

EXECUTIVE SUMMARY

038 Legacy Health-Legacy Health Foundation-PacificSource 30-Day Transaction Review

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. After completing a review, the Oregon Health Authority (OHA) issues a report detailing findings and whether a business deal, or transaction, involving a health care company should proceed as planned.

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.

Proposed Transaction

Legacy Health (Legacy) is a nonprofit health system that owns and operates six hospitals and 70 clinics in the Portland and Vancouver metro areas, and the mid-Willamette valley. Legacy also owns 50% of PacificSource, an Oregon Coordinated Care Organization (CCO) and domestic insurer. Through the proposed transaction, Legacy plans to transform its Legacy Health Foundation (Foundation) into an independent organization and transfer Legacy's 50% ownership of PacificSource to the Foundation. This deal is related to, but separate from, [OHSU's plan to purchase Legacy](#).

OHA's Review

OHA completed a 30-day preliminary review of the proposed transaction. During the review, OHA began to assess the potential impacts of the proposed transaction. OHA's preliminary analysis focused on assessing the scale and scope of the entities' operations and services in Oregon, and potential implications for access to services, health care costs, health equity and quality. OHA held a public comment period and received 3 public comment submissions.

Based on the preliminary review, OHA determined that the proposed transaction requires a comprehensive review.

Next Steps

OHA will complete the comprehensive review within 180 days of when it accepted a completed Notice unless the review period is tolled or extended in accordance with applicable administrative rules. During the comprehensive review, OHA will analyze the likely impact of the transaction on access, cost, quality, and equity and determine whether the transaction meets the criteria to recommend approval under Oregon Administrative Rule 409-070-0060(6). OHA may engage outside advisors to assist with the review.

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Upon completion of the comprehensive review, OHA will issue a HCMO recommendation to the Oregon Department of Consumer and Business Services (DCBS) to either approve, approve with conditions, or disapprove the transaction.

OHA plans to convene a community review board for the comprehensive review of the proposed transaction. Community review boards provide input about proposed transactions and make a recommendation to OHA about whether or not the transaction should be approved. Members can include people who live and work in affected communities, consumer advocates, health care experts, and health care providers. If you would like to participate in the community review board for this transaction, email hcmo.info@oha.oregon.gov. OHA staff will provide more information about the timeline, member requirements, and application process.

OHA will accept and post public comments throughout the comprehensive review period. Public comments can be submitted via email to hcmo.info@oha.oregon.gov, voicemail at 503-945-6161, or [public comment form](#). Please mention “PacificSource” in your comment.