



VIA ELECTRONIC MAIL

October 10, 2025

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RE: Response to Your Letter of October 3, 2025; Request for Information on AHCG's Proposed CAH Conversion; Transaction 006 Adventist-MCMC

Dear Sarah and Anna:

Thank you for your detailed letter of October 3, 2025. A response to your requests and questions, along with supporting documentation, is attached. In providing this response, Adventist Health System/West and Adventist Health Columbia Gorge ("AHCG") acknowledge that both the Oregon Health Authority ("OHA"), as a whole, and the Health Care Market Oversight division, as an agency of the OHA, are concerned that service reductions could result from AHCG's proposed conversion to critical access hospital ("CAH") status. We want to assure you that such reductions are neither intended nor expected. Indeed, we believe that the proposed conversion is critical to allowing the hospital to stabilize its finances and operations, laying the foundation for future growth.

AHCG's declines in patient volumes over the last two to three decades have forced the organization progressively to adjust its service offerings, staffing levels, and resource needs. These changes have had the effect of making the hospital function much like a CAH without enjoying the corresponding benefits of CAH reimbursement and payment systems. The proposed CAH

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conversion will help correct this misalignment and, ultimately, enable the hospital to serve its community better.

Please let us know if there is anything else that you need from us in order to complete your review.

Thank you again.

Sincerely,



Anne M. Talcott
Schwabe, Williamson & Wyatt

cc: Gary Bruce, Schwabe (gbruce@schwabe.com)
Kyle King, Adventist Health System/West (kingk2@ah.org)
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**ADVENTIST HEALTH SYSTEM/WEST AND ADVENTIST HEALTH COLUMBIA GORGE'S
("AHCG") RESPONSE TO OHA HEALTH CARE MARKET OVERSIGHT'S ("HCMO")
CORRESPONDENCE OF OCTOBER 3, 2025 REQUESTING CLARIFYING INFORMATION
RELATED TO AHCG'S RFI RESPONSES SUBMITTED ON
SEPTEMBER 24, 2025**

HCMO's September 16, 2025, correspondence included (as Attachment A) a request for information ("RFI") specifying information, documents, and data required for HCMO to continue its review of the application. AHCG submitted written responses to the RFI and related Attachments on September 24, 2025 (the "Submission"). HCMO has reviewed the Submission and requires clarifying information pursuant to its correspondence on October 3, 2025 as specified below.

Question 6a:

As requested, please clarify and describe in detail the rationale for the conversion from Trauma Level III to Trauma Level IV. Please expand on the response provided in your Submission addressing, at minimum, the below questions:

i. The April 18, 2025, letter to OHA's Trauma Program ("April 18 Letter") stated that after "thorough evaluation," AHCG had "identified a significant challenge maintaining the required orthopedic coverage [...]." Six months earlier, correspondence from AHCG's trauma coordinator (included in Attachment 6.a.) characterized the gap in orthopedic surgeon coverage as a "temporary situation."

a. What was the nature of the "significant challenge" AHCG had identified? In other words, why was AHCG unable, despite its "best efforts," to maintain the required orthopedic coverage?

Spring of 2025, AHCG lost a 1.0 FTE orthopedic provider. The reduction in provider FTE along with the continuing challenge to consistently fill gaps in orthopedic coverage, created a significant challenge in maintaining the Level III requirement of 24/7 orthopedic call coverage. The orthopedic volume in the service area will not sustain a large ortho group. Therefore any sickness, resignation, or leave causes coverage issues as normal in small communities with small programs.

b. Describe the "thorough evaluation" undertaken by AHCG or Adventist, findings from the evaluation, and how those findings supported the conclusion that a change of trauma level was needed. Provide copies of all findings and related documentation.

AHCG evaluated orthopedic trauma volumes, OHA trauma waivers, current provider FTE, and time for recruitment of new orthopedic provider. Collaborating with our Trauma leadership, Emergency Medicine leadership, Orthopedic leadership, and physicians, the decision was made to reduce our trauma level. See orthopedic volume listed below in question 6b.

c. The April 18 Letter also referenced “recent assessments of our facility’s capabilities and the availability of medical staff coverage.” To the extent these “assessments” were different from the “thorough evaluation,” describe the assessments, findings, and conclusions, and provide copies of all assessments and related documentation.

No difference

ii. Per Attachment 6.c., on October 1, 2024, AHCG’s trauma coordinator notified Area Trauma Advisory Board, Region 6, Committee members of a “temporary shortage in orthopedic surgeon coverage.” AHCG’s first request to OHA for a waiver of the Trauma Level III orthopedic surgeon staffing requirement was sent on December 31, 2024. On April 18, 2025, AHCG formally notified OHA of its intent to change its trauma designation from Level III to Level IV. Describe in detail the actions AHCG and Adventist undertook between October 1, 2024, and April 18, 2025, to address the “temporary shortage” and secure continuous orthopedic surgeon coverage at AHCG and the outcomes of those actions. Provide copies of all documentation underlying the steps taken and outcomes of those actions.

October 2024, AHCG employed 2.6 FTE orthopedic providers. The FTE did not support Trauma Level III required call coverage, and the organization continued to have gaps in 24/7 orthopedic call coverage. Orthopedic locums were used to cover open call shifts, but locum availability and cost continued to create a challenge. In the Spring of 2025, AHCG lost a 1.0 FTE orthopedic provider, expanding our concerns in maintaining the 24/7 orthopedic trauma call coverage requirement. As listed above, AHCG evaluated and made a decision to reduce trauma designation. This same or similar scenario has been going on for many years and is cyclical and ongoing.

iii. In submissions to OHA for HCMO’s 2023 review of the Adventist-MCMC affiliation, the entities described multiple ways in which the affiliation with Adventist would help MCMC recruit and retain clinicians and address staffing shortages at MCMC. Additionally, correspondence supplied in Attachment 6.c. refers to “consultation” with OHSU Orthopedics and Adventist Health Portland to fill coverage gaps. Please explain why, despite the relationships with OHSU Orthopedics and Adventist Health

Portland and other Adventist system level resources, AHCG was unable to fill the gaps in its orthopedic surgeon staffing.

OHSU Orthopedics and Adventist Health Portland are utilized as a consultative service for AHCG. This consultation service does not fill the on-call nor the on-site response requirement for trauma. OHSU and Adventist Health Portland do not have adequate physician resources to provide on-site trauma level response for AHCG.

Question 6b:

i. As requested, please quantify the reduction in orthopedic coverage, e.g., how many days/hours per month/week does AHCG currently have orthopedic surgery coverage?

AHCG orthopedic providers provide 24 hours of call coverage 24 to 27 days out of a month. Current gap of 4-7 days per month.

Ortho Cases After Hours 2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Sep	Oct	Dec	Total
Total	1	3	1	7	2	5	3	2	3	3	30

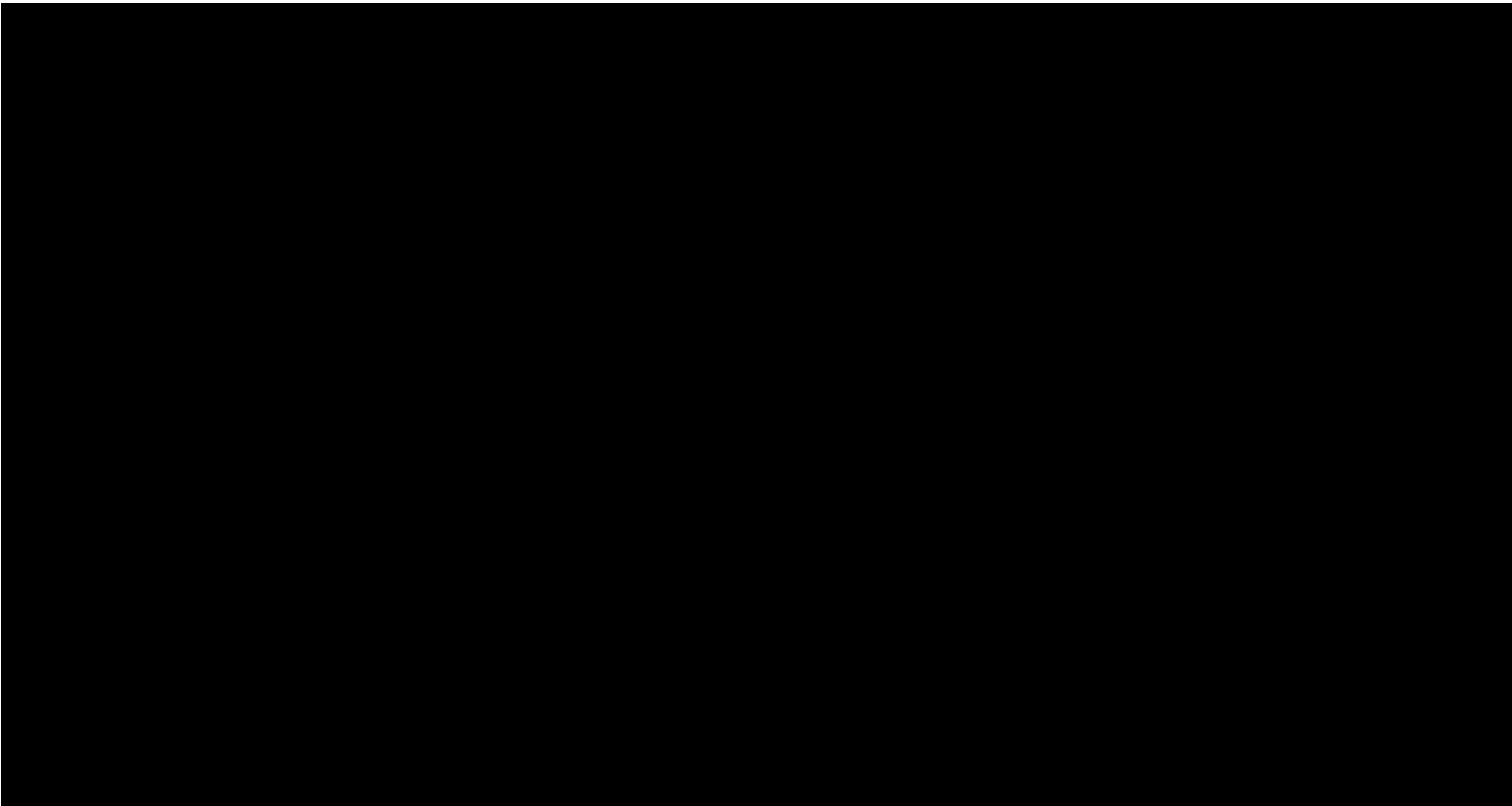
Based on binomial probability modeling using historical after-hours surgical volume and projected uncovered days under the trauma status change, the likelihood of even one surgery occurring without coverage is estimated between 0.6% and 2.4% annually.

ii. Does AHCG expect to maintain the current “level” of orthopedic coverage, or does it anticipate further reductions in the number of days/hours per month/week when orthopedic surgeons are available? If so, please provide an estimate of the magnitude of such future reductions and their anticipated effective date(s).

No further reductions

Question 11:

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Question 14:

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