto and incorporated herein.
8. AHCG waives all rights to challenge or contest the validity of this First Stipulated Supplemental Order.
  9. OHA and AHCG agree that this First Stipulated Supplemental Order may be executed in one or more multiple counterparts, each of which shall constitute an original and all of which shall constitute one and the same.
  10. Entry of this First Stipulated Supplemental Order is in the public interest.
  11. OHA retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this First Stipulated Supplemental Order.

IT IS SO STIPULATED.

Kyle King  
[AHCG] president  
OREGON NETWORK



Mary Bruce  
Counsel for AHCG



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Sarah Bartelmann, MPH  
Health Care Market Oversight Program Manager  
Oregon Health Authority

IT IS SO ORDERED.

Dated this 27<sup>th</sup> day of March, 2026.



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Sarah Bartelmann, MPH  
Health Care Market Oversight Program Manager  
Oregon Health Authority

## APPENDIX A: Independent Monitor

OHA shall appoint a Monitor to monitor and evaluate compliance with these Conditions.

- a. Selection: A Monitor shall be selected in accordance with the following:
  - i. Within 60 days from the date of this First Supplemental Order, AHCG shall propose to OHA a minimum of three (3) candidates to serve as a potential Monitor. AHCG must ensure the candidates meet the minimum criteria outlined in the attached Appendix A, which is incorporated herein by reference.
  - ii. In proposing candidates to OHA, AHCG shall provide OHA with all application materials submitted to AHCG by each of the three proposed candidates as required by Appendix A, Section 2.
  - iii. All candidates must be available for a joint interview with OHA and AHCG, if requested, within 30 calendar days of the date AHCG proposed the candidates to OHA.
  - iv. OHA has full discretion to select the Monitor from among the three proposed candidates, provided that the Monitor satisfies the requirements outlined in Appendix A.
  - v. Should OHA find, upon review of the application materials or following a joint interview, that any of the proposed candidates do not meet the criteria outlined in Appendix A, OHA shall notify AHCG and require that AHCG propose another candidate meeting such required criteria no later than 30 calendar days from the date of OHA's notice, unless otherwise extended upon agreement between AHCG and OHA.
  - vi. No later than 30 calendar days following OHA's selection of the Monitor, AHCG shall submit a proposed agreement ("Monitoring Agreement"), to OHA for OHA's approval, with OHA as an intended third-party beneficiary of such Monitoring Agreement, conferring on the Monitor those rights, powers, and authorities necessary to permit the Monitor to perform their duties and responsibilities as described in these Conditions. AHCG shall execute such Monitoring Agreement no later than 15 calendar days following the date of OHA's approval.
- b. Powers: The Monitor shall have the following powers to the extent necessary to monitor compliance with these Conditions:
  - i. To investigate the AHCG's compliance with such Conditions;

- ii. To receive complaints from payors, AHCG staff, patients, providers, community members, and OHA;
  - iii. To inspect records and compel disclosure of confidential documents subject to any demonstrated legally recognized privilege and appropriate confidentiality protections;
  - iv. To interview AHCG or Adventist staff (subject to reasonable prior notice and opportunity for Adventist to have counsel present);
  - v. To contact payors and providers as necessary to monitor compliance with these Conditions;
  - vi. To retain third-party consultants, accountants, experts, representatives, and/or assistants as are reasonably necessary to carry out duties and responsibilities;
  - vii. To make recommendations concerning compliance, oversight, and enforcement to OHA.
- c. Duty to Cooperate: AHCG shall cooperate with the Monitor in the performance of the Monitor's work and shall take no action to interfere with or impede the Monitor's ability to monitor compliance with these Conditions. AHCG and Monitor shall execute confidentiality agreements as necessary to permit payors and providers to disclose information to the Monitor as necessary for monitoring compliance with these Conditions.
- d. Reporting: AHCG shall provide to the Monitor all reports and copies of all notices as required by these Conditions, including Compliance Reports submitted to OHA to date. The Monitor shall be obligated to review any such report or notice and inform OHA of any concerns it identifies within 30 days of receipt of the report or notice.
- e. Duties: The Monitor's duties shall include, at minimum:
- i. reviewing any notifications submitted by AHCG under Conditions 2.c., 2.d., 2.h., and 2.n., and providing an opinion to OHA on the necessity and sufficiency of such requests;
  - ii. assisting AHCG or Adventist staff in complying with and responding to requests for information from OHA pursuant to post-closing analyses required by ORS 415.501(19); and

- iii. providing an annual report to OHA addressing AHCG's compliance with these Conditions. The Monitor's final report shall be due to OHA no later than December 31, 2033. If requested by OHA, the Monitor shall meet with HCMO to discuss annual report findings.
  
- f. Expense: AHCG shall be solely responsible for the fees, costs, and expenses of the selected Monitor in performing the duties under this First Stipulated Supplemental Agreement.

### **Section 1: Monitor Criteria**

Monitors proposed by AHCG must demonstrate the following experience and qualifications:

1. At least five (5) years of experience auditing, investigating, or reviewing organizational compliance in the context of settlements, court orders, or other regulatory orders.
2. At least two (2) years of experience monitoring organizational compliance with settlements, court orders or other regulatory orders in health care and/or antitrust matters or a minimum of two (2) completed compliance monitoring projects in health care and/or antitrust matters.
3. Expertise in each of the following monitoring and compliance activities:
  - a. Gathering customer and/or employee complaints and input;
  - b. Compelling disclosures of confidential information;
  - c. Receiving and reviewing records and confidential documents;
  - d. Securing the confidentiality of all confidential information;
  - e. Conducting interviews;
  - f. Conducting site visits;
  - g. Producing written deliverables for enforcement agencies or regulators;
  - h. Making recommendations to agencies or regulators concerning enforcement.
4. Subject matter expertise in each of the following areas:
  - a. Hospital and health system operations;
  - b. Hospital and health system financial management, reporting and analysis;
  - c. Health care delivery in rural areas;
  - d. Payer-provider rate contracts and negotiations.
5. Knowledge of federal and Oregon antitrust law.
6. Knowledge of federal and state health care laws and regulations relevant to hospitals and health systems.
7. Absence of any actual or potential conflict of interest involving the monitor, the monitoring firm, an employee or representative of the monitoring firm assigned to the project, and any proposed subcontractor, including any current or former employment, contracts, or financial interests with AHCG or its affiliates.
8. Demonstrated commitment to equity, diversity, and inclusion.

## **Section 2: Monitor Application Requirements**

Each application to AHCG for the role of Monitor shall include the below listed items.

1. Monitor qualifications and experience
  - a. A description of how the monitor and or monitoring firm meets each of the criteria listed above.
  - b. A description of at least two prior monitoring projects under criterion 2 above.
  - c. Sample work products, if available.
2. Monitoring proposal
  - a. Monitoring plan: a description of activities and tasks the monitor or monitoring firm would undertake to monitor compliance with the Conditions of OHA's Order.
  - b. Implementation plan: a description of how the monitoring plan would be implemented, including timeline over the Term of the Order.
  - c. Deliverables: a description of expected deliverables the monitor would provide to OHA, including expected timeline for each deliverable.
3. Monitoring team
  - a. Names of all individuals (including any subcontractors) who would be overseeing or conducting monitoring activities.
  - b. Job title of each such individual.
  - c. Description of the experience, expertise, and qualifications of each such individual.
  - d. Description of each individual's anticipated role on the monitoring team.
  - e. Contingency plan should a key team member or sub-contractor leave the monitoring team.
4. Cost proposal
  - a. A detailed cost proposal that includes all activities, tasks, deliverables, and other work over the monitoring time period.
  - b. Breakout of costs for initial implementation versus ongoing monitoring.
  - c. Billing rates for all monitoring team members.
  - d. Anticipated expenses.
  - e. A description of how costs may vary depending on the level of effort required throughout the monitoring period and an estimated range for expected costs.
5. References
  - a. References for at least three (3) prior monitoring projects.
  - b. To the extent possible, references should be provided for prior monitoring projects related to health care entities.
6. Conflict of interest disclosures
  - a. Disclosure of any potential conflict of interest involving the monitor, the monitoring firm, an employee or representative of the monitoring firm assigned to the project, and any proposed subcontractor, including any current or former employment, contracts, or financial interests with Adventist or its affiliates.

## APPENDIX B: Level III Trauma Center Requirements

The table below lists requirements related to standards for Level III Trauma Centers which AHCG must meet pursuant to Condition 2.n. These standards are reproduced from Exhibit 4, OAR Chapter 333, Division 200 Oregon Trauma Hospital Resource Standards, effective October 1, 2025.

Tag	Level III Standard	Requirement for AHCG under Condition 2.n.
2.6	Adult trauma centers that annually admit to the hospital 100 or more injured children under 15 years of age must have the following: <ul style="list-style-type: none"> <li>• Pediatric emergency department area</li> <li>• Pediatric intensive care area</li> <li>• Appropriate resuscitation equipment, as outlined in the pediatric readiness toolkit</li> </ul>	Meet standard, as applicable.
4.2	Trauma surgery coverage must be continuously available.	Meet standard for all trauma surgery except orthopedic trauma.
4.3	Must have a documented backup call schedule or a backup plan for trauma surgery.	Meet standard.
4.4	The trauma surgeon must be present in the operating suite for the key portions of operative procedures for which they are the responsible surgeon and must be immediately available throughout the procedure.	Meet standard for all trauma surgery except orthopedic trauma.
4.5	The trauma program must have the following designated liaisons: <ul style="list-style-type: none"> <li>• Board-certified or board-eligible emergency medicine physician</li> <li>• Board-certified or board-eligible orthopedic surgeon</li> <li>• Board-certified or board-eligible anesthesiologist or certified registered nurse anesthetist</li> <li>• Board-certified or board-eligible ICU physician</li> </ul>	Meet standard for all liaisons except orthopedic surgeon.
4.6	The emergency department director must be board-certified or board-eligible.	Meet standard.
4.13	Anesthesia services must be available within 30 minutes of request.	Meet standard.
4.14	A radiologist must have access to patient images and be available for imaging interpretation, in-person or by phone, within 30 minutes of request.	Meet standard.

Tag	Level III Standard	Requirement for AHCG under Condition 2.n.
4.16	Must have an ICU surgical director who is board-certified or board-eligible in general surgery and actively participates in unit administration.	Meet standard.
4.19	Provider coverage of ICU must be available within 30 minutes of request, with a formal plan in place for emergency coverage.	Meet standard.
4.26	Must have internal medicine continuously available.	Meet standard.
4.28	Must have the following allied health services available: <ul style="list-style-type: none"> <li>• Respiratory therapy (24/7/365)</li> <li>• Nutrition support</li> <li>• Social worker</li> <li>• Occupational therapy</li> <li>• Physical therapy</li> <li>• Speech therapy</li> </ul>	Meet standard.
4.29	Must have renal replacement therapy services available to support patients with acute renal failure or a transfer agreement in place if this service is not available.	Meet standard.
4.35	There must be at least 0.5 FTE dedicated performance improvement (PI) personnel when the annual volume of registry patient entries exceeds 500 patients. The count of entries is defined as all patients that meet Oregon Trauma Registry inclusion criteria. When the annual volume exceeds 1,000 registry patient entries, the trauma center must have at least 1.0 FTE PI personnel.	Meet standard.
5.20	Must have treatment guidelines for, at minimum, the following orthopedic injuries: <ul style="list-style-type: none"> <li>• Patients who are hemodynamically unstable attributable to pelvic ring injuries</li> <li>• Long bone fractures in patients with multiple injuries (e.g., time to fixation, order of fixation, and damage control versus definitive fixation strategies)</li> <li>• Open extremity fractures (e.g., time to antibiotics, time to OR for operative debridement, and time to wound coverage for open fractures)</li> <li>• Hip fractures in geriatric patients (e.g., expected time to OR)</li> </ul>	Meet standard.

Tag	Level III Standard	Requirement for AHCG under Condition 2.n.
5.27	<p>Must meet the rehabilitation needs of trauma patients by:</p> <ul style="list-style-type: none"> <li>• Developing protocols that identify which patients will require rehabilitation services during their acute inpatient stay</li> <li>• Establishing processes that determine the rehabilitation care, needs, and services required during the acute inpatient stay</li> <li>• Ensuring that the required services during acute inpatient stay are provided in a timely manner</li> </ul>	Meet standard.