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# Public Hearing Community Review Board 013 Kroger-Albertsons

Health Care Market Oversight

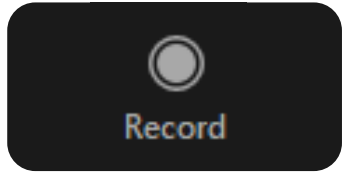
April 24, 2024

The logo for the Oregon Health Authority. It features the word "Oregon" in a smaller, orange, serif font positioned above the word "Health" in a larger, blue, serif font. Below "Health" is the word "Authority" in a smaller, orange, serif font. A thin blue horizontal line is positioned between "Health" and "Authority".

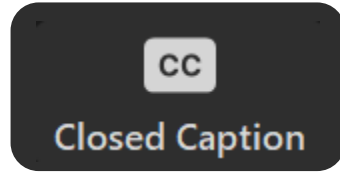
Oregon  
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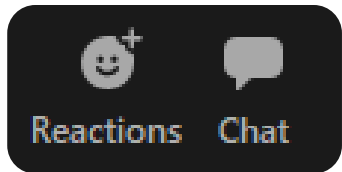
# Logistics



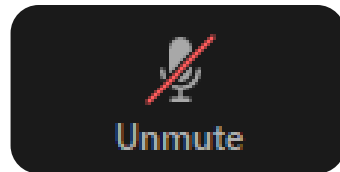
This meeting is being recorded



Closed captioning is available



Use the raise hand or chat feature if you want to share a question or comment



Remain muted until it's your time to speak

Please turn off your camera if you are not speaking to preserve bandwidth.

If you have questions or technical issues, please chat the host.

# Why we're here

- Provide high level information about the planned transaction involving Kroger, Albertsons, and C&S Wholesale
- Hear from representatives of entities involved in the transaction
- Hear from community members and the public

## **This presentation is for informational purposes only.**

OHA and the Community Review Board will use what we hear to inform the review of the proposed Kroger-Albertsons transaction.

OHA staff, Community Review Board members, and representatives of entities will not respond to public questions during the hearing. As applicable, OHA may follow up to respond to questions or comments in writing.

# Agenda

- About the HCMO review
- About the Kroger-Albertsons proposed transaction
- Testimony from Kroger, Albertsons, and C&S representatives
- Question and answer with Kroger, Albertsons, and C&S representatives
- Public comment and testimony
  - Please send a chat to the host to sign up to provide public comment

# Community Review Board Members

Jeanette Baxter

David Hill

Laura Johnson

Dan Kennedy

Kevin Knutson

Craig Newton

Alyssa Penicook

# Opening Remarks

Dan Kennedy, Community Review Board

Dave Baden, OHA Deputy Director for Programs and Policy

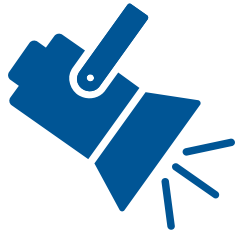
# Health Care Market Oversight

About the program

Through the **Health Care Market Oversight (HCMO)** program, the Oregon Health Authority (OHA) reviews proposed health care business deals to make sure they support statewide goals related to cost, equity, access, and quality.



# The Health Care Market Oversight program aims to...



Promote transparency



Support statewide priorities



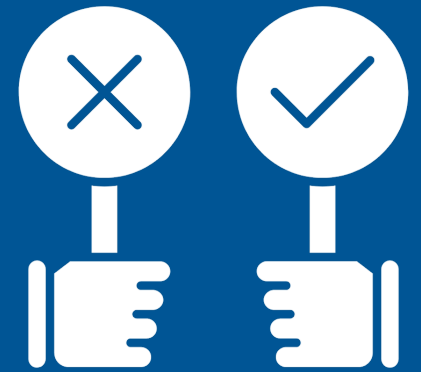
Monitor and study impacts

# What authority does OHA have?

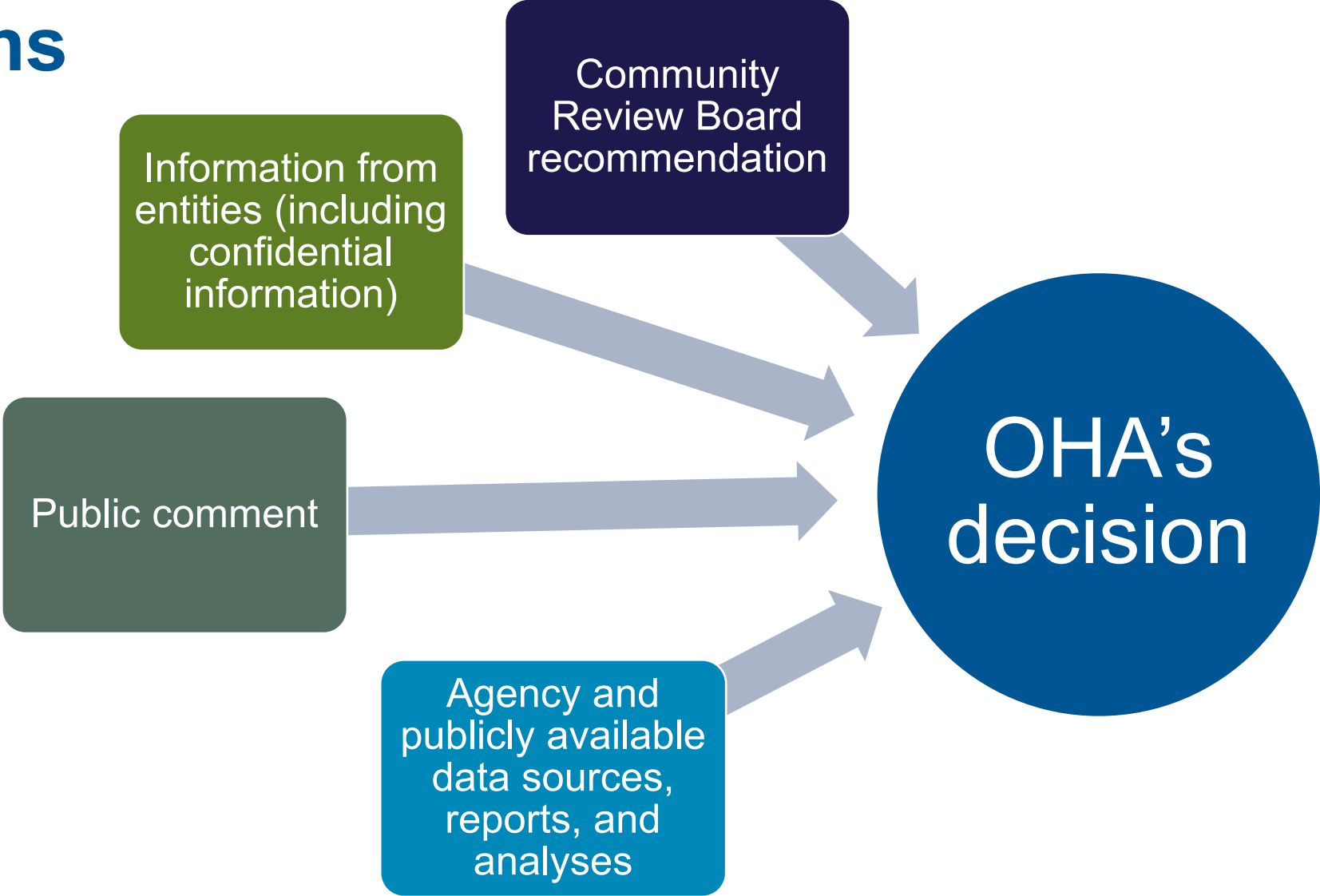
For each proposed transaction, OHA may:

- Approve
- Approve with conditions
- Disapprove

For transactions that involve a domestic health insurer, OHA may provide a recommendation to DCBS. DCBS makes the final determination.



# Considerations for OHA's decision



# What is the purpose of the Kroger-Albertsons Community Review Board?

## Share input and ideas to inform the review

- Share stories and experiences about consolidation, access, cost, quality, and equity
- Highlight potential risks and benefits
- Identify additional data or information sources

## Provide recommendations to OHA

- Make recommendations to OHA to approve, approve with conditions, or disapprove the transaction
- Suggest conditions that should be applied to an approved transaction

# About the transaction

Kroger and Albertsons proposed merger

# Kroger and Albertsons are planning to merge

Together, Kroger and Albertsons operate 4,997 grocery stores and 176 in Oregon.

In October 2022, the companies announced plans for Kroger to buy Albertsons in a \$24.6 billion deal.

The companies announced a plan to sell approximately 579 stores nationwide (62 in Oregon) to C&S Wholesale Grocers.

## RETAIL

**Kroger agrees to buy rival grocery company Albertsons for \$24.6 billion**

## BUSINESS

**Albertsons, Kroger will sell more stores to pacify regulators**

The supermarket chains, hoping to merge, will now sell 579 stores to C&S Wholesale Grocers in a revised deal

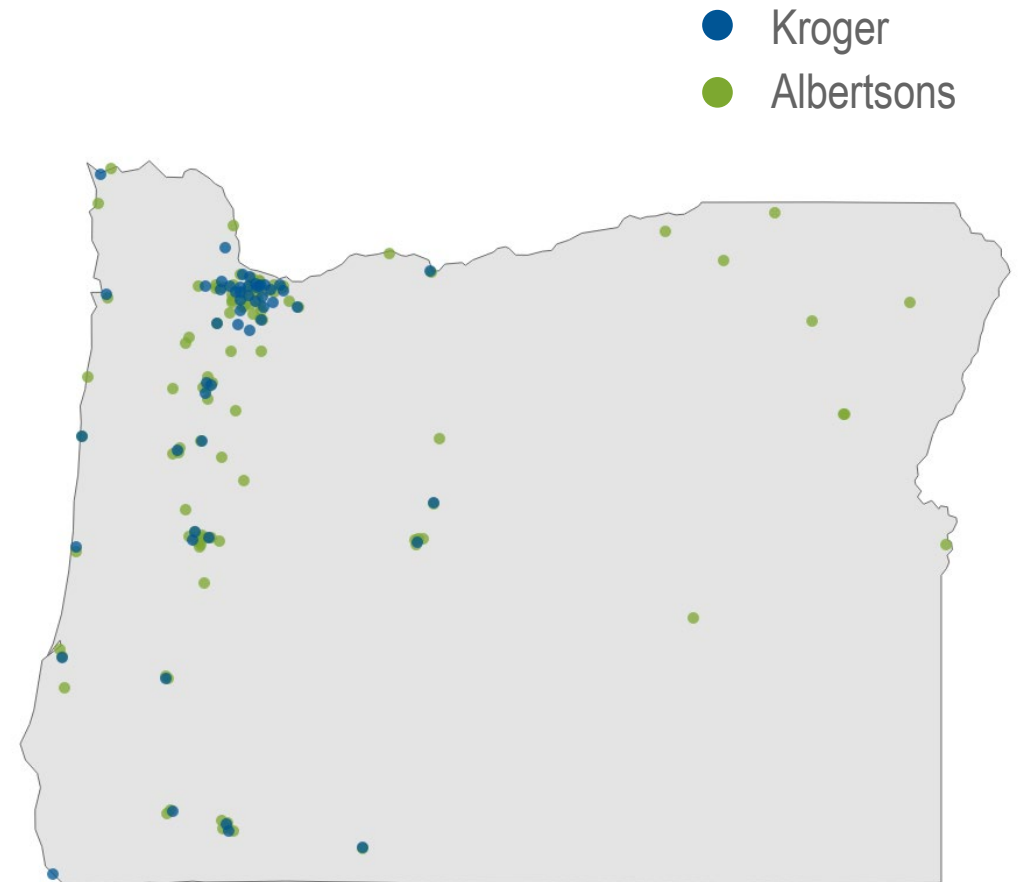
# What are the merger and divestiture terms?



- Kroger pays **\$24.6 billion** to purchase Albertsons
- Kroger takes on **\$4.7 billion** of Albertsons debt
- Albertsons becomes a wholly-owned subsidiary of Kroger
- C&S pays **\$1.9 billion** for selected Kroger and Albertsons stores, brand names, distribution centers, and offices.

# Kroger and Albertsons currently operate 159 pharmacies in Oregon

- More than 11 million prescriptions dispensed annually (about one third of the state total)
- Over 400,000 prescription customers served annually (nearly half of people in Oregon who obtain prescriptions)
- \$700 million in prescription sales per year





# Entity Testimony

Representatives from Kroger, Albertsons, and C&S

# Q&A with representatives of Kroger, Albertsons, and CRB

Questions:

<https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/013-Kroger-Albertsons-CRB-Public-Hearing-Questions.pdf>



# Public Comments

# We want to hear from you!

- Do you have any hopes or concerns about the merger?
- Do you support or oppose the merger?
- Have you had experiences as a pharmacy customer or employee of Kroger or Albertsons?
- How might the merger impact you or your community?
- How might the merger affect access to prescriptions in Oregon?



# Public comment



- To make a comment, please send a chat to the host
- When the host calls your name, make sure you are unmuted and speak clearly into your mic
- State your name, affiliation (if any), and relationship with Kroger, Albertsons, or C&S (if any)
- You will have **two minutes** to share your comment
- You may also submit a public comment in the chat to share with the host

# Submit a written or voicemail public comment

Email [hcmo.info@oha.oregon.gov](mailto:hcmo.info@oha.oregon.gov) or leave a voicemail at 503-945-6161 to share your thoughts about this merger.

- Mention “Kroger” in your message.
- 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.

**What happens next**

# Next steps for OHA's review

Information request responses from entities

Recommendation from the Community Review Board

Monitor other state and federal antitrust actions



# Next Community Review Board meeting

May 9, 2024

10:00 am – Noon (Pacific)

Virtual meeting

Join by Zoom:

<https://www.zoomgov.com/j/1608977536?pwd=eDJVYWxiQkNhS1FFeUxnZmFvWFN5UT09>

# Thank you!

- Sign up to [receive email updates](#)
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- Leave a voicemail at 503-945-6161

