

Health Care Market Oversight (HCMO) Program

HCMO-1: Notice of Material Change Transaction

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General Instructions

Pursuant to Oregon Revised Statute (ORS) 415.501, an entity to a material change transaction must submit a Notice to the Oregon Health Authority (OHA) notifying OHA of such transaction. This form must be used to comply with this statutory mandate.

You must file this Notice electronically with OHA, in a portable document form (pdf), by email to hcmo.info@oha.oregon.gov **no less than 180 days** before the expected closing date of your material change transaction.

The Notice is not complete until all required information is satisfactorily provided, and the 180-calendar day pre-merger period will not run until OHA deems the Notice complete. To avoid delays to your transaction, due diligence is required to complete this form correctly. Please apply Bates numbering to all confidential documents submitted with the Notice. Please include the applicable Bates number sequence on all redaction logs. The Notice will be published and serve as notice to the public. Contact program staff with any questions or to request technical assistance at hcmo.info@oha.oregon.gov.

Who must file a Notice

Under ORS 415.501, an entity entering into a transaction that constitutes a material change must submit written notice to OHA of such material change.

A material change transaction includes:

- A. A transaction in which at least one party had average revenue of \$25 million or more in the preceding three fiscal years and another party:
 - i. Had an average revenue of at least \$10 million in the preceding three fiscal years; or
 - ii. In the case of a new entity, is projected to have at least \$10 million in revenue in the first full year of operation at normal levels of utilization or operation as prescribed by the authority by rule.

Out-of-state entities

If a transaction involves a health care entity in this state and an out-of-state entity, a transaction that otherwise qualifies as a material change transaction must submit this Notice if the transaction may result in increases in the price of health care or limit

access to health care services in this state. See [OHA Guidance on Out-of-State Entities](#).

Confidentiality

Information on this Notice form shall be a public record and will be posted on OHA's website. Pursuant to ORS 415.501(13), OHA shall maintain the confidentiality of all confidential information and documents that are not publicly available that are obtained in relation to a material change transaction and may not disclose the information or documents to any person without the consent of the person who provided the information or document. Information and documents described in this paragraph are exempt from disclosure under Oregon Public Records Law (ORS 192.311 to 192.478).

Entities must follow the requirements of Oregon Administrative Rule (OAR) 409-070-0070 when designating portions of a Notice and any documents submitted by the applicant in support of the Notice as confidential. See [OHA Use of Confidential Information Guidance](#).

Definitions

"Acquisition" occurs when:

- a) Another person acquires control of the health care entity including acquiring a controlling interest as described in OAR 409-070-0025;
- b) Another person acquires, directly or indirectly, voting control of more than fifty percent (50%) of any class of voting securities of the health care entity other than a domestic insurer as described in OAR 409-070-0025(1)(c);
- c) Another person acquires all or substantially all of the health care entity's assets and operations;
- d) Another person undertakes to provide the health care entity with comprehensive management services; or
- e) The health care entity merges tax identification numbers or corporate governance with another entity.

"Legal entity name" means legal business name as reported with Internal Revenue Service.

"Merger" means a consolidation between two or more organizations, including two or more organizations joining through a common parent organization or two or more organizations forming a new organization.

"NPI" means 10-digit National Provider Identification number issued by the Centers for Medicare and Medicaid Services (CMS).

"Tax ID" means 9-digit federal tax identification number also known as an employer identification number (EIN) assigned by the Internal Revenue Service.

"Transaction" means:

- a) A merger of a health care entity with another entity;
- b) An acquisition of one or more health care entities by another entity;
- c) New contracts, new clinical affiliations and new contracting affiliations that will eliminate or significantly reduce, as defined by the authority by rule, essential services (see [Essential Services and Significant Reduction](#) guidance);
- d) A corporate affiliation involving at least one health care entity; or
- e) Transactions to form a new partnership, joint venture, accountable care organization, parent organization or management services organization.

Additional defined terms can be found at ORS 415.500 et seq. and OAR 409-070-0000 to -0085.

I. Parties to the proposed transaction

List the entity name for all parties to the proposed transaction. Add extra rows as needed for additional parties.

Party A (Applicant)	Owens & Minor, Inc.
Party B:	Rotech Healthcare Holdings Inc.

Click or tap here to enter text.

II. Contact information for the parties

Provide contact information for the proposed transaction, as requested below.

1. Provide information for Party A.

Legal entity name	Owens & Minor, Inc.
Assumed name	Click or tap here to enter text.
Tax ID	54-170843
Mailing address	9120 Lockwood Boulevard, Mechanicsville, Virginia, 23116
Website	https://www.owens-minor.com/
Contact Name	Heath Galloway
Title	General Counsel
Phone	804-723-7497
Cell Phone	Click or tap here to enter text.
Email	heath.galloway@owens-minor.com

Is Party A represented by legal counsel for this transaction?

Yes

No

Provide information regarding Party A's legal counsel, if applicable.

Name	Dennis Williams, P.C. William S. Richmond
Firm	Kirkland & Ellis, LLP
Address	601 Lexington Ave., New York, NY 10022 1301 Pennsylvania Ave., N.W., Washington, D.C. 20004
Phone	212-390-4008 202-389-3222
Email Address	Dennis.Williams@kirkland.com William.Richmond@kirkland.com

2. Provide information for Party B.

Legal entity name	Rotech Healthcare Holdings Inc.
Assumed name	Click or tap here to enter text.
Tax ID	82-506409
Mailing address	6251 Chancellor Drive, Suite 119, Orlando, FL 32809
Website	https://www.rotech.com/
Contact Name	Steven Burres
Title	General Counsel
Phone	407-822-4684
Cell Phone	Click or tap here to enter text.
Email	Steven.burres@rotech.com

Is Party B represented by legal counsel for this transaction?

Yes

No

Provide information regarding Party B's legal counsel, if applicable.

Name	Lawrence W. Vernaglia
Firm	Foley & Lardner LLP
Address	111 Huntington Ave., Suite 2500, Boston, MA 02199
Phone	617-342-4079
Email Address	LVernaglia@foley.com

For any additional Parties, please provide a supplemental attachment describing the information requested in Section 2.

3. Provide a billing contact for payment of review fees.

Name	Heath Galloway
Address	9120 Lockwood Boulevard, Mechanicsville, Virginia, 23116
Phone	804-723-7497
Email Address	heath.galloway@owens-minor.com

III. About the proposed transaction

4. Provide the type of material change transaction. (See OAR 409-070-0010 for definitions of transactions subject to review.)

Merger

Acquisition

Affiliation

Contract

Other (specify) _____

5. What is the anticipated effective date of the proposed material change transaction?
The first half of 2025.

6. Briefly describe the proposed material change transaction, including:

a. Goals and objectives

See Narrative Responses Appendix for a complete answer to Item 6(a).

b. Summary of transaction terms

See Narrative Responses Appendix for a complete answer to Item 6(b).

c. Why the transaction is necessary or warranted

See Narrative Responses Appendix for a complete answer to Item 6(c).

d. Any exchange of funds between the parties, including the nature, source and amount of funds or other consideration (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of health care services).

See Narrative Responses Appendix for a complete answer to Item 6(d).

7. Describe the negotiation or transaction process that resulted in the entities entering into an agreement.

See Narrative Responses Appendix for an answer to Item 6(d). See Exhibit 7 to the Confidential Appendix for more information.

a. How the entities were identified (e.g., did one party approach the other, did one party engage in a bid/auction process, etc.)

See Narrative Responses Appendix for a complete answer to Item 7(a).

b. Any due diligence performed by any of the parties to the transaction. Provide any products, reports, or analyses resulting from due diligence processes.

See Narrative Responses Appendix for a complete answer to Item 7(d).

8. Will the proposed material change transaction change control of a public benefit corporation or religious corporation?

Yes

No

9. List any applications, forms, notices, or other materials that have been submitted to any other state or federal agency regarding the proposed material change transaction. Include the data and nature of any submissions. This includes, but is not

limited to, the Oregon Department of Consumer and Business Services, Oregon Public Health Division, Oregon Department of Justice, U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application), Federal Trade Commission, and U.S. Department of Justice.

See Narrative Responses Appendix for a complete answer to Item 9.

- a. If a pre-merger notification was filed with the Federal Trade Commission or U.S. Department of Justice, please attach the pre-merger notification filing along with this notice submission.

See Exhibit 9(a) to the Confidential Appendix for more information.

IV. About the entities involved in the proposed transaction

10. Describe Party A.

See Attachment #1 for a complete answer to Item 10.

- a. Describe Party A's business, including business lines or segments

See Narrative Responses Appendix for a complete answer to Item 10(a).

- b. Describe Party A's governance and operational structure (including ownership of or by a health care entity)

See Narrative Responses Appendix for an answer to Item 10(b). See attachment 10(c) to the Confidential Appendix for more information.

- c. Provide a diagram or chart showing the organizational structural and relationships between business entities.

See Narrative Responses Appendix for an answer to Item 10(c). See Exhibit 10(c) to the Confidential Appendix for more information.

- d. List all of Party A's business entities currently licensed to operate in Oregon using [HCMO-1b: Business Entities form](#). Provide the business name, assumed business name, business structure, date of incorporation, jurisdiction, principal place of business, and FEIN for each entity.

See Supplemental Materials for a complete answer to Item 10(d).

- e. Provide financial statements for the most recent three fiscal years. If Party A also operates outside of Oregon, provide financial statements both for Party A nationally and for Party A's Oregon business.

See Exhibit 10(e) to the Confidential Appendix for more information.

- f. Describe and identify Party A's health care business. Provide responses to i-ix as applicable:

See Narrative Responses Appendix for a complete answer to Item 10(f).

- i. Provider type (hospital, physician group, etc.)

See Narrative Responses Appendix for a complete answer to Item 10(f)(i).

- ii. Service lines, both overall and in Oregon

See Narrative Responses Appendix for a complete answer to Item 10(f)(ii).

- iii. Products and services, both overall and in Oregon

See Narrative Responses Appendix for a complete answer to Item 10(f)(iii).

- iv. Number of staff and FTE, both overall and in Oregon

See Narrative Responses Appendix for a complete answer to Item 10(f)(iv).

- v. Geographic areas served, both overall and in Oregon

See Narrative Responses Appendix for a complete answer to Item 10(f)(v).

- vi. Addresses of all facilities owned or operated using [HCMO-1c: Facilities and Locations form](#)

See Supplemental Materials for a complete answer to Item 10(f)(vi).

- vii. Annual number of people served in Oregon, for all business, not just business related to transaction

See Narrative Responses Appendix for a complete answer to Item 10(f)(vii).

viii. Annual number of services provided in Oregon

See Narrative Responses Appendix for a complete answer to Item 10(f)(viii).

ix. For hospitals, number of licensed beds

N/A

11. Describe Party B.

See Narrative Responses Appendix for a complete answer to Item 11.

a. Describe Party B's business, including business lines or segments

See Narrative Responses Appendix for a complete answer to Item 11(a).

b. Describe Party B's governance and operational structure (including ownership of or by a health care entity)

See Narrative Responses Appendix for an answer to Item 11(b). See Exhibits 11(b) and 10(c) to the Confidential Appendix for more information.

c. Provide a diagram or chart showing the organizational structural and relationships between business entities.

See Exhibit 10(c) to the Confidential Appendix for more information.

d. List all of Party B's business entities currently licensed to operate in Oregon using [HCMO-1b: Business Entities form](#). Provide the business name, assumed business name, business structure, date of incorporation, jurisdiction, principal place of business, and FEIN for each entity.

See Supplemental Materials for a complete answer to Item 11(d).

e. Provide financial statements for the most recent three fiscal years. If Party B operates outside of Oregon, provide financial statements both for Party B nationally and for Party B's Oregon business.

See Exhibit 11(e) to the Confidential Appendix for more information.

- f. Describe and identify Party B's health care business. Provide responses to i-ix as applicable.

See Narrative Responses Appendix for a complete answer to Item 11(f).

- i. Provider type (hospital, physician group, etc.)

See Narrative Responses Appendix for a complete answer to Item 11(f)(i).

- ii. Service lines, both overall and in Oregon

See Narrative Responses Appendix for a complete answer to Item 11(f)(ii).

- iii. Products and services, both overall and in Oregon

See Narrative Responses Appendix for a complete answer to Item 11(f)(iii).

- iv. Number of staff and FTE, both overall and in Oregon

See Narrative Responses Appendix for a complete answer to Item 11(f)(iv).

- v. Geographic areas served, both overall and in Oregon

See Narrative Responses Appendix for an answer to Item 11(f)(v). See Exhibit 11(f)(v) to the Confidential Appendix for more information.

- vi. Addresses of all facilities owned or operated using [HCMO-1c: Facilities and Locations form](#)

See Supplemental Materials for a complete answer to Item 11(f)(vi).

- vii. Annual number people served in Oregon, for all business, not just business related to transaction

See Narrative Responses Appendix for a complete answer to Item 11(f)(vii)..

- viii. Annual number of services provided in Oregon

See Narrative Responses Appendix for a complete answer to Item 11(f)(viii).

- ix. For hospitals, number of licensed beds

N/A

For any additional Parties, please provide a supplemental attachment describing the information requested in Section 11 (a) – (f).

12. Describe all mergers, acquisitions, and joint ventures that closed in the ten (10) years prior to filing this notice of material change transaction involving any entities party to the current proposed transaction, the same or related services, and health care entities. For each previous transaction, include:

- a. Legal names of all entities party to the transaction
- b. Type of transaction
- c. Description of the transaction
- d. Date the transaction closed

See Narrative Responses Appendix for a complete answer to Item 12.

13. Describe any anticipated changes resulting from the proposed material change transaction, including:

- a. Operational structure
 - i. Provide a chart or diagram showing the pre- and post-transaction organizational structure and relationships between entities.

See Narrative Responses Appendix for an answer to Item 13(a). Exhibit 10(c) to the Confidential Appendix for more information.

- b. Corporate governance and management

See Narrative Responses Appendix for a complete answer to Item 13(b).

- c. Investments or initiatives

See Narrative Responses Appendix for a complete answer to Item 13(c).

- d. Type and level of staffing

See Narrative Responses Appendix for a complete answer to Item 13(d).

- e. Type and level of services provided

See Narrative Responses Appendix for a complete answer to Item 13(e).

- f. Number and type of locations

See Narrative Responses Appendix for a complete answer to Item 13(f).

- g. Geographic areas served

See Narrative Responses Appendix for a complete answer to Item 13(g).

- h. For providers, payer contracts and payer mix

See Narrative Responses Appendix for a complete answer to Item 13(h).

- i. For insurance carriers, provider contracts and networks

N/A

- j. Other contractual arrangements, including contracts with suppliers, partners, ancillary service providers, PBMs, or management services organizations

See Narrative Responses Appendix for a complete answer to Item #3(j).

V. Impacts from the proposed material change transaction

14. Describe how the proposed material change transaction will impact the public and people served by the entities in Oregon.

See Narrative Responses Appendix for a complete answer to Item 14.

- a. If there are any anticipated negative effects, describe how the entities will seek to mitigate negative impacts.

See Narrative Responses Appendix for a complete answer to Item 14(a).

15. Explain how the proposed material change transaction will:

- a. Impact health outcomes for people in Oregon. Provide applicable data, metrics, or documentation to support your statements.

See Narrative Responses Appendix for a complete answer to Item 15(a).

- b. Benefit the public good by reducing the growth in health care costs. Provide applicable data, metrics, or documentation to support your statements.

See Narrative Responses Appendix for a complete answer to Item 15(b).

- c. Benefit the public good by increasing access to services for medically underserved populations. Provide applicable data, metrics, or documentation to support your statements.

See Narrative Responses Appendix for a complete answer to Item 15(c).

- d. Benefit the public good by rectifying historical and contemporary factors contributing to health inequities or access to services. Provide applicable data, metrics, or documentation to support your statements.

See Narrative Responses Appendix for a complete answer to Item 15(d).

- e. If the transaction will not benefit the public good as described in b-d, explain why this proposed material change transaction is in the best interest of the public.

See Narrative Responses Appendix for a complete answer to Item 15(e).

16. Describe any competitive effects that may result from the proposed material change transaction.

See Narrative Responses Appendix for a complete answer to Item 16.

- a. Will the proposed material change transaction result in a decrease in competition?

See Narrative Responses Appendix for a complete answer to Item 16(a).

- i. If yes, describe any anticompetitive effects that will result from the proposed transaction.

See Narrative Responses Appendix for a complete answer to Item 16(a)(i).

- ii. If yes, describe any plans to mitigate potential anticompetitive effects, including any divestiture plans.

See Narrative Responses Appendix for a complete answer to Item 16(a)(ii).

- b. Provide applicable data, metrics, or documentation to support your statements.

See Exhibit 9(a) to the Confidential Appendix for more information.

17. Describe the proposed material change transaction's impact on the financial stability of any entity involved in the transaction.

See Narrative Responses Appendix for a complete answer to Item 17.

VI. Supplemental materials

Submit the following materials, if applicable, with your submission. Apply Bates numbering to all confidential documents submitted with the Notice and include the applicable Bates number sequence on all redaction logs.

- [HCMO-1a: NPI form](#) (required for health care provider entities)
- [HCMO-1b: Business Entities form](#) (required parties with multiple business entities licensed to operate in Oregon)
- [HCMO-1c: Facilities and Locations form](#)
- Pre- and post-transaction organizational structure diagram
- Copies of all current agreements and term sheets for the proposed transaction
- Financial statements for all entities for the most recent three fiscal years
- Copies of current governance documents for all entities (for examples, bylaws, articles of incorporation, corporate charter, etc.)
- Documentation or analytic support for your responses, as applicable
- Redaction log