



To: OHA & Community Review Board for 039-OHSU-Legacy HMCO Transaction

From: Community First Campaign

Date: February 12th 2025

Dear OHA & Members of the Community Review Board,

As we understand it, Legacy Health has been convening a Joint Foundation Workgroup for the last 6-8 months in anticipation of approval of their HCMO applications which would, in part, transfer ~\$600M of assets to Legacy Hospital Foundation to create a foundation focused on health equity. They've recently hired The Giving Practice, a philanthropic advisory group, to help gather community feedback about that proposed foundation. The Giving Practice reached out to our campaign as part of that feedback gathering.

We submitted the attached letter to Legacy earlier this week outlining our recommendations to ensure these assets are governed in a way that is truly community-led and equity-centered.

We believe this is a crucial moment to establish a transparent, accountable process that prioritizes the voices of those most impacted by health disparities.

The campaign is looking forward to continued engagement on this important issue.

The Community First Campaign
www.ourhealthourfoundation.org

[Enclosed: Letter to Legacy Joint Foundation Workgroup]



To: Legacy Health and Legacy Hospital Foundation Joint Workgroup (the “Workgroup”)
From: Community First Campaign
Date: February 10th 2025

Dear Members of the Workgroup,

We understand through The Giving Practice that the Workgroup is gathering candid feedback about the foundation assets to be preserved in the nonprofit sector after the combination of Legacy Health and OHSU. As the Steering Committee for the [Community First](#) Campaign, we appreciate the chance to share our thoughts with you in advance of submitting them as public comment.

Oregon's [definition of Health Equity](#) is clear. Achieving it requires addressing "the equitable distribution or redistribution of resources and power; and recognizing, reconciling, and rectifying historical and contemporary injustices." Any foundation (or foundations) that stewards these resources after the combination must address the systemic issues and policies, both historic and current, that affect entire communities.

As an institution, Legacy’s track record has been inconsistent with, if at times even antithetical to, these health equity values. We believe wholeheartedly, however, that the members of this Workgroup seek to do the right thing to achieve this “generational opportunity to advance health equity.” We remain hopeful that you will.

To that end, we offer you our feedback to ensure that this opportunity is truly built by and for the communities most impacted by health inequities.

For us, any process to determine governance, mission, and values that will guide the use of the charitable assets from this proposed combination must, from the outset, be community-led, transparent, and independent from Legacy Health and OHSU. Thus, the planning process should happen post-approval by HCMO and be overseen by Oregon’s Attorney General, whose authority over charitable activities is established in law.

If the Oregon Health Authority approves both the 038 Legacy-Legacy Foundation-PacificSource HCMO application and 039-OHSU-Legacy HCMO application, then it should condition those approvals—inasmuch as it relates to the proposed foundation—as follows:

- The Attorney General, not Legacy Health, must determine the final disposition and governance of the charitable assets from this transaction.

- As part of its due diligence in assessing the charitable-asset value of Legacy Health, the Office of the Attorney General may hire an independent expert to conduct a thorough valuation if deemed necessary. Legacy Health and/or OHSU should agree to pay the entire fee for any such valuation.
- The Attorney General should appoint a planning committee to recommend the long-term governance of these assets. The Attorney General should allocate adequate resources for the committee to do its work as described below and Legacy Health and/or OHSU could agree to pay for such work. This planning committee should be composed of diverse leaders across Oregon—urban, rural, and Tribal—with lived experience and relevant community leadership in health equity, culturally-specific and culturally-relevant services and/or advocacy. To reinforce the planning committee’s independence, it should include no current or former Legacy or OHSU employees or board members. Planning committee members should also not be eligible to serve as a member on any board governing these assets for a period of at least three years post-effective date.
- The planning committee should have access to expertise through consultants who have a track record of work in health conversion foundations and effective and meaningful community engagement.
- This planning committee should seek community input through a variety of ways including public hearings. (This could possibly be an ongoing role for The Giving Practice post-HCMO approval.)
- Within 3-6 months after establishment, the planning committee should make recommendations to the Attorney General, including:
 - The placement of the charitable assets (e.g., with a new foundation, an existing foundation(s), or a donor-advised fund).
 - The governance and values of the assets. Based on its conclusions about the placement of the assets, the planning committee should make recommendations regarding the mission and use of the assets provided such recommendations do not unnecessarily narrow the impact on health equity.
 - To further reinforce the independence of these assets, the planning committee should consider board composition conditions that could exist for a limited duration (7-10 years) adequate to establish independence. Two for consideration: any long-term board governing these assets should have no more than one-fourth membership from current or former Legacy or OHSU employees or board members and such members should be limited to a single term. Another: whether independence is better served if no current or former Legacy or OHSU employees or board members are eligible to serve as a member.
- The Attorney General should ensure charitable assets are protected, perhaps via an escrow instrument, pending completion of the planning process and implementation of the recommendations. The HCMO applications propose these assets would be transferred to the existing Legacy Hospital Foundation. To indirectly hold these funds in escrow then, the Attorney General could perhaps require amending the bylaws of that foundation and naming an interim board with limited authority. This interim board of 6-9 members should be appointed by the

Attorney General with no more than one third composed of existing or former Legacy Health or Legacy Hospital Foundation board members. The board should be prohibited from making any long-term decisions related to the assets, mission, vision, values, operations, personnel or any other arena—or otherwise bind the foundation for any period longer than six months and only with the permission of the Attorney General. The interim board’s role is to steward the assets until a permanent disposition decision has been determined by the Attorney General for the future governance of those assets. There may be other pathways to hold these assets in escrow.

We appreciate the Workgroups’s desire to solicit input and the time and commitment that The Giving Practice has made in authentic engagement. They shared with us that Legacy Health has expressed a genuine openness to receiving feedback. We hope that openness extends to meaningfully *acting* on that feedback.

One way of doing so: by submitting a public comment to HCMO expressing Legacy’s support of the above conditions. Also, Legacy has access to excellent legal counsel who could research the most appropriate mechanisms other states’ attorneys general have used to protect charitable assets while planning processes are underway. Legacy Health could make such research public and available to our Attorney General.

In a sincere commitment to equity, you can commit to a process that engenders trust. That trust can be built through concrete steps and overseen by those with the authority to see it through. We hope you join us in taking those steps to ensure that this historic opportunity can be a transformative force to advance health in Oregon.

Sincerely,

Community First Campaign