

John Santa Comment to the Legacy/OHSU Transaction Community Review Board February 17, 2025

My name is John Santa. I am a retired primary care physician and health administrator.

Oregon is fortunate to have volunteers like you step up to a task like this. Thank you. I suspect your collective sense will be the most informed and important advice HCMO and Legacy/OHSU receive. Take your time. Insist on answers to your questions. Remember when information you request is deemed confidential to HCMO, Legacy/OHSU could release it to you and the public directly.

I believe this merger can work but not in the way proposed. OHSU already has a monopoly on many services and for the most part has not abused that privilege. This transaction would expand that monopoly in multiple ways. Oregon health care has multiple monopolies in play. Most are tolerated because the risk and costs of litigating monopoly behavior is considerable. HCMO is designed to discourage monopolies. It is not designed, staffed or funded to regulate them. Fortunately, in the case of Legacy/OHSU, there is another option. OHSU's public corporation charter could be renegotiated with the state of Oregon to better regulate the new organization a merger would create. Given the widely divergent interpretations of the current OHSU charter, it would serve the public to modernize the charter and its governance so Oregonians understand OHSU's commitment to the public.

Something must be done. Legacy and OHSU are both in trouble though Legacy's problems appear more serious and immediate. On page 45 of the transaction the section below appears:

Ambulatory access challenges.

Many OHSU specialty/subspecialty practices have months-long wait times for new patient appointments. In the current fiscal year, endocrinology, neurology, adult gastroenterology, pulmonary/critical care medicine, and pediatric specialties have the longest wait times for new patients.

Many OHSU primary care providers are currently closed to new patients.

Legacy.Health.has.faced.challenges.assigning.patients.to.a.primary.care.provider;.Currently.about.88766.patients.with.Legacy.Medical.Group.are.waiting.for.a.new.primary.care.provider.assignment.after.their.original.provider.left; Unassigned patients are at risk for unmanaged disease conditions, lack of medication management, and higher utilization of emergency care with potential for readmission if the patient lacks timely access to follow up care.

As noted above, Legacy's substantial decline in inpatient volume greatly impacts access to care as well.

It is a stunning admission of system failure at Legacy. The population of Ashland, Oregon is 22000 people. Imagine if the entire population of Ashland was unable to access a primary care clinician. And "many" primary care clinicians in Medford and most of the specialists weren't available to

help. And the proposed solution was to buy a hospital in Grants Pass and start a new Foundation with hundreds of millions of dollars in assets. This does not make any sense.

While the transaction makes multiple general statements about the need to address these challenges, few specifics are provided and most of those seem pretty simplistic---Legacy has empty hospital beds and surgical suites and OHSU has patients who need them. Maybe that will help the bottom line, but will it help those 22000 people? OHSU has some of the best primary care thinkers in the country in family practice, pediatrics and general internal medicine. Are they going to get a crack at solving this mess? And the money to do it? To the best of my knowledge and ability to read thousands of pages, they are never mentioned.

Now OHSU and Legacy would tell you all the right things will be done but they can't tell you how they will do them or even talk to each other about details until the merger is approved. It appears the HCMO process has actually discouraged any discussion of actual solutions. But you can ask OHSU questions and urge them to waive confidentiality in specific circumstances.

Follow the money---at least to the degree the information allows you to. You will see hundreds of millions of dollars moving around. I think figuring out where all the money goes in the middle of this deal is next to impossible. I can't find anyplace where there is a commitment that those 22000 people will eventually be at or near zero. They already have a good metric---people without a primary care clinician. No need to develop a new one.

But there is a strong Legacy/OHSU commitment that there will be an end point and it must be approved or the deal ends. And that point is what I urge you to focus on. That end point does not make sense.

When all the resources needed to succeed at some objectives are committed, a formula will be applied to determine how much is left. That formula is described in "HCMO Notice Question 6 - Exhibit 1: Calculation for Net Cash Total Transfer to Foundation" but almost the entire document is redacted. Estimates suggest \$300-500---million will be left. And that will go to the Legacy Foundation along with 50% ownership in non profit insurer Pacific Source---an asset likely worth another \$200-300 million dollars. If you care about those 22000 people and the likely tens of thousands of others who can't get access to care you will insist that formula be made public. You will insist that that formula identifies all the assets in play. You will insist that formula requires that 22000 number to be zero before any money is transferred anywhere, that there are more OHSU primary care clinicians accepting new patients and OHSU specialists no longer have waiting times for appointments longer than 30 days. Until then spend the money on access!!!

The Community Review Board has received multiple comments and a copy of a report expressing serious concerns about the unusual nature of this transfer of resources to the Legacy Foundation from Oregon Foundations and Oregon Community Based Organizations. Unfortunately, HCMO cancelled a planned Community Review Board rather than work harder to recruit participants. An argument can be made that this last step has been separated from the Legacy/OHSU merger transaction for reasons that are not clear or justified. Oregon laws around the distribution of resources from non profits have been in effect for decades and followed multiple times. Why should this transaction be an exception?

I urge the Community Review Board to start with the unprecedented access challenge Legacy has created and urge more robust steps be taken to enable the state of Oregon and OHSU to take it on in a way accountable to the public via renegotiation of the OHSU charter as a public corporation. Put an end to this transaction by advising the proposed final step transferring resources to the Legacy Foundation be rejected immediately. Preserve all funds until there is confidence that the new OHSU is sufficiently funded for success. If and when any non profit resources become available follow existing Oregon non profit law.