



# 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](mailto: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](mailto: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)	The Oregon Clinic, P.C.
Party B:	Broadway Medical Clinic, LLP

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	The Oregon Clinic, P.C.
Assumed name	The Oregon Clinic, P.C.
Tax ID	93-1127856
Mailing address	541 NE 20 <sup>th</sup> Ave., Ste. 225, Portland, OR 97232
Website	www.oregonclinic.com
Contact Name	Thomas E. Sanchez
Title	Chief Executive Officer
Phone	(503) 963-2929
Cell Phone	Click or tap here to enter text.
Email	tsanchez@orclinic.com

**Is Party A represented by legal counsel for this transaction?**☒ Yes☐ No**Provide information regarding Party A's legal counsel, if applicable.**

Name	Kaley L. Fendall
Firm	Davis Wright Tremaine LLP
Address	560 SW 10 <sup>th</sup> Ave., Ste. 700, Portland, OR 97205
Phone	(503) 778-5375
Email Address	kaleyfendall@dwt.com

**2. Provide information for Party B.**

Legal entity name	Broadway Medical Clinic, LLP
Assumed name	Broadway Medical Clinic, LLP
Tax ID	93-0399811
Mailing address	4212 NE Broadway Portland, OR 97213
Website	www.broadwaymedicalclinic.com
Contact Name	Heather Bardfield
Title	Executive Director
Phone	(503) 331-7610
Cell Phone	Click or tap here to enter text.
Email	hlbardfield@bmcllp.net

**Is Party B represented by legal counsel for this transaction?**☒ Yes☐ No**Provide information regarding Party B's legal counsel, if applicable.**

Name	Kaley L. Fendall
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Firm	Davis Wright Tremaine LLP
Address	560 SW 10th Ave., Ste. 700, Portland, OR 97205
Phone	(503) 778-5375
Email Address	kaleyfendall@dwt.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	Thomas E. Sanchez
Address	541 NE 20 <sup>th</sup> Avenue, Suite 225, Portland, OR 97232
Phone	(503) 963-2929
Email Address	tsanchez@orclinic.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 proposed transaction is anticipated to close as soon as reasonably practicable upon the receipt of all required regulatory approvals.

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

**a. Goals and objectives**

The primary purpose of the proposed transaction between The Oregon Clinic, P.C. ("TOC") and Broadway Medical Clinic, LLP ("BMC") is to expand BMC's care delivery

model by integrating primary and specialty care, fostering innovation in cost reduction and care transformation.

The proposed transaction will enhance health equity and access by improving care coordination, addressing social determinants of health, and expanding services to underserved populations. By streamlining care coordination between primary care providers and specialists, the partnership between BMC and TOC will offer a seamless care experience, reduce fragmentation, and improve health outcomes. Leveraging shared expertise and resources, the partnership will eliminate barriers to timely, high-quality care while advancing the state's priorities of cost efficiency, equity, access, and quality. Together, the organizations will continue delivering patient-centered care tailored to the evolving needs of Oregon's communities.

#### **b. Summary of transaction terms**

The proposed transaction between TOC and BMC will be effectuated through several steps and material agreements, as summarized below:

**Step 1: Equipment Corporation Subscription Agreement ("EC Subscription Agreement").** Prior to the close of the proposed transaction, TOC will form an Equipment Corporation ("EC"), wholly-owned by TOC, to which the assets of BMC will be contributed. BMC and the newly-formed EC will enter into an EC Subscription Agreement under which BMC will acquire common stock in the EC. The purchase price for the EC will be based on the adjusted book value of the EC (determined in accordance with the EC Buy-Sell Agreement) and pro-rated among the BMC shareholders.

**Step 2: TOC Subscription Agreement.** Immediately following Step 1, BMC will enter into a Subscription Agreement with TOC under which (1) BMC exchanges EC common stock for a corresponding series of TOC preferred stock, and (2) acquires TOC common stock in exchange for cash. The purchase price for the TOC common stock will be based on the adjusted book value of TOC (determined in accordance with the TOC Buy-Sell Agreement) and pro-rated among the shareholders of BMC.

Additionally, each BMC physician will become a shareholder and employee of TOC. Each BMC physician will enter into a Shareholder Physician's Employment Agreement, which sets forth duties, compensation, benefits, and termination rights.

#### **c. Why the transaction is necessary or warranted**

The proposed transaction offers a strategic opportunity to address challenges in today's healthcare landscape that are likely to impact the long-term sustainability of BMC's independent practice. Factors such as reimbursement misalignment, increasing operational costs, and evolving recruitment and retention dynamics are areas that are becoming more challenging for independent physician practices to navigate and are likely to become more pressing over time, potentially impacting BMC's ability to maintain and enhance access to high-quality, patient-centered care as an independent practice. Absent the proposed transaction, BMC would face considerable challenges in

continuing to serve patients who rely on government payers, such as Medicare and Medicaid. This would be especially damaging to patient populations that already face barriers to healthcare, such as low-income individuals, seniors, and patients with complex chronic medical conditions. It is crucial for BMC to continue providing high-quality care in order to meet the needs of the community and remain a vital part of the healthcare system for so many.

Partnering with TOC will provide BMC with the resources and support to continue meeting the changing healthcare needs of Oregon's communities, while aligning with the Oregon Health Authority's goals of delivering equitable, accessible, high-quality, and cost-effective care for patients now and in the future. As described in response to Question 6(a) above, the proposed transaction will reduce barriers and enhance access to specialty care and better facilitate communication and coordination between primary care providers and specialists.

- 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).**

As described in response to Question No. 6(b) above, there will be an exchange of funds from BMC to EC for BMC's acquisition of common stock in the EC, as well as an exchange of funds from BMC to TOC for the acquisition of TOC common stock.

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

Click or tap here to enter text.

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

In response to the evolving healthcare landscape and the challenges outlined above, BMC has been exploring potential strategic partnerships since 2022 to ensure its continuation of care for patients, enhance its long-term stability, and strengthen its ability to attract and retain primary care, behavioral health and dermatology providers. Over the past year, BMC has thoroughly assessed a variety of potential partners, including medical groups, hospital systems, private equity firms, and independent medical networks.

After careful consideration, BMC identified TOC as its preferred partner. This decision is rooted in a shared vision for integrating specialists with primary care, as well as a mutual commitment to preserving independent medical practice in Oregon. BMC sought a partner that could provide essential resources, including executive leadership, business management, human resources, IT support, electronic medical records, and operational optimization. The long-standing professional relationship between the two

organizations further reinforced the choice, positioning TOC as the ideal collaborator to support BMC's goals, stabilize its practice, and strengthen its potential for future growth.

The following is a timeline summarizing the parties' transaction process:

- In mid-2023, BMC approached TOC about possibly joining and the parties started discussing a potential transaction.
  - In December 2023, TOC and BMC entered into a Confidentiality and Non-Disclosure Agreement.
  - In May 2024, the TOC Board approved moving forward with the due diligence process with BMC.
  - In November 2024, TOC completed its due diligence.
  - The TOC Board approved moving forward with the proposed transaction in November 2024.
- b. Any due diligence performed by any of the parties to the transaction. Provide any products, reports, or analyses resulting from due diligence processes.**

BMC and TOC conducted a due diligence process to evaluate the potential transaction, building on their long-standing relationship characterized by mutual respect and collaboration. The financial review focused on assessing revenue, expenses, and identifying opportunities for cost-savings. Operational workflows and technology infrastructure were also analyzed to pinpoint areas for seamless integration and increased efficiencies. The due diligence process also emphasized cultural alignment, ensuring both organizations share values and have plans to foster cost efficiency, equity, access, and quality in healthcare.

**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.**



Not applicable.

- 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.**

Not applicable.

## **IV. About the entities involved in the proposed transaction**

### **10. Describe Party A.**

[Click or tap here to enter text.](#)

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

TOC is a private multi-specialty physician practice with more than 270 providers and over 1,500 employees. TOC's practice covers over 30 medical and surgical specialties and subspecialties at 60 locations across the Portland, Oregon, metro area. All of TOC's physicians are affiliated with one or more Portland-area hospital systems, but remain independent practitioners.

TOC's specialties include: Allergy; Audiology; Bariatric Treatment; Burn Treatment; Cardiology; Colon & Rectal Surgery; Dermatology; Ear, Nose, & Throat; Endocrine Surgery; Foot & Ankle; Foregut Surgery; Gastroenterology; General Surgery; Head & Neck Surgery; Hemorrhoid Treatment; Hernia Surgery; Imaging Center; Liver & Pancreas Surgery; Neurosurgery & Spine; Obstetrics & Gynecology; Plastic Surgery; Pulmonary Medicine; Radiation Oncology; Sleep Medicine and Critical Care; Surgical Oncology; Urogynecology; and Urology.

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

TOC is a physician-led specialty medical group.

TOC has a Board of Directors, led by a physician President, which consists of shareholder physicians. The Board of Directors meets regularly to discuss and make decisions about clinic-wide business.

TOC also has an Executive Committee, which consists of TOC's President, Chief Executive Officer, and three physician Vice Presidents. The Executive Committee is responsible for directing organizational vision, planning, and making high-level management decisions.

TOC also has a robust administrative and clinical management team to assist physicians in the operation of their clinics, which consists of TOC's: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Director of Patient Accounts, Director of Human Resources, Director of Information Technology, Compliance Officer, Director of Quality & Risk Management, Director of Ancillary Services, Director of Operations (for each specialty group), and Director of Marketing and Communications.

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

See HCMO Notice Attachment No. 4, No. 20, and No. 26.

- 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 HCMO Notice Attachment No. 2.

- 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 HCMO Notice Attachment No. 11 and No. 18.

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

Click or tap here to enter text.

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

TOC is a physician group.

- ii. Service lines, both overall and in Oregon**

TOC provides the following services: Allergy; Audiology; Bariatric Treatment; Burn Treatment; Cardiology; Colon & Rectal Surgery; Dermatology; Ear, Nose, & Throat; Endocrine Surgery; Foot & Ankle; Foregut Surgery; Gastroenterology; General Surgery; Head & Neck Surgery; Hemorrhoid Treatment; Hernia Surgery; Imaging Center; Liver & Pancreas Surgery; Neurosurgery & Spine; Obstetrics & Gynecology; Plastic Surgery; Pulmonary Medicine; Radiation Oncology; Sleep Medicine and Critical Care; Surgical Oncology; Urogynecology; and Urology.

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

Please see response to Question No. 10(f)(ii) above.

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

TOC has 1,504 total employees and 1,375 FTEs. Of the total employees, 1,448 work in Oregon, which amounts to approximately 1,324 FTEs in Oregon. TOC has 56 employees that work remotely in Washington, which amounts to 51 FTEs in Washington.

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

In Oregon, TOC serves the following counties: Benton, Clackamas, Columbia, Hood River, Marion, Multnomah, Wasco, Washington, and Yamhill. In Washington, TOC serves the following counties: Clark, Cowlitz, and Klickitat.

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

See HCMO Notice Attachment No. 3.

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

In 2024, TOC served a total of approximately 323,159 patients, with approximately 542,708 total visits. For a breakdown of the number of patients seen by TOC physicians by service type in 2024, please see HCMO Notice Attachment No. 13.

**viii. Annual number of services provided in Oregon**

For a breakdown of the number of services provided by TOC by service type in 2024, please see HCMO Notice Attachment No. 13.

**ix. For hospitals, number of licensed beds**

Not applicable.

**11. Describe Party B.**

BMC is an independent, physician-owned multispecialty practice that brings together 14 primary care providers, 3 dermatology specialists, and 4 behavioral health providers. Located in Portland's Hollywood District since 1937, BMC is dedicated to offering comprehensive healthcare services to Portland metro area residents.

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

BMC provides a wide range of comprehensive primary care services, including both acute and chronic care, as well as preventive care for patients of all ages. Services include the management of chronic conditions such as diabetes and hypertension, along with cancer screenings and preventive care offerings, including well-child visits, vaccinations, adult preventive care, and senior wellness visits. Additionally, BMC's RN care management ensures coordinated, patient-centered support. BMC offers Integrated behavioral health services, facilitating seamless referrals for whole-person care. Dermatology specialists deliver a broad array of medical and procedural services for patients of all ages. On-site diagnostic and imaging services include phlebotomy, point-of-care testing, x-ray, ultrasound, mammography, bone density assessments, echocardiograms, EKGs, wearable heart monitors, pulmonary function testing, home sleep studies and home blood pressure monitors.

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

BMC is a Limited Liability Partnership owned by 9 physicians. The partnership elects an Executive Committee of 3 physician owners to preside over day-to-day operations of the practice.

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

See HCMO Notice Attachment No. 5 and No. 21.

- 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 HCMO Notice Attachment No. 2.

- 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 HCMO Notice Attachment No. 12 and No. 19.

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

Click or tap here to enter text.

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

BMC is a physician group.

- ii. Service lines, both overall and in Oregon**

Primary Care, Behavioral Health, Dermatology

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

Medical care including preventive, acute and chronic care to all ages, on-site laboratory and imaging services, behavioral health, and dermatology services.

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

BMC has 87 total employees and 82 FTEs. Of the total employees, 84 work in Oregon, which amounts to 79 FTE's in Oregon. BMC has 2 employees that work remotely in Washington, which amounts to 2 FTE's in Washington. BMC has 1 employee that works remotely in Illinois, which amounts to 1 FTE in Illinois.

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

Portland Metro Area

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

See HCMO Notice Attachment No. 3.

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

22,219

**viii. Annual number of services provided in Oregon**

256,032

**ix. For hospitals, number of licensed beds**

Not applicable.

**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 HCMO Attachment No. 14.

**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 HCMO Attachment No. 4, No. 6, No. 20, No. 21, and No. 26.

**b. Corporate governance and management**

There will be no change to TOC's corporate governance and management as a result of the proposed transaction.

As reflected in HCMO Attachment No. 6, BMC will function as a new division of TOC post-close, with its own Managing Partner and a Director of Operations.

**c. Investments or initiatives**

Post-transaction, TOC will invest significant resources in implementing the EPIC electronic health record system and its associated hardware and training for BMC. This implementation will result in increased coordination and improved patient care.

TOC and BMC will discuss other initiatives, programs, or investments post-closing.

**d. Type and level of staffing**

TOC and BMC do not anticipate any change in the type and level of staffing as a result of the transaction. BMC providers and staff will become employees of TOC at closing. To the extent BMC has any staff whose roles are duplicative, they will have the option to become TOC employees post-close by transitioning to other divisions within TOC, provided they are qualified and in good standing.

**e. Type and level of services provided**

No change is anticipated. To the extent there is a change, the proposed transaction will allow BMC to increase access and availability of its current services and improve coordination of care with specialty providers. Additionally, the transaction will allow TOC to expand its services to include behavioral health, mental health, and primary care.

**f. Number and type of locations**

No change is anticipated.

**g. Geographic areas served**

No change is anticipated.

**h. For providers, payer contracts and payer mix**

Post-transaction, BMC will join TOC's payer contracts and TOC will handle payer contracting functions for BMC. TOC has existing contracts with all payers that BMC currently contracts with, except for a handful of payers that only administer behavioral plans. TOC intends to contract with these payers and continue providing these behavioral health services to the community post-close.

**i. For insurance carriers, provider contracts and networks**

Not applicable.

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

Post-transaction, BMC will be integrated or transitioned to TOC's supply vendors and contracts. BMC, however, will continue to comply with any of its existing contractual obligations or commitments post-close.

## **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.**

The proposed material change transaction between TOC and BMC will benefit the public and patients served by both entities because it will increase and improve care coordination between primary care and specialty providers. Increased care coordination made possible by this transaction will help improve quality of care, reduce gaps in care, reduce unnecessary interventions and hospitalizations, and decrease

complications. The proposed transaction will allow BMC to more effectively deliver comprehensive care for medically complex conditions by utilizing data analytics, care coordination, and fully integrated teams to deliver proactive, evidence based, and personalized care.

An integrated primary and multi-specialty care model provides patients with access to a diverse team of experts and ancillary services within a single coordinated healthcare team. This comprehensive approach prioritizes what is best for the patient by fostering collaboration between providers and ensuring continuity of care. Patients can choose the physicians they feel comfortable with while also benefiting from long-term relationships with multiple specialists who work together to develop patient-centered care plans. With all medical records in one system, physicians and care providers can efficiently access patient information, coordinate treatment, and discuss treatment plans with their colleagues, leading to more informed and effective care.

By working together, primary and specialty care providers can develop comprehensive, coordinated care plans that will drive meaningful improvements in health outcomes. By addressing gaps in healthcare access, TOC and BMC can connect patients with appropriate primary, preventive, and specialty services, ensuring they receive timely treatment for their medical needs. For instance, this integrated approach will create the opportunity for TOC and BMC care teams to educate patients on when to seek emergency care versus utilizing primary or specialty care, urgent care, or telehealth, which not only empowers patients to make informed decisions about their health, but also improves health outcomes and lowers the overall cost of care. Similarly, the increased coordination of care between BMC and TOC providers will allow for better management of chronic conditions, medication adherence, and recognition of early warning signs of health issues, which will further reduce reliance on emergency services, reduce costs, and improve overall health outcomes for Oregon patients.

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

Not applicable.

**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.**

As described in response to Question 14 above, the proposed transaction between TOC and BMC will improve health outcomes for Oregon patients through the integration and coordination of primary and specialty care practices. Specifically, increased communication among primary and specialty providers will ensure patients receive the right care at the right time and will avoid unnecessary treatments and interventions, reduce health complications, and improve the overall outcomes for patients.

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

TOC and BMC anticipate that the increased access to quality, preventative primary care services made possible through the proposed transaction should result in reduced costs overall. Specifically, the increased coordination between primary and specialty providers made possible by the proposed transaction will help avoid unnecessary tests, clarify when referrals are necessary, and ensure patients access to the right care at the appropriate time, which should not only improve outcomes but help control the costs of care.

Additionally, the proposed transaction between TOC and BMC will allow BMC providers and staff to benefit from TOC's centralized business infrastructure, which includes centralized IT, billing services, human resources, marketing, financial, and legal resources. TOC's strong infrastructure will result in efficiencies with respect to the management of BMC's practice and eliminate the costs associated with several necessary back-of-house functions, such as billing practices, hardware and software infrastructure, human resources, etc.

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

BMC has addressed medically underserved populations and health inequities by integrating Social Determinants of Health (SDOH) screenings into primary care visits. These SDOH screenings help to identify patients facing challenges such as housing instability, food insecurity, and transportation barriers. Identifying individuals with limited resources allows BMC to improve access to medical care and provide tailored care plans that account for the patient's social environment. Post-transaction, BMC's ability to share this critical information with specialty care providers within TOC will foster greater collaboration between primary and specialty care, ensuring a more holistic approach to patient health.

In addition to the above, TOC has engaged in several efforts to increase access for the medically underserved and address health inequities. Post-transaction, as a part of TOC, BMC will also participate in these TOC efforts and initiatives.

Internally, TOC has made several efforts to advance equity and access in all aspects of clinical practice and administration, including:

- Implementation of internal policies and trainings on non-discrimination and de-escalation;
- Provision of additional aids and services to patients with limited English;
- Consideration SDOH in TOC's daily operations, such as addressing barriers to care rather than terminating patients for no-shows or other non-compliance; and
- Data collection and analysis on TOC's patients (i.e., race, ethnicity, language, and sexual orientation/gender identity (SOGI)), to help TOC deepen its understanding of its patient population and highlight areas for improvement.



TOC is also focused on advancing equity in healthcare through its value-based contracts, which BMC will participate in post-transaction. TOC's value-based contracts with payers include required metrics that are all focused on promoting equity in health care, which include:

- Patient satisfaction outcomes by REALD (i.e., race, ethnicity, language, and disability) and SOGI;
- Access to healthcare (i.e., Third Next Available Appointment (TNAA)) data, which measures how soon TOC can see the patient from the time of referral; and
- Meaningful language access, which measures TOC's offering and use of language interpreters for patients with limited English proficiency.

Additionally, TOC is working to create equitable access to healthcare through The Oregon Clinic Foundation, a newly-formed nonprofit entity, which will partner with small, local non-profits dedicated to advancing health and equity. The Oregon Clinic Foundation provides grants to small, local non-profits that address barriers that limit access to healthcare; implicit bias and racism in healthcare; management of health comorbidities; social inequities; and housing challenges. The Oregon Clinic Foundation will make its first round of grants in early 2025.

**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.**

Please see response to Question No. 15(c) above, which addresses TOC and BMC's efforts to date to address the medically underserved and health inequities.

**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.**

Not applicable.

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

Click or tap here to enter text.

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

The proposed material change transaction will not result in a decrease in competition. TOC does not currently provide the primary care, behavioral health, and mental health services provided by BMC. Through the proposed transaction, BMC will be able to deliver comprehensive care for medically complex patients. The proposed transaction will also result in integrated and coordinated care between primary and specialty care providers to ensure that patients receive timely, appropriate, and cost-effective care. The proposed transaction will strengthen BMC and its ability to compete in primary care by offering patients increased choice and improved coordination and quality of care.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

The proposed transaction between TOC and BMC is expected to enhance operational sustainability, support continued growth, and strengthen BMC's excellence in patient care. By aligning for long-term success and efficiency, this partnership will provide access to shared resources, improve operational workflows, and enhance coordination within a value-based care model. These advancements will enable BMC to expand its high-quality care delivery while driving better health outcomes for its patients.

By strengthening its foundation for future healthcare delivery, BMC will be well-positioned to invest in advanced tools and care strategies for managing high-cost chronic conditions. This includes data analytics, enhancing care coordination, and utilizing integrated teams to deliver proactive, personalized care. These efforts will help reduce complications, prevent hospitalizations, and improve the quality of life for patients with chronic diseases.

The partnership will also enable BMC to deliver comprehensive care for medically complex patients while addressing barriers to health such as social determinants. Coordinated care between primary and specialty care will ensure patients receive timely, appropriate support, reducing gaps in care and unnecessary interventions. Screening for factors like transportation, nutrition, and housing needs will allow BMC to connect patients with vital resources, improving outcomes and reducing costs.

Integrating primary and specialty care practices will enhance healthcare utilization by fostering seamless communication among providers. This integration will help avoid unnecessary tests, clarify when referrals are needed, and ensure patients access the right care at the right time. A focus on evidence-based practices will further improve outcomes while containing costs.

## **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)**

See HCMO Attachment No. 1

☒ **[HCMO-1b: Business Entities form](#)** (required parties with multiple business entities licensed to operate in Oregon)

See HCMO Attachment No. 2

☒ **[HCMO-1c: Facilities and Locations form](#)**

See HCMO Attachment No. 3

☒ **Pre- and post-transaction organizational structure diagram**

For TOC's pre-transaction organizational chart, please see HCMO Attachment No. 4. For a post-transaction organizational chart, please see HCMO Attachment No. 6. For additional organizational charts, please see HCMO Attachment No. 20, 21, and 26.

☒ **Copies of all current agreements and term sheets for the proposed transaction**

See HCMO Attachment No. 7, No. 23, and No. 24.

☒ **Financial statements for all entities for the most recent three fiscal years**

For TOC's financial statements for the most recent three fiscal years, please see HCMO Attachment No. 11. For BMC's financial statements for the most recent three fiscal years, please see HCMO Attachment No. 12.

☒ **Copies of current governance documents for all entities (for examples, bylaws, articles of incorporation, corporate charter, etc.)**

For TOC's bylaws and articles of incorporation, please see HCMO Attachment Nos. 8 and 9, respectively. For BMC's governance documents, please see HCMO Attachment No. 10 and No. 25. For TOC's Equipment Corporation organizational documents, please see HCMO Attachment No. 22.

☒ **Documentation or analytic support for your responses, as applicable**

Please see HCMO Attachment No. 16 and No. 17.

☒ **Redaction log**

## VII. Certification

I, the undersigned, being first duly sworn, do say:

1. I have read ORS 415.500 et seq. and OARs 409-070-0000 to 409-070-0085.
2. I have read this Notice of Material Change Transaction and the information contained therein is accurate and true.

Signed on the 15 day of April, 2025.

Signed by:

*Thomas E. Sanchez*

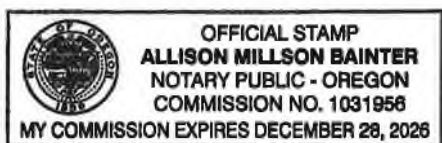
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SUBSCRIBED AND SWORN TO before me, this 15<sup>th</sup> day of April, 2025.

DocuSigned by:

*Allison Bainter*

9B2ED07995ED4E4...



Notary Public in and for OR

My Commission Expires: 12/28/2026

This document was signed and notarized online using two-way audio and video recording technology.

## Certificate Of Completion

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Envelope Originator:

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Initials: 0

Allison Bainter

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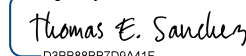
Thomas E. Sanchez

tsanchez@orclinic.com

Security Level: Notarized Signing (Notary: Allison Bainter)

## Signature

Signed by:

  
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Signature Adoption: Pre-selected Style

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Sent: 4/15/2025 4:33:11 PM

Viewed: 4/15/2025 4:42:43 PM

Signed: 4/15/2025 4:44:22 PM

## Electronic Record and Signature Disclosure:

Accepted: 4/15/2025 4:42:43 PM

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## In Person Signer Events

## Signature

## Timestamp

## Editor Delivery Events

## Status

## Timestamp

## Agent Delivery Events

## Status

## Timestamp

## Intermediary Delivery Events

## Status

## Timestamp

## Certified Delivery Events

## Status

## Timestamp

## Carbon Copy Events

## Status

## Timestamp

## Witness Events

## Signature

## Timestamp

## Notary Events

## Signature

## Timestamp

Allison Bainter

allisonbainter@dwt.com

Legal Assistant

Davis Wright Tremaine LLP

Notary for Thomas E. Sanchez

(tsanchez@orclinic.com)

Security Level: Email, Account Authentication (Required), Digital Certificate

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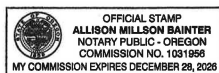
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	4/15/2025 4:44:22 PM
Completed	Security Checked	4/15/2025 4:45:08 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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