

015 Envision: One-Year Follow-Up

June 9, 2025

Introduction

The Oregon Health Authority's [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals, like mergers and acquisitions, to ensure they support statewide goals related to health care costs, health equity, access to care, and care quality. After completing a review, OHA issues a decision about whether a business deal, or transaction, involving a health care company should proceed as planned. For all approved transactions, OHA is required by law to assess any changes in Oregon one, two, and five years after the transaction closed and to publish its findings.

OHA's follow-up reviews aim to analyze health care cost trends, cost growth and cost of care, and assess the impact of the approved transaction on access to care, quality of care, and health equity for people in Oregon. If applicable, OHA also checks whether the entities have complied with any approval conditions and kept to any commitments made in the notice and subsequent HCMO filings.

This report summarizes analyses and findings from OHA's one-year follow-up review of the restructuring of the Envision Healthcare Corporation ("Envision"), as a result of its Chapter 11 plan of reorganization (confirmed on October 11, 2023) which split Envision into Envision Physician Services ("EPS") and AmSurg with each having separate leadership and new ownership structures, and the impact this restructuring had on the five Oregon Ambulatory Surgical Centers (ASCs). OHA approved [this transaction](#) on October 30, 2023, following a [preliminary view](#). The transaction closed on November 5, 2023.

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact us by email at hcmo.info@oha.oregon.gov or by phone at 503-945-6161. We accept all relay calls. You can also contact hcmo.info@oha.oregon.gov with any questions about this report.

Background

About the Transaction

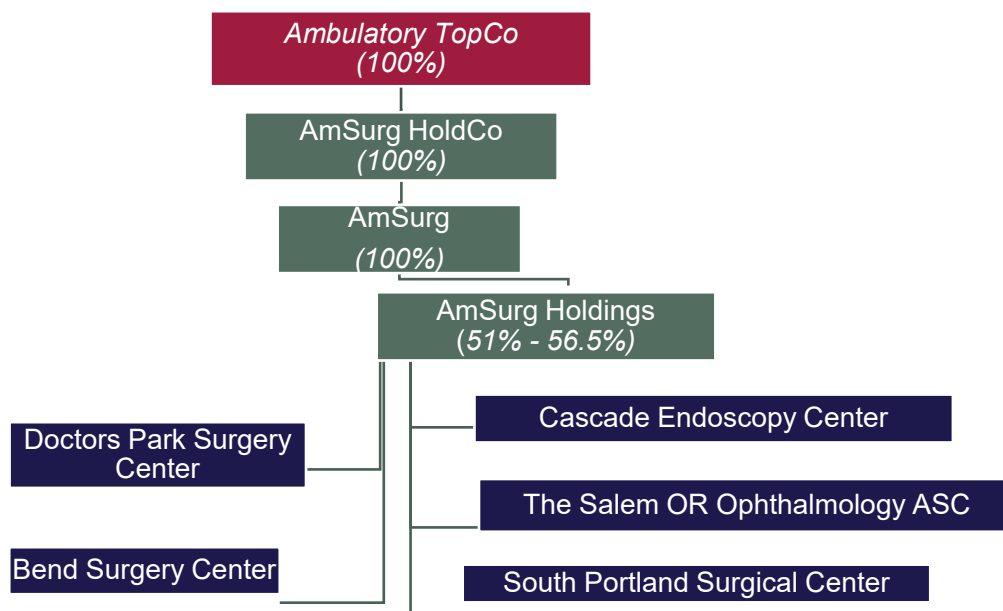
On October 12, 2023, OHA received a complete [Notice of Material Change Transaction](#) ("notice") from Envision describing the Chapter 11 bankruptcy plan (the "BK Plan") and resulting internal restructuring of Envision (the "restructuring"). Prior to the restructuring, one of Envision's divisions, AmSurg, held direct or indirect ownership in more than 250 ASCs in 41 different states, including five in Oregon.

Pursuant to the BK Plan, Envision split into two separate corporate entities, EPS and AmSurg, with each being owned by their own respective lenders and new leadership teams. AmSurg's new parent company, Ambulatory Top Co. owns three subsidiaries including AmSurg Holdings LLC which has majority ownership of the five ASCs in Oregon. Following OHA's approval, this transaction closed November 5, 2023.

The five Oregon ASCs involved in this transaction are The Salem OR Ophthalmology ASC, LLC; Doctors Park Surgery Center, LLC; Cascade Endoscopy Center, LLC; Bend Surgery Center, LLC; and South Portland Surgical Center LLC. (All five entities are collectively called the “Providers”.) The Providers, which were previously indirect subsidiaries of Envision and its AmSurg division, now have a new indirect owner, called Ambulatory TopCo, LLC, as a result of the completed transaction. AmSurg Holdings is now a direct majority owner (51-56%) of the Providers.

On May 15, 2023, Envision Healthcare Corporation and affiliated debtors each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas, under Case No. 23-90342. Envision, along with affiliated debtors, filed their Joint Plans of Reorganization on June 29, 2023, which the Bankruptcy Court confirmed on October 11, 2023. The below chart reflects the corporate restructuring resulting from this Bankruptcy:

Corporate restructuring after exiting Chapter 11 Bankruptcy:



The rationale for the restructuring transaction, as described in the notice, was to allow the providers to continue to deliver health care services to the community, without any changes or impact to the quality of care or reduction of services.¹ No operational or management changes were expected as a result of the transaction and the scope of services and types of insurance accepted were to remain the same.²

OHA’s Preliminary Review

OHA completed a [preliminary review](#) of the transaction on October 30, 2023. The transaction was approved based on the following criteria:

- 1. The transaction is not likely to substantially alter the delivery of health care in Oregon.** OHA’s analysis showed that the transaction was unlikely to substantially alter the delivery of health care in Oregon, because the addition of a new parent company four corporate levels above the operating entities is not likely to create changes in management or operations. Envision also stated it had no plans to change management or operations in

Oregon which included no changes to the scope of services offered or the insurance types accepted.

2. **The transaction is unlikely to impact health care costs.** OHA's analysis concluded that there should be no impact on health care costs as no consolidation was occurring, and the addition of a new parent company would be unlikely to affect the negotiated prices the Oregon ASCs received from payers like insurance companies.

OHA approved the transaction without conditions. Monitoring of the transaction for the one-year follow up review began on November 4, 2024. The remaining two- and five-year follow up reviews will be completed as mandated in ORS 415.501(19).

One-Year Follow-Up Review

On November 4, 2024, OHA notified AmSurg that it was commencing a one-year follow-up review of the Envision restructure. On November 22, 2024, OHA issued a request for information (RFI), requesting quantitative data from AmSurg related to staffing, patient volume and ownership percentage and narrative information on any and all changes to operational structure, scope of services, insurance types accepted, geographic regions served, governance, and policies and procedures, for the time period from November 3, 2023, to November 4, 2024, at all five Oregon ASCs.

Envision submitted [responses to the RFI](#) on January 27, 2025. (See Appendix A for details). OHA has reviewed these submissions for changes occurring since the close of the transaction and to ensure that Envision has abided by the commitments made in the notice and subsequent filings with OHA. In their notice,³ Envision committed to no operational or management changes, no changes to the scope of services offered, and no changes to the types of insurance accepted.

In addition to the information submitted by Envision, OHA reviewed publicly available sources and media coverage relating to Envision, AmSurg and the five Oregon ASCs. This information is summarized in the **Industry Trends** section below.

OHA also sought public comment from community members. OHA received no public comments.

Industry Trends

OHA looked at relevant trends and external factors that may have influenced any changes since the transaction closed.

Private Equity Investments in ASCs

Studies published since the initial review of the Envision restructure show private equity firms continue to acquire ASCs, although the number of completed acquisitions has slowed over the years. The number of closed deals was lower in 2023 than 2022, and only four ASC-private equity

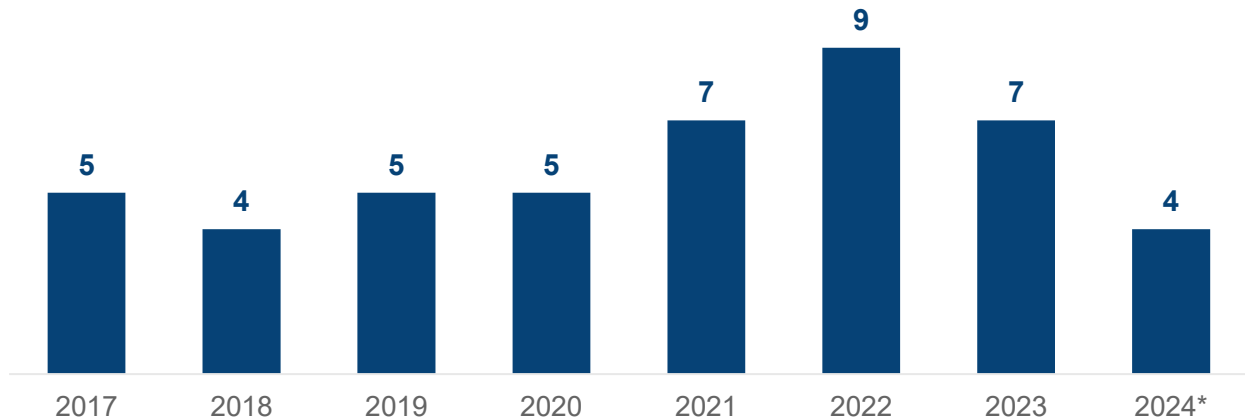
What is a private equity firm?

Private equity firms invest in private companies (i.e., companies that are not publicly traded) and seek to generate high returns on investments. The goal of a private equity firm is to generate profits for investors, typically within 3-7 years.

To achieve high returns, they seek to expand companies, often through acquisitions of smaller companies. They also aim to decrease costs (for example, by increasing the use of less expensive staff), increase revenue (for example, by emphasizing more expensive services or increasing volume), with a goal of reselling the company at a profit or pursuing an initial public offering (IPO) within a few years.¹²

deals closed in 2024 as of Q2.^{4,5} Stagnant reimbursement rates for surgical procedures were provided as a possible reason for private equity's decreased interest in ASCs, although in 2024, the Center for Medicare & Medicaid Services (CMS) added 37 procedure codes for reimbursement to the ASC Covered Procedure List.^{6,7} Some of those procedure codes were for higher acuity surgeries that tend to have higher reimbursements.⁸ That change could make ASCs more interesting for private equity investors in the coming years.

Ambulatory Surgical Center Private Equity Deal Count



Source: PitchBook Q2 2024 health care services dealmaking report⁹

Activities and Changes

This section summarizes significant events seen in media reports or other publicly available sources since OHA's initial review.

Envision withdraws from all operations in California

In December 2021, the American Academy of Emergency Medicine Physician Group (AAEM-PG) filed a lawsuit against Envision when they took over the emergency room contract at Placentia Linda Hospital in California.¹⁰ The lawsuit argued that this act constituted a violation of California's law that prohibits the corporate practice of medicine.¹¹ AAEM alleged that Envision had undue influence over clinical decisions and billing and that this compromised care quality.¹² On July 24, 2024, the AAEM-PG announced that Envision had withdrawn from all operations in the state of California.¹³

AmSurg acquires ownership interest in an Oregon ASC

An AmSurg press release dated July 30, 2024, announced AmSurg had acquired ownership interest in an Oregon ASC called River Road Surgery Center.¹⁴ The exact ownership interest percentage is not publicly available as of the date of this report.

Other AmSurg Transactions in 2024

AmSurg continues to expand its ASC footprint nationally, through joint acquisitions and joint ventures, in Nevada (Alta Rose Surgery Center)¹⁵, California (Palomera Health)¹⁶ and Maryland (Life Bridge Health).¹⁷

Changes at AmSurg Oregon Practices

Governance, Operational Structure, Policies and Procedures

There are no reported changes to the governance, operational structure, policies or procedures, since the transaction close date, November 2023.¹⁸

Scope of Services and Insurance Accepted

There are no reported changes to the scope of services offered at the five Oregon ASCs, since the transaction close date, November 2023. All five Oregon ASCs continue to accept the same commercial insurance plans, Medicaid (also known as Oregon Health Plan or OHP), and Medicare. The South Portland Surgical Center began accepting patients with OHP from another managed care entity starting January 15, 2025.¹⁹

Geographical Service Area

AmSurg's geographical service area in Oregon has not changed since the transaction closed in November 2023, even with the addition of the River Road Surgery, as AmSurg already had an ASC in Salem. In total, AmSurg now has ownership in two of eight ASCs in the Salem area.²⁰

South Portland Surgical Center plans to relocate to another location in August 2025.²¹ The current office is located in Tualatin, Oregon and 17 employees will be impacted. AmSurg did not provide information on the new location of South Portland Surgical Center. It is possible that the geographic service areas will be impacted by this relocation. OHA will continue to monitor for changes to AmSurg's geographical service areas in Oregon.

Staffing Changes

Staff turnover is a common result of ownership changes. Private equity acquisitions of health care providers have been associated with decreased staffing levels and an increased reliance on lower skilled clinical staff as a strategy for maximizing profits.²²

As part of its follow-up review, OHA requested a report on staffing levels for all five AmSurg Oregon ASCs. The reported data show some changes, mostly increases, in staffing between November 2023 and November 2024.

Changes in staffing from November 2023 to November 2024 at AmSurg's Oregon ASCs

ASC	Staffing Increase	Staffing Decrease
South Portland Surgical Center, LLC.	+6 physician associates +5 registered nurses	-7 physicians
The Salem OR Ophthalmology ASC, LLC.	+3 registered nurses	No changes
Doctors Park Surgery Center, LLC	No changes	No changes
Cascade Endoscopy Center, LLC	+2 registered nurses	-1 physician
Bend Surgery Center, LLC	+7 physicians +4 registered nurses	-3 physician associates

In the case of The Salem OR Ophthalmology ASC, LLC, the increase in staffing was seen in conjunction with an increase in the patient visits, however that relationship between increases in staff and number of visits was not seen at Bend Surgery Center, LLC ("Bend Surgery Center"), and South Portland Surgical Center, LLC ("South Portland Surgical Center").

The South Portland Surgical Center lost seven physicians, but gained six physician associates or assistants, and five registered nurses. An increased reliance on lower skilled clinical staff is a pattern sometimes seen in private equity acquisitions. However, the Bend Surgery Center added seven physicians and five nurses and lost three physician associates/assistants, which does not follow that pattern. OHA will continue to monitor staffing at both locations as part of its two-year follow-up review.

Conclusion

Envision stated in their notice that no operational or management changes were expected as a result of the transaction and that the scope of services and types of insurance plans accepted were to remain the same.²³ AmSurg provided responses that indicate they upheld their commitments.

Two-Year and Five-Year Follow-Up Reviews

OHA's two-year follow-up review, beginning November 4, 2025, will analyze industry trends and important events that occurred in AmSurg and the five Oregon ASCs between November 2024 - November 2025. OHA will also assess how the commitments made by Envision/AmSurg in its notice filing compare to actual events and changes since the acquisition.

OHA's five-year follow-up review, beginning November 4, 2028, will look more broadly at the impact of the transaction on cost of care, access to care, quality of care and health equity in Oregon. OHA will also assess how the statements made by Envision/AmSurg in their notice filing compare to actual events and changes since the acquisition.

OHA will continue to monitor the Oregon ASCs and changes to staffing and geographical service area that have been noted in this report, in the planned two- and five-year reviews.

OHA accepts comments at any time for all follow-up reviews. Public comments can be submitted via email to hcmo.info@oha.oregon.gov, filling out the [public comment form](#), or by calling 503-945-6161 to leave a voicemail.

Appendix A: OHA's Request for Information

OHA requested and received quantitative data from the entity related to staffing, patient volume and ownership percentage and narrative information on any and all changes to operational structure, scope of services, insurance types accepted, geographic regions served, governance and policies and procedures, for the time period from November 3, 2023 to November 4, 2024, at all five Oregon Ambulatory Surgical Centers.

Topic	Requested data (2021, 2022, and 2023)
Patient volume	<ul style="list-style-type: none">• Patient Visits per year
Staffing ⁱ	<ul style="list-style-type: none">• Number of staff total• Number of full-time-equivalent (FTE) MDs, DOs• Number of FTE Nurse Practitioners• Number of FTE Physician Assistants/Associates (PAs)• Number of FTE Registered Nurses

In addition to the quantitative data, OHA also requested:

- A list of new or closed facilities or planned construction or purchase of new facilities in Oregon
- A description of any changes to the operational structure at any of the facilities in Oregon.
- A description of any changes to the scope of services offered at the Oregon facilities.
- A description of changes to the health care insurances accepted by the Oregon facilities and confirmation that all five Oregon facilities still served patients with commercial, Medicare and Medicaid coverage.
- A description of changes to the governance of the five Oregon facilities.
- A description of changes to the policies and procedures of the five Oregon facilities.

ⁱ MD = Medical Doctor, DO = Doctor of Osteopathy, NP = Nurse Practitioner, PA = Physician Associate/Assistant, RN = Registered Nurse

References

- ¹ Notice of Material Change Transaction, filed by Envision.
<https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/20231019-015-Envision-Notice.pdf>
- ² Ibid
- ³ Ibid
- ⁴ Holly, Robert. “Exploring PE Dealmaking Trends in ASCs Health Care Services” August 9, 2024. Ambulatory Surgery Center News. <https://ascnews.com/2024/08/exploring-pe-dealmaking-trends-in-ascs-health-care-services/> (Accessed June 4, 2025)
- ⁵ Babeaux, Rosemary. “Unpacking the impact of private investment on innovation, ASCs July 31, 2024. OR Manager. <https://www.ormanager.com/unpacking-the-impact-of-private-investment-on-innovation-ascs/> (Accessed June 4, 2025)
- ⁶ Center for Medicare and Medicaid Services. “Ambulatory Surgical Center Payment System: January 2024 Update. <https://www.cms.gov/files/document/mm13481-ambulatory-surgical-center-payment-system-january-2024-update.pdf> (Accessed June 4, 2025)
- ⁷ Babeaux, Rosemary. “Unpacking the impact of private investment on innovation, ASCs July 31, 2024. OR Manager. <https://www.ormanager.com/unpacking-the-impact-of-private-investment-on-innovation-ascs/> (Accessed June 4, 2025)
- ⁸ Ibid
- ⁹ Pitchbook. “Q2 2024 Healthcare Services Report” August 6, 2024. <https://pitchbook.com/news/reports/q2-2024-healthcare-services-report> (Accessed June 5, 2025)
- ¹⁰ American Academy of Emergency Medicine. “Envision Lawsuit” <https://www.aaem.org/envision-lawsuit/#:~:text=Major%20Update:%20Envision%20Withdraws%20from,physicians%20whose%20contracts%20included%20it> (Accessed June 4, 2025)
- ¹¹ American Academy of Emergency Medicine. “Envision Exiting the State of California” July 24, 2024. <https://www.aaem.org/news/envision-exiting-the-state-of-california/> (Accessed June 4, 2025)
- ¹² Ibid
- ¹³ American Academy of Emergency Medicine. “Update: AAEM-PG Lawsuit Against Envision Healthcare”. July 24, 2024. <https://www.aaemphysiciangroup.com/news/update-aaem-pg-lawsuit-against-envision-healthcare/> (Accessed June 4, 2025)
- ¹⁴ Grebbin, Shelby. “AMSURG Acquires Stake in River Road Surgery Center” July 30, 2024. Ambulatory Surgery Center News. <https://ascnews.com/2024/07/amsurg-acquires-stake-in-river-road-surgery-center/> (Accessed June 4, 2025)

¹⁵ AMSURG. “AMSURG and CompEye Continue Growth, Jointly Acquire Alta Rose Surgery Center” June 18, 2024. <https://amsurg.com/blog/2024/06/18/amsurg-and-compeye-continue-growth-jointly-acquire-alta-rose-surgery-center/> (Accessed June 4, 2025)

¹⁶ AMSURG. “AMSURG and Palomar Health Form Strategic Surgery Center Partnership”. June 4, 2024. <https://amsurg.com/blog/2024/06/04/amsurg-and-palomar-health-form-strategic-surgery-center-partnership/#:~:text=AMSURG%20and%20Palomar%20Health%20Form,and%20North%20San%20Diego%20County.%E2%80%9D> (Accessed June 5, 2025)

¹⁷ AMSURG. “AMSURG, LifeBridge Health and Woodholme Group Partner to Open the EndoCentre of Westminster in Westminster, Maryland” August 23, 2024. <https://amsurg.com/blog/2024/08/23/amsurg-lifebridge-health-and-woodholme-group-partner-to-open-the-endocentre-of-westminster/> (Accessed June 4, 2025)

¹⁸ Response to Request for Information, filed by AmSurg. <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/015-1-yr-RFI-responses.pdf>

¹⁹ Ibid

²⁰ Oregon Health Authority. List of Licensed Ambulatory Surgical Centers can be found here – updated 4-21-2025. <https://www.oregon.gov/oha/PH/PROVIDERPARTNERRESOURCES/HEALTHCAREPROVIDERSFACILITIES/HEALTHCAREHEALTHCAREREGULATIONQUALITYIMPROVEMENT/Documents/ASCList.pdf> (Accessed June 4, 2025)

²¹ ZoomInfo. “South Portland Surgical Center”. <https://www.zoominfo.com/c/south-portland-surgical-center-llc/345793356> (Accessed June 4, 2025)

²² Appelbaum, E, Batt, R, E. Curchin, “Preying on the Dying: Private Equity Gets Rich in Hospice Care,” Center for Economic and Policy Research, April 25, 2023. <https://cepr.net/report/preying-on-the-dying-private-equity-gets-rich-in-hospice-care/> (Accessed May 23, 2024).

²³ Notice of Material Change Transaction, filed by Envision. <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/20231019-015-Envision-Notice.pdf>