



VIA EMAIL

Alice Cuprill Comas
EVP of Institutional Affairs and General Counsel
Oregon Health and Science University

March 7, 2025

Re: Community Review Board public hearing follow up questions - Transaction 039 –
OHSU-Legacy

The Oregon Health Authority (OHA) Health Care Market Oversight (HCMO) Program has convened a Community Review Board (“CRB”), pursuant to Oregon Revised Statute (ORS) 415.501(7) et seq. and Oregon Administrative Rules (OAR) 409-070-0062, to review the pending 039 OHSU-Legacy proposed transaction (the “transaction”) and provide a recommendation to OHA.

On February 18, 2025, OHA requested the attendance of up to three representatives from OHSU and Legacy to testify at the March 5, 2025, public hearing held by HCMO’s CRB (“public hearing”). On February 27, 2025, and February 28, 2025, OHA provided OHSU and Legacy with information regarding the public hearing, including the length of time (55 minutes) provided for OHSU and Legacy representatives to respond to questions posed by the CRB and length of time for OHSU or Legacy representatives to give a presentation to the CRB (10 minutes). The CRB questions were developed during public meetings and OHA provided the final compiled list of questions to OHSU and Legacy on February 28, 2025. During the public hearing, only seven questions were answered by OHSU and Legacy representatives within the allotted 55 minutes for testimony.

This correspondence outlines the CRB's request to provide publicly facing and verified written responses to the below questions, which includes two additional questions posed by the CRB during the public hearing.

8. Describe the current staffing by specialty at OHSU and Legacy. According to the Notice, Legacy is not able to fully staff and utilize their inpatient and operating room capacity. Why? Please describe in detail how the proposed acquisition will increase staffing to enable the use of Legacy's unused bed and operating room capacity. How does OHSU have more hiring power than Legacy?

9. How will OHSU be capable of taking on both \$1 billion of debt and the integration with Legacy given the ongoing and past OHSU leadership changes and financial instability?

10. Please describe the proposed transaction's expected impacts for both Legacy and OHSU provider groups, as well as independent provider groups in the Portland metropolitan area.

11. How would Legacy's religious affiliation change post-acquisition?

12. OHSU and Legacy both separately hold 25% ownership of Life Flight. What will the proposed acquisition mean for Life Flight? Please describe impacts related to Life Flight's organization, Board composition, negotiations with insurance plans, and costs for patients.

13. How will the proposed transaction affect negotiations with insurers? How will the integrated public university health system negotiate with insurers? Please describe how this process will impact patients and access to services.

14. I would like the group to elaborate on the comment that former president Danny Jacobs and interim president have engaged with community when developing the plan. How and what can they share of what was shared with these engagements. What were the key findings or priorities from these conversations?

15. Is Medicaid reimbursement the same at both Children's Hospitals? (It was mentioned that Legacy would look to the State to increase its Medicaid reimbursement if the transaction did not go through.)

During testimony at the public hearing, OHSU and Legacy representatives agreed to provide additional written information in response to the following questions:

4. How did OHSU and Legacy engage the community when developing and structuring the proposed transaction? What is the plan for including community engagement in the newly integrated public university health system? Why wasn't there an acknowledgement of historical harms to marginalized communities in the Notice of proposed transaction? Does OHSU have a plan to mitigate further harm to these communities, and if so, what is it?

6. How will the proposed transaction support current OHSU and Legacy employees in the short-term? How will the employees continue to be supported moving forward? Please describe all support that the integrated public university health system plans to provide, including benefits, retirement package, and compensation for providers, staff, union and non-represented employees. Please describe the transaction's potential impact on the state's Public Employee Retirement System (PERS) program. Will Legacy's employees be eligible for PERS? How will the integrated public university health system decide which Legacy employees will be eligible?

7. For both OHSU and Legacy, what are the current amounts allocated for charity care? What are the current processes for determining resources allocated for charity care? How will the proposed transaction affect charity care spending in the future? Please be specific about how the integrated system will make these decisions about how the funds are spent.

Please provide a written and verified response to the above questions to OHA no later than 3pm on March 14, 2025. For ease, a verification form is attached to this correspondence. All responses must be public facing which OHA will publish on the OHSU-Legacy transaction website. OHA will not accept redacted responses.

For more information about the Health Care Market Oversight program, please consult the program website: <https://www.oregon.gov/HCMO>. If you have questions or need further information, please contact the Health Care Market Oversight team at hcmo.info@oha.oregon.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah E. Bartelmann", with a long horizontal flourish extending to the right.

Sarah Bartelmann, MPH
Cost Programs Manager
Oregon Health Authority

VERIFICATION

THE STATE OF OREGON)

COUNTY OF _____)

SUBSCRIBED AND SWORN TO before me, this ____ day of _____, 20____ by

_____.

Notary Public in and for _____

My Commission Expires: _____

Document Description

This certificate is attached to page ____ of a _____ (title or type of document), dated _____, 20____, consisting of _____ pages.

