



April 17, 2024

Re: Public Hearing — **013 Kroger-Albertsons**

The Oregon Health Authority's Health Care Market Oversight (HCMO) Program has convened a Community Review Board ("Kroger CRB"), pursuant to Oregon Revised Statute (ORS) 415.501(7) and Oregon Administrative Rules (OAR) 409-070-0062, to review the pending 013 Kroger-Albertsons proposed transaction (the "transaction") and provide recommendations to OHA.

The Kroger CRB will be holding a Public Hearing on the transaction on Wednesday, April 24, 2024, 1:00 - 3:00 PM (Pacific time), via Zoom ("public hearing"). The following representatives from Kroger, Albertsons, and C&S are scheduled to attend the public hearing:

Colleen Lindholz, President, Kroger Health, The Kroger Co.
Anthony DalPonte, Senior Vice President of Pharmacy, Albertsons Companies, Inc.
Roxanne Schwans, Head of Pharmacy, C&S Wholesale Grocers, LLC

Enclosed as Attachment A is the current agenda and list of questions from the Kroger CRB to the entities, that the above representatives will be expected to testify to under oath at the public hearing.

Under agenda item #5, the entities will have the opportunity to give a brief presentation or statement to the Kroger CRB. The entities are allotted **10 minutes** for this presentation. Please plan accordingly and provide any presentation slides to OHA no later than **3pm PT on Tuesday, April 23, 2024**.

Agenda item #6 (55 minutes) will be dedicated to Q&A. OHA will ask questions from the Kroger CRB (as listed in Attachment A), and the above representatives will have the opportunity to respond. Please plan accordingly to ensure all questions are addressed at the public hearing.

Please don't hesitate to contact us with any questions.

Sincerely,

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

Health Care Market Oversight Public Hearing – 013 Kroger-Albertsons Community Review Board

Agenda

#	Time	Item	Presenter
1	5 min	Welcome	Diana Bianco, Artemis Consulting
2	5 min	Opening remarks	Dave Baden, OHA Deputy Director of Policy and Programs
3	5 min	About the Health Care Market Oversight program	OHA staff
4	5 min	About the proposed transaction	OHA staff
5	10 min	Testimony: Statement or presentation from Kroger, Albertsons, and C&S	Representatives from Kroger, Albertsons, and C&S
6	55 min	Testimony: Q&A with Kroger, Albertsons, and C&S <i>Questions listed below.</i>	OHA staff Representatives from Kroger, Albertsons, and C&S
7	30 min	Public comment	Diana Bianco, Artemis Consulting
8	5 min	Wrap up & next steps	Diana Bianco, Artemis Consulting

Health Care Market Oversight Public Hearing – 013 Kroger-Albertsons Community Review Board

Questions (Item #6)

1. When Kroger, Albertsons, and C&S say they have no plans to close stores, what specifically does that mean?
 - a. Do the entities commit to keeping the existing stores and pharmacies in Oregon open after the merger and divestiture?
 - b. What is the duration of the commitment to not close stores (e.g., how many years)?
 - c. Does this commitment extend to retail pharmacies?
2. When Kroger, Albertsons, and C&S say they have no plans to eliminate frontline positions, what specifically does that mean?
 - a. Does this extend to pharmacy staff?
 - b. Will C&S offer employment contracts to all current staff (including pharmacy staff) at divested stores?
3. When Safeway and Albertsons combined in 2015, stores were divested to Haggen, which quickly closed stores and filed for bankruptcy. Why would this merger have a different outcome?
 - a. What are Kroger, Albertsons, and C&S doing to ensure a different outcome?
4. How did Kroger and Albertsons identify stores to divest? When will the list of divested stores in Oregon be made public?
5. What was Kroger and Albertsons' process to identify C&S as the buyer of divested stores? How did Kroger and Albertsons determine that C&S would be a viable operator?
6. What makes C&S confident that they can successfully operate hundreds of retail stores and pharmacies?
 - a. What management personnel does C&S currently have dedicated to setting up and running the pharmacy business? Describe their experience/background.
 - b. How will C&S ensure it has enough retail associates, pharmacists, pharmacy technicians, and other frontline staff to operate the stores and pharmacies on Day 1 (after the divestiture)?
7. How will you minimize any negative impacts on smaller and rural communities and populations that rely on pharmacies, such as people with disabilities and older adults?
8. How will the merged Kroger & Albertsons integrate their pharmacy operations?
 - a. Will the merged company have centralized operations, use the same platforms, etc.?
 - b. Will certain tasks (e.g., responding to customer service calls or processing automatic refills) be outsourced from local pharmacies to a central location?
 - c. Will Kroger and Albertsons pharmacies continue to contract with the same PBMs they currently do, including (in the case of Albertsons, Express Scripts)?
9. How will patients/customers of the merged and divested stores be notified of changes to their pharmacy, including changes to branding, ownership, services, or accepted insurance?
 - a. How long before any changes take effect will patients/customers be notified?
 - b. What support will you offer patients/customers to navigate any changes?