

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

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**STATE OF OREGON
OREGON HEALTH AUTHORITY
HEALTH POLICY AND ANALYTICS DIVISION**

In the Matter of the Proposed	)	Findings of Fact, Conclusions of Law, and
Material Change Transaction of	)	Final Order
FC Compassus, LLC and Providence Health &	)	
Services – Oregon	)	Transaction ID: 043

This Order resolves the Notice of Material Change Transaction (the “Notice”) filed by FC Compassus, LLC (“Compassus”) with respect to its proposed acquisition of a 50% membership interest in Compassus Providence Holdings, LLC (“Providence JV” or “JV”), which includes the home health and home-based hospice assets of Providence Health & Services – Oregon (“Providence Oregon”), a subsidiary of Providence St. Joseph Health (“Providence”) (the “Transaction”). Compassus filed the Notice with the Oregon Health Authority (“OHA”) under the Health Care Market Oversight (“HCMO”) program pursuant to Oregon Revised Statutes (ORS) 415.500 through 415.900 and Oregon Administrative Rules (OAR) 409-070-0000 through 409-070-0085. Compassus, Providence, and Providence Oregon are sometimes referred to collectively herein as the “Entities.”

On March 20, 2025, OHA confirmed receipt of a complete Notice in compliance with OAR 409-070-0030 and 0045. Pursuant to ORS 415.501(5) and OAR 409-070-0055, OHA timely conducted a preliminary review of the Transaction. On April 18, 2025, OHA completed the preliminary review and determined that a comprehensive review was warranted. OHA’s comprehensive review assessed whether the Transaction met the criteria for approval outlined in ORS 415.501(9) and OAR 409-070-0060. In doing so, OHA considered the potential impact of the Transaction on patients, consumers, and the health care delivery system in Oregon in four domains: cost of care, access to services, quality of care, and health equity. The analysis followed guidelines and methods set out in the HCMO Analytic Framework (see <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/OHA-HCMO-Analytic-Framework-FINAL.pdf>), which is grounded in the goals, standards, and criteria for transaction review and approval outlined in OAR 409-070-0000 through OAR 409-070-0085. OHA’s analysis is presented in a Comprehensive Review Report incorporated herein by reference and posted to the HCMO website at <https://www.oregon.gov/oha/HPA/HP/Pages/043-Providence-Compassus.aspx>. OHA accepted public comments throughout the duration of its review and received more than 250 comments.

Pursuant to ORS 415.501(18) and OAR 409-070-0060(4), OHA issued its proposed findings of fact and conclusions of law (“proposed order”) on May 15, 2026, and provided the Entities and the public with fifteen calendar days to provide written exceptions to the proposed order. OHA received 436 written exceptions.

Now, therefore, upon due consideration of the circumstances, including the Notice, documentation filed in support of the Notice, information submitted by the Entities in response to OHA's information requests, public comments, databases maintained by OHA, databases maintained by federal agencies, websites of the Entities, press reports, academic research articles, other publicly available reports, and written exceptions to the proposed order, OHA enters the following Findings of Fact, Conclusions of Law, and Final Order.

FINDINGS OF FACT

OHA FINDS that:

1. On or about February 12, 2025, Compassus filed the Notice with OHA.
2. On or about February 21, 2025, OHA notified the Entities that the Notice was incomplete, provided guidance about submission requirements, and requested additional information required for a complete Notice.
3. On or about March 19, 2025, Compassus filed a revised Notice with OHA.
4. On or about March 20, 2025, OHA notified the Entities that it received all requested information and confirmed receipt of a complete Notice. OHA commenced the preliminary review pursuant to OAR 409-070-0055.
5. On April 18, 2025, OHA completed the preliminary review and determined that a comprehensive review pursuant to OAR 409-070-0060 was warranted. OHA issued a letter notifying the Entities of its determination ("Determination Letter") and a Preliminary Review Report detailing its preliminary review analysis, both of which are posted at <https://www.oregon.gov/oha/HPA/HP/Pages/043-Providence-Compassus.aspx>.
6. OHA accepted public comments on the Transaction throughout the review period from March 20, 2025, through May 15, 2026. OHA received more than 250 public comments that are posted at <https://www.oregon.gov/oha/HPA/HP/Pages/043-Providence-Compassus.aspx>.
7. Compassus is a for-profit limited liability company formed in Delaware and headquartered in Nashville, Tennessee. Compassus is jointly owned by TowerBrook Capital Partners, L.P. ("TowerBrook"), a Delaware limited partnership that operates as a private equity ("PE") firm primarily based in London and New York, and Ascension Health Alliance ("Ascension"), a non-profit corporation headquartered in St. Louis, Missouri, that operates as a faith-based health system.
8. Compassus provides hospice care, palliative care, home health care, and home infusion services in 30 states. Compassus serves approximately 120,000 patients annually with over 4,000 employees and 270 locations nationwide.

9. Between 2015 and 2026, Compassus acquired multiple hospice and home health companies nationwide, including the acquisition of Hospice Advantage, LLC, Life Choice Hospice in 2015 and of Genesis Hospice and Home Health in 2016. Compassus partners with health systems, hospitals, and long-term care facilities to provide services, and formed joint ventures with the Ascension, Mercy Health dba Bon Secours Mercy Health, and OhioHealth Corporation dba OhioHealth systems. Compassus and Ascension established the Ascension at Home (“AAH”) joint venture in 2020, whereas the Bon Secours Mercy Health and OhioHealth joint ventures were formed in 2024.
10. Providence is a Washington nonprofit corporation, based in Renton, Washington, that operates as a nonprofit health system in Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington. Providence owns hospitals, medical groups, ambulatory health care services, outpatient clinics, senior care facilities, in-home health and hospice care agencies, health insurance plans, and other health care businesses. It is the fourth largest nonprofit hospital system in the country based on 2024 operating revenues.
11. In Oregon, Providence serves approximately 1.25 million patients annually and reported \$6.74 billion in operating revenues for 2024. Providence operates eight hospitals across the state, with a total of 1,358 licensed beds, and over 200 clinics offering primary care, specialty care, and immediate care services. Providence employs over 25,000 people in Oregon, including 5,500 professional nurses and more than 600 physicians.
12. As detailed in OHA’s Preliminary Review Report, Providence is the largest provider of home health and home-based hospice care in Oregon. OHA estimated that in 2023, Providence provided roughly 13,000 home health episodes to Oregon patients, or 25% of home health care episodes statewide. Providence accounted for approximately 13% of home hospice episodes rendered to Oregon patients in 2023. (OHA’s Preliminary Review Report is posted to OHA’s website here: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/043-Preliminary-Report.pdf> and is incorporated herein by reference.)
13. Providence provides home health and home hospice services as part of its Home and Community Care (“HCC”) division, which also offers palliative care, home infusion pharmacy, and private duty nursing services, and operates skilled nursing and assisted living facilities. Home health and home hospice services account for less than 1% of system-wide revenues. In Oregon, Providence operates home health care agencies based in Beaverton, Oregon City, Hood River, Medford, Newberg, Portland, Salem, Seaside, and Silverton/Mt. Angel and home hospice agencies in Hood River, Medford, Portland, Beaverton, and Newberg.
14. Providence provides specialized home health and hospice services and programs to vulnerable communities, including rural communities, low-income individuals, underserved areas, and people with complex life-limiting conditions. Providence also offers community benefit programs related to home health and hospice. In Oregon, these programs include adult community based palliative care, enhanced grief support services, and assistance with patients’ non-medical “necessities of life” (e.g. food, housing, utilities, and transportation costs).

15. On October 18, 2024, Providence entered into a Master Contribution and Purchase Agreement (“Agreement”) with Compassus and the Providence JV, pursuant to which Providence, including Providence Oregon, would undergo an internal reorganization and transfer its home health and hospice assets to the Providence JV. These assets include Providence’s home health, hospice, and palliative care locations in Alaska, California, Oregon, Texas, and Washington. Once the reorganization was completed, Compassus would acquire a 50% membership interest in the Providence JV and assume the management of its day-to-day operations in exchange for a fee. The Providence JV would operate under the business name Providence at Home with Compassus (“PAHC”).
16. As part of the internal reorganization for Oregon, the Entities created a state-level holding company, CP OR Holdings, LLC (“CP OR Holdings”), with the sole member being the Providence JV. The entities then created subsidiary holding company LLCs (“HoldCos”) for each service line in Oregon, with the sole member of each being CP OR Holdings. These HoldCos are the sole members of ground-level operating LLCs (“OpCos”) that will hold and be licensed to operate home health care or home-based hospice assets.
17. Closing of the Transaction occurred on a state-by-state basis following approval from state regulators. The Entities closed the Transaction in Washington, Texas, and Alaska on March 1, 2025, and in California on October 1, 2025.
18. Under the terms of the Agreement, Providence’s home health and hospice employees will become employees of the Providence JV. Entities state that these employees will receive the same compensation and substantially similar benefits.
19. The Providence JV will be governed by a Board of Managers (“Board”) consisting of four Providence representatives and four Compassus representatives, with one Compassus member serving as Chairperson of the Board. The Board will manage the business and affairs of the Providence JV and its subsidiaries, including the newly formed Oregon entities.
20. Under the terms of the Agreement, the Providence JV will be required to meet certain charitable and ethical obligations. Such obligations include maintaining Providence’s community benefit programs by providing the same or similar services to the same or similar communities. Providence will oversee compliance with these requirements through continued representation on the Board. Additionally, the Providence JV will provide quarterly reports and certifications to the Board related to compliance with charitable and ethical obligations.
21. Providence has sustained financial losses in recent years, prompting cuts to services and programs. In 2024, Providence reported operating losses of \$644 million at the system level, with losses of \$23 million for the home health and hospice service lines nationally, of which \$5 million was in Oregon. Providence states it faces significant challenges in maintaining the home health and hospice service lines due to higher operating costs, limited growth in Medicare reimbursement, advances in technology, and competitive pressures.

22. Providence closed several HCC services and programs in 2024 affecting staffing and service availability in Oregon. In February 2024, Providence closed its Palliative Care Clinical Unit, which offered palliative nursing services to Portland area home health patients diagnosed with progressive, serious illnesses. Providence ended its Remote Patient Monitoring Program in August 2024 due to financial constraints and the inability to purchase new monitoring devices for homebound patients. In October 2024, Providence paused admissions to its Augmentative and Alternative Communication (“AAC”) services, a type of speech therapy that uses technology and other tools to help patients with serious conditions communicate when they have limited or no ability to speak, due to financial constraints.
23. Post-closing, financial support for community benefit programs related to home health and hospice care will continue to come primarily from the Providence St. Joseph Health Foundation (“Providence Foundation”) and Providence philanthropic fundraising. The Providence Foundation will enter into a formal agreement with the Compassus Living Foundation, Inc., under which the Providence JV will periodically request funds from the Providence Foundation to fund community benefit programs.
24. Analysis of financial data provided by the Entities shows that the Transaction is necessary to prevent further closures and service reductions within Providence’s home health and hospice service lines in Oregon. The Transaction will provide capital investment and operational expertise needed to financially sustain the home health and hospice service lines in Oregon in the long term. The additional capital will fund investments in clinical technology, including HomeCare HomeBase (“HCHB”), a new Electronic Health Records system, caregivers, and care management tools.
25. The Providence JV’s employees will be integrated into the “Compassus staffing model” through the implementation of HCHB and other analytical tools. The Providence JV will set new targets for the number of patients served and the number of services delivered by nurses and other clinical staff. The Providence JV further plans to increase reliance on “paraprofessional staff,” trained support staff (e.g., home health aides, hospice aides, nursing assistants, and physical therapy assistants) who work under the supervision of certified professionals.
26. There are no expected reductions in the type, scope, or level of services provided, nor any reduction to the number or type of locations post-closing. The Transaction will not change the geographic areas currently served by the Providence JV’s home health or hospice agencies.
27. The Providence JV will continue participating in all Providence’s existing health plan networks under existing terms, and the Providence JV will provide services to any patient, regardless of ability to pay. The Providence JV will adopt Compassus’ Financial Assistance Policy across all states.
28. The terms of the Transaction as presented do not appear to violate federal or Oregon law.

29. Compassus does not currently own or operate any home health or hospice agencies in Oregon. The Transaction therefore will not increase concentration in Oregon's market for home health or hospice services.
30. Improved financial performance and stability of Providence's home health and hospice service lines should help avoid further cuts to services in Oregon. While this would benefit Oregon patients broadly, the Transaction could reduce access to care for some groups (such as rural communities and medically complex patients), impact care quality via staffing and other operational changes, and limit the availability of community benefit programs.
31. OHA defined the "service area" for each Providence home health and hospice agency in Oregon as the county in which the agency is located and adjacent counties where Providence provided a significant volume of services. Approximately 24% of the population in Providence service areas live in zip codes designated as rural. Of the 14 counties served by Providence home health and hospice agencies, 12 have been designated, either in whole or in part, as Medically Underserved Areas (MUAs) by the federal Health Resources & Services Administration.
32. To achieve financial sustainability, the Providence JV may be incentivized to directly or indirectly reduce its provision of lower margin (less profitable) services, including services in rural areas and care for patients with medically complex conditions. In comments to OHA, numerous members of the public have raised concerns that the Providence JV may reduce services in rural areas or limit admissions of patients with chronic or degenerative conditions.
33. The Providence JV intends to adopt Compassus' policy for patient financial assistance. The transition from Providence to Compassus policies for financial assistance may disrupt care for patients receiving financial assistance at the time of the transition.
34. Providence has stated that it will use its representation on the Providence JV Board to monitor the resources and capacity devoted to community benefit programs to ensure that such programs are maintained in accordance with Providence's charitable mission. Nevertheless, given the Providence JV's 50/50 governance structure, it is likely that focus on community benefit programs will diminish at both the Board and other levels of the organization following the close of the Transaction.
35. The Entities have stated that the Providence JV intends to grow patient census by providing existing services to more people in Oregon within its current service areas, many of which are underserved. The Entities believe that serving more patients in existing service areas will increase access to home-based care services for underserved communities in the state.

CONCLUSIONS OF LAW

1. The Notice is supported by the required documentation and meets the requirements of HCMO Program rules for approval with respect to transactions involving health care entities pursuant to ORS 415.500 through 415.900 and OAR 409-070-0000 through 409-070-0085.

2. OHA finds that:

- a. There is no substantial likelihood that the Transaction will result in any material anticompetitive effects that would not be outweighed by benefits in maintaining access to home health and hospice services in Oregon.
 - i. The Transaction will not impact concentration in Oregon's home health or hospice markets, as Compassus does not currently own or operate any home health or hospice agencies in the state.
- b. There is no substantial likelihood that the Transaction would be contrary to law.
 - i. The terms of the Transaction as presented do not appear to violate federal or Oregon law.
- c. There is no substantial likelihood that the Transaction would jeopardize the financial stability of a health care entity involved in the Transaction.
 - i. Providence's home health and hospice service lines have sustained financial losses in recent years, and this is expected to continue, raising the risk of future closures and service reductions. The Transaction can be expected to improve the profitability and financial stability of Providence's home health and hospice business nationally and in Oregon.
- d. There is no substantial likelihood that the Transaction would otherwise be hazardous or prejudicial to consumers or the public, provided that the Entities comply with OHA's approval conditions.
 - i. By improving financial performance and stability of Providence's home health and hospice service lines, the Transaction should help to avoid further cuts to services in Oregon. At the same time, the Transaction may reduce access to care for some groups, impact care quality via staffing and other operational changes, and limit the availability of community benefit programs. These changes may disproportionately affect rural communities, people with complex medical conditions, and people who are uninsured or otherwise unable to pay for care. Further, any potential divestiture of either Providence's or Compassus's stake in the Providence JV could significantly change how the Providence JV is governed which would likely have significant impacts on the Providence JV's operations in Oregon. OHA has imposed conditions on its approval of the Transaction to mitigate these risks. Under OHA's approval conditions, the Transaction is unlikely to be hazardous or prejudicial to consumers or the public in Oregon.
- e. The Transaction will benefit the public good and communities by increasing access to services in medically underserved areas.

- i. The Transaction is expected to reduce the risk of further cuts to home health and hospice services in Oregon. OHA has imposed a condition on its approval of the Transaction to ensure that Oregon benefits from planned capital investments. The Providence JV intends to serve more patients in Providence's current service areas in Oregon, and these service areas include many underserved areas. Under OHA's approval conditions, the Transaction is likely to benefit the public good and communities by increasing access to services in medically underserved areas.

ORDER AND CONDITIONS

Based on the foregoing Findings of Fact and Conclusions of Law it is hereby ORDERED that:

1. The Transaction is hereby APPROVED WITH CONDITIONS upon the basis of the information contained in the Notice and subsequent filings with OHA to date.
2. Unless otherwise defined herein, the definitions attached hereto as Exhibit C apply to these Conditions and are incorporated herein by reference.
3. The Entities' obligations under this Order shall be interpreted in a manner consistent with the Entities' respective obligations under federal, state, and local laws, as well as the conditions of participation in the Federal Health Care Programs.
4. For the Term, this Order shall be conditioned upon and subject to the following:
 - a. In the event that Providence or Compassus sells its fifty percent (50%) membership interest in Compassus Providence Holdings, LLC, the selling party shall provide courtesy notification of such divestiture to OHA no less than thirty (30) calendar days prior to the proposed effective date. Such notification shall include a summary of the terms of the proposed divestiture and information on the divestiture buyer. For avoidance of doubt, this condition shall not be interpreted as exempting any material change transaction that is otherwise subject to OHA's review under Oregon law.
 - b. Providence JV shall allocate no less than \$30 million in working capital to the Providence JV Agencies over the Term. The Entities shall include in each annual Compliance Report required under Condition 15 of this Order the total amount of working capital allocated by the Providence JV to the Providence JV Agencies in the preceding 12-month period.
 - c. Providence JV shall operate the Providence JV Agencies in a manner that furthers the charitable purpose of Providence and promotes health for a broad cross-section of the community, especially low-income and disadvantaged persons, as specified in Section 2 of the Providence JV Operating Agreement.

- d. Providence JV shall continue to provide and will conduct the following “community benefit programs” conducted in Oregon as of the Closing Date, as identified in Section 2.07(e) of the Providence JV Operating Agreement:
 - i. Adult community based palliative care, including interdisciplinary palliative care team to ensure whole person care is provided, and targeted care for specific ethnic/underserved communities;
 - ii. Enhanced grief support services for members of the community and families of pediatric patients, including Camp Erin or equivalent programming;
 - iii. Provision of necessities of life to support patients and allow for the safe provision of care (e.g., providing low-income patients with fans during the summer).
- e. Providence JV shall provide financial assistance to patients of the Providence JV Agencies as contemplated by the Compassus Financial Assistance Policy (“Compassus FAP”) attached hereto as Exhibit A and incorporated herein by reference, which is substantially equivalent to the Providence financial assistance policy that applied to the Providence JV Agencies prior to the Closing Date (“Providence FAP”). The Compassus FAP may be amended only pursuant to the requirements of the Providence JV Operating Agreement, including unilaterally by Providence as necessary to remain substantially consistent with Providence’s charity care and financial assistance policy.
- f. Providence JV shall apply the Providence FAP to patients of all Providence JV Agencies who, as of the Closing Date (a) are receiving care from a Providence JV Agency and (b) have qualified for financial assistance under the Providence FAP. The Providence FAP shall apply to all services provided to such patients by the Providence JV through the patient’s Current Episode End Date. At no time shall a change in a patient’s eligibility for financial assistance, or the amount of financial assistance to which the patient is entitled, resulting from implementation of the Compassus FAP be applied retroactively.
- g. Providence JV shall use commercially reasonable and good faith efforts to continue to operate and maintain each Providence Agency Location and not close, consolidate, or relocate any Providence Agency Location unless there is reasonable cause or an emergency circumstance necessitating such action. For the avoidance of doubt, nothing in this Condition shall obligate the Providence JV to continue to operate or maintain any Providence Home Health or Hospice Agency at an actual financial loss for a period following the Closing Date greater than six (6) consecutive months in the aggregate,¹ or prevent a Providence Agency Location from relocating if the relocation is (a) within a ten (10) mile radius of the Providence Agency Location’s physical address as of the Closing Date, or (b) expands, rather than reduces, the Existing Service Area. The Providence JV shall use commercially reasonable and good faith efforts to continue delivering the

¹ A Providence Home Health or Hospice Agency must separately demonstrate six (6) consecutive months in the aggregate of financial losses in order to close a Providence Agency Location operating under its license.

Services offered by each Providence Agency Location and not eliminate Services unless there is reasonable cause or an emergency circumstance necessitating such action. For the purposes of Providence Home Health Agencies, the term “Services” shall mean all services required under ORS 443.014 through 443.105 and OAR Chapter 333, Division 027, which include (a) home and nursing care, (b) physical, occupational, and speech therapy, (c) home health aide services, and (d) medical supplies. For the purposes of Providence Hospice Agencies, the term “Services” shall mean all services required under ORS 443.850 through 443.869 and OAR Chapter 333, Division 035, which include in-home care services and bereavement services provided to meet the physical, psychosocial, emotional, spiritual and other special needs of a patient-family unit during the final stages of illness, dying and the bereavement period.

- i. In the event the Providence JV finds there is reasonable cause or an emergency circumstance necessitating the elimination of Services, or the closure, consolidation, or relocation of any Providence Agency Location (except for the relocation of any Providence Agency Location within a ten (10) mile radius of its physical address as of the Closing Date or a relocation that expands, rather than reduces, the Existing Service Area), including the closure of any Providence Agency Location resulting from a minimum of six (6) consecutive months in the aggregate of financial loss post-closing of a Providence Home Health or Hospice Agency, the Providence JV shall provide OHA with prior written notice of the action. In case of an emergency circumstance, Providence JV shall provide such notice to OHA no later than twenty-four (24) business hours prior to the action. Absent an emergency circumstance, Providence JV shall provide such notice to OHA no less than thirty (30) calendar days prior to the action. The notice shall include a description of the relevant circumstances and rationale for the action.
 - ii. For purposes of this Condition 4.g., “reasonable cause” means the existence of facts and circumstances that would lead an ordinarily prudent person, acting in good faith and exercising ordinary business judgment, to believe that closing, consolidating, or relocating any Providence Agency Location is commercially justified under the circumstances.
- h. Providence JV shall use commercially reasonable and good faith efforts to serve more patients in the Existing Service Area. Should the Providence JV Agencies achieve a positive operating margin for two (2) consecutive fiscal years following the Closing Date, Providence JV shall in good faith consider adding new services in the Existing Service Area or opening a new home health or hospice agency outside of the Existing Service Area.
- i. Providence JV shall use good faith and commercially reasonable efforts to provide access to home health and hospice services in Oregon based on medical necessity and without regard to:
 - i. the patient’s payer source or ability to pay;

- ii. the geographic location of the patient's current residence, provided that such location is within a Providence JV Agency service area pursuant to OAR 333-027-0046 or OAR 333-035-0160; or
- iii. the patient's medical diagnosis, provided that the patient meets eligibility criteria for home health or in-home hospice benefits.

Nothing in this Condition shall be interpreted to require any Providence JV Agency to provide care to any patient if Providence JV determines it cannot safely and effectively care for the patient based on the needs of the patient, the needs of other patients, and/or limitations or availability of clinical staff. If a Providence Agency must discharge a patient from care for any of the aforementioned reasons, the Providence Agency will offer discharge and care coordination services at the time of discharge.

- j. Providence JV shall make commercially reasonable and good faith efforts to ensure that Clinical Caregiver staffing levels across Providence JV Agencies are consistent with patient volumes. In compliance with this Condition, for six (6) months following the Closing Date, Providence JV shall maintain, at minimum, the total number of Clinical Caregiver FTEs across all Providence JV Agencies at the level existing as of the Closing Date. In the case of hospice physicians, Providence JV shall maintain hospice physician coverage across all Providence JV Agencies at the level existing as of the Closing Date for at least six (6) months following the Closing Date. For six (6) months following the Closing Date, Providence JV shall use commercially reasonable and good faith efforts to hire replacements for any Clinical Caregivers in Oregon who voluntarily leave their positions or are dismissed for cause after the Closing Date. Notwithstanding the foregoing, Providence JV shall have reasonable time to hire replacements for any voluntary departure or for cause dismissal of a Clinical Caregiver.
- k. Providence JV shall ensure that use of Paraprofessional Staff is consistent with federal and state regulations related to Paraprofessional Staff assignment, duties, supervision, and competency and that each Paraprofessional provides services that are within their scope of practice and with adequate supervision from a physician, nurse or other professional Clinician consistent with the requirements of applicable law and guidance by applicable licensing agency with oversight of the Paraprofessional's practice. Providence JV shall use good faith and commercially reasonable efforts to adhere to the policies provided by the Entities to OHA as Exhibit 122.1, as may be amended from time to time, to supervise each Paraprofessional.
- l. Each Providence JV Agency shall maintain accreditation by Community Health Accreditation Partner ("CHAP"), The Joint Commission, or a similar nationally recognized, third-party organization that accredits home health and hospice agencies.
- m. During the Term, the Providence JV shall provide access to patient care services to individuals covered by Medicare, Medicaid, and other state or Federal Health Care Programs, consistent with Section 2.07(b) of the Providence JV Operating Agreement.

- n. In the event the Entities fail to comply with the requirements under this Order, OHA and the Entities shall take the following steps:
 - i. OHA shall issue a Notice of Deficiencies and Opportunity to Cure (“Deficiency Notice”) to the Entities. This Deficiency Notice shall specify the applicable Condition(s) that the Providence JV has not complied with and describe in detail the compliance issues OHA has identified related to such Condition(s). Providence JV shall have a reasonable time to cure such deficiency, which in any case shall not be less than thirty (30) calendar days from the date on which OHA issued the Deficiency Notice (“Compliance Deadline”).
 - ii. Providence JV shall, within thirty (30) calendar days of receipt of the Deficiency Notice, appoint an individual who shall be responsible for overseeing the cure of the deficiency identified in the Deficiency Notice and overseeing the Entities’ ongoing compliance with this Order (“Compliance Officer”).
 - 1. Providence JV shall provide the Compliance Officer’s name and contact information to OHA within three (3) business days from the date on which the Compliance Officer was appointed.
 - 2. The Compliance Officer’s responsibilities shall extend through the end of the Term. Should the Compliance Officer voluntarily depart from their position, Providence JV shall appoint a new Compliance Officer and provide the name and contact information of such individual to OHA no later than thirty (30) calendar days from the date of the Compliance Officer’s departure.
 - iii. The Compliance Officer appointed pursuant to subpart ii. of this Condition shall be the primary point of contact for OHA with respect to the deficiency identified in the Deficiency Notice. The Compliance Officer shall notify OHA by the Compliance Deadline of the steps taken to cure the deficiency.
- o. Annual Compliance Report. The Providence JV shall provide an annual compliance report (“Compliance Report”) to OHA. The first Compliance Report shall be due no later than twelve (12) months following the Closing Date, and subsequent Compliance Reports shall be due annually thereafter for the Term. Providence JV shall provide a public-facing version of the Compliance Report to OHA consistent with the requirements of OAR 409-070-0070. The Compliance Report must include the following information:
 - i. Certification of compliance with each Condition.
 - ii. Data elements listed in the spreadsheet template attached hereto as Exhibit B and incorporated herein by reference.
 - iii. For Condition 4.b., the total amount of working capital allocated by Providence JV to the Providence JV Agencies in the preceding 12-month period.

- iv. For Condition 4.d., the number of people served by each community benefit program in Oregon in the twelve (12) months preceding the due date of the Compliance Report.

5. The Entities shall notify OHA within one (1) business day following completion of the Transaction by email to hcmo.info@oha.oregon.gov.

This Order will be posted to the HCMO Program website at
<https://www.oregon.gov/oha/HPA/HP/Pages/043-Providence-Compassus.aspx>.

OHA reserves the right to enforce the Conditions set forth herein to the fullest extent provided by the law. In addition to civil penalties and any legal remedies available, OHA shall be entitled to specific performance, injunctive relief, and such other equitable remedies as a court may deem appropriate for breach of these Conditions.

OHA is required to analyze and publish the Entities' compliance with Conditions placed on the Transaction and to assess the impact of the Transaction under ORS 415.501(19) and (20). OHA is required to publish its analyses and conclusions. Per OAR 409-070-0080, OHA may require the Entities to provide any information, reports, analyses, and documentation needed to monitor and assess the impact of the Transaction.

Dated this 15 day of July, 2026



Zachary Goldman, MPP
Acting Cost Programs Manager
Oregon Health Authority

APPEAL RIGHTS

You have the right to appeal this order to the Oregon Court of Appeals pursuant to ORS 183.482. To appeal you must file a petition for judicial review with the Court of Appeals within 60 days from the day this order was served on you. If you do not file a petition for judicial review within the 60-day time period, you will lose your right to appeal.

EXHIBIT A:
Compassus Financial Assistance Policy

See attached.

EXHIBIT B:
Data Template

This document is posted to OHA's website at
<https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/043-Order-Exhibit-B.xlsx> and is
incorporated herein by reference.

EXHIBIT C:
Definitions

“Agreement” means the Master Contribution and Purchase Agreement entered into by Providence and Compassus on October 18, 2024, as amended.

“Compassus” means FC Compassus, LLC, a Delaware limited liability company.

“Clinical Caregiver” means any employed or contracted, licensed or unlicensed, clinical staff (including nurses, physicians, home health aides, physical therapists, speech-language therapists, respiratory or occupational therapists, bereavement counselors, social workers, hospice aides, and other healthcare professionals) who provide direct care to patients of Providence JV Agencies or directly supervise such individuals.

“Closing” and/or “Closing Date” means the consummation of the Transaction pursuant to the Agreement.

“Current Episode End Date” means the date occurring sixty (60) calendar days after the last date on which services were rendered by the Providence JV to the patient.

“Detailed description” includes a requirement to provide a complete description and explanation of the facts, circumstances, analysis, opinion and other information relating to the subject matter of a specific condition.

“Entities” mean Providence, Compassus, and the Providence JV.

“Existing Service Area” means the combined geographic areas where Providence Agencies were licensed to provide services under OAR 333-027-0046 or OAR 333-035-0160 as of the Closing Date.

“Federal Health Care Program” means any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government or any State health care program as defined in 42 USC 1320a-7(h).

“Full-Time Equivalent (FTE)” means a unit of measurement that indicates the workload of an employed or, if applicable, contracted person, whether they are full-time or part-time, in terms of a standard full-time position.

“Notice” means the Notice of Material Change Transaction submitted to OHA by the Entities pertaining to the Proposed Transaction.

“Paraprofessional Staff” means:

- Licensed practical nurses (“LPNs”) as defined in OAR 411-380-0020(14);
- Licensed vocational nurses (“LVNs”);
- Occupational therapy assistants (“OTAs”) as defined in ORS 675.210(4);

- Occupational therapy aides as defined OAR 339-010-0055;
- Physical therapist assistants (“PTAs”) as defined in OAR 848-015-0010;
- Physical therapist aides as defined in OAR 848-020-0000;
- Speech-language pathology assistants (“SPLAs”) as defined in OAR 335-095-0010(7);
- Home health aides as defined in OAR 333-027-0005(11);
- Hospice aides as defined in OAR 333-035-0120(7); or
- Any other Clinical Caregiver whose job title includes “Assistant” or “Aide” or whose primary duties consist of providing direct care to patients under the direct supervision of another Clinical Caregiver.

“Proposed Transaction” means the proposed acquisition by Compassus of a 50% membership interest in Compassus Providence Holdings, LLC, including the home health and in-home hospice assets of Providence Health & Services – Oregon.

“Providence” means Providence St. Joseph Health, a Washington nonprofit corporation, Providence Health & Services, a Washington nonprofit corporation, St. Joseph Health System, a California nonprofit public benefit corporation, and nonprofit affiliate corporations directly or indirectly controlled by or under common control of all these entities, but excluding the Providence JV.

“Providence Home Health or Hospice Agency,” collectively **“Providence Agencies,”** means any home health or hospice agency licensed in Oregon and owned by Providence immediately prior to the Closing Date of the Proposed Transaction.

“Providence Agency Location” means any of the Providence Home Health or Hospice Agency locations listed in the Revised HCMO-1c form provided as Exhibit K to the Notice.

“Providence JV” means Compassus Providence Holdings, LLC, and all subsidiaries operating in Oregon, including CP OR Holdings, LLC, and the Providence JV Agencies.

“Providence JV Home Health or Hospice Agency,” collectively **“Providence JV Agencies,”** means any home health or hospice agency licensed and operating in Oregon and owned by the Providence JV, including Providence Agencies, following the Closing Date.

“Providence JV Operating Agreement” means the Amended and Restated Limited Liability Company Agreement of Compassus Providence Holdings, LLC, dated as of March 1, 2025.

“Term” means a period of five (5) years that commences on the Closing Date.