OHSU's Response to the March 24, 2025, Request for Supplemental Information - Transaction 039 – OHSU-Legacy

1. **Please submit a completed HMO-1a:NPI form that lists all the organizational NPIs associated with OHSU Portland Adventist and OHSU Hillsboro Medical Center/Tuality Healthcare. For each, include organization NPIs for any clinics, facilities, service locations, operating companies, or subsidiaries involved in providing services to people in Oregon.**

   Please refer to Bates OHSU_MarchRFI#1_000001 - OHSU_MarchRFI#1_000003 for a completed HMO-1a: NPI form that lists the organizational NPIs associated with Hillsboro Medical Center and Portland Adventist Medical Center. We have listed both Hillsboro Medical Center's and Portland Adventist Medical Center's NPIs under Party A.

2. **Provide a table of all OHSU and Legacy personnel with detailed working knowledge of the proposed transaction. In doing so, please include the individual's name, position/title, and role related to the transaction.**

   The following individuals have detailed working knowledge of the material terms of the proposed transaction:

Organization	Name	Title	Role related to the transaction
OHSU	Steve Stadum	Interim President	Strategic, operational, financial and administrative oversight
OHSU	Alice Cuprill Comas	EVP of Institutional Affairs and General Counsel	Legal advice and counsel
OHSU	Connie Seeley	Chief Administrative Officer and Chief of Staff	Administrative oversight and human resources
OHSU	Lawrence Furnstahl	Chief Financial Officer	Financial guidance
OHSU	Nathan Selden	Dean, School of Medicine	Oversight of medical school and clinical operations
OHSU	Tim Goldfarb	Interim CEO OHSU Health	Oversight of strategy and business operations
OHSU	Marie Chilsom-Burns	EVP and Provost	Oversight of education strategy and impact
OHSU	Peter Barr-Gillespie	EVP and Chief Research Officer, OHSU Research and Innovation	Oversight of research strategy and impact

Legacy	George Brown, MD	President and CEO	Strategic, operational, financial and administrative oversight
Legacy	Craig Armstrong	SVP and Chief Legal Officer	Legal advice and counsel
Legacy	Anita Iyenger	SVP and Chief Strategy Officer	Strategic guidance and direction
Legacy	Kerry Gillespie, CPA	SVP and Chief Financial Officer	Financial guidance and direction

3. Please explain in detail whether OHSU and Legacy will be waiving the privileges currently received by OHSU under the Oregon Tort Claim Notices Law.

The protections of the Oregon Tort Claims Act are not waivable.

Under established law, governmental entities, such as OHSU, are entitled to sovereign immunity. In adopting the Oregon Tort Claims Act, the Oregon legislature balanced important interests by waiving sovereign immunity, which governmental actors would otherwise be entitled to, and setting a process to provide the governmental actor notice of a claim. The Oregon Tort Claims Act is critical to ensuring that public entities like OHSU, local governments and fire districts continue to provide the essential, advanced and high-risk services the public needs. At OHSU, this includes health services to the most vulnerable, underserved populations—which not all providers offer—and advanced, high-risk services not offered elsewhere in Oregon. OHSU's public services also include significant non-reimbursable outreach, including free mobile health services, free health screenings, disease prevention education, and similar services across the state.

The protections that OHSU receives as a public body through the Oregon Tort Claims Act are essential to preserve the services we provide as Oregon's academic health center. The law requires that parties bring a claim within two years of the time a party discovers their injury. When there is a question of fact with respect to that issue, Oregon judges routinely allow parties their "day in court" by allowing a jury to decide when an injury was discovered.

4. Please explain whether OHSU-Legacy services provided to Washington Medicaid patients will qualify for Oregon Disproportionate Share Hospital ("DSH") payments?

OHSU-Legacy services provided to Washington Medicaid patients will not qualify for Oregon Disproportionate Share Hospital ("DSH") payments.

5. What restrictions, if any, will the combined OHSU/Legacy system have with respect to using Oregon taxpayer funds or charitable donations in the State of Washington? In providing your answer, please provide your legal analysis for your stated positions.

OHSU will continue to face and respect the same restrictions and limitations as it does today with respect to the use of taxpayer funds and charitable contributions. As required by law, charitable contributions are used only in accordance with any donor stated intent and any donor designated restrictions. As for Oregon taxpayer funds, the State of Oregon does not appropriate general funds to reimburse or otherwise pay OHSU for the provision of health care services to patients. Patient services are funded through a combination of Medicare, Medicaid,

private insurance, charity care, and other programs. The State of Oregon appropriates tax dollars to OHSU to support OHSU's research and education mission in the state of Oregon, and those activities will continue to occur in the state of Oregon.

Oregon taxpayer funds will not be used for the provision of health care services in the State of Washington, except when required by law (e.g., when a Medicaid-eligible Oregonian receives care in Washington).

6. Did the parties engage in any analysis or evaluation of any issues related to OHSU's operation of a hospital in another state? How is the acquisition of a hospital in Washington consistent with OHSU's statutory mission and how does it benefit people in Oregon?

OHSU conducted significant diligence related to this transaction, including evaluating the implications of operating a hospital in another state. It is entirely consistent with OHSU's statutory mission for OHSU to own and operate a hospital in Washington because integrating Legacy Salmon Creek Hospital into OHSU will help to improve access to care for the people of Oregon and all OHSU's patients.

OHSU's statutory mission is to serve the people of the State of Oregon. The Oregon legislature recognized that to best serve the State of Oregon, OHSU may need to conduct business in other states, and the legislature explicitly authorized this. Under ORS 353.20, OHSU was created as a public corporation "without territorial bounds." Moreover, pursuant to ORS 353.50, the legislature authorized OHSU to act "within or outside the state" and to: "enter into a partnership or joint venture," "create or participate in the operation of a business structure," "acquire or hold title to real property," "improve, develop, lease buildings and lands," "authorize, expand or operate a health care facility," and "enter into an affiliation with another health care provider for the formation of a health care delivery system," among other things. This is not surprising, given that in the Portland metropolitan area, where OHSU is located, Oregon and Washington residents travel across state lines for work, school, shopping, health care, etc.

In fact, OHSU currently provides specialty services in clinics located in Southwest Washington, and its locations in Oregon and Washington serve residents of both states (as well as patients traveling from other states and around the world). The inclusion of the Legacy Salmon Creek Hospital in the integrated public university health system will improve access to care for OHSU's patients from Oregon and Washington. Not only will this hospital location be more convenient for some OHSU patients, but the integration of this hospital, and the other Legacy Health facilities, into the public university health system will alleviate OHSU's current capacity constraints and reduce wait times for patients receiving care across the integrated system.

7. What will be the federal tax status of the Legacy entities under the OHSU integrated health care system? In providing your answer, please provide your legal analysis for your stated positions.

Legacy Health has been recognized as exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described under Section 501(c)(3) of the Internal Revenue Code and further as a public charitable organization under Section 509(a)(3). Legacy Health's charitable status will not change immediately after closing as a

result of the member substitution contemplated in the system combination agreement. The parties have not established a post-integration tax plan to address whether the Legacy Health entities will become governmental healthcare entities or maintain their tax-exempt status as hospitals. Post-closing, the integrated public university health system will analyze whether such a change would result in any significant tax savings or reduction in administrative burden.

8. List all operational cost categories that will be reduced as a result of integration and the timeline for achieving cost savings. Please provide the post-closing plan to reduce operational costs for, at minimum, the first 6 months and 12 months.

Given both the uncertainty and timing of obtaining regulatory approvals and otherwise meeting all closing conditions, a post-closing plan to reduce operational costs has not yet been established. In addition, federal antitrust laws prohibit the parties from sharing information about the cost of labor and supplies. Experts engaged by OHSU have provided a range of cost savings that are usually achieved in transactions of this type. OHSU has projected a 3% savings, which are anticipated will be achieved over several years. After regulatory approvals are obtained, the transaction closes, and the organizations have a single mission statement, unified leadership structure, and a combined fiduciary responsibility, a more detailed post-closing plan to reduce operational costs will be developed.

9. Have the parties conducted a comparison analysis of supply chain costs? If yes, provide a copy of this analysis.

Given both the uncertainty and timing of obtaining regulatory approvals and otherwise meeting all closing conditions, the parties have not conducted an analysis of supply chain costs. In addition, federal antitrust laws prohibit the parties from sharing certain information about their operations and many of Legacy Health's vendor agreements contain non-disclosure obligations which would be breached if the parties conducted such an analysis. The parties are considering a "black box" analysis of supply chain costs, but that work takes substantial time to complete, and given the anonymized results, will not be useful in specifically identifying different rates by the same suppliers.

11. What amendments does OHSU contemplate making to the Health System Board or the OHSU Health System Committee charter or bylaws post-closing. Specifically address the period from the earlier of 6 years or the capital commitment being fully spent?

A copy of the draft UHS Board Charter which would be adopted at closing was included in OHSU's HCMO Notice Supplemental Materials G at Bates OHSU_Notice_00778. The charter provides that following the sixth (6th) anniversary following the Closing Date or the date the Capital Commitment is fully spent or fully earmarked for spending on specific projects, whichever occurs earlier, any vacancies on the University Health System Board ("UHS Board") (other than the OHSU President) will be filled by a vote of the entire UHS Board (i.e., the UHS Board will become self-perpetuating). OHSU is not contemplating any other changes to the Health System Board or the OHSU Health System Committee Charter or bylaws between closing and the earlier of 6 years or the capital commitment being fully spent

12. Please provide a copy of the most recent financial pro forma.

a. Does this pro forma contemplate medical staff recruitment costs for both specialty and primary care providers?

b. Does this pro forma contemplate salary and benefit increases for clinical and rank and file staff?

Please refer to Bates OHSU_MarchRFI#12_000001 - OHSU_MarchRFI#12_000003 for the most recent pro forma. This pro forma contemplates medical staff recruitment costs for both

specialty and primary care providers and salary and benefit increases for clinical and rank and file staff.

13. Has OHSU developed a specific budget outlining how the Permissible Capital Commitment Expenditures for Legacy, as identified in Section 3.4 of the System Combination Agreement, will be allocated? If not, please explain why. If yes, please provide a copy of this budget.

OHSU's budget is subject to approval by the OHSU Board at a public meeting. Given the uncertainty of obtaining regulatory approvals and otherwise meeting all closing conditions, and without an understanding of conditions that could be imposed by regulatory agencies, many of which could have significant financial consequences, a specific budget has not been presented, nor is the OHSU Board in a position to approve such a budget without fulsome information. In addition, pursuant to the System Combination Agreement, the post-closing UHS Board will have the right to provide the OHSU Board recommendations relating to the Capital Commitment Expenditures. The UHS Board has not been reconstituted and will not be in place to make such recommendations until closing. OHSU is aware that Legacy Health's depreciation expense as a percent of revenue has fallen from nearly 5% to less than 2.5% and that Legacy Health capital additions have ranged from below 2% to nearly 4%, with an average of 3.2%. By contrast, the Moody's median started at over 6.5% pre-pandemic and is now 5%, with an average of 5.3%. That is to say, OHSU is aware that there is significant need for capital investment at Legacy Health facilities given its 24-year average age of plant. The timeline for setting a budget for the Permissible Capital Commitment Expenditures is set forth below.

14. Please explain why a detailed integration plan has not yet been formulated and provide all costs associated with this integration plan. If documents developed by your Transition and Integration Management Office (TIMO) are responsive, please provide copies of all such documents.

Development of a detailed integration plan is time-consuming and expensive. To date, OHSU has spent $11M on integration planning efforts that speak to "Day 1 Integration" or the steps that must be taken to ensure limited impact to our patients and people on the date immediately after closing. Please refer to Bates OHSU_MarchRFI#14_000001 - OHSU_MarchRFI#14_000538 for high-level documents created by TIMO that are responsive to this question.

As the documents provided in response to this question show, even this level of integration planning has required significant effort on behalf of OHSU and Legacy Health employees and advisors. Further planning is not fiscally prudent given the uncertainty that all regulatory approvals will be obtained and closing conditions will be met. As noted in response to

Question 13, integration planning will require a full understanding of the resources available for integration. The OHSU budget will be adopted by the OHSU Board once all relevant information can be provided to the OHSU Board.

In addition, federal antitrust laws prohibit the parties from sharing information about certain costs and expenses, making some components of integration planning particularly challenging. After regulatory approvals are obtained, the transaction closes, and the organizations have a single mission statement, unified leadership structure and a combined fiduciary responsibility, a more detailed post-closing integration plan will be developed.

15. Does OHSU plan to maintain two Level 1 Trauma Center designations?

OHSU has no plans to change the levels of trauma care provided at any of the public university health system hospitals. Any changes to such designations will be made with primary consideration for community need, responsiveness to state-wide trauma structure, patient access and impacts on quality of care. OHSU has submitted proposed metrics with its HCMO Notice that the integrated public university health system has committed to achieve across the four HCMO pillar areas and expects that OHA will monitor its progress in each.

[redacted]

[redacted]

18. Describe in detail the actions taken by Legacy Health and its affiliates within the last five (5) fiscal years (from the date hereof) to address any health care inequities in its patient services areas, inclusive of dates of implementation for specific programs developed, internal infrastructure, business plans, and personnel hires to specifically address health care inequities. Please provide all Legacy Health documents that demonstrate measurable outcomes in achieving all results in addressing health care inequities. Please do not provide the Community Health Needs Assessment as a response as this question is directed more to specific evidence of implementation plans and outcomes relating to health care inequities.

This response is provided by Legacy Health. It includes a list of the work by Legacy Health and its affiliates within the last five years to address health care inequities in Legacy Health service areas. The response includes a range of different types of initiatives and programs, with differing implementation statuses.

<u>Chuukese interpreter training program:</u>

- The Pacific Northwest is home to a rapidly growing Chuukese population, due to climate change related challenges in the Chuuk islands and the U.S.'s involvement in Micronesia during the post-World War II period to test nuclear weapons that disrupted indigenous subsistence lifestyles and led to western-diet-related chronic diseases. Having noted an

increase in requests for interpreters for Chuukese, and the fact that prior to our work there were only 2 qualified interpreters in the entire state of Oregon, Legacy Health worked with a regional community-based organization to recruit bilingual members of the Chuukese community who were interested in becoming qualified interpreters. This training involves 60 hours of classroom time. Legacy Health paid for the training cost, as well as providing stipends to enrollees to cover childcare, transportation, and the opportunity cost to attend the training. We graduated our first cohort of 4 new interpreters in April 2023 and had a second cohort of 6 graduates in May 2024. We also support a post-graduation mentorship program for the graduates to support them into freelance employment through interpreter agencies.

- We are currently exploring community connections to support similar trainings for other languages from marginalized communities that struggle with language access, such as Mam, Somali, Amharic, Dari, Ukrainian, Russian and other Pacific Island languages.

<u>COVID community response:</u>

- During the early pandemic, before home testing was available, Legacy Health partnered with several community agencies to address the disparities for marginalized communities in COVID outcomes and access to testing noted in both local and national data. Legacy partnered with several trusted community agencies to conduct large-scale testing events in community neighborhoods. Legacy Health invested time, staff, and materials to set up these testing events, including following up with patients who tested positive and offering support.
- In early 2021, Legacy Health participated in the All4Oregon mass vaccination clinic at the Oregon Convention Center to ensure easier and increased access to Oregonians in a more centralized location.
- While Legacy Health dedicated resources to the vaccination effort at the OCC, we also recognized that there were communities at risk that would not likely seek care there for various reasons, due to language barriers or the presence of uniformed personnel that raised concerns for undocumented patients. Legacy Health leveraged its existing occupational health relationships with many of the agricultural providers in the Marion County region and held on-site COVID vaccination clinics on farms to offer vaccines to migrant farm workers and their families. These pop-up vaccination clinics were very successful at reaching a population that likely would not have gotten vaccinated. Legacy invested staff time in organizing and delivering this care, as well as the supplies and materials.
- Throughout the next year, Legacy Health recognized the importance of meeting communities where they were and provided pop-up vaccine events at multiple community events in the Portland metro region including the Juneteenth celebration in the summer of 2023, an event at SEI in North Portland, among others. We consistently staffed a weekly concert series in Dawson Park and offered vaccines, in partnership with Multnomah County, and gave hundreds of vaccines there.

<u>Mpox vaccination:</u>

- During the Mpox outbreak, which disproportionately impacted the LGBTQ population, Legacy Health set up a pop-up clinic to deliver the Mpox vaccine to high-risk individuals. The clinic was promoted through social media to the at-risk population, and we vaccinated around 100 people.

Emergency Department (ED) utilization disparities

- In the summer of 2020, Legacy Health developed the "Disparity Index," taking the 32 quality and utilization measures tracked by Legacy Health's Clinically Integrated Network and stratifying them by Race, Ethnicity, Gender, and Language. The disparities between these groups were then quantified to be able to look at the largest disparities. Legacy Health noted significant disparities in utilization of the ED for ambulatory sensitive conditions by patients who identify as Black/African American. Looking into the root causes for the ED utilization, there were a higher portion of patients who did not have a primary care provider in that population. Legacy Health has a team the does outreach to patients who are part of value-based arrangements to help connect them with primary care, and we prioritized those population for outreach and connection. Unfortunately, we did not see a full closure of the disparity in our data, which is multifactorial and encompasses factors beyond our ability to influence, but we continue to work on outreach and connections to primary care.

Mammogram access

- Legacy Health noted a 4-6% disparity in screening mammogram rates between our Black patients and their white counterparts. In partnership with the REACH program from Multnomah County we engaged with community to understand the driving factors behind this disparity. In doing so, we recognized that patients who contacted our imaging sites to request a mammogram, but did not have an established primary care provider (PCP) could not get a mammogram done as there was no one to send the result to. Getting established with a PCP can be a timely process, as access is limited. We identified a provider within our system who would be able to manage any abnormal results for patients that did not have an established ordering provider and are now able to offer mammograms to any eligible patient who requests one, whether they have a PCP or not. This effort was piloted at one site in the spring of 2024 and spread throughout the system. Since then, we have offered over 150 mammograms to patients that would have otherwise been turned away, including several new diagnoses of breast cancer that were then referred for treatment. We are now performing over 50 screening mammograms per month that wouldn't have happened in a timely fashion otherwise.

- As part of this effort, a Legacy Health team also attended a community health fair at the Matt Dishman Center, providing breast cancer education as well as onsite scheduling for screening mammograms. We are working to operationalize this activity to be able to offer this service more routinely at community events.

Food Insecurity Work

- Food insecurity, along with other Health Related Social Needs, has been a significant concern for Legacy Health for several years. The impact of food insecurity on health within low income and otherwise marginalized communities has been well studied and is clinically significant. Legacy Health began screening for food insecurity in primary care practices in 2022. This work started in a few clinics, and then spread throughout the system, including many of the women's health clinics.

- To support the screening, Legacy Health developed a food bag program, which put bags of shelf-stable food in the clinic for staff to hand out to any patients who screen positive, along with information on community resources. This program has been incredibly well

received by patients, who are grateful for the resource, and surprised to walk away from their provider visit with a bag of groceries. Legacy Health has provided over 20,000 bags of food over the past 5 years. Legacy Health researchers are currently conducting in-depth interviews with staff and patients to learn more about the impact of this program and how to improve it.

- In addition to the shelf stable bags, since June 2023, Legacy Health has been partnering with local BIPOC-owned farms to provide monthly free fresh food markets on some of its campuses for community access. Legacy Health purchases the produce from the farmers, thus supporting local agriculture and our patients. The markets serve about 100 families per month.

- There is a significant investment by Legacy Health for this program in operation, staff time, food supplies, and coordination, amounting to over $250,000 annually.

Randall Children's Central Line Associated Bloodstream Infection (CLABSI) work

- The Randall Children's Hospital team has been a member of a multi-hospital collaborative, Solutions for Patient Safety. Through this collaborative, they began in 2024 to analyze their hospital safety data by race and language and compare it against national data. They have found a disparity in the CLABSI rate in non-English speaking patients and are currently working to understand the root causes of how possible language barriers are contributing to the disparity. This is active and ongoing work, and we are looking forward to implementing mitigation strategies once we have clearly identified optimal solutions.

Fall Prevention Program

- We know senior falls can be preventable. The opportunity to help reduce falls among older adults has never been more needed. Legacy Health's Trauma Nurses Talk Tough (TNTT) believes that offering effective fall prevention education in our communities can reduce falls, increase quality of life, and reduce injuries for older adults.
- According to the Oregon Health Authority (OHA), falls are the leading cause of fatal and nonfatal injuries for adults 65 and older. One in three older adults fall each year, and 20% to 30% of people who fall suffer moderate to severe injuries, such as bruises, hip fractures, and head traumas. While falling is common to people of all ages, the severity of injury for older adults can result in a loss of mobility and independence. However, many falls are preventable.
- TNTT's Take the Right Steps is a best practice program designed to reduce fall risk in older adults. Take the Right Steps is a free one-hour class that engages older adults, builds confidence, empowers and encourages older adults to manage their own health. It focuses on the causes and risk factors that can contribute to senior falls:
    - Medication side effects
    - Poor vision
    - Poor balance
    - Difficulty walking
    - Home hazards
- Take the Right Steps is offered in a variety of settings to older adults. In person and online/virtual learning opportunities are also available. TNTT provides free safety items for low-income seniors that attend workshops.

Family Birth Center Equity Initiatives

Culturally Responsive Doula Program:

- Legacy Health began a Culturally Responsive Doula program in 2021 in response to the increased recognition that the existing racial health disparities in our communities needed to be addressed immediately with evidence-based practices. The program has 44 contracted doulas from many of our region's culturally-specific communities, including 14 Latine, Spanish-speaking doulas, 7 Black doulas, 3 African doulas – primarily serving African immigrants and refugees but also serving Black/African American clients, 1 Asian/Pacific Islander doula, 1 Arabic doula, and 4 LGBTQ+ identifying doulas. The doulas speak a cumulative 12 languages other than English.
    - The program was designed by and is operated by doulas to ensure that the doulas actively maintain their doula scope and autonomy, to minimize burnout, prevent secondary trauma, and to address the impact of microaggressions and racism.
    - Since 2021, the program has served 1,560 patients across all 6 Legacy Health hospital sites.
    - Preliminary analyses suggest that patients working with our culturally responsive doula program are less likely to have a c-section than their peers who did not work with one of these doulas.
    - Legacy Health is currently conducting a process and outcomes evaluation of the Doula program. The evaluation will compare labor and birth experiences and outcomes for Medicaid patients who did and did not work with a Legacy Health Doula to learn whether the program improved outcomes for patients. Legacy Health researchers are also collecting data from the doulas about their experience caring for patients at Legacy Health hospitals. This data will inform process improvements at Legacy Health. Additionally, Legacy Health researchers are surveying patients about their experience working with the Doula program to identify opportunities for improving care for our Medicaid patients.
    - In 2024, Legacy Health received a grant to recruit and support 12 local student doulas, mostly Latiné Spanish-speakers, to develop a doula workforce to serve Marion and Polk counties. In addition to culturally and linguistically specific doula workforce development, we plan to provide scaffolded support for our student and contractor doulas and the families they care for by embedding a Spanish/English bilingual Community Health Worker (CHW) in our Silverton doula team.
    - Legacy Health Doula culturally specific workforce initiatives recruited and trained over 43 culturally specific student doulas in doula deserts where a diverse doula workforce did not exist, from Fourth Plain Forward in Southwest Washington all the way down into the Silverton region.
    - Qualitative Findings from the doula program:
        - One of our doulas recently shared that she worked with a 17-year-old client who crossed 9 borders to flee a dangerous situation in her country. The doula was the connection, navigation and support this patient needed to feel nurtured as a new mother in an unfamiliar country and culture, far away from familial support.
        - A 36-weeks pregnant patient working with a student doula who spoke her language faced becoming homeless as her due date approached. She was referred to a CHW to help her fill out housing resource applications. Because

the CHW did not speak the patient's language, she coordinated with the doula and together they helped the patient fill out her paperwork so she could remain housed.

- A Spanish-speaking doula received an "I think I'm in labor" call at 3am from a patient who did not understand how best to get to the hospital, since she was unfamiliar with the U.S. maternal health care system. The doula explained transportation options, avoiding an un-intended homebirth.

TeamBirth Model:

- There are well-known disparities in maternal outcomes for Black and Indigenous birthing patients in the United States, and we are not immune to this tragic fact. Legacy Health's Women's Health leadership engaged with Ariadne Labs in Spring 2024 to begin using the TeamBirth model of care. TeamBirth is a clinical model, focused on team "huddles" including both the healthcare providers as well as the birthing parent to enhance cross-cultural communication, respect patient preferences for care and address questions and concerns, and has been proven to reduce racial/ethnic disparities in health outcomes. Operationalizing this model requires significant education for all the team members, as well as good communication with patients.
- Quality and patient experience metrics such as unplanned c-sections and feeling respected by providers are collected, reviewed by care teams, shared in systemwide educational venues, and benchmarked with participating institutions. There are also investments in telehealth and technical support required to make this program a success. Legacy Health has rolled out this model in 3 sites and is continuing to do so across the system. While it is too early to see direct outcomes of this model in our data (thankfully the negative outcomes are still rare), we are hopeful of seeing a closing of the disparities seen.

Pregnancy and Parenting Education Team:

- Trained six of our Legacy Health doulas to become certified Health Educators, teaching at all six sites. This has created a tremendous shift in cultural representation and congruency in Family Birth center tours, baby care classes, and beyond.
- We were able to start a service line of education in Spanish with two of our native Spanish speaking doulas who are now Legacy Health educators.

Lactation Program:

- By having trusting, collaborative and mutually respectful care planning meetings since 2023, Legacy contracted with Black Parent Initiative (BPI) in 2024 to launch a Pathway 3 Lactation Consultant (LC) program- one of the first in the nation. All LC candidates are Black lactation consultant students who have accrued thousands of hours of direct care for our breast/chest feeding patients.
- Two of the BPI students have enough hours to sit for their International Board-Certified Lactation Consultants (IBCLC) exam this year and are currently working towards applying at Legacy to be a staff member as an IBCLC.
- We have another round of student candidates (5) who will start Summer 2025.

Continuation of Project Nurture:

- In 2023, Legacy Health implemented a Quality Improvement Project using electronic health record (EHR) data from six Legacy Health Systems hospitals in Oregon and Southern Washington to (1) estimate the prevalence of documented substance use disorder (SUD) among pregnant people seeking care through the Legacy Health system during 2021-2022, (2) describe the population characteristics of the subpopulation of pregnant people with substance use disorder, and (3) compare characteristics of this subpopulation with the general population of pregnant people seeking care through Legacy Health. The goal of this project was to identify modifiable health system gaps and advocate for service expansion for pregnant and postpartum people with substance use disorder receiving care through the Legacy Health system, with a goal of reducing health disparities and promoting reproductive and health justice for all. This study was reviewed and approved by Legacy Health and Johns Hopkins Institutional Review Boards.
- Some of the key findings include:
    - Prevalence of SUD among pregnant people who gave birth at Legacy between May 1, 2021-May 1, 2022, is estimated at 5.15%.
    - Black or African American, Multiracial, and American Indian or Alaskan Native people make up a statistically significant greater proportion of the population of pregnant people with SUD than the population of pregnant people without SUD.
    - Most of the pregnant population with SUD have a primary residence in Clark County, Washington; Multnomah County, Oregon; or Marion County, Oregon, however, people with primary residences in 28 counties, including 8 outside of Oregon and Washington, came to a Legacy Health hospital to deliver.
    - The mean age of 28.3 years in the SUD sample was younger than the mean age in the non-SUD sample and statistically significantly different.
    - Babies born to parents with SUD were more likely to be born premature and low birth weight.
    - Maternal and newborn length of stay were statistically significantly greater in the SUD sample.
- As a result of this improvement project, key recommendations were developed to strengthen Legacy Health services for the pregnant population with SUD. Since then, Legacy Health has begun planning and partially implementing the following improvements:
    - Build an addiction medicine service to support all hospital staff/providers and improve care for pregnant and non-pregnant patients with SUD during their hospitalizations that include Board Certified Addiction Medicine doctors, Certified Drug and Alcohol Counselors, and Certified Peer Recovery Mentors.
    - Educate staff on harm reduction principles and integrate a harm reduction approach and services into care in Women’s Services and throughout the health system (Naloxone distribution, syringe exchange, harm reduction education, etc.).
    - Collect and report the Oregon Maternal Data Center’s substance use measures to join Washington and California to adopt a data driven approach to improve hospital performance and care for pregnant people with substance use disorder.
    - Implement universal screening for substance use during pregnancy with a validated screening tool (5Ps of pregnancy) in every Women’s Services clinic throughout the Legacy Health System. (target 2026)
    - Train all Women’s Services providers and staff on Screening, Brief Intervention, Referral to Treatment (SBIRT) and Trauma Informed Care. (target 2026)

- We conducted an extensive evaluation of the program in 2017 to show the avoidance of downstream costs and improved quality of birth outcomes:

	Women in Project Nurture	Women with SUD not in Project Nurture	Savings per case avoided
Preterm birth rate	3.5%	11%	$13,646
C-section rate	28.1%	36.5%	$2,900
Prenatal care (7 or more visits)	11.4%	8.5%	

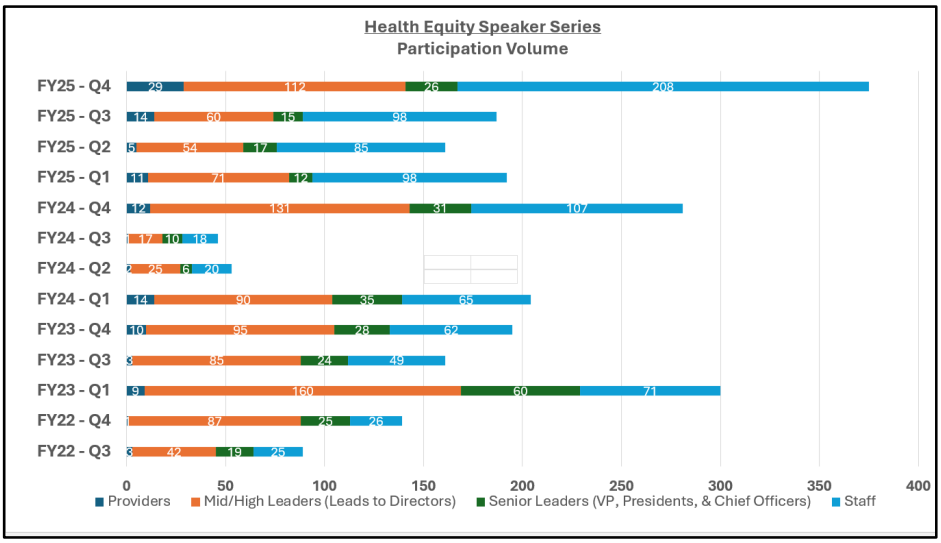
- The data shows women who were exposed to Project Nurture had higher rates of engagement in prenatal care, and a C-section rate of 28.1%, compared to 36.5% in women with SUD not exposed to Project Nurture.
- Through this evaluation we saw 93% of Legacy Health Project Nurture participants parenting at program exit and 74% had both short and long-term custody of their infant.
- In 2023, there were 47 Project Nurture births. Of those, 34 were covered by Medicaid.
- In 2024, 3.7% of pregnant patients seen at Legacy Emanuel Midwifery engaged in Project Nurture and 58% of our Project Nurture patients were covered by Medicaid.

Workforce Diversity, Equal Opportunity and Cultural Competency

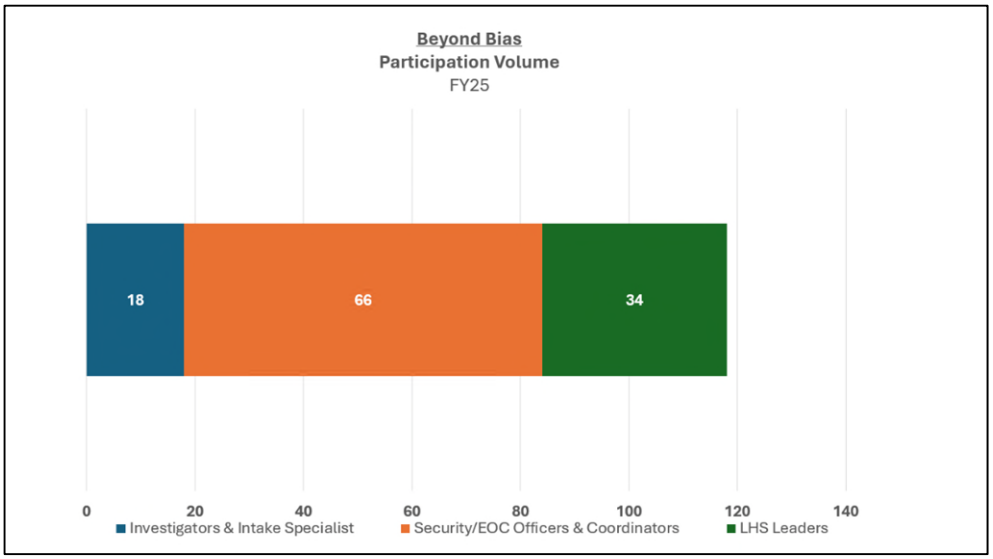
Workforce diversity and retention efforts are critical for creating a healthcare system that aspires to provide culturally responsive, linguistically concordant and trauma-informed care for the increasingly diverse patient populations in the Legacy Health service areas. Operational hospital leaders are routinely provided workforce turnover data, disaggregated by race/ethnicity to learn if there is higher turnover of historically underrepresented racial/ethnic groups in the workforce.

- Departments in People and Culture have developed systemwide countermeasures and are improving processes to address systemic drivers of preventable turn-over, such as confidential reporting of discrimination, harassment and bias; more transparent and equitable policies for interim leadership and promotion opportunities; wellness courses on mindfulness and stress first-aid to address burn-out; and expanding the Employee Resource Program to promote community building and belonging.

Monthly health equity speaker series are produced for leaders and providers (and are also available for Board members and unaffiliated providers) on topical issues relevant to medically underserved populations and recommended calls to action for system and individual level change. Recent topics have included unique structural and social barriers for veterans receiving care, Randall Children’s process improvements for addressing disparities in CLABSI events, effective ways to support African American healthcare workers who have experienced racial trauma. Sessions are eligible for CME, CE, and MOC credit. Start Date: Nov 2021



Beyond Bias is a day-long, evidence-based implicit bias training offered to select segments of the workforce to address concerns about the role of implicit racial and gender bias in patient encounters. Pre and post training assessments of baseline biases and preferences show moderate to significant change in knowledge and attitude of the participants. Employee groups that have completed training include security officers, environment of care professionals, investigators of employee and patient discrimination and abuse, and their managers and supervisors. Forthcoming groups include nurse leaders, nurses and hiring recruiters. Start Date: October 2024.



Assistance to Rehabilitation Institute of Oregon (RIO) Patients

Legacy Health provides necessary items not covered by Medicaid and Medicare to patients leaving RIO. These patients all have at least temporary (and often permanent) disabilities.

GME Improving Diversity

Legacy Health provides scholarships for medical students that identify as underrepresented minorities.

Pathways to Health Professions
Legacy Health provides scholarships for pre-clinical students that identify as under-represented minorities or from disadvantaged backgrounds to rotate at all of our sites in all healthcare professions and disciplines through the nonprofit MedStaircase.

[redacted]

20. Entities have stated a projected industry-standard savings of 3%. Are there any other documents or planning analyses that supports this estimate?

The projected healthcare industry standard of 3% cost savings for mergers and acquisitions is derived from a combination of historical data for comparable transactions, industry benchmarks, and professional experience. This estimate is based on the observed efficiencies that typically result from consolidating operations, streamlining processes, and leveraging economies of scale. OHSU plans to achieve 3% across the entire portfolio. This approach maintains and improves health care services for people in Oregon, which is the purpose of the transaction.

Several factors drive the 3% efficiencies benchmark that many healthcare mergers and acquisitions target, including:

1. **Historical Data and Industry Benchmarks:** The 3% cost savings estimate is grounded in historical data from previous healthcare mergers and acquisitions. Research by UCLA's Anderson Review found that acquired hospitals realized cost savings of 4% to 7% in the years following an acquisition, primarily due to improved efficiencies and streamlined operations (Schmitt_HospitalMergersCosts.pdf). Specific notable examples include:

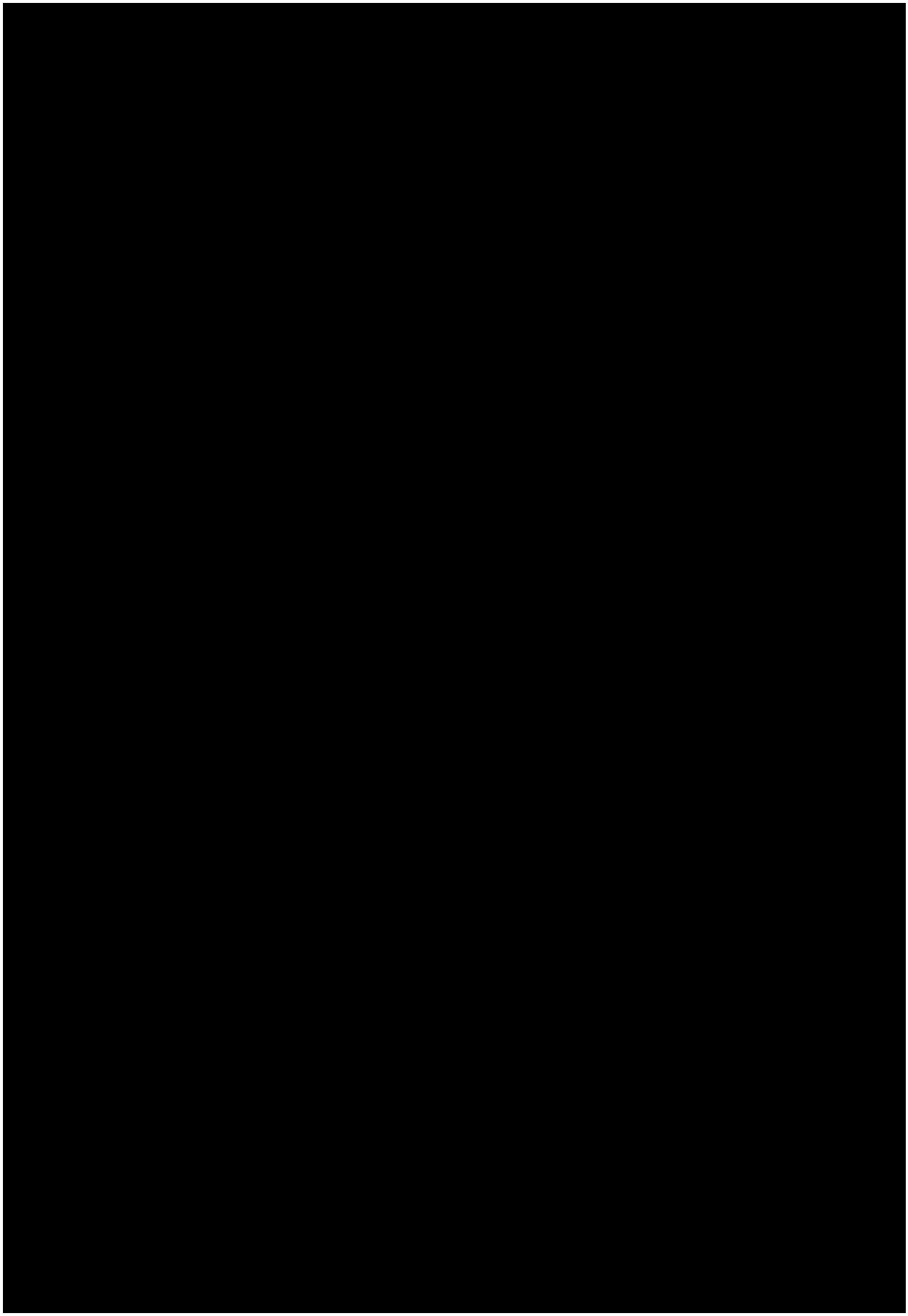
    a. **UNC Health Care and Rex Healthcare:** According to public reports, the merger between UNC Health Care and Rex Healthcare resulted in a 3.3% reduction in annual operating expenses per admission at acquired hospitals.

2. **Operational Efficiencies:** The integration of OHSU and Legacy Health is expected to streamline various operational processes. For example, we understand from other transactions that the consolidation of IT infrastructure and data analytics systems can reduce overhead costs and improve data management capabilities. Additionally, the establishment of a unified workflow for clinical quality and regulatory compliance could promote enhanced efficiency and reduce administrative burdens.

3. **Economies of Scale:** By merging, OHSU and Legacy Health can consolidate contracts for purchasing clinical and non-clinical supplies and services. OHSU is therefore targeting cost savings across various departments including hospitals, clinics, HR, finance, IT and tax operations.

4. **Expert Analyses and Projections:** The integration program's workstream workshops and meetings have highlighted the potential for transformative integration and cost savings. The TIMO (Transformation Integration Management Office) has emphasized the importance of understanding current state operating models to inform Day 1 and Day 1+ integration plans. These plans will identify impacts across organizations and help achieve the projected cost savings.

In the context of the OHSU and Legacy Health merger, based on the estimated combined operating expenses at close of approximately $8.5 billion, 3% equates to $255 million, which based on preliminary analysis is achievable.



[redacted]

22. Explain the IRS authority according to which OHSU is tax-exempt. What will be the tax impact, if any, of OHSU being the parent of the health system?

The Internal Revenue Service has determined that OHSU is a political subdivision of the State of Oregon, or an agency or instrumentality of the State of Oregon or a political subdivision, which is exempt from US income tax under the Internal Revenue Code. A certificate from the Internal Revenue Service is attached to this response at Bates OHSU_MarchRFI#22_000001. The parties do not expect any tax impact of OHSU being the parent of the health system.

23. Do the Applicants have records of donor intent that would satisfy the Oregon Uniform Prudent Management of Institutional Funds Act under ORS 128.328? Will there be any restrictions on the transferred donor restricted funds or non-donor restricted funds being used in Southwest Washington?

The OHSU Foundation and the Legacy foundations have records of donor intent that would satisfy the Oregon Uniform Prudent Management of Institutional Funds Act under ORS 128.328. Donor restricted funds will be used in accordance with the donor's intent. Non-donor restricted funds, some of which originate from outside of Oregon, will be used in accordance with all legal requirements.

24. Have the parties performed a joint analysis of community health needs to correlate with their representations regarding what the need is and how such need(s) will be addressed?

Given the uncertainty of obtaining regulatory approvals and otherwise meeting all closing conditions, the parties have not conducted a joint comprehensive analysis of community health needs. However, OHSU and Legacy Health individually gathered current performance data in the four HCMO domains and jointly discussed this data and potential commitments, in alignment with the HCMO Analytic Framework. This work informed the proposed health equity, access, cost and quality commitments and metrics submitted to OHA with the Notice. This process included some assessment and discussion of community health needs, but it is not a replacement for a comprehensive community health needs analysis that engages community, including patients and frontline health care workers. The parties will conduct a full, community-informed analysis post-closing when the two organizations are operating to fulfill a single mission and are no longer market competitors.

25. Confirm when service line redundancies will be eliminated and how does that impact access issues post combination?

Given the uncertainty of obtaining regulatory approvals and otherwise meeting all closing conditions, and the cost associated with appropriate analysis, the parties have not conducted the necessary analysis to determine if and when the integrated public university health system would evaluate service line redundancies. Any changes to service lines will be made with primary consideration for community need, patient access and impacts on quality of care.

OHSU has submitted to OHA proposed metrics that it would seek to achieve in each of these domains and expects that OHA will monitor its progress in each of those areas.

26. What clinical risk management issues will potentially exist if Legacy and OHSU are not on the same Epic instance?

Epic Systems provides many tools that allow organizations that use Epic to share information across disparate organizations for the provision of clinical care, and OHSU does not anticipate any increase in risk if the two systems remain on separate instances of Epic post-closing. That said, OHSU and Legacy Health have created a workstream to begin exploring integration of the two discrete systems into a single Epic system as soon as is reasonably possible after closing. Of note, OHSU and Legacy Health both share a common data reporting platform, Vizient, and this commonality will allow us to monitor and manage clinical risk and quality management across sites in a unified manner after closing.

27. What specific operational or back-office functions (billing, human resources, etc.) will be or are anticipated to be eliminated at either Legacy or OHSU? Please provide the timelines for any such eliminations.

Given the uncertainty of obtaining regulatory approvals and otherwise meeting all closing conditions, a specific plan relating to operational or back-office functions has not been determined. It is anticipated that the integrated public university health system will assess these functions and adopt an implementation plan following closing of the transaction. The parties' consulting experts believe that there will likely be an opportunity to consolidate those functions both for cost savings and to ensure alignment in process and culture. The timing of any such consolidation will depend on a number of factors, including staffing levels, technology needs, and the skill sets and strengths of each organization's functional team.

28. Please describe the process the parties undertook to determine the defeasance escrow set forth in the System Combination Agreement. Please provide the Disclosure Schedules referenced in Section 4 of the System Combination Agreement.

Please refer to Bates OHSU_MarchRFI#28_000001 - OHSU_MarchRFI#28_000188 for the execution version of the Disclosure Schedules referenced in Section 4 of the System Combination Agreement. Per Section 6.3.1 of the System Combination Agreement, the Parties are making quarterly updates to the Disclosure Schedule. The latest agreed upon update and

the accompanying attachments are also being provided at Bates OHSU_MarchRFI#28_000189 - OHSU_MarchRFI#28_000380.

29. Please provide the names of the Legacy representatives that will serve on the combined system's healthcare board and reasons why they were chosen.

OHSU is governed by a Board of Directors appointed by the Governor of the State of Oregon. The OHSU Board has delegated certain limited functions to a "health system board," which reviews quality and privileging issues for the hospital and reports back to the OHSU Board. The parties have agreed that Legacy Health will appoint members to the health system board and that in addition to quality and privileging, the health system board will make non-binding recommendations to the OHSU Board with respect to OHSU's financial commitment as it is defined in the System Combination Agreement.

At the March 20, 2025, Legacy Health Board meeting, the following appointees were approved to serve on the OHSU Health System Board:

- Leslie Root, MD
- Nasreen Illias-Khan, MD
- Nathalie Johnson, MD
- Joe Frankhouse, MD
- Melinda Muller, MD
- Kecia Kelly, DNP, RN

The Legacy Health Board chose these individuals because they are medical professionals whose expertise and interests align with the responsibilities of the health system board.

30. Please list all the state and federal taxes to which each of OHSU and Legacy is subject. In addition, please list all real estate or personal property tax exemptions and the impact the proposed combination may have on municipal revenue.

As detailed in response to Question 22, OHSU and Legacy Health are exempt from income tax on activity related to their tax-exempt purpose. Each entity pays income tax on activity unrelated to its tax-exempt purpose. OHSU is exempt from Oregon State and local real and personal property taxes pursuant to ORS 307.090 and 307.112. Legacy Health is exempt from Oregon State and local real and personal property taxes pursuant to ORS 307.130, 307.112, 307.130, 307.162 and 307.166. In Washington, Legacy Health's property is exempt from property taxes pursuant to RCW 84.36.040(1)(e).

The transaction will not have any impact on the tax liability or tax exemption of either entity or on municipal revenue.

The parties pay other taxes as detailed below:

OHSU:

- Federal payroll taxes including Social Security and Medicare
- State of Oregon payroll taxes including TriMet Transit District Tax, Lane Transit District Tax, Workers' Benefit Fund Tax

- State of Washington Business & Occupation Tax
- State of Washington Sales & Use Tax
- State of Washington Litter Tax
- State of Washington Tangible Personal Property Tax
- State of Oregon Metro Construction Excise Tax
- State of Texas Property Tax
- Federal Excise Tax for Patient-Centered Outcomes Research Fee (related to self-insurance)
- Federal Unrelated Business Income Tax
- State of Oregon Corporate Excise Tax (on unrelated activity)
- State of Oregon Corporate Activity Tax

OHSU Subsidiaries Paying Tax Directly (THPS Only):

- Federal Corporate Income Tax
- State of Oregon Corporate Excise Tax
- State of Oregon Corporate Activity Tax

Legacy Health:

- Federal Excise Tax on executive compensation
- Federal Unrelated Business Income Tax
- State of Oregon Corporate Excise Tax (on unrelated activity)
- State of Oregon Corporate Activity Tax
- Federal payroll taxes including Social Security and Medicare
- State of Oregon payroll taxes including TriMet Transit District Tax, Lane Transit District Tax, Workers' Benefit Fund Tax
- State of Washington Business & Occupation Tax
- State of Washington Sales & Use Tax
- State of Washington Litter Tax
- State of Washington Tangible Personal Property Tax

31. On an annual basis, please provide the dollar amount OHSU currently receives in terms of state governmental support for the OHSU health system operations (excluding educational components of the academic medical center and Medicaid reimbursement)? Is additional government support expected or budgeted in pro formas if the proposed system combination is approved?

The only annual state governmental support for the OHSU health system operations (excluding educational components of the academic medical center and Medicaid reimbursement) OHSU receives, are recorded within State Appropriations program outlined below.

OHSU Programs						70,396,187
Education and General	Yes	GF	87900	84900	HB 5025	58,579,323
Oregon Child Integrated Dataset (OCID)	Yes	GF	87900	84910	HB 5025	1,000,000
Statewide Behavioral Health Capacity Dashboard	Yes	GF	87900	84900	HB 5025	2,700,000
Oregon Perinatal Collaborative (OPC)	Yes	GF	87900	84911	HB 5025	500,000
Child Dev & Rehab Center (CDRC)	Yes	GF	87900	84908	HB 5025	4,861,260
Oregon Poison Center	Yes	GF	87900	84905	HB 5025	2,005,604
Area Health Education Center	Yes	GF	87900	84912	SB 490	750,000
						11,816,864

32. In the event the proposed combination between OHSU and Legacy Health is approved and closes, please explain in detail OHSU's plan for providing value-based care, including achieving improved patient satisfaction levels, patient outcomes, efficiencies, and lower patient costs of care.

One of the goals of the integration of OHSU and Legacy Health as articulated in the system combination agreement is to accelerate the ability of the combined system to continue to transition to value-based care models, but, given the uncertainty of obtaining regulatory approvals and otherwise meeting all closing conditions, a detailed plan has not been developed. In its HCMO Notice, OHSU committed to improving a number of key preventative care and health outcome metrics relevant to the patients served and aligned with all aspects of the quintuple aim (improved quality, lower cost, health equity, patient experience, provider experience). Many of these measures were selected given their alignment with existing value-based models OHSU and Legacy Health participate in, such as the metrics in Oregon's CCO Quality Incentive Program. Delivering improvements to these metrics and their respective organizational infrastructure and breadth will measurably demonstrate how the integrated public health system will accomplish the goal of accelerating value-based pay readiness in Oregon. OHSU has submitted these proposed metrics to OHA and expects that OHA will monitor its progress on each.

33. Please provide the basis, rationale, legal analysis, and any supporting documentation as to why OHSU believes it is exempt from each of federal and state antitrust laws (including any communications with any federal or state agencies).

OHSU is a public entity. The Oregon state legislature established OHSU as a public corporation performing "governmental functions and exercising governmental powers." *Clarke v. OHSU*, 175 F.3d 418, 428 (Or. 2007) (quoting ORS 353.050). The legislature granted OHSU the power to form "health care delivery systems"—including by acquiring another entity and/or entering partnerships or affiliations—and clearly articulated that those activities are authorized by the State even if they "might otherwise be deemed anticompetitive within the contemplation of state or federal antitrust laws." ORS 353.050(25). Accordingly, the Oregon Supreme Court held that OHSU is an "instrumentality of the state" entitled to state-sovereign immunity. *Clarke*, 175 P.3d at 428.

OHSU and Legacy Health are not required to file a premerger notification report under the Hart-Scott-Rodino Antitrust Improvement Act of 1976 ("HSR Act") because the proposed transaction falls within an enumerated exemption to the premerger filing requirements of the HSR Act. Section 7A(c)(4) of the HSR Act explicitly exempts "transfers to or from a Federal agency or *a State or political subdivision thereof*" like OHSU and 16 C.F.R. Section 801.1(a)(2)

states that an "entity" for purposes of the HSR Act shall not include "… the United States, *any of the States thereof, or any political subdivision or agency of either*." OHSU does not qualify as a covered entity under the HSR Act and the proposed transaction fits squarely within a specific exemption in the text of the statute. For these and other reasons, no HSR filing or waiting period is required for this transaction.

Please see Bates OHSU_MarchRFI#33_000001-OHSU_MarchRFI#33_000105 and OHSU's response to Question 9(a) in the HCMO Notice for additional information responsive to this request.

35. Will the proposed combined system have one unified cost of care rate or will there be a differential rate structure within the combined health care system to distinguish rates based upon the level of care, costs, complexity of care and acuity levels? In addition, will the proposed combined system offer tiered contracting to commercial and governmental payor programs?

[redacted]

36. How does the inclusion of Legacy within OHSU impact OHSU's bond rating?

The parties intend to seek a combined bond rating prior to closing the transaction. The System Combination Agreement includes a closing condition that OHSU shall not have received a new credit rating for the combined Health System of below "A3" by Moody's or below "A-" by S&P.

[redacted]

[redacted]

37. What is Legacy's current S&P Global Rating and how does it impact the cost of bond financing?

The most recent S&P Global Rating report for Legacy Health is provided at Bates OHSU_MarchRFI#37_000001 - OHSU_MarchRFI#37_000008. With respect to how the current rating impacts the cost of bond financing, as noted in response to Question 36, OHSU will seek a bond rating for the combined entity and any borrowing by the combined entity will be subject to the combined rating, rather than by Legacy Health's current rating.

38. What third-party physical plant assessments were performed to determine routine recapitalization and facility improvement plans? Is the committed amount adequate and are there reserves?

Given the uncertainty of obtaining regulatory approvals and otherwise meeting all closing conditions, the parties have not engaged a third party to conduct a physical plant assessment of the combined systems facilities. OHSU determined the amount of the financial commitment based on industry standards of recapitalization, taking into account the age of the Legacy Health facilities and potential strategic investments that would lead to improvements in access, quality, health equity and cost of care.

OHSU is aware that Legacy Health's depreciation expense as a percentage of revenue has fallen from nearly 5% to less than 2.5%. Legacy Health capital additions have ranged from below 2% to nearly 4%, with an average of 3.2%. By contrast, the Moody's median started at over 6.5% pre-pandemic and is now 5%, with an average of 5.3%. That is to say, OHSU is aware that there is significant need for capital investment at Legacy Health facilities given its 24-year average age of plant. To the extent the capital commitment is insufficient to cover both routine capital needs and the combined health systems' strategic needs, the OHSU Board will need to prioritize the use of capital. Please refer to the response to Question 13 for the timeline for determining routine recapitalization needs and potential new capital investment as well as setting a budget for the Permissible Capital Commitment Expenditures.

39. How will labor shortages and cost increases impact the parties' financial modeling? Please explain how financial planning in financial pro formas addresses system preparedness for unexpected contingencies.

The pro forma models contain assumptions regarding labor cost increases. As described in response to Question 16, OHSU is committed to providing inflation appropriate wages to its staff and the staff of the combined public university health system. This has created and will continue to create pressure on system finances. The proposed integration with Legacy Health is an opportunity to bend the cost curve more than either system can do independently. Please refer to the response to Question 16 for other limited options OHSU has.

Financial pro formas do not generally include financial planning, but rather are a model on which financial planning can be based. As discussed in response to Question 16, the combined public university health system would make use of a number of different mitigation strategies to manage risks and the impact of assumptions included in the pro forma financial information.

40. What is the status of the Legacy suspension of its debt service covenants?

As of the quarter ended December 31, 2023, and for all quarters thereafter, Legacy Health is in complete compliance with all of its debt and bond covenants. In order to maintain debt covenants Legacy Health must maintain a specified level of Days Cash on Hand and Cash to Debt ratios. These requirements have hampered Legacy Health's ability to spend cash on needed capital improvements. OHSU would seek to renegotiate these requirements upon closing.

41. Legacy's reported payor mix is 40% Medicare and 28% Medicaid. Will net DSH funding decrease or increase for the proposed combined system and are there any limitations in DSH payments as a result of the proposed combination?

As a public entity, the combined system will participate in the Intergovernmental Transfer Partnership Program supporting funding for Oregon's Medicaid program and will no longer be eligible for DSH payments as a result of academic health center state directed payments.

42. What was the underlying reason why the Legacy commercial payor mix declined?

While there have been some routine fluctuations in payer mix, Legacy Health's commercial payer mix as a percentage of gross revenue has been stable between FY22 (31.69%) and FY25 (31.6%).

	Commercial payer mix as a percentage of gross revenue
FY22	31.69%
FY23	30.11%
FY24	31.06%
FY25	31.60%

Legacy Health is a key safety net provider for the community, which is in part driven by the geographic location of its hospitals and easy access. In addition, caring for all patients is core to Legacy Health's mission and Legacy Health provides equitable access to all patients. Both these factors (geographic location and commitment to mission) influence Legacy Health's payer mix in the Portland metro area.

43. Why did Legacy investment income drop in 2024 when it was a banner stock market year?

For the fiscal year ended March 31, 2024, Legacy Health's investment income was $162,061,000. For the same period ended March 31, 2023, Legacy Health had a loss on investments of $(60,411,000). Legacy Health did not experience a drop in investment income.

44. If Legacy's goal is to recapture commercial market share, how does that impact capacity to serve Medicaid patients?

Caring for all patients is core to Legacy Health's mission and Legacy Health provides equitable access to all patients. Legacy Health's goal is to expand access to all patients irrespective of payer mix.

45. How are the parties going to bridge the gap between inflationary costs and reimbursement?

Health care costs are rising due to increased costs of inputs, inflation, market volatility and workforce shortages. OHSU and Legacy Health, like all health systems in Oregon and across the country, are facing a combination of various long-term financial and capacity challenges. The reimbursement system, particularly for Medicaid and Medicare, exacerbates a known cost-shift issue. The creation of an integrated, comprehensive public university is not a magic wand to lower costs overnight, but it gives OHSU and Legacy Health a serious chance at bending the cost curve toward a sustainable rate, meaning that the combined system reduces the rate of cost increase. Our intent to bend the cost curve is a benefit to the public, practically aligned with state policy, and only made possible by combining OHSU and Legacy Health.

Therefore, as discussed in response to other questions in this Request for Information and other submissions made to OHA, the integrated public university health system has committed to a sustainable health care cost growth target and metrics if this transaction is approved. OHSU expects that OHA will monitor its progress in this area. Finally, OHSU will consider other potential measures to bridge the gap including identifying cost savings through integration and negotiating inflation appropriate reimbursement rates with private insurance companies, among other things.

46. What redundant operations has Legacy identified in its own system and why has it waited this long to address?

Legacy Health routinely evaluates geographic distribution of services and opportunities to optimize access to care, quality of care, safety, health equity, and the cost of care. As technology and medical treatments evolve, Legacy Health will continue to evaluate and redesign the delivery system with similar goals (access, quality, safety, equity, and cost).

Legacy Health aims to provide general health care services locally in all the communities it serves so patients have ready access to services. This includes primary care and select specialty physician care, emergency department services, diagnostic services and general hospital services such as inpatient hospitalization, surgery, and birthing services, to name a few. This redundancy in services is by design to ensure patients have easy access to care and these services are present at all community hospitals, from rural areas like Silverton to more populated communities in the Portland metro area.

Legacy Health has centralized highly specialized services over the last decade. These services tend to be lower volume and rely on a smaller supply of specialized physicians and clinical support teams. The services can also be very expensive and centralizing their delivery improves cost-effectiveness. Examples include:

- Most highly specialized services for pediatrics at Randall Children's Hospital and for adults are centralized at either Legacy Emanuel Medical Center or Legacy Good Samaritan.
- The interventional stroke program is centralized at Legacy Emanuel and all inpatient acute rehabilitation has been centralized at Legacy Good Samaritan.
- Changes in cardiac care over the past 15 years have dramatically decreased the use of invasive cardiac surgery and instead more patients are undergoing procedures in cardiac catheterization laboratories which provide a less invasive approach. Legacy Health has mirrored these treatment changes in the delivery system design, consolidating all cardiac surgery to Legacy Emanuel Medical Center in 2015, while at the same time expanding cardiac catheterization intervention programs to two additional hospitals in 2023 and 2024.
- Ten years ago, Legacy Health provided neurosurgery at most hospitals. State-of-the-art surgical technology has advanced greatly, but is also extraordinarily expensive, and research has shown that centralizing neurosurgery to high-volume centers with dedicated neuro intensive care units provides superior outcomes. Legacy Health has therefore centralized adult neurosurgery for stroke interventions and brain tumors to Legacy Emanuel.

47. How is Legacy handling site level cost containment and system initiatives to reduce supplies and other operating expense?

Legacy Health has a system-wide Financial Containment Committee that meets regularly to coordinate overall cost containment initiatives across all aspects of the system, including corporate support services, hospitals, and employed provider practices (Legacy Medical Group). This Committee includes physician, nursing, and administrative leadership with support from Legacy Health's centralized finance division. The Committee reviews proposed hospital, medical group, and system cost containment initiatives, approves initiatives, and tracks the progress of initiatives. The overall financial containment plan is reviewed by Legacy Health's Board Finance Committee at every meeting and high-level reports are given regularly to the Legacy Health Governing Board.

48. What was Legacy's Managed Healthcare Northwest and are there liabilities associated with it, and has it been dissolved yet?

Managed Healthcare Northwest (MHN), a partnership between Legacy Health and Adventist Health, was a network of healthcare providers with approximately 30,0000 enrollees using MHN's preferred provider organization network in its final years. Additionally, MHN operated a managed care organization for workers' compensation (under the DBA CareMark Comp) and contracted with physicians, professionals, ambulatory surgical centers, and hospitals, including Legacy Health. At one time, MHN was the administrator for Legacy's employee health plan.

The dissolution of MHN was authorized by Legacy Health and Adventist Health on August 24, 2023. The articles of dissolution were filed with the State of Oregon on February 9, 2024, and were effective March 31, 2024. Current liabilities associated with MHN include immaterial taxes, which will be resolved in calendar year 2025, and fees for storage and destruction of documents through the records retention period, which will end September 2030.

49. Did Legacy fulfill its capital commitment plan for 2024?

Legacy Health's capital budget for fiscal year 2024 (April 1, 2023 – March 31, 2024) was $138,057,000. For the fiscal year 2025 (April 1, 2024 – March 31, 2025), the capital budget was $129,327,000 and the actual spend was $123,177,000. These amounts include grants from insurers of $4,671,000 in fiscal year 2024 and $15,918,000 in fiscal year 2025. The actual spend for the 2024 was $102,033,000. Legacy Health's depreciation expense as a percentage of revenue has fallen from nearly 5% to less than 2.5%. Legacy Health capital additions have ranged from below 2% to nearly 4%, with an average of 3.2%. By contrast, the Moody's median started at over 6.5% pre-pandemic and is now 5%, with an average of 5.3%. Thus, there is significant need for capital investment at Legacy Health facilities beyond the amounts that Legacy Health has been able to budget and expend.

50. Please describe how Legacy has responded to the 2019-2021 Community Health Needs Assessment it performed.

This response is provided by Legacy Health.

Legacy Health's Community Needs Assessment (CHNA) timeframes do not align with the 2019 -2021 timeframe as requested in the question. For the timeframe requested, Legacy Health has two CHNAs that cover Legacy Health's FY18-FY20 and FY21-FY23. Details on each are covered in two sections: 1) FY18-FY20 CHNA evaluation and 2) FY21-FY23 CHNA evaluation.

SECTION 1: FY18-FY20 COMMUNITY HEALTH NEEDS ASSESSMENT EVALUATION

The FY18-FY20 Community Health Needs Assessment focused on three key areas: Access to Care, Behavioral Health, and Social Determinants of Health.

Access to Care

1. Program Supported: Federally Qualified Health Centers (FQHCs) and community supported clinics. Legacy Health funded FQHCs and community-supported clinics to support operations and increase the number of services available to patients.
2. Program Supported: Project Access NOW to increase insurance enrollment and access to care for low-income and uninsured individuals.

Behavioral Health

1. Program Supported: Community-based programs that address early signs of behavioral health issues. Legacy Health provided grants to community-based organizations such as Albertina Kerr, Boys and Girls Club and New Avenues for Youth.

Social Determinants of Health

1. Program Supported: Community-based food banks to address food insecurity. Legacy Health donated to community-based organizations. Some examples include:
    - Greater Than - $34,500 for equity-focused kindergarten readiness and cross - sector collaboration network.
    - Hacienda Community Dev Corp - $50,000 for their Expresiones and SUN Youth Advocacy program. Culturally responsive after school programming for student success.
    - The Contingent - $50,000 for their Emerging Leaders program. Internships for underserved and BIPOC college students.
2. Program Supported: Community health literacy education via regional health literacy conference and program support to community-based, health system, public sector, and academic organizations working on projects focused on improved health literacy.

3. Program Supported: Central City Concern, Housing is Health collaboration to address affordable housing for individuals with complex health needs.
4. Program Supported: Legacy Health provided workforce training and college scholarships through YES Program and other career-focused efforts to support ethnically diverse youth entering health careers.

SECTION 2: FY21-FY23, COMMUNITY HEALTH NEEDS ASSESSMENT EVALUATION

The FY21-FY23 Community Health Needs Assessment focused on three key areas: Access to Health Care, Chronic Conditions, and Health Equity.

Legacy Health Impact on Access to Health Care
Goal: Community members have access to health care services and resources to improve their health status.

1. Objective: More people experience access to quality, culturally appropriate medical care and health coverage.
    - Partnership with Providence Health & Services, PeaceHealth and Kaiser Permanente NW to establish the "Health Systems Access to Care Fund" through the Oregon Community Foundation.
    - Legacy Health is one of several local health systems and clinics in Clackamas, Multnomah and Washington counties in Oregon that have invested in Project Access NOW (PANOW), a local program that has provided financial assistance and health care for low-income and uninsured community members since 2008.
    - From FY21–FY23, an average of 29% of the individuals who received health services through Legacy Health in the quad-county region were low-income, underinsured, Oregon Health Plan (OHP) or Medicaid members. However, the average was 37% for patients using Legacy Health hospitals in either Oregon or Washington.
    - In FY21, approximately 11% of Legacy Health patients who were Medicaid or Oregon Health Plan members received a preventive health care examination and/or preventive services through Legacy Health Clinics. This proportion was 11.4% by the end of FY23, an increase of 3.6% across the three-year period. The increase was 24% among OHP members (5.4% in FY21 to 6.7% in FY23) and 7.6% (22.4% in FY21 to 24.1% in FY23) among Medicaid patients in Washington.
    - Legacy Health offered health interpreters for patient encounters in about 200 languages. In addition, by the end of FY23 (March 31, 2023), 325 Legacy Health employees had been approved through the Bilingual Competency Program to use their non-English skills to provide language-concordant care throughout the health system.
    - Between FY21 and FY23, Legacy Health was able to connect approximately 3,000 OHP or uninsured patients to Medication Assistance Programs, where they received essential medications at low or no cost.
2. Community Benefit Community Health grants were awarded to several organizations to improve access to quality and culturally appropriate health care. Objective: More community members are screened for their health-related social needs.
    - Within the quad-county region, 27,710 patients were screened (20% of all patients) for food insecurity at Legacy Health Hospitals and/or Legacy Medical Group (LMG) clinics during FY22 and 82,092 (58% of all patients) during FY23, an 182% increase in the proportion of patients screened in one year. The

increase within Oregon hospitals and/or clinics was 146%, but an almost five-fold increase was observed within Washington clinics.

3. Objective: More communities benefit from integrated care that meets their social, non-medical needs.
    - A Community Benefit Community Health grant helped finance the construction of 95 units of supportive housing in two locations in outer east Portland.
    - Legacy Health has been evaluating the feasibility of using the Unite Us/ Connect Oregon resource and referral program with its patients. During FY23, 88 patients were referred to community-based organizations to address identified social needs. Most needs were for housing and shelter, clothing and household goods and individual and family supports. For the 88 patients, 112 referrals were made, with 30 (26.8%) of those referrals being accepted by organizations that could address the identified need(s).

Legacy Health Impact on Chronic Conditions

Goal: Promote prevention and management of chronic conditions to improve health status.

1. Objective: Increased participation in chronic disease education
    - Over the three-year period, Legacy Health offered 12 Diabetes Prevention Program groups, serving a total of 179 participants.
    - The number of patient outreach encounters at Legacy Health that involved behavior modification education or related activities increased from 2,703 during FY21 to 6,382 in FY23, an expansion of 136%.
2. Objective: Increased community engagement in chronic disease programs
    - Several organizations applied Community Benefit Community Health grant funding toward increasing community member engagement in chronic disease programs. Three of these organizations focus on youth.
3. Objective: Increased engagement in chronic disease prevention partnerships
    - Legacy Health employees were engaged participants in chronic disease prevention and/or treatment-related coalitions and collaboratives/networks such as the Comagine diabetes prevention collaborative and the Healthy Living Collaborative, with each participant contributing over 40 hours per year to these efforts.
    - Legacy Health employees also were active members on the Boards of Directors of local organizations that address the prevention, management and treatment of chronic conditions, contributing over 24 hours per year per member.
4. Objective: Reduce the impact of chronic conditions
    - During the three-year period, the range of reported weight loss across participant groups in the Legacy Health Diabetes Prevention Program was 3-8.2%, and the average reported physical activity ranged from 149-260 minutes per week.
    - From FY21 through FY23, 1,502 patients received behavior modification education or related activities from the Legacy Health Medical Clinics Care Management Program, of whom 46% were OHP members.

Legacy Health Impact on Health Equity

Goal: Achieve health equity and mitigate unintended health system trauma and institutional bias by creating and investing in systems, policies and organizations that will advance trauma informed care and strengthen the health system’s capacity to identify and address structural racism.

1. Objective: Invest in workforce development and higher education opportunities for priority populations.
    - Legacy Health and Community Benefit made significant investments in workforce development and higher education opportunities for priority populations during the FY21–FY23 CHIP period.
    - Recognizing that the health workforce is lacking in diversity, Legacy Health established the Health Occupation Profession and Education (HOPE) program to provide students from underrepresented populations with training opportunities in different health professions.
2. Objective: Enhance data collection processes to identify and address health disparities.
    - Legacy Health enhanced its data collection processes to identify health disparities both within the system and in the external community. The Population Health Division created a Disparity Index that measures the degree of difference in health care-related quality indicators by sociodemographic characteristics, such as race, ethnicity, gender and language. The Index is used to identify areas to target for intervention and to evaluate efforts.
    - Legacy Health also updated its harm reporting system (ICARE) to facilitate reporting of incidents of racial harassment, discrimination and bias against employees and patients.
    - The Community Benefit Department contracted a team from EcoNW to assess the feasibility of partnering with community-based organizations, other health systems and public agencies to create a Community Health Index that would combine data on community-level factors known or suspected to influence health outcomes into a single metric.
3. Objective: Provide culturally and linguistically responsive, trauma-informed and multi-tiered health services and supports to all children and families.
    - Community Benefit Community Health grants supported the educational and workforce development of community health workers (CHW) during the FY21–FY23 period.
    - The number of traditional health workers (e.g., health navigators, peer mentors, doulas, etc.) employed throughout Legacy Health tripled during the CHIP period, with several other workers contracted for their services.
4. Objective: Implement standards for workforce development that address bias and improve the delivery of equitable, trauma-informed and culturally and linguistically responsive services.
    - Several policies, rules, regulations and other actions to address bias and improve the delivery of equitable, trauma-informed and culturally and linguistically responsive services were developed and implemented within the Legacy Health system between FY21 and FY23.
    - By March 31, 2023, 28.9% of the Legacy Health workforce in the quad counties self-identified as non-white, an increase of 21.5% from the beginning of the CHIP period.
5. Objective: More young people from diverse and low-income backgrounds complete post-secondary education or training and attain employment.
    - During the FY21–FY23 CHIP period, several Community Benefit Community Health grants were awarded to organizations whose work focused on enhancing educational opportunities and workforce development for priority populations to ensure that more people from these groups obtain employment or complete additional education or training.

51. Have the 2023 changes in the Legacy physician compensation model resulted in performance improvement to curb losses?

The work Legacy Health has done within the medical group, both with the compensation model and improvement in operations and productivity, has shown improvement in overall productivity in the last 2 years of 20% in primary care and 8% in specialty care. In fiscal year 2023, the average productivity in primary care was at the 37th percentile and currently is at the 57th percentile. Specialty care was at the 42nd percentile and currently is at the 50th percentile. Overall volumes in the medical group are up 15% since 2023 with an increase of 200,000 visits per year in the same period.

a. What limitations are there contractually in changing those payment methodologies with the physicians?

Given that almost all Legacy Health employed physicians are currently bargaining their first contract, we have limited ability to change payment methodologies for the physicians. All payment methodologies are “status quo” until completion of collective bargaining.

52. Can the combined system afford pay and benefit increases for Legacy’s 14,521 employees?

OHSU is committed to fairly compensating the employees of the combined public university system. The proforma included in response to Question12 includes salary and benefit increases for providers and staff.

53. Has OHSU conducted a thorough review of benefit provisions memorialized in the CBA to ensure its benefit plans can comply with negotiated benefits?

OHSU has conducted a thorough review of the benefit provisions in the Letter of Agreement between Labor Partners and Oregon Health and Science University and all current CBAs at OHSU and Legacy Health. OHSU is committed to ensuring that its benefit plans comply with the terms of each.

54. Has OHSU discussed with ERISA counsel if any of the Legacy plans should be terminated prior to closing due to differences in tax and regulatory rules between governmental and not-for-profit entities? Provide details.

55. Has OHSU conducted a comprehensive assessment of potential change-in-control payments to be made as the transaction progresses and has OHSU engaged compensation consultants to determine reasonableness of executive compensation? Or is this all a Legacy liability? Provide details.

56. Has a comparison of employee benefit plans been conducted to determine benefit and cost differentials?

Given the uncertainty of obtaining regulatory approvals and otherwise meeting all closing conditions, a comparison of employee benefit plans has not yet been conducted beyond the preliminary analysis provided by outside consultants. Changes to benefits will occur over time to coincide with open enrollment so as not to disturb employees' current benefits and benefit planning. Following the closing, OHSU will engage in a process of reviewing benefit options and engage in processes required under its collective bargaining agreements (which require input from represented employees) to make benefit decisions. It should be noted, however, that the projections provided in the most recent pro forma in response to Question 12, include a significant percentage increase in benefit costs that OHSU believes it may experience following the closing. Please refer to the response to Question 12 for further information on that.

57. Has ERISA counsel reviewed the impact of the existing benefit plans with respect to termination, financial risk and impact on existing Legacy employees?

[redacted]

58. Who will be responsible for implementing IT integration and what is the associated timeline and cost, including whether there are any planned reductions in staff planned during this integration period? Have financial projections taken into consideration the down time for IT integration and training?

IT integration will be the responsibility of management of the integrated public university health system. Given the uncertainty of obtaining regulatory approvals and otherwise meeting all closing conditions, a specific plan relating to IT integration has not been determined. Standard practice in merger and acquisition transactions is for an assessment of those functions to be made and adopted following closing of the transaction. For example, external consultants recommend that OHSU assess the IT environment and build an IT integration plan in the first two months post-closing. In addition, confidentiality obligations in vendor agreements prohibit the entities from sharing information relating to the costs of particular technology. It will be in the interest of the integrated public university health system to determine how to most effectively and efficiently integrate its IT systems, keeping in mind that we aim to avoid disruptions to patient care and OHSU's missions. The integration also will need to take into account that each party may have long-term commitments or investments in particular technology so that IT integration is likely to take many years. As noted, standard practice in merger and acquisition transactions is for an assessment of those functions to be made and adopted following closing of the transaction when the risks to closing have been mitigated and the surviving entity has access to all necessary information. The parties have identified consultants with significant experience in this area who can assist with the assessment.

[redacted]

60. Has OHSU assessed Legacy security vulnerabilities, and or Legacy integration issues with existing OHSU systems (e.g., patient monitoring systems)?

Standard practice in merger and acquisition transactions is for an assessment of those functions to be made and adopted following closing of the transaction. For example, external consultants recommend that OHSU assess the IT environment and build an IT integration plan in the first two months post-closing.

61. What is the OHSU plan to capture a wider market of non-hospital pharmacy sales and other services while providing better continuity of care for patients?

OHSU does not have a specific plan to capture a wider market of non-hospital pharmacy sales and other services. OHSU plans to provide a comprehensive set of pharmacy services to serve the needs of patients statewide. OHSU's strategy is to provide great service, excellence, and increase access to patients for overall medication management, in alignment with Health System Partners.

62. Is the price set forth in the System Combination Agreement representative of the current value of Legacy?

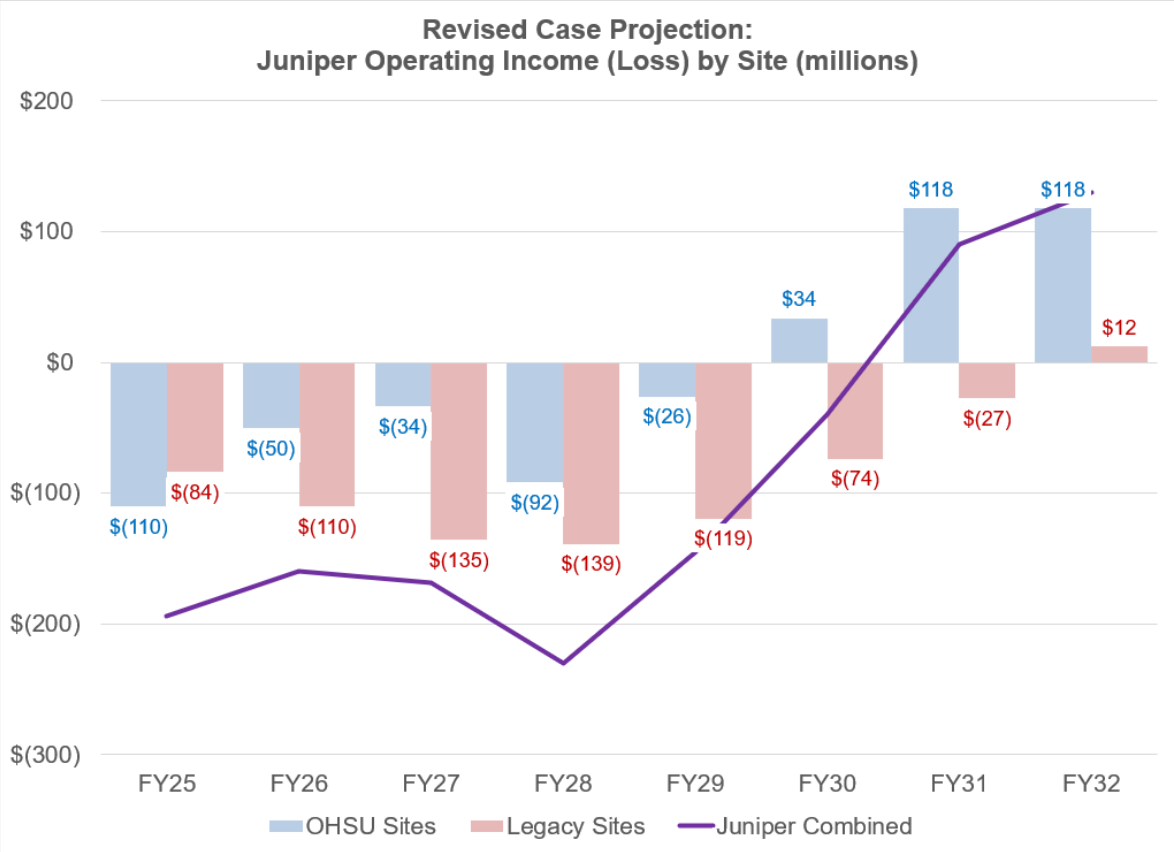
The System Combination Agreement does not set forth a price. The transaction is not a purchase of Legacy Health, and the parties did not intend for this transaction to reflect fair market value for Legacy Health assets or operations. Instead, the respective governing bodies determined that a system combination would further their institutions' respective non-profit charitable and governmental missions and chose to effectuate that combination through a membership substitution. The financial commitments to the combined system are not based on the value of Legacy Health, but rather on an amount that the parties determined would be an appropriate investment to produce the positive outcomes promised by this transaction, including improved access, equity and quality across both the integrated public university health system.

63. What confidence level does OHSU medical staff have regarding moving quaternary and tertiary services to Legacy locations?

OHSU and Legacy Health have in place a capacity management workgroup, operating within the limits of antitrust laws, that is working to establish an integrated, single system transfer center after the merger is completed. This will allow centralized coordination of patient placement based on current and future tertiary and quaternary capabilities across the entire health system, inclusive of both OHSU and certain Legacy Health hospitals. As a level 1 trauma center (adult and peds), burn center and an adult and pediatric ECMO center, Legacy Health is already well recognized by the OHSU medical staff for providing critical levels of care. Further financial investment commitments in facilities, equipment and infrastructure will continue to facilitate current and future complex care delivery at Legacy Health hospitals.

64. What are the latest projections for when OHSU will be break even and when?

Please see the graph below for the latest projections. The combined entity's net income is projected to reach a break-even in FY2030/FY2031, but this depends upon overall capital expenditures over the next several years.



65. Do the entities anticipate any material changes to any of the definitive agreements underlying this proposed transaction?

At this time, the parties do not anticipate any material changes to any of the definitive agreements underlying the proposed transaction. Changes to the agreements or termination of the agreements are possible to the extent the healthcare environment or the condition of either entity changes or to the extent regulatory bodies impose conditions on the transaction.

66. Do the entities anticipate any material changes to the governance structure of any entities in this proposed transaction? In doing so, please include any anticipated or recent changes to the governance structure of the Legacy Health Foundation.

The parties expect that the governance of the integrated public university health system will be changed as described in the System Combination Agreement and the HCMO Notice. OHSU will continue to be governed by a Board of Directors appointed by the Governor of the State of Oregon and confirmed by the Oregon Senate. The OHSU Board will serve as the Board governing OHSU and the current Legacy Health facilities. A health system board, with limited delegated authority to review quality and privileging, as well as to make recommendations with respect to the capital commitment, will be reconstituted and will include members appointed by Legacy Health for a specified period.

With respect to Legacy Health Foundation, Legacy Health recognizes extensive and continuous community engagement is key to succeeding in moving the dial on social determinants of health. To help gather initial community feedback regarding the health equity foundation that will be funded at closing, Legacy Health engaged The Giving Practice, an independent third-party consultancy experienced in philanthropy and community engagement and housed within Philanthropy Northwest, a nonprofit philanthropy network with the mission of growing philanthropy's capacity to do transformative work toward redistributing resources and power to underinvested communities in the Northwest. The Giving Practice has been in conversation with a broad cross-section of the community in Oregon and Southwest Washington representing a wide range of civic leaders, community organizations and philanthropic funders. The Community First effort has also provided a source of feedback as The Giving Practice has spoken with many representatives of the organizations endorsing the effort.

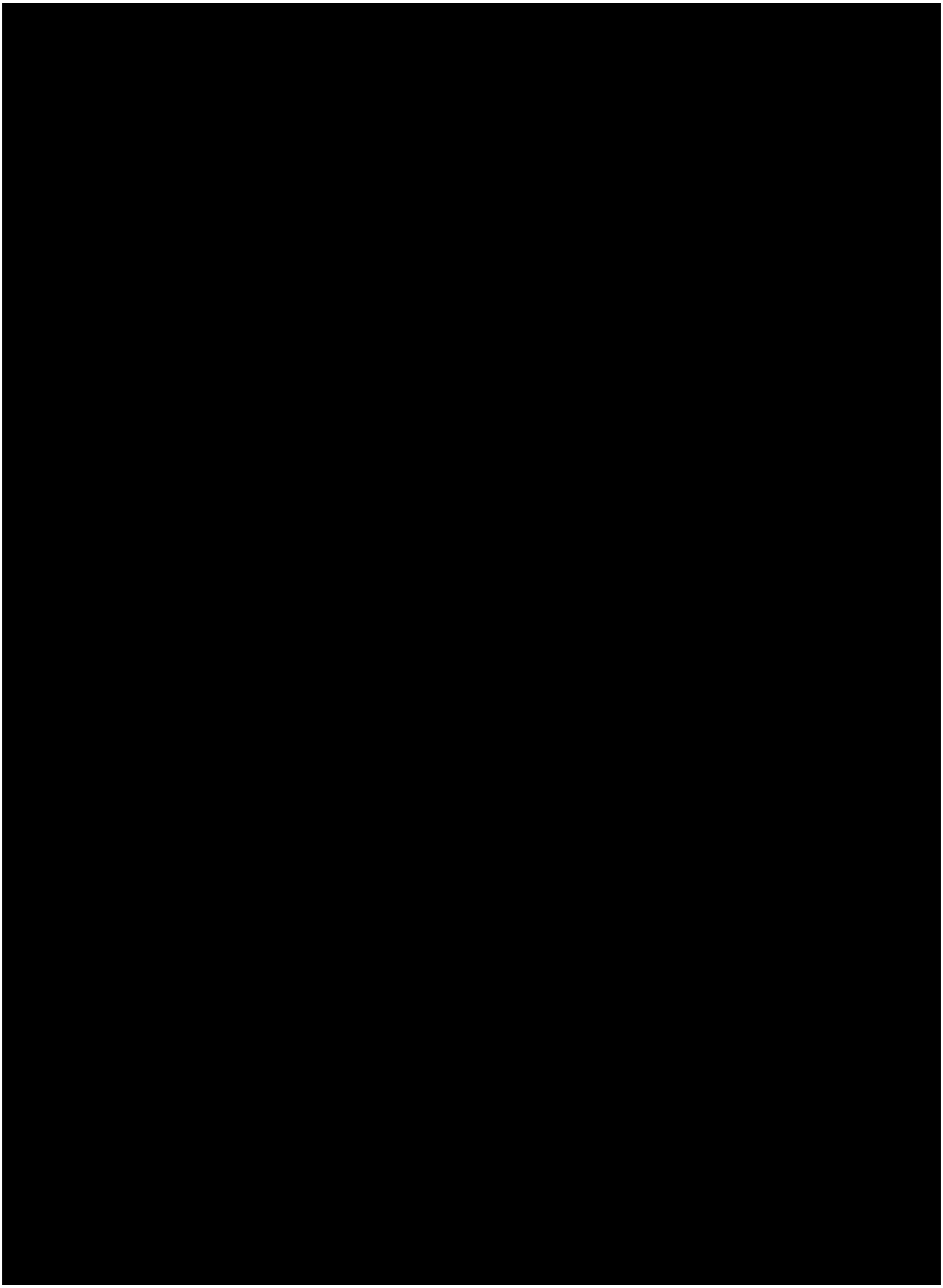
Legacy Health is listening to, learning from, and acting on community feedback. Incorporating community input, Legacy Health and Legacy Health Foundation have changed the foundation's transition governance structure and composition. At closing of the combination, the foundation will launch with a transition fiduciary board and a community-led grantmaking board.

- **Fiduciary Board:** The fiduciary board will attend to the following transition duties: (i) enforcement of Legacy Health's rights under the system combination agreement, including rights related to OHSU governance, employee protections, and the $1 billion capital commitment to Legacy Health; (ii) oversight of the illiquid member interest in PacificSource, a vital resource for the Medicaid community which will be transferred to the foundation at closing; and (iii) stewardship of Legacy Health Foundation's existing restricted funds. The transition fiduciary board will initially be composed of eleven people: four continuing from Legacy Health, three from Legacy Health Foundation, and four new directors unaffiliated with Legacy Health, Legacy Health Foundation or OHSU. Having a subset of Legacy Health directors and Legacy Health Foundation trustees continue as part of the transition fiduciary board is essential to fulfilling these ongoing duties.

- **Grantmaking Board:** In addition to a transition fiduciary board, the foundation will now have a community-led grantmaking board comprised of eleven new members from across Oregon and Southwest Washington who will make grantmaking decisions and will oversee robust community engagement to expand the number and representation of board members and ensure community-led development of a working set of values and vision.

This above structure will be incorporated both in a revised grant agreement between Legacy Health and Legacy Health Foundation and in updates to the foundation's governance documents, which will be finalized and adopted before closing to also include the new name of the foundation and names of board members.

The Giving Practice will partner with community to create a public process to solicit recommendations and nominations for new members of the fiduciary board and the grantmaking board. Legacy Health and the foundation commit to co-creating with communities across Oregon and Southwest Washington in furtherance of OHA's definition of health equity.



[redacted]

68. How will OHSU address integration of care and reduced patient leakage?

With multiple hospitals and a larger geographic footprint, patients of the integrated public university health system will have access to ancillary services such as labs and imaging closer to their communities. OHSU will also leverage virtual platforms, such as e-consults in the ambulatory setting and virtual consults in the inpatient setting, to expand the capacity of the combined health system to improve care delivery. The integrated system plans to conduct comprehensive planning for care coordination and integration after closing.

69. Please provide the Health Share membership agreements (i.e., operating agreement and/or bylaws) for both OHSU and Legacy to confirm that OHSU will increase its voting rights should the combination be approved.

Please refer to Bates OHSU_MarchRFI#69_000001 - OHSU_MarchRFI#69_000027 for the current Amended and Restated Bylaws of Health Share of Oregon.

70. What were the barriers between Legacy and OHSU in the past that prevented a combination or other collaborations?

While OHSU and Legacy Health have previously considered a combination, as two systems, Legacy and OHSU were each focused on separate goals and strategies, each posing a significant barrier to combination or collaboration. While these differences were a barrier in the past, the parties have determined that the differences can be overcome in this generational opportunity to form a publicly integrated health system.

OHSU and Legacy Health do have a history of long-standing clinical partnerships such as the Unity Center for Behavioral Health and collaborations in cancer care and pediatric neurology. There are challenges and limitations to these collaborations such as legal and contractual barriers to information sharing, differing electronic medical record systems, and unaligned incentives at times. The integration of Legacy Health into OHSU will ensure common fiduciary responsibilities, including to the state, align financial incentives, and unify strategic plans in a way that is impossible absent this transaction.

71. What happens to Legacy's captive for professional liability and general liability should the combination be approved?

Legacy Health's captive insurance company ("LHSIC") is and has been used only as an access point for reinsurance. It is not independently funded. It does not maintain its own

surplus accounts. Claims, indemnification, allocated loss adjustment expenses and other vendor costs are paid directly by Legacy Health from working capital. LHSIC generates no investment capital to offset claims costs. LHSIC is domiciled offshore in the Cayman Islands. This requires travel to Caymen and being subject to Cayman regulations. LHSIC's claims are also managed by a third-party vendor, resulting in annual flat fees, administrative service fees, plus additional charges.

As noted in response to Question104, OHSU maintains its own administratively efficient and financially strong captive insurance company, OHSU Insurance Company ("INSCO"). This makes LHSIC a "redundant" captive. Given the financial burden and administrative costs operating two captive insurance companies (including annual management fees, brokerage fees, regulatory fees), redundant captives routinely stop underwriting claims upon the closing of member substitution transactions, then are placed into "run-off" until all claims have been resolved and paid out. At that point they are administratively dissolved. This is the plan for LHSIC.

72. Please explain in detail how the existing Legacy Ambulatory Surgery Centers (ASCs) will be incorporated into the combined system. In doing so, please include whether the ASCs will remain as they currently are and explain if the agreement with Go Health is assignable.

Given the uncertainty of obtaining regulatory approvals and otherwise meeting all closing conditions, and the cost associated with appropriate analysis, the parties have not conducted the necessary analysis to determine the long-term strategy for incorporating the ambulatory surgery centers ("ASC's") that Legacy Health operates through joint venture relationships with third parties. There are no current plans to change these relationships. Any changes to the ASCs will be made with primary consideration for community need, patient access, impacts on quality of care and alignment with the joint venture partners. OHSU has submitted to OHA proposed metrics that it would seek to achieve in each of these domains and expects that OHA will monitor its progress in each of those areas.

With respect to Access Clinical Holdings, LLC d/b/a GoHealth Urgent Care ("GoHealth"), the integrated public university health system will not be seeking to assign the agreement. The Legacy Health entities that have entered into contracts and joint ventures with GoHealth will continue to exist post-closing, albeit with OHSU as the sole member of Legacy Health, so an assignment of the agreements is not necessary. Further, the change of control of Legacy does not trigger any rights of GoHealth under the two joint venture operating agreements (for Northwest Urgent Care Phase I, LLC and Northwest Urgent Care Phase II, LLC). Stated differently, Legacy Health is not required to obtain GoHealth's consent prior to closing this transaction, and this transaction does not trigger any rights on the part of GoHealth to terminate the joint ventures.

73. Will the applicants be able to combine the residency programs, or will OHSU be limited to the residency slots that it already has?

Yes. The applicants will be able to combine the residency programs, preserving the total number of residency slots.

74. Have the parties established a post-integration tax plan to address whether the Legacy entities will become governmental healthcare entities or maintain their tax-exempt status as hospitals?

Post-closing Legacy Health will transition to a public benefit nonprofit corporation with members (OHSU as the sole member) and will continue to be exempt from tax under Section 501(c)(3) of the Internal Revenue Code and be a public charity described in Section 509(a)(3)(B)(ii). All remaining Legacy Health entities will retain their existing structure and tax status at closing.

75. If both Legacy and OHSU have similar Vizient pricing, is there an opportunity to achieve better pricing while aggregating their spend?

77. What has been the average daily inpatient census for each OHSU hospital, and OHSU affiliated hospital, for the last 2 years? In responding, please list the daily census for each facility separately.

	OHSU	Doernbecher Children's Hospital	Adventist Health Portland	Tuality/ Hillsboro Medical Center
FY23	374.7	112.5	97.7	92.3
FY24	376.8	116.3	95.6	94.9
FY25YTD	380.5	119.8	99.2	89.9

78. Is the 10-story OHSU Hospital Expansion Project bed tower on track for completion in 2026?

The OHSU Hospital Expansion Project inpatient addition, now called Vista Pavilion, is scheduled to open by April 2026. From a construction standpoint, OHSU plans to reach substantial completion and obtain the temporary certificate of occupancy by December 2025. OHSU expects to obtain the final certificate of occupancy and complete licensing by March 2026.

a. To what degree will this added capacity alleviate the current inadequacy of inpatient services at OHSU?

Opening the new addition is only one step among many OHSU is taking to increase its capacity to care for patients with complex, inpatient care needs while using system locations to manage less complex—but equally important—care for Oregonians. The increased physical capacity in Vista Pavilion, combined with planned backfill in the existing Kohler Pavilion and OHSU Hospital, equates to 128 new beds for oncology, complex surgery, cancer medicine, cellular therapy, neurosciences, heart and vascular, and other complex care. Four floors in Vista Pavilion will be shelled and available for future tertiary and quaternary care expansion, including an additional 24 intensive care unit beds.

Because there will still be a need for additional levels of inpatient care not met by the new addition opening, we will continue successful efforts through OHSU Mission Control to improve capacity and patient flow across OHSU facilities. The proposed integration with Legacy Health is another critical and urgently needed step to alleviate capacity issues at OHSU.

79. Has an analysis been performed by the parties to determine the rate increases for each Legacy and OHSU over the next 10 years to financially sustain operations? If so, summarize those analyses and provide supporting documentation.

No analysis has been done incremental to standard estimates of revenue growth built into existing contracts and/or tied to existing expected renewals that have been developed by each organization independently.

80. Explain why OHSU and Salem Health ended their partnership as noted in OHSU's press release here: OHSU and Salem Health end formal partnership | OHSU News.

OHSU and Salem Health terminated their joint management agreement in 2017 because they agreed that specific aspects of the joint management agreement were not serving the two organizations optimally and did not come to mutually agreeable terms on a differently structured, ongoing partnership.

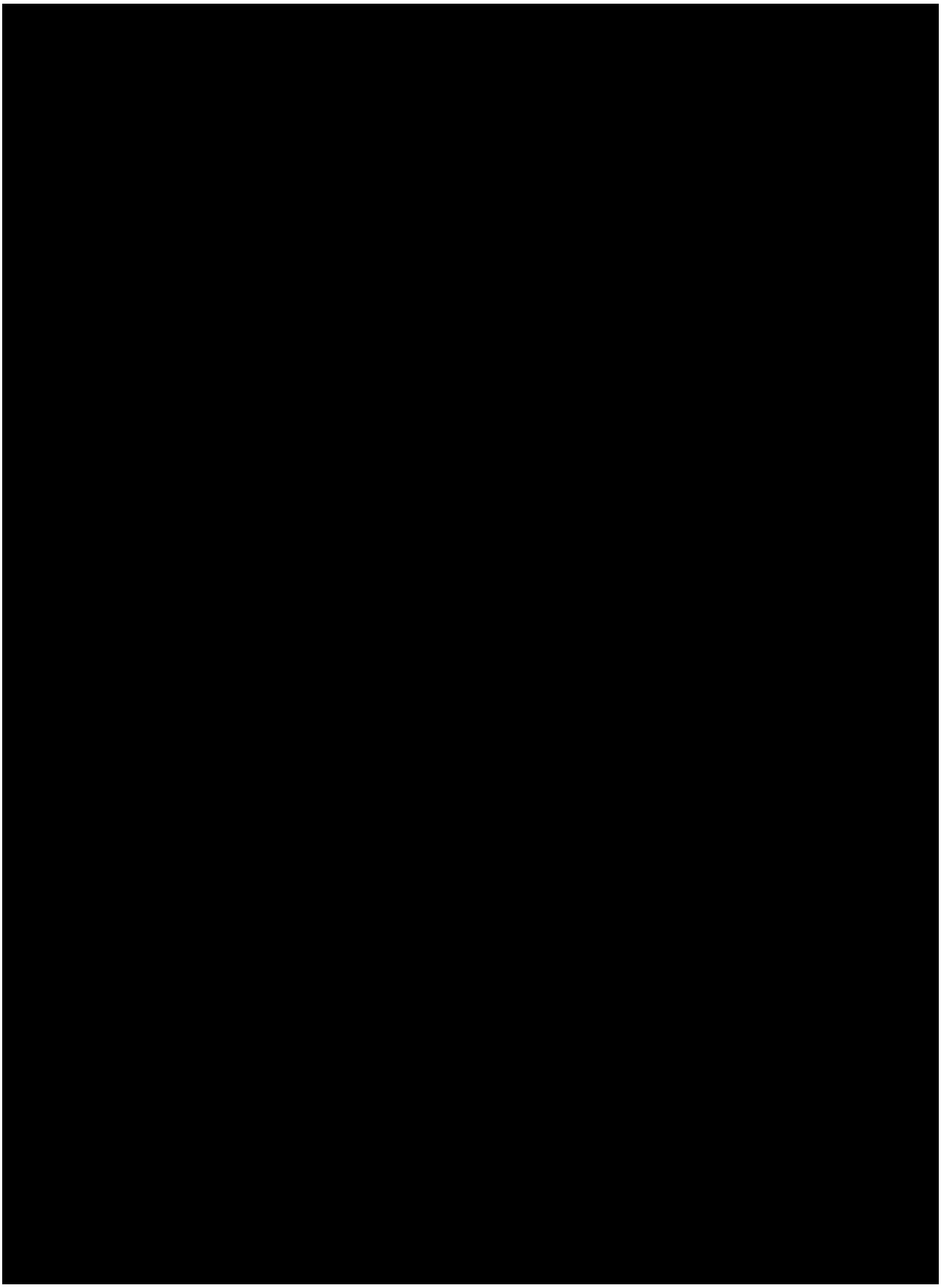
[redacted]

[redacted]

82. If OHSU has effective control of the combined Clinical Enterprise with respect to each of Tuality Healthcare/Hillsboro Medical Center and Portland Adventist Medical Center, why is the market share of Tuality Healthcare/Hillsboro Medical Center and/or Portland Adventist Medical Center not attributed to OHSU?

Please refer to the response to Question 81.

[redacted]



84. Why does the OHSU Organizational Chart (See OHSU_Notice_00554) state that OHSU has a 50% ownership interest in OHSU-AH, LLC when OHSU has majority control of the Board and a 90% Allocation Interest under the Operating Agreement? What were the equity contributions made by each of the members and is OHSU charging the Joint Operating Company for its service providers, including but not limited to its physicians or are the services in-kind equity contributions? How were the percentages for the Allocation Interest determined?

OHSU holds a 50% membership interest in OHSU-AH, LLC. OHSU's majority interest in the board of OHSU-AH, LLC [redacted]

To the extent OHSU provides services to Portland Adventist (neither party provides services to OHSU-AH, LLC), it charges Adventist fair market value for the services rendered.

85. In the November 21,2024 response to HCMO's supplemental information request dated November 6, 2024, OHSU represents it does not jointly negotiate payor contracts with Portland Adventist Medical Center (See response to Question 9), and that - with respect to certain payor contracts - "*OHSU staff negotiate those separate contracts on behalf of the entities, but only after close collaboration and input from HMC and Adventist*" (See response to Question 11 (c)). As the manager of each respective joint Clinical Enterprise with Tuality Healthcare/Hillsboro Medical Center and Portland Adventist Medical Center, does OHSU have authority to approve/disapprove Tuality Healthcare/Hillsboro Medical Center's or Portland Adventist Medical Center's charges and/or reimbursement rates under such contracts? In the alternative, pursuant to the management agreement between OHSU and Tuality Healthcare/Hillsboro Medical Center, does OHSU have access to Tuality Healthcare/Hillsboro Medical Center charges and/or negotiated rates, or does it make any recommendations or advisements with respect to negotiating a managed care agreement and the adequacy of proposed managed care rates?

As described in the response to Question 83, OHSU manages the operations of Tuality Healthcare under the terms of a Management Agreement. OHSU is not the manager of Portland Adventist Medical Center. [redacted]

86. Are OHSU and Tuality Healthcare/Hillsboro Medical Center integrated into one Clinical Enterprise? Please respond to the following.

OHSU and Tuality are integrated financially into one “Clinical Enterprise.”

a. If so, please respond do you jointly provide health care services through the Clinical Enterprise?

i. If so:

1. what specific services are jointly provided by the Clinical Enterprise,

2. what are the service area locations where the Clinical Enterprise provides services, and

3. how does the signage for the Clinical Enterprise location(s) represent the name(s) of providers?

The “Clinical Enterprise” does not provide services and therefore also does not have service area locations. Rather each of OHSU and Tuality provides health care under its own licensure, TINs, governing bodies and through existing separate medical staffs; each employs its own staff; and each continues to be responsible for related legal and regulatory obligations/compliance. OHSU and Tuality do not jointly provide health care services. In some instances, employees of OHSU provide services to Tuality under professional services agreements between OHSU and Tuality. OHSU is reimbursed for such services on a fair market value basis.

Signage at OHSU locations designate OHSU as the provider. Signage at Tuality designates Hillsboro Medical Center as the provider and associates Hillsboro Medical Center with OHSU for branding purposes.

c. Who are the providers and staff employed by and/or contracted with for the Clinical Enterprise?

The “Clinical Enterprise” is not a legal entity. Each of OHSU and Tuality continue to provide health care under its own licensure, TINs, governing bodies and through existing separate medical staffs; each continues to employ staff; and each continues to be responsible for related legal and regulatory obligations/compliance. In some instances, employees of OHSU provide services to Tuality under professional services agreements between OHSU and Tuality. OHSU is reimbursed for such services on a fair market value basis.

d. Is the Clinical Enterprise subject to an OHSU collective bargaining agreement(s)?

The “Clinical Enterprise” is not a legal entity. Each of OHSU and Tuality are responsible for control and execution of all employment and labor matters at their respective facilities. OHSU is not involved in negotiation of employment terms with Tuality staff. Tuality employees are not included in OHSU’s bargaining units.

d. Is OHSU and Tuality Healthcare/Hillsboro Medical Center both financially at risk for the provision of services?

ii. If so, what level of risk does each party have?

OHSU provides operating support to Tuality if and to the extent it suffers operating losses. The amount of operating support provided is subject to repayment to OHSU once Tuality experiences positive operating revenue. As described in the response to Question 83 and 93, OHSU has provided $100.8M in financial support to date.

87. In the November 21, 2024, response to Question 8 of HCMO's supplemental information request dated November 6, 2024, OHSU stated, "*OHSU does not jointly negotiate payment rates for services provided at HMC. HMC is the business name of Tuality Healthcare and, through its contracting entity, Tuality Health Plan Services ("THPS"), HMC contracts directly with payers and is reimbursed for all services provided at HMC under those contracts*." However, OHSU's organization chart (See OHSU_Notice_00554) provides with respect to THPS, that "*OHSU is the sole corporate member*." Given the foregoing, please clarify:

a. Whether any OHSU staff (employed or contracted) negotiate reimbursement rates and/or payor contracts on behalf of Tuality Healthcare/Hillsboro Medical Center, Portland Adventist Medical Center, or any other provider entities and identify such staff by department/role;

As described in OHSU's November 21, 2024, response to Question 11(c) of HCMO's Supplemental Request for Information dated November 6, 2024, while OHSU, Tuality, and Portland Adventist generally maintain their own independent contracts with payers, other than certain risk-based arrangements, OHSU staff negotiate those separate contracts on behalf of the entities.

[redacted]

b. Whether any OHSU staff (employed or contracted) have access to the negotiated payment rates and/or charges established by Tuality Healthcare/Hillsboro Medical Center, Portland Adventist Medical Center, or any other provider entities (e.g., coding, billing, and collection staff) and identify such staff by department/role; and

[redacted]

c. If yes to either of the above, please describe: (i) the structural/legal justification and rationale for such activities (e.g., clinical integration, Copperweld protection, messenger model, etc.); or (ii) the internal firewalls, safeguards or other procedures

in place to prevent the sharing of competitively sensitive information among the parties.

As described above, OHSU developed these partnerships—the JOA with Adventist Health System West and the Management Agreement with Tuality Healthcare—with the aim of unifying clinical and economic interests and building on the resources and expertise of each party to provide cost-effective, high-quality health care and to improve the health and well-being of the populations that the parties serve. [redacted]

[redacted]

Under this structure, which integrates OHSU and Portland Adventist clinically and financially, Portland Adventist and OHSU have a unity of interest, and OHSU has authority to negotiate and have access to Portland Adventist's payment rates and payer contracts. [redacted]

- [redacted] Further, OHSU is financially responsible for Tuality's operating income and loss; however, under the terms of the agreement once Tuality has positive cash flow it must repay operating support to OHSU.

  Under this structure, which financially and clinically integrates OHSU and Tuality, Tuality and OHSU have a unity of interest, [redacted]

[redacted]

[redacted]

88. Please describe OHSU's role and responsibilities with respect to strategic planning for Tuality Healthcare/Hillsboro Medical Center and Portland Adventist Medical Center. Please address the following in response:

a. What access does OHSU have to either party's overall strategic plans, provider compensation Tuality Healthcare/Hillsboro Medical Center or Portland Adventist Medical Center contractual agreements with third-party providers, Tuality Healthcare/Hillsboro Medical Center or Portland Adventist Medical Center financial information or intellectual property?

[redacted]

Under the current agreements, information relating to financial results is shared on a regular basis to allow the parties to determine their financial obligations to each other. Each of Tuality Healthcare and Adventist access an EPIC license hosted by OHSU through EPIC's Community Connect program.

The agreements between the parties provide that each continues to provide health services under its own governing body and through existing separate medical staffs and each continues to employ staff. Provider compensation information is not shared between the parties.

c. What processes and safeguards are in place to mitigate conflicts of interest that may arise when providing strategic planning services to a competitor?

Each of OHSU and Tuality Healthcare and OHSU and Portland Adventist carefully adhere to legal and regulatory frameworks inherent in a joint operating agreement so that in each case the resulting clinical enterprise is managed as a single combined clinical enterprise or a "single entity" that can be managed and operated as a joint enterprise and not as competitors. [redacted]

c. In which service areas (if any) does OHSU not have the authority to conduct strategic planning or to market and/or brand services on behalf of either Tuality Healthcare/Hillsboro Medical Center or Portland Adventist Medical Center?

OHSU manages Tuality Healthcare under the terms of a Management Agreement between the parties. The agreement extends to all of Tuality's facilities and operations. The Joint Operating Agreement between OHSU and Adventist Health System West relates to clinical enterprise services in the Portland metro region only.

90. Does OHSU or any OHSU affiliated entity have a right of first refusal with respect to business transactions entered by Tuality Healthcare/Hillsboro Medical Center? If so, when does the right of first refusal apply?

Neither OHSU nor any OHSU affiliated entity has a right of first refusal with respect to business transactions entered into by Tuality Healthcare.

[redacted]

92. Does Legacy own or operate any hospitals within Tuality Healthcare/Hillsboro Medical Center's primary service area that would raise issues or otherwise implicate the restrictive covenants discussed in Question 91 above?

As of the date of this response, Legacy Health does not own or operate any hospitals within Tuality's primary service area.

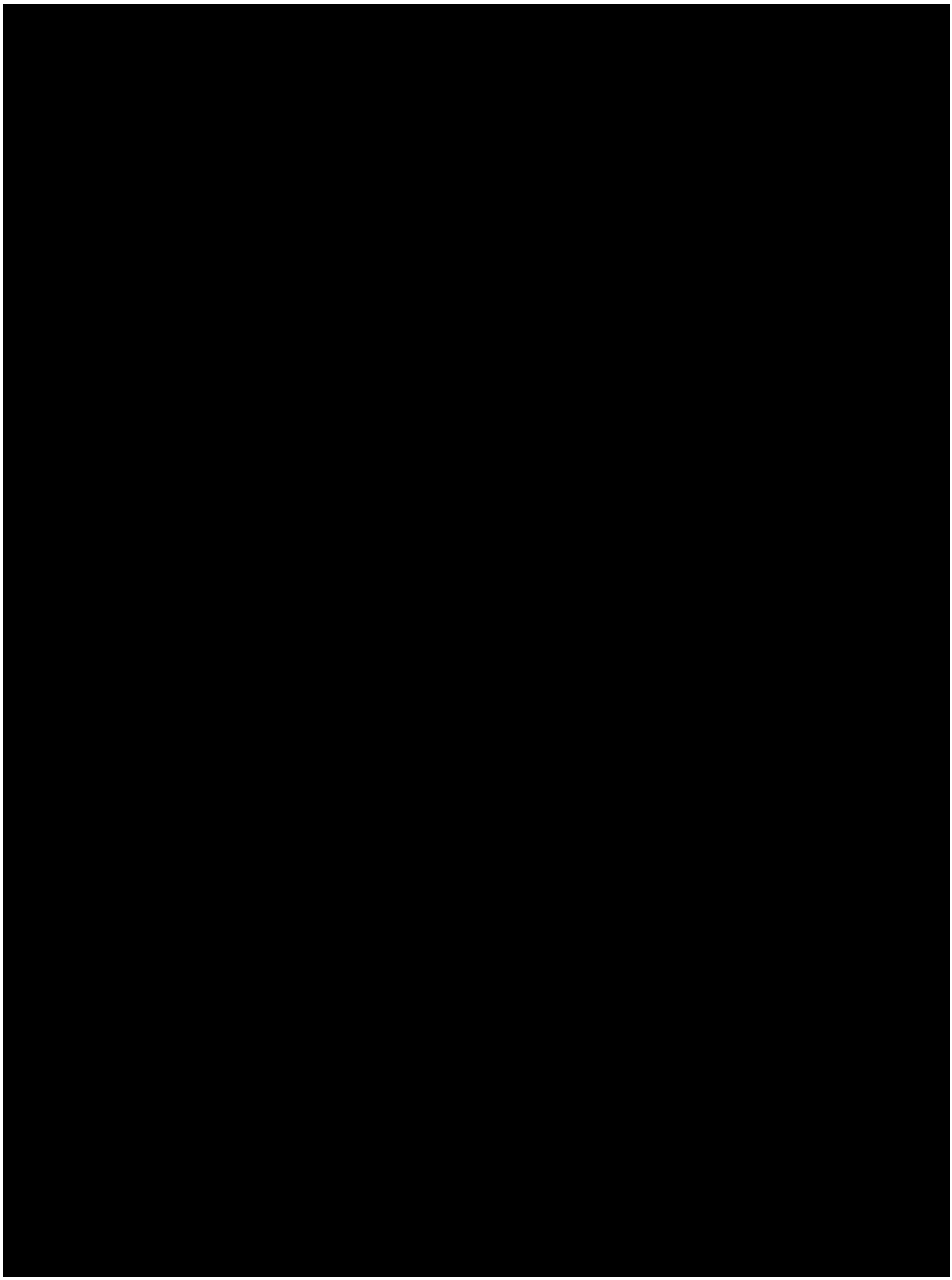
93. Did OHSU contribute any capital or in-kind services or incur any debt with respect to the Tuality Healthcare/Hillsboro Medical Center Clinical Enterprise at any point in time?

OHSU has provided capital and operating support to Tuality in accordance with the Management Agreement. As of the date of this response that support amounts to $100.8M. OHSU has not incurred any debt with respect to Tuality. OHSU provides services to Tuality under the terms of various professional services or services agreements. Such services are provided at fair market value.

94. For each arrangement (Tuality Healthcare/Hillsboro Medical Center and Portland Adventist Medical Center), please identify the clinical services and covered affiliates contributed by each party to the respective Clinical Enterprise. What services - if any - are excluded or prohibited from being provided by the Clinical Enterprise?

All services performed by each of Tuality, OHSU, and Portland Adventist are part of the clinical enterprise as such term is defined in each of the OHSU/Tuality Management Agreement and the OHSU-AH, LLC Operating Agreement. In each case, each party continues to provide health care under its own licensure, TINs, governing bodies and through existing separate medical staffs; each continues to employ staff; and each continues to be responsible for related legal and regulatory obligations/compliance. The services are not contributed to the clinical enterprise. None of the arrangements call for the exclusion or otherwise prohibit the provision of any services.

[redacted]



[redacted]

97. In its role as a member of the Joint Operating Company with OHSU-AH, or pursuant to its Management Services Agreement with Tuality Healthcare/Hillsboro Medical Center, or on its' or its affiliates' behalf, does OHSU participate in any tier contracting with managed care health plans. If so, please describe which plans and services are divided into tiers to encourage patients to use the highest-quality providers while keeping costs down?

OHSU does not participate in any tier contracting with managed care health plans in its role as a member of the JOC with OHSU-AH or pursuant to the Management Agreement with Tuality Healthcare/Hillsboro Medical Center.

98. What is the nature of the arrangement between Tuality Healthcare/Hillsboro Medical Center and OHSU in the Tuality/OHSU Cancer Center, LLC?

There is no current arrangement between Tuality Healthcare/Hillsboro Medical Center and OHSU in the Tuality/OHSU Cancer Center LLC—the Tuality/OHSU Cancer Center LLC was administratively dissolved in 2019.

a. Why was this formed rather than incorporating the services into the Clinical Enterprise under the existing arrangement?

Tuality/OHSU Cancer Center, LLC was formed in 2001, prior to the current Management Agreement between OHSU and Tuality Healthcare, which parties entered in 2016. The Clinical Enterprise which OHSU was to manage pursuant to the Management Agreement specifically included Tuality's interest in Tuality/OHSU Cancer Center, LLC. See Management Agreement Section 1.2.

d. What is the purpose of the entity and which member having a controlling interest and/or manages the LLC?

N/A; the Tuality/OHSU Cancer Center, LLC was administratively dissolved in 2019.

c. Is OHSU Partners, LLC the manager of the LLC?

N/A; the Tuality/OHSU Cancer Center, LLC was administratively dissolved in 2019.

99. Has OHSU-AH, LLC incurred any debt?

OHSU-AH, LLC has not incurred any debt.

a. How do OHSU's financial obligations with respect to OHSU-AH, LLC impact its debt covenants?

OHSU's financial obligations with respect to OHSU-AH, LLC are limited to its provision of integrated clinical operating support for Adventist Portland. OHSU has no obligation to incur debt on behalf of OHSU-AH, LLC. In fiscal years 2024 and 2023 that support totaled $16 million and $11 million, respectively. The integrated clinical operations support does not impact OHSU's debt covenants.

b. Has there been any financial analysis to determine whether the financial obligations to OHSU-AH, LLC will impact the financing necessary for the proposed combination with Legacy?

As described above, OHSU's financial obligations with respect to OHSU-AH, LLC are limited to its provision of integrated clinical operating support for Adventist Portland. OHSU has determined that the integrated clinical operations support will not impact financing necessary for the proposed combination with Legacy Health. [redacted]

100. How and to what extent are OHSU's and Tuality Healthcare/Hillsboro Medical Center's financial and cost accounting systems integrated?

OHSU and Tuality Healthcare's financial and cost accounting systems are not integrated. Tuality Healthcare shares its financial results with OHSU in order for the parties to determine Tuality's operating gains or losses.

101. Please explain how the proposed combination impacts the arrangements with Tuality Healthcare/Hillsboro Medical Center and Portland Adventist Medical Center.

The proposed combination does not impact the arrangements with Tuality Healthcare or with Portland Adventist Medical Center. [redacted]

102. Please explain why OHSU's bed capacity constraints cannot be addressed/resolved through its existing relationships with Tuality Healthcare/Hillsboro Medical Center and/or Portland Adventist Medical Center.

OHSU serves a state-wide mission, with almost 50% of its patients residing outside the Portland metro area. This includes patients that are transferred to OHSU from other hospitals in the region. On average, 585 patients are transferred to OHSU each month from outside hospitals. OHSU itself transfers an average of 61 patients per month from OHSU Hospital to Hillsboro Medical Center or Adventist Health Portland. Patients with lower acuity needs are transferred in order to broaden access to complex cancer, heart and vascular, neuroscience, complex surgery and medical care for Oregonians at OHSU Hospital.

Despite this work to grow access to complex care, there are an average of 235 patients per month who cannot be admitted at OHSU. Further, OHSU has median wait times of 46 hours for patients with academic health center-specific complex care needs from the time OHSU accepted to the time of arrival at OHSU. This means many patients still wait more than two days for inpatient access to OHSU specialist services. Capacity and capabilities in both Tuality Health and Portland Adventist Medical Center have been maximized through OHSU's unique analytic capabilities but additional options are urgently needed to balance inpatient capacity needs.

[redacted]

[redacted]

104. What is the OHSU Insurance Company and what type of insurance coverage does it provide and for whom?

OHSU Insurance Company is an Arizona domiciled insurance company and was formed by OHSU to provide primary insurance to OHSU. It is OHSU's captive insurance company. It provides insurance with respect to OHSU's professional liability, employment practices liability, director and officers' liability, cyber liability and other forms of insurance generally held by academic medical centers. Because OHSU provides patient care, the insurance policy issued by OHSU Insurance Company to OHSU also covers medical professional liability.

105. What is the OHSU Health IDS, LLC and where does it operate and/or provide services?

OHSU and ODS Community Health, Inc. ("ODSCH") formed OHSU Health IDS, LLC ("IDS") on October 11, 2019. OHSU has a 60% membership interest in IDS and appoints 3 individuals to the IDS Board of Directors. ODSCH has a 40% membership interest in IDS and appoints 2 individuals to serve on the IDS Board of Directors. IDS entered into an agreement with Health Share ("Health Share"), a coordinated care organization ("CCO") which is contracted with the Oregon Health Authority ("OHA") for the provision of health care services to members enrolled in the Oregon Health Plan ("OHP") on a fully capitated basis. Under the agreement between IDS and Health Share, IDS makes available its integrated network of health care providers and assumes certain of Health Share's financial and contractual responsibilities and obligations to OHA for managing, coordinating, arranging for, and providing and delivering patient care services to OHP members assigned to IDS as part of Health Share's CCO. OHSU and ODSCH each provide IDS administrative and support services pursuant to separate written agreements with IDS.

a. Who are its participants and are any participants non-OHSU providers?

The providers in the OHSU Health IDS provider network includes OHSU providers, Tuality Healthcare providers, Adventist Health Portland providers, and other non-OHSU community providers.

106. Please explain the purpose and functions of OHSU Project Co, LLC?

OHSU Project Co, LLC was formed on November 30, 2016, to purchase certain re-insurance products on behalf of OHSU and certain strategic partners of OHSU. OHSU owns and controls 44% of the membership interests of OHSU Project Co, LLC. The remaining membership interests are owned and controlled by non-OHSU affiliated entities, none of which holds a greater than 27% interest in the LLC. The members are healthcare providers that, together with OHSU, have agreed to retain certain financial risks associated with payer contracts between the healthcare providers and Moda, Inc. The healthcare provider network that was reinsured by OHSU Project Co., LLC disbanded as of December 31, 2024, when Moda changed its network. Therefore, OHSU Project Co., LLC did not acquire aggregate stop-loss coverage for 2025. Its only further business will be to work with the stop-loss carrier and Moda to monitor 2024 run-off liabilities. Once such activity is complete, OHSU Project Co., LLC will be administratively dissolved.

108. Provider rosters:

For each health care provider (specifically MDs, DOs, NPs, and PAs) who was employed or contracted during 2024 by the business entities listed in "SuppMaterials A-NPI Form.pdf" or "SuppMaterials C-HCMO 1c facilities and locations.pdf' previously submitted to OHA, provide the provider's name, national provider identification (NPI), whether employed or contracted, their primary care provider status, credential, primary specialty, and the business entity that employed or contracted the provider. Do not include any providers contracted for the sole purpose of providing emergency call coverage, but do include, for example, locums tenens who were contracted to cover clinic time if any were contracted for this purpose. This request does not need to be a comprehensive list of providers that have privileges at your facilities. Please produce this information in an Excel or CSV file. Table 1 below provides an example of the information being requested.

Table 1. Provider information request

Name	National Provider Identification (NPI)	Employed or contracted	Primary care provider	Credential (MD, DO, NP, PA)	Primary specialty	Business entity of employment or contract
Dr. John Doe	1234567893	Contracted	Y	MD	Orthopedics	Legacy Health Partners
Dr. Jane Smith	1033270160	Employed	N	MD	Cardiology	Professional Medical Services

Note: The information in the rows is illustrative of a complete response to the information request.

Please refer to Bates OHSU_MarchRFI#108_000001 and OHSU_MarchRFI#108_000002 for the above requested information about OHSU's providers and Legacy Health's providers, respectively.

109. Facility NPIs:

For each of the facility name-NPI-address pairs in the attached excel file, please confirm whether the facility name-NPI pair correspond to your facility that is reported at the same address. Please confirm whether the NPI for that facility is valid. If the NPI for the facility is invalid, please provide a reason for that conclusion.

OHSU reviewed spreadsheet OHA provided, entitled "Facility-NPI RFI," and has made corrections in the spreadsheet enclosed at OHSU_MarchRFI#109_000001. Given the number of errors in the spreadsheet that OHA provided regarding OHSU's entities, OHSU also submits a full listing of its facility NPIs at Bates OHSU_MarchRFI#109_000002.

110. For OHSU, provide copies of all network contracts with payers.

Please refer to Bates OHSU_MarchRFI#110_000001 - OHSU_MarchRFI#110_010879 and previously produced OHSU_RFI#7_00000001 - OHSU_RFI#7_00000440 for OHSU's network contracts with payers.

111. Given the structure of the affiliations between OHSU, Tuality Healthcare/Hillsboro Medical Center, and Portland Adventist Medical Center hospitals, would OHSU be prohibited from engaging in any of the following under the existing agreements:

a. Revenue neutral contract provisions
b. Anti-steering contract provisions
c. Most favored nation contract provisions

OHSU developed these arrangements—the Joint Operating Agreement ("JOA") with Adventist Health System West and the Management Agreement with Tuality Healthcare—with the aim of unifying clinical and economic interests and building on the resources and expertise of each party to provide cost-effective, high-quality health care and to improve the health and well-being of the populations that the parties serve. [redacted]

112. Provide a description of how the funds currently flow, or will flow in the future, between OHSU and the OHSU Foundation. In doing so, please specifically address:

a. OHSU Foundation's guarantee of OHSU bond or loan debt.
b. Ownership or interest in OHSU assets.

The OHSU Foundation (the "Foundation") exists to secure private philanthropic support to advance OHSU's vital missions and to invest and manage gifts responsibly to honor donor's wishes.

The Foundation is a component unit of OHSU for financial reporting purposes, but it is not part of OHSU's obligated group and does not guarantee OHSU's bonds or debt. The OHSU Foundation does not hold an ownership or interest in OHSU assets. Instead, the Foundation makes grants to OHSU when OHSU has incurred an expenditure that aligns with the intent of donors to the Foundation. The proposed transaction will not change how funds flow between OHSU and the Foundation.

113. Please provide the current list of OHSU's and Legacy's financial obligations, as specified in the published Management Discussion and Analysis statements (https://emma.msrb.org/Home/Index). The entities reference investments in artificial intelligence and other obligations. Please describe these and all other financial obligations other than debt and liabilities recorded in audited reports.

OHSU's current liabilities consist of the current portion of long-term debt, long term leases and self-funded insurance, accounts payable and accrued expenses, salaries, wages and benefits and unearned revenue, in each case as set forth in OHSU's audited financial statements. Noncurrent liabilities consist of the long-term portion less the current portion of debt, leases and self-funded insurance, life income agreements and pensions liabilities, as set forth in OHSU's audited financial statements. OHSU has no material debt or liabilities other than as recorded in its audited financial statements. Detailed information relating to OHSU's financial obligations can be found in OHSU_Notice_01291 – OHSU_Notice_01406 (Note 13 (Commitments and Contingencies) to OHSU's audited financial statements for the year ended June 30, 2024, and 2023.)

Legacy Health's list of financial obligations as of December 31, 2024, is noted below. The only additional obligations for Legacy Health not noted in the EMMA filing are: 1) A capital funding commitment for Silverton Hospital related to the acquisition agreement of approximately $3,700,000; and 2) Additional capital call requirements for certain investments in the Legacy Health portfolio amounting to approximately $70,000,000. There were no other financial obligations.

Liabilities *(dollar amounts in 000's)*	**12/31/24** *(unaudited)*
Current liabilities:	
Accounts payable	$ 152,768
Accrued wages, salaries, and benefits	258,687
Accrued interest	2,439
Settlements payable to third-party payers, net	—
Other current liabilities	92,502
Line of credit	—
Current portion of long-term debt	10,496
Total current liabilities	516,892
Long-term debt, less current portion	717,116
General and professional claims liability	51,566
Other noncurrent liabilities	222,025
Total liabilities	$ 1,507,599