



March 26, 2025

Members of the Community Review Board
Health Care Market Oversight program
Oregon Health Authority

Dear Community Review Board,

Thank you for your time, dedication, and thoughtful deliberation on the OHSU-Legacy transaction. We've been joining your meetings and we deeply appreciate your commitment to ensuring that this process prioritizes the best interest of the community, particularly when it comes to the governance of the proposed foundation.

Given Legacy's track record in health equity and past harms, it is entirely appropriate to question whether their proposed majority control of the foundation serves the public interest. Their [proposal](#) published on Friday, March 21st does little to assuage this question. You can find below our letter in response to their proposal.

We urge you to consider conditioning your recommendation of the merger's approval on the Attorney General conducting an independent process to determine the final governance of these foundation resources.

We are grateful for your continued efforts to ensure these funds truly serve the communities most impacted.

The Community First Campaign
www.ourhealthourfoundation.org



Response to Legacy Health’s “Letter to the Community”

March 26, 2025

The [Community First campaign](#) is comprised of 46 (and growing) nonprofit organizations and funders who have collectively spent decades working on the frontlines of health and equity. Every day, our members recognize and act on the understanding that community health can be achieved only through community leadership and power.

The proposed merger of Legacy Health System and OHSU has the potential to convert up to \$600 million dollars of charitable resources to fund health equity. This is an enormous opportunity for communities that, for too long, have lacked the power to make their own decisions about what they need.

As OHSU’s General Counsel Alice Cuprill-Comas said during the March 5, 2025 public hearing of the Community Review Board, “we must move from ‘community-informed’ to ‘community-driven.’” We very much appreciate that distinction. Community leadership requires more than community engagement. It requires more than community input or feedback. It requires real decision-making power over the fundamental questions that will shape the use of these resources.

Legacy Health’s proposal of March 21, 2025 neither offers nor reflects such community leadership.

First, it’s a proposal that has been developed by Legacy itself, and that Legacy proposes to implement. Community members may have been consulted cursorily about new foundation resources, but it was Legacy that created this proposal, not community. We repeat: “community engagement” is not community leadership.

Second, the resulting structure retains power and control with existing Legacy Health and Legacy Foundation (collectively, “Legacy”) board members. With their 2/3 majority, it is Legacy

board members who will control the assets and determine the budget, and Legacy board members who will “co-create” the strategic framework for the proposed foundation. We all know that financial control, budget creation, and strategic direction are where the true power of any organization lives and is exercised. The proposed new “community-led grantmaking board” will merely implement those key financial, budgetary, and strategic decisions. They won’t make them. This plan gives an illusion of community leadership, to mask the reality of where the true power will lie—with current Legacy board members.

Third, inherent in the proposal are key governance decisions that should be determined independently. For example, creating a new foundation is only one of the options for disposition of these resources. Another is to transfer them—to an existing foundation(s). This decision should be made through an independent, community-led process, such as the one our campaign has proposed the Attorney General should conduct—not by Legacy.

Legacy’s proposal demonstrates why any process to determine the disposition and governance of these public, charitable assets must, **from the outset**, be community-led, transparent, and independent from Legacy and OHSU. As emphasized by Scott Benbow, an expert on health equity conversion foundations, independence is an essential best practice for sound, effective planning processes for such conversions.

As the [Community First campaign](#) has made clear, we believe that such a planning process should be convened by the Attorney General, and managed by the Charitable Activities Division of the Department of Justice.

We have previously outlined our proposal for such a process in a memorandum to Legacy and in public comment. We summarize it here:

1. Immediately following HCMO approval, the Attorney General appoints a planning committee to determine long-term governance of the charitable assets.
2. As part of its due diligence, the Office of the Attorney General could consider hiring an independent expert to conduct a thorough valuation of the charitable asset value of Legacy Health to ensure that the appropriate value is being converted.
3. The planning committee makes recommendations as to:
 - a. Placement of the charitable assets (e.g. with a new foundation, an existing foundation(s), or a donor-advised fund(s);
 - b. Mission and use of the assets;
 - c. Governance and organizational structure.
4. The planning committee should have access to expertise through consultants who have a track record of work on health conversions and effective and meaningful community

engagement. As mentioned, the Attorney General could also retain such a consultant to run part or all of the planning process.

5. The Attorney General should ensure charitable assets are protected, perhaps via an escrow agreement, pending completion of the planning process and implementation of the recommendations.

We urge Legacy and OHSU to live up to their stated commitment to community leadership and the “transformative work toward redistributing resources and power” by supporting our proposal.

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