



VIA EMAIL

Craig Armstrong
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November 18, 2024

Re: Preliminary Review Determination — 038 – Legacy Health-Legacy Health Foundation-PacificSource

The Oregon Health Authority (OHA) is the state agency charged with operating the Health Care Market Oversight (HCMO) Program under Oregon Revised Statutes (ORS) 415.500 through 415.900 and Oregon Administrative Rules (OAR) 407-070-0000 through 407-070-0085.

On October 18, 2024, OHA confirmed receipt of a complete Notice of Material Change Transaction form (“Notice”) from Legacy Health (“Legacy) for the above-referenced transaction, in compliance with OAR 409-070-0030 and 0045. Pursuant to ORS 415.501(5) and OAR 409-070-0055, OHA timely completed a preliminary review. OHA has determined that the transaction is a covered transaction pursuant to OAR 409-070-0010(1)(b) and that a comprehensive review of the transaction is required.

Pursuant to OAR 409-070-0030(3)(c)(D), OHA has assessed a fee of \$100,000 associated with the comprehensive review. This fee includes the \$2,000 previously billed and associated with preliminary review.

Given the connection between this proposed transaction and the OHSU-Legacy proposed transaction currently undergoing HCMO review, OHA waives the requirement for entities to provide executed definitive agreement(s), including an executed Grant Agreement, within 15 days of the date of this notice pursuant to OAR

409-070-0045(5)(a)(B). OHA will instead require definitive agreements be submitted no later than 15 days before closing the proposed transaction(s). The entities must also provide a detailed description of any respect in which the definitive agreement(s) differ from that provided to OHA for its review of the proposed transaction.

Pursuant to ORS 415.501(14) and ORS 409-070-0050, OHA expects to retain outside advisors to support this comprehensive review and designates Legacy as the entity that shall bear the cost of OHA's outside advisors. OHA will invoice Legacy to reimburse costs and expenses associated with outside advisors.

OHA also plans to convene a community review board in accordance with OAR 409-070-0062.

Pursuant to OAR 409-070-0035, OHA shall report the results of its comprehensive review to the Department of Consumer and Business Services ("DCBS") within 180 days of receipt of a complete notice, unless otherwise tolled or extended as permitted under OAR 409-070-0045(6) and 409-070-0055(4). DCBS will make the final determination regarding this proposed material change transaction and shall coordinate with OHA to incorporate the results of OHA's review into the final determination issued by DCBS pursuant to OAR 409-070-0035(2).

Please contact HCMO staff if you would like to request a comprehensive review conference pursuant to OAR 409-070-0045(2). The comprehensive review conference provides an opportunity to discuss OHA's comprehensive review criteria, timing and process questions, and the use of outside advisors.

This letter and OHA's Preliminary Review Report will be posted to the HCMO program website at www.oregon.gov/hcmo.

If you have questions or need further information, please contact hcmo.info@oha.oregon.gov.

Sincerely,



Sarah Bartelmann, MPH
Cost Programs Manager
Oregon Health Authority