

Public Comments

The [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals to make sure they support Oregon's goals of health equity, lower costs, increased access, and better care. This document presents public comments related to the HCMO review of 038 Legacy-Legacy Foundation-PacificSource. OHA accepted public comments during transaction review period. Public comments were received via email to hcmo.info@oha.oregon.gov, voicemail, or by filling out the [Public Comment Form](#). Comments are presented below in the order received and may include typos or misspellings. Personal contact information for individuals has been removed.

OHA expresses no views on the substance of these comments, and their publication does not constitute an endorsement by OHA of the views expressed.

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1. Subject: Comment regarding OHSU-Legacy merger (dkt. No 39) and Legacy Foundation (dkt. No. 38). 10/20/2024

To Whom It May Concern:

My firm and I are counsel to an Oregon nonprofit devoted to health equity in Oregon. Our client is quite concerned about the recent request of OHSU and Legacy to fast-track review of the Legacy Foundation aspects of the OHSU/Legacy merger. The merging parties appear to be relying almost entirely on the Foundation to satisfy OHA's health equity requirements. As such, issues of the Foundation's governance, transparency and objectivity are central to the merger and OHA's review. The public, including organizations devoted to health equity, must have the time necessary to review and comment on the merging parties' proposals. This is especially so, given both OHSU's and Legacy's historic harms to minority communities in Portland and beyond. The equity issues that this merger presents are significant. Our client, on

behalf of itself and the general public, respectfully requests a deliberate and thoughtful timeframe rather than a rush.

Thank you,

Cliff

Clifford Davidson

Snell & Wilmer Law Firm

2. Public comment #038 Legacy-PacificSource, 10/31/2024

Legacy merger public comment

Dear Sir or Madame,

Thank you for the opportunity to submit comments regarding the proposed merger of OHSU and the Legacy Health System, specifically as it relates to the proposed community foundation that Legacy proposes to create from the sale of its ownership stake in PacificSource as well as funds currently held by the Legacy Health Foundation. I agree with Legacy's statement that this foundation represents a generational opportunity to advance health equity in the region, and it's important that the foundation's governance, mission and early design choices are driven by a diverse range of community perspectives.

I also agree with Legacy's statement that robust community engagement should inform the new foundation's priorities. Yet it seems that many of the key decisions about focus areas and strategies have already been made by a workgroup comprised of "physicians, business leaders, and community volunteers from the Legacy Health and Legacy Health Foundation boards." Legacy chose not to share the identities of who they selected for this workgroup but it appears from this description that most are affiliated with the institution rather than from the community. There is nothing inherently wrong with any of the four focus areas that this workgroup selected (mental and behavioral health, substance abuse, healthcare workforce development and healthy youth and families) but Legacy may have landed on different priorities had a wider range of community voices informed the choices. The OHA Health Care Market Oversight (HCMO) program and the Charitable Activities Section of the Oregon Department of Justice should require Legacy to demonstrate a much broader and robust range of perspectives before making any other key decisions.

In their filing documents, Legacy proposes that its initial board be comprised of five current Legacy Health directors and four current Legacy Health Foundation trustees. The brochure that Legacy submitted to HCMO (Exhibit 16) articulates a desire to subsequently recruit new board members “who will collectively represent the communities the foundation will serve.” Yet, the brochure does not state how many community representatives Legacy intends to include, leaving the door open to the likelihood that community representatives will be outnumbered by Legacy’s hand-picked board members whose mandate is to “ensure continuity” with the hospital system. The brochure also does not provide any timeline for recruiting community board members, meaning that the institutional representatives could make key decisions about foundation priorities, leadership, investment policies, etc. prior to adding any genuine community governance.

Legacy’s brochure lifts up several exemplars of health conversion foundations from around the country that they plan to learn from or model their strategies after. One of them is the Inatai Foundation, which was created from Kaiser Permanente’s acquisition of Group Health Cooperative and which now has more than \$2 billion in assets. Legacy acknowledges how at its creation Inatai (originally named the Group Health Foundation) “deeply and authentically engaged with community across Washington state to ensure its mission, vision, and strategy were in alignment with community needs and values.”

Yet Legacy is choosing a much different path by selecting its nine founding board members from within the institution. Conversely, only four of Inatai’s founding 16 board members (who were appointed in 2017) had any affiliation with Group Health. The rest were recruited from a geographically, racially and ethnically diverse range of communities around the state that had historically experienced health inequities and had good ideas about how to address them. This board subsequently recruited the CEO and other key leadership roles, who then visited every county in Washington to solicit ideas about how the foundation should dedicate its resources, paying special attention to communities that had not typically been centered by philanthropy.

Legacy is asking OHA to approve this transaction “as soon as possible.” But if Legacy truly believe the values they espouse in their application, both OHA and the Charitable Activities Section of the DOJ should require Legacy to slow down, include a majority of community representatives on their board, and commit to a genuine community

engagement process prior to selecting their funding priorities. Fast-tracking this foundation based on an internal workgroup and nine board members selected from the institution would not allow the foundation to play the transformative role that it could play in advancing health equity in the region.

Chris Kabel

3. Public Comment related to both the OHSU/Legacy and the Legacy/PacificSource HCMO transactions, 11/15/2024

The Inatai Foundation submitted a [public comment](#) that is posted on the HCMO webpage.

4. No subject, 12/5/2024

None

Yamungu Seraya

5. Public comment on 038 Legacy-Legacy Foundation-PacificSource, 1/17/2025

Scott Benbow submitted a [report](#) that was originally prepared for the Community First Campaign on 1/14/25.

6. No subject, 1/17/2025

God Bless You and your efforts in supporting Oregon's Health Care Vision. OHP and the Nation salute you!

Eric Gibson

7. Request for Public Hearing Regarding HCMO's Legacy-Pacific Source Application, 2/7/2025

The Community First Campaign submitted a [public comment](#) that is posted on the HCMO webpage.

8. 039-039-OHSU-Legacy AND 038 Legacy-Legacy Foundation-PacificSource HCMO transactions, 2/12/2025

The Community First Campaign Funders submitted a [public comment](#) that is posted on the HCMO webpage.

9. Letter to Legacy Health/Hospital Foundation Joint Workgroup | 038-Legacy-Legacy Foundation-PacificSource, 2/12/2025

The Community First Campaign submitted a [public comment](#) that is posted on the HCMO webpage.

10. Public comment, 3/1/2025

I would like to comment on OHSU cancelling PacificSource's contract, it is vital that central eastern Oregon and PacificSource customers remain connected to OHSU to receive lifesaving care. OHSU should reconsider their decision and especially in the middle of the year 2025 cancelling their contract, their contract should run through the end of the year especially for Medicare essential customers. Thank you.

11. [038-Legacy-Legacy Foundation-PacificSource] Submitting letter from BIPOC Caucus |, 3/4/2025

Luz Reyna submitted a [letter](#) on behalf of the Oregon Legislative BIPOC caucus.

12. Public comment, 3/5/2025

Good afternoon, my name is Scott Benbow.

From 2000 to 2006, I was a lawyer for the advocacy wing of Consumer Reports magazine. My focus was transactions like OHSU's proposed acquisition of Legacy Health.

I am not here to share my opinion on the transaction.

Instead, I would like to share with the Community Review Board my thoughts about the proposal to create a Foundation to hold the assets from LH.

Foundations from transactions like this have proliferated since the 1970s and it is crucial that a public process be conducted. Unfortunately, Legacy Health's proposal to fund a foundation was not made with meaningful community input.

While it is commendable that Legacy recognizes its obligation to set aside charitable assets, those assets are forever dedicated for the benefit of the people of Oregon. And the public must have a strong role in determining the disposition of the assets.

For that part of the process, I recommend that HCMO defer to the Attorney General's charitable trust division. Under OR law, the AG has authority over charitable organizations and is dutybound to ensure disposition when a nonprofit organization like Legacy Health is acquired.

It's important to get this right the first time because the health needs of Oregonians are great and the potential dollar amounts are potentially enormous.

The Attorney General can ensure that a proper fair market valuation of the charitable assets is conducted and that a public process is undertaken.

I worked with attorneys general in several states to guide this public process and decide how the charitable assets could be treated. I filed a public comment with HCMO with details, but I'll mention just one example.

In New Mexico, a state with very few foundations, the AG's office provided excellent guidance as a group of respected New Mexicans figured out how charitable assets should be treated. They chose an independent foundation, but they considered many alternatives. Today, the Con Alma Health Foundation is supporting small nonprofits with large grants across New Mexico.

Oregon should adopt a similar plan. While HCMO examines the transaction proposal, the AG should get involved to ensure the charitable assets are properly valued and protected.

Additional information about this recommendation appears in the report I drafted for the Community First Campaign.

Thank you.

Scott Benbow

13. Public Comment for 038 Legacy-Legacy Foundation-PacificSource, 3/21/2025

The Legacy Health Board of Directors submitted a [public comment](#) that is posted on the HCMO webpage.

14. [038-Legacy-Legacy Foundation-PacificSource] Letter in Response to Legacy's Proposal, 3/26/2025

The Community First Campaign submitted a [public comment](#) that is posted on the HCMO webpage.

15. Re: Clarification on Legacy Health Foundation’s HCMO Filing and Its Independence from OHSU, 3/27/2025

Dear Members of the Community Review Board,

I am writing to address a key misperception regarding the relationship between the Legacy Health Foundation’s Health Care Market Oversight (HCMO) filing and OHSU’s proposed merger with Legacy Health. There is an emerging narrative suggesting that the Foundation’s filing should be viewed as complementary to OHSU’s application, particularly in improving health outcomes and addressing social determinants of health. This framing is misleading and risks creating confusion about the true nature of these separate filings.

Separate Filings, Separate Oversight

While both filings relate to Legacy Health, they are entirely distinct proposals with no formal oversight or control linking the two. If the Legacy Health Foundation moves forward independently, it will not be governed or managed by OHSU in any capacity. OHSU’s application does not outline any authority over the Foundation, nor does it establish any mechanism for joint governance, decision-making, or financial alignment. Therefore, any assumption that OHSU’s commitments to improving health equity and addressing social determinants of health will be bolstered by the Foundation’s work is speculative and unfounded.

OHSU’s Filing Stands on Its Own Merits

OHSU must demonstrate how its merger proposal, standing alone, will meet the statutory requirements under the HCMO review process. It cannot rely on the separate actions of the Legacy Health Foundation to fill in gaps in its own application, particularly around community investments and social determinants of health. The merger must be evaluated based on the commitments explicitly made in OHSU’s filing—not on assumptions about how a separate, independently governed foundation might indirectly contribute to health outcomes.

Concerns About the Lack of a Community Review Board for the Foundation

Unlike OHSU's merger proposal, the Oregon Health Authority (OHA) did not establish a Community Review Board for the Legacy Health Foundation's filing. This decision has been met with significant public concern, as reflected in numerous public comments expressing frustration over the lack of a formal review process for the Foundation. Many community members believe that the Foundation's restructuring should undergo the same level of scrutiny as OHSU's application, given its potential impact on healthcare access and equity.

Implications for the Review Process

Given this clear separation, the Community Review Board should assess OHSU's proposal on its own merit, without factoring in speculative benefits from an entity outside its control. If OHSU believes that the Foundation's work is integral to meeting its own commitments to health equity and social determinants of health, then it should have included formal governance or funding commitments in its application. The absence of such provisions highlights a fundamental gap in OHSU's proposal.

I urge the Community Review Board to carefully consider this distinction as it evaluates OHSU's filing. Approving the merger based on an assumption that the new Foundation will complement or enhance OHSU's commitments is not justifiable within the HCMO framework. Each filing must be judged independently, and OHSU must be held accountable for demonstrating how its merger will improve health outcomes without relying on the actions of an entity it does not control.

Thank you

16. No subject, 3/29/2025

The Legacy acquisition should not go forward unless with mandatory, binding conditions to correct the notorious problems at the OHSU primate research facility. Vague claims are made that this program may find cures for cancer or invent new vaccines, but clearly too much non-critical junk experimentation is done. The overall impression is that OHSU is mainly motivated by the millions of dollars that slosh through and does not prioritize the compassion and care which we owe our primate brethren. OHSU lags ten years behind Harvard University to recognize and address the inherent problems in primate research compounds. Governor Kotek has called for OHSU to do the right thing. It's time to clean up this smear on OHSU's reputation.

Laura Ahearn

17. 039- Legacy/OHSU, 4/7/2025

The Family Forward Oregon & Family Forward Action submitted a [public comment](#) that is posted on the HCMO webpage.

About HCMO

The Healthcare Market Oversight Program reviews proposed health care business deals to make sure they support statewide goals related to cost, equity, access, and quality. For more info, you can connect with HCMO staff:

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