

Health Care Market Oversight

Transaction 055

Evernorth – CarepathRx

Preliminary Review Report

August 15, 2025



About this Report

This report summarizes analyses and findings from Oregon Health Authority’s preliminary review of the proposed material change transaction involving Evernorth Health, Inc. and CHSS JV, LLC, the parent company of CarepathRx Services, LLC and Pipeline Health Holdings, LLC (also known as PipelineRx). It accompanies the Findings of Fact, Conclusions of Law, and Final Order (“Preliminary Review Order”) issued by Oregon Health Authority on August 15, 2025. For legal requirements related to the proposed transaction, please reference the [Preliminary Review Order](#).

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If you have any questions about this report or would like to request more information, please contact hcmo.info@oha.oregon.gov.

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Executive Summary

The [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals to make sure they support Oregon's goals of health equity, lower costs, increased access, and better care. After completing a review, the Oregon Health Authority (OHA) issues a decision about whether a business deal, or transaction, involving a health care company can proceed.

Proposed Transaction

On July 18, 2025, OHA accepted a complete [Notice of Material Change Transaction](#) ("notice") from Evernorth Health, Inc. ("Evernorth"). The notice describes plans for Evernorth to acquire CHSS JV, LLC ("CHSS"), a pharmacy entity that is the parent company of CarepathRx Services, LLC ("CarepathRx"), from CPRx Intermediate, LLC ("CPRx") (the "proposed transaction"). In 2023, Evernorth purchased 49% equity ownership of CHSS from CPRx (the "2023 transaction"). This proposed transaction reflects Evernorth exercising its right under the 2023 transaction's definitive agreements to purchase the remaining 51% equity ownership of CHSS, which will result in Evernorth owning 100% equity ownership interest of CHSS. Evernorth, CPRx, and their subsidiaries are referred to in this report as the "entities."

Evernorth is a subsidiary of The Cigna Group ("Cigna"), a for-profit publicly traded company and CarepathRx is a privately held and private equity-backed company. Evernorth and CarepathRx both provide pharmacy services. Pipeline Health Holdings, LLC, also known as PipelineRx, is a subsidiary of CarepathRx and provides pharmacy services to [six entities in Oregon](#).

OHA's Review

OHA completed a 30-day preliminary review of the proposed transaction. During the review, OHA assessed the likely impact of the transaction across various domains including cost, access, quality, and equity in alignment with preliminary review criteria.

Key Findings

The transaction is not likely to substantially alter the delivery of health care in Oregon.

The entities state that "Evernorth does not intend to alter PipelineRx's operations in any capacity, significant or otherwise."¹ The entities have expressed a written commitment to not altering the type and level of services provided to customers in Oregon, and also have committed to not changing the type and level of staffing, the number and type of locations, and any contractual arrangements impacting patient care in Oregon.

The transaction is also not likely to significantly impact consolidation in the pharmaceutical dispensing market. Both Evernorth and CarepathRx serve customers nationwide, including Oregon. Evernorth offers mail-order pharmacy services to both patients and health care

providers. Evernorth also provides other pharmacy support and management services to hospitals and health systems. CarepathRx provides pharmacy dispensing and other support services to hospitals and health systems, including six hospitals in Oregon via their subsidiary PipelineRx. Unlike Evernorth, CarepathRx does not provide direct services to patients in Oregon.²

In the nationwide prescription drug dispensing market, the change in the Herfindahl-Hirschman Index (HHI), which is a measure of market concentration, is only 9 points due to the small size of CarepathRx's market share.³ Although Evernorth's market share for their pharmacy business is high, the acquisition of CarepathRx does not materially increase Evernorth's position in the market.

Conclusions and Decision

Based on preliminary review findings, **OHA approved the transaction on August 15, 2025.** (See [Preliminary Review Order](#)). OHA approved the proposed transaction based on the following criterion under Oregon Administrative Rules (OAR) 409-070-0055(2)(d):

The transaction is not likely to substantially alter the delivery of health care in Oregon

The proposed transaction is not likely to significantly increase consolidation. The entities commit to not changing the type and level of staffing, the type and level of services provided, the number and type of locations, or the contractual arrangements that could impact patient care in Oregon.

As required by statute, OHA will conduct follow-up analyses one, two, and five years after the transaction is complete. OHA's monitoring will assess whether the entity keeps the commitments included in the notice. More broadly, OHA will monitor changes to health care cost, quality, access, and health equity for people in Oregon.

Introduction

OHA's Health Care Market Oversight program (HCMO), launched in March 2022, reviews proposed health care transactions such as mergers, acquisitions, and affiliations to ensure they support statewide goals related to cost, equity, access, and quality. The HCMO program is governed by [Oregon Revised Statute \(ORS\) 415.500 et seq.](#) and [Oregon Administrative Rules \(OAR\) 409-070-0000 through -0085](#).

In the authorizing statute, the Oregon Legislature specified what types of proposed transactions are subject to review and the criteria OHA must use when analyzing a given proposed transaction. The Oregon Legislature also authorized OHA to decide the outcome of a proposed transaction. After reviewing a given proposed transaction, OHA may approve, approve with conditions, or disapprove the transaction.

The HCMO program fits within OHA's broader mission of ensuring all people and communities can achieve optimum physical, mental, and social well-being through partnerships, prevention, and access to quality, affordable health care. The program also supports OHA's goal of eliminating health inequities by 2030.

The Preliminary Review Process

Health care entities planning a transaction that is subject to HCMO review must submit a Notice of Material Change Transaction ("notice") to OHA. The notice must comply with the requirements of OAR 409-070-0045 and be submitted to OHA no later than 180 days before the planned closing date of the transaction. OHA is required to complete a preliminary review of the proposed transaction, in accordance with OAR 409-070-0055, within 30 calendar days of confirming receipt of a complete notice, unless the review period is tolled or extended in accordance with OAR 409-070-0085.

For OHA to approve a transaction following preliminary review, OHA must determine that the transaction meets at least one of the following criteria specified in OAR 409-070-0055(2):

- a) The material change transaction is in the interest of consumers and is urgently necessary to maintain the solvency of an entity involved in the transaction;
- b) The material change transaction is unlikely to substantially reduce access to affordable health care in Oregon;
- c) The material change transaction is likely to meet the criteria set forth in OAR 409-070-0060;
- d) The material change transaction is not likely to substantially alter the delivery of health care in Oregon; or
- e) Comprehensive review of the material change transaction is not warranted given the size and effects of the transaction.

If OHA is unable to determine that the proposed transaction meets at least one of the above criteria, OHA must conduct a comprehensive review pursuant to ORS 415.501(7)(a) and OAR 409-070-0055(3).

Transaction Notice Submission

On July 18, 2025, OHA accepted a complete [Notice of Material Change Transaction](#) (“notice”) from Evernorth Health, Inc. (“Evernorth”). The notice describes plans for Evernorth to acquire CHSS JV, LLC (“CHSS”), a pharmacy entity that is the parent company of CarepathRx Services, LLC (“CarepathRx”), from CPRx Intermediate, LLC (“CPRx”) (the “proposed transaction”). In 2023, Evernorth purchased 49% equity ownership of CHSS from CPRx (the “2023 transaction”). This proposed transaction reflects Evernorth exercising its right under the 2023 transaction’s definitive agreements to purchase the remaining 51% equity ownership of CHSS, which will result in Evernorth owning 100% equity ownership interest of CHSS. Evernorth, CPRx, and their subsidiaries are referred to in this report as the “entities.”

OHA reviewed the notice and determined, based on the facts in the notice, that the transaction is subject to review. The entities party to the transaction meet the revenue thresholds specified in [OAR 409-070-0015\(1\)](#) and the proposed transaction is otherwise covered by the program in accordance with [OAR 409-070-0010](#).

After receipt of the complete notice, OHA began a preliminary review of the proposed transaction. This report describes the transaction and summarizes OHA’s findings and conclusions from the preliminary review.

Public Input

OHA solicited public comments on the proposed transaction during the preliminary review. On July 18, 2025, OHA posted a comment form to the [Transaction Notices and Reviews](#) page of the HCMO website and emailed subscribers to HCMO program updates to inform them about the opportunity to provide comment. OHA accepted comments via the form, phone, and by email to hcmo.info@oha.oregon.gov. OHA received no public comments.

Proposed Transaction

The proposed transaction is part of a series of acquisitions. Pursuant to the 2023 transaction, Evernorth acquired a 49% equity interest in CHSS. The proposed transaction is a result of Evernorth exercising its rights under the 2023 transaction’s definitive agreements to acquire the remaining 51% equity interest in CHSS from CPRx. The proposed acquisition will result in Evernorth holding 100% equity interest in CHSS and its subsidiaries.

Entities Involved

Evernorth

Evernorth is Delaware corporation and a subsidiary of The Cigna Group (“Cigna”), a for-profit publicly traded company incorporated in Delaware and headquartered in Connecticut. Cigna employs approximately 73,500 people in more than 30 countries,

including nearly 30,000 in the United State and 40 in Oregon.^{4,5} Cigna has two divisions: Cigna Healthcare and Evernorth dba Evernorth Health Services.⁶

Cigna Healthcare provides employer medical plans, Medicare Advantage plans, Medicare Stand-Alone Prescription Drug Plans, and Medicare Supplement Plans. Cigna Healthcare also offers a variety of other products for behavioral health care benefits, dental benefits, pharmacy management services, and stop-loss.⁷



Evernorth provides pharmacy benefit management, mail order pharmacy, specialty pharmacy, and care delivery services. Evernorth works with patients, hospitals, health systems, pharmacies, and more.

Evernorth is the corporate parent of Express Scripts Pharmacy Inc. (“Express Scripts”), a Delaware Corporation and the largest pharmacy benefit manager (PBM) in the country.⁸ Cigna’s subsidiaries include Express Scripts Administrators, LLC, Express Scripts Utilization Management Co., and Express Scripts, Inc.⁹ In 2024, Express Scripts managed 30% of all prescription claims in the country, followed by CVS Caremark and UnitedHealth Group Incorporated’s Optum Rx, Inc. Together, these three PBMs managed 80% of all prescription claims last year.¹⁰

Evernorth and Express Script’s large presence in the pharmacy market is partly due to large contracts it holds with health care payers. In 2024, Express Scripts signed a multi-year agreement with Centene Corporation, the nation’s largest Medicaid managed care company to provide pharmacy services to its members.¹¹ Evernorth and Express Scripts also provide multiple pharmacy and other health care services to the United States Department of Defense’s military health care program for active-duty service customers, National Guard and Reserve customers, retirees, and their dependents.¹²

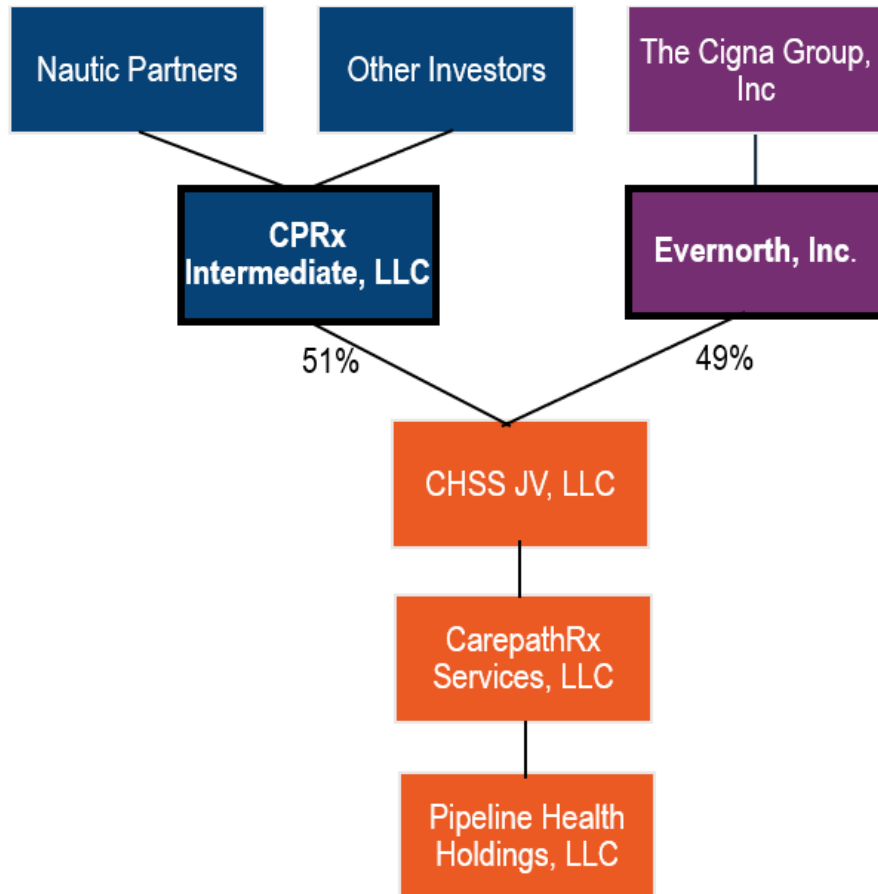
Another subsidiary of Evernorth is Accredo Health Group, Inc., which is Evernorth’s specialty pharmacy division that provides medication infusion services in patients’ homes.

Evernorth does not have any physical locations in Oregon. However, both divisions of Cigna – Cigna Healthcare and Evernorth - provide services to Oregon residents. Cigna Healthcare offers Medicare Advantage and employer-based insurance plans in Oregon and Evernorth provides pharmacy services to Oregon residents.^{13,14}

CarepathRx

CarepathRx is a privately held and private equity-backed company incorporated in Delaware and headquartered in Washington. CarepathRx dispenses pharmaceuticals to hospitals and health systems and provides remote order processing and management services that support pharmacies, including specialty and infusion pharmacies that serve hospitals, health systems and health care providers. CarepathRx employs more than 1,000 individuals nationwide and five individuals in Oregon.¹⁵

CarepathRx is wholly owned by CHSS. Presently, equity interest in CHSS is held 51% by CPRx and 49% by Evernorth (resulting from the 2023 transaction). CPRx, the entity proposing to sell its 51% equity interest in CHSS, is ultimately majority owned by Nautic Partners, a private equity firm. The simplified organizational chart below depicts the ownership of CarepathRx pre-transaction. A more detailed organizational chart is available [here](#).



In 2022, prior to Evernorth acquiring its 49% equity interest in CarepathRx, CarepathRx was the 15th largest pharmacy dispensing company, accounting for 0.4% of all prescription revenues nationally.¹⁶

Pipeline Health Holdings, LLC, also known as PipelineRx, is a subsidiary of CarepathRx and provides pharmacy services to six entities in Oregon. In 2024, CarepathRx and subsidiaries provided approximately \$560,000 worth of services in Oregon. CarepathRx and its subsidiaries do not have any physical locations in Oregon.

CarepathRx's clients in Oregon ¹⁷	
Coquille Valley Hospital	PeaceHealth Peace Harbor Medical Center
Pioneer Memorial Hospital	Shriners Hospital for Children
Southern Coos Hospital	Willamette Valley Medical Center

Rationale for the Transaction

In 2023, Evernorth acquired 49% of CHSS, the corporate parent of CarepathRx Holdco, LLC and CarepathRx. As a part of that acquisition, there was an option for Evernorth to acquire the remaining 51% within a specific timeframe. The proposed transaction “is the result of the exercise of that option pursuant to terms agreed upon by the parties.”¹⁸ The HCMO program did not receive a notice of material change for the 2023 transaction.¹

The notice describes Evernorth purchasing the remaining 51% equity stake currently held by Nautic Partners. After the proposed transaction closes, Evernorth will have acquired 100% of CarepathRx and its subsidiaries. Nautic Partners will no longer have any equity stake in CarepathRx and its subsidiaries.

In public financial disclosure reports, Cigna states “By pairing [Evernorth’s] diverse specialty and care expertise with CHSS’ robust pharmacy and infusion management capabilities, technology solutions and health system relationships, we can further improve, expand and accelerate pharmacy care delivery for the growing number of patients with chronic and complex care needs.”¹⁹

Transaction Terms

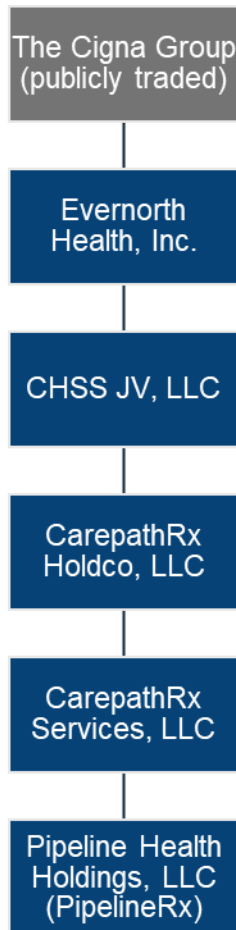
According to the notice, this transaction will result in Evernorth purchasing from CPRx the remaining 51% of CHSS JV, LLC, the parent of CarepathRx Holdco, LLC and CarepathRx Services, LLC.²⁰ This will result in CHSS being wholly owned by Evernorth.²¹ For further detail, see the [post-transaction organizational chart](#).

Post-Transaction Plans

Following the closing of the proposed transaction, Evernorth will wholly own CarepathRx and its subsidiary business PipelineRx.²² The simplified organization chart below shows the post-transaction structure.

¹ When asked why the entities had not submitted a notice of material change transaction to the Health Care Market Oversight program, the entities stated

“...the parties believed in good faith that the reporting requirement was not applicable to non-resident pharmacies providing services to Oregon residents. It was not until the amendment to OAR 409-070-0015(2) effective December 16, 2024, and the accompanying guidance released thereafter, that it became evident that Oregon licensed non-resident pharmacies were required to report material change transactions to the OHA.”¹



The entities state that they do not anticipate “material changes to health outcomes” for Oregonians as a result of this transaction.²³ Evernorth states that they do not have plans to alter current PipelineRx’s operations in Oregon.²⁴ Evernorth states that their increased ownership will allow for greater resources and support for PipelineRx, enabling it to “keep costs reasonably controlled relative to market conditions”.²⁵

The entities state that the transaction will not result in changes to investments, type or level staffing, type or level of services, number of locations, geographic areas served, or contractual arrangements in Oregon.²⁶

Findings & Potential Impacts

OHA compiled and analyzed data and information to understand and examine the potential impacts of the transaction across various domains including access, cost, quality, and equity in alignment with preliminary review criteria. To assess the potential impacts of the proposed transaction on Oregon residents, OHA analyzed market share and available

data. For more information on OHA's analysis, see **Appendix A: OHA's Review**. The below sections summarize OHA's findings from the preliminary review.

Key Findings

The transaction is not likely to substantially alter the delivery of health care in Oregon.

The entities state that "Evernorth does not intend to alter PipelineRx's operations in any capacity, significant or otherwise."²⁷ The entities also state that the proposed transaction will not alter contracts with suppliers, partners, ancillary service providers, pharmacy benefit managers, or management service organizations.

Both Evernorth and CarepathRx serve customers nationwide, including Oregon. Evernorth, as a mail-order pharmacy business, dispenses medications to patients and health care providers nationwide. Nationwide, Evernorth and Express Scripts together accounted for 11.2% of the pharmacy market in 2022, based on pharmaceutical dispensing revenues.²⁸

CarepathRx is a smaller company, dispensing less than half a percent of pharmacy revenues (0.4%) nationwide in 2022, ranked as the 15th largest U.S. pharmacy. The change in the Herfindahl-Hirschman Index (HHI) for the national pharmacy market, which is a measure of market concentration, is only 9 points due to the small size of CarepathRx's market share. For context, the U.S. Department of Justice and Federal Trade Commission Horizontal Merger Guidelines state that transactions resulting in a 100-point change in HHI may lessen competition if other criteria are also met.²⁹ Although Evernorth's market share for their pharmacy business is large, the acquisition of CarepathRx does not materially increase Evernorth's position in the market.

Conclusions

Approval Criteria

The approval criteria are specified in administrative rules for the HCMO program and are consistent with Oregon law. Below is a summary of the main reasons, based on the findings described in this report, why OHA considers the criterion satisfied.

The transaction is not likely to substantially alter the delivery of health care in Oregon

The proposed transaction is not likely to significantly increase consolidation or substantially alter the delivery of health care for in Oregon. The entities commit to not changing the type and level of staffing, the type and level of services provided, the number and type of locations, or the contractual arrangements that could impact patient care.

Based on preliminary review findings, **OHA approved the transaction on August 15, 2025**. See Findings of Fact, Conclusions of Law, and [Final Order](#), dated August 15, 2025.

The transaction was approved per ORS 415.501(6)(b) and OAR 409-070-0055(2)(d), because OHA determined the transaction is not likely to substantially alter the delivery of health care in Oregon.

Follow-Up Reviews

As required by statute, OHA will conduct follow-up analyses one, two, and five years after the transaction is complete. OHA's monitoring will assess whether the entity keeps the commitments included in the notice. More broadly, OHA will monitor changes to health care cost, quality, access and health equity for people in Oregon.

As part of the required monitoring activities, OHA may request additional information from the entities. OHA will publish findings and conclusions from follow-up analyses to the HCMO website.

Appendix A: OHA's Review

OHA performed a preliminary review of the proposed transaction to assess its potential impact on Oregon's health care delivery system. The review explored impacts in four areas (domains): cost, access, quality, and equity. OHA's analysis followed the guidelines and methods set out in the HCMO Analytic Framework published January 31, 2022.³⁰ The framework is grounded in the goals, standards, and criteria for transaction review and approval outlined in OAR 409-070-0000 through OAR 409-070-0085.

Background Research and Literature Review

OHA conducted background research on the entities involved in the transaction to understand more about the proposed transaction and the entities involved. OHA consulted publicly available sources, including press releases and media reports; Securities & Exchange Commission (SEC) filings; business filings with the Secretary of State in Oregon and other states; entity websites; and state agency, professional association, and third-party entity reports. OHA also considered articles and research reports about specialty pharmacies and pharmacy benefit managers.

Request for Information

OHA issued two requests for information (RFI) to inform its preliminary review, to which the entities responded on [July 8, 2025](#), and [July 30, 2025](#). Through these RFIs, OHA sought more information about the entities' federal Hart-Scott-Rodino filing, any anticipated changes to PipelineRx's operations, and the existence of any other agreements in place between the entities.

References

- ¹ Supplemental Response Letter, July 30, 2025, available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/055%20Evernorth%20-%20Oregon%20HSR%20Filing%20-%20Supplemental%20Response%20Cover%20Letter.pdf>.
- ² Notice, Question #11(f)(vii), available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/055-HCMO-1.pdf>.
- ³ CarepathRx, “CarepathRx Named Top 15 U.S. Pharmacy for Second Consecutive Year,” available at: <https://carepathrxllc.com/2023/03/14/carepathrx-named-top-15-u-s-pharmacy-of-2022/>.
- ⁴ Evernorth Health Inc. Financial Statement, SEC Form 10-k, The Cigna Group. <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/055-Evernorth-financial.pdf>.
- ⁵ Notice, Question #10.
- ⁶ The Cigna Group, “Our Capabilities,” available at: <https://www.thecignagroup.com/our-capabilities/#:~:text=The%20Cigna%20GroupSM%20brings,platforms%20that%20build%20healthier%20communities>.
- ⁷ Ibid.
- ⁸ March 31, 2025, The Top Pharmacy Benefit Managers of 2024: Market Share and Key Industry Developments <https://www.drugchannels.net/2025/03/the-top-pharmacy-benefit-managers-of.html>.
- ⁹ Evernorth Health Inc. Financial Statement, SEC Form 10-k, The Cigna Group. <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/055-Evernorth-financial.pdf>.
- ¹⁰ Ibid.
- ¹¹ Centene, “Who We Are,” available at: <https://www.centene.com/who-we-are.html>.
- ¹² Evernorth Health Inc. Financial Statement, SEC Form 10-k, The Cigna Group. <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/055-Evernorth-financial.pdf>.
- ¹³ Cigna Healthcare, “LocalPlus Plans,” available at: <https://www.cigna.com/employers/medical-plans/localplus>; Healthline, “What Cigna Medicare Advantage Plans are Offered in 2025?,” available at: <https://www.healthline.com/health/medicare/cigna-medicare-advantage-plans#states-where-available>.
- ¹⁴ Notice, Question #10.
- ¹⁵ Notice, Question #11.
- ¹⁶ CarepathRx News, “CarepathRx Named Top 15 U.S. Pharmacy for Second Consecutive Year” March 14, 2023. <https://carepathrxllc.com/2023/03/14/carepathrx-named-top-15-u-s-pharmacy-of-2022/>.
- ¹⁷ CPRx Intermediate, LLC Customer List, Attachment to Q11(f)(v), available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/055%20Evernorth%20-%20Oregon%20HSR%20Filing%20-%20PUBLIC%20-%20Party%20B%20Customer%20List.pdf>.
- ¹⁸ Notice, Question #6.
- ¹⁹ Evernorth Health Inc. Financial Statement, SEC Form 10-k, The Cigna Group. <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/055-Evernorth-financial.pdf>.
- ²⁰ Notice, Question #6.
- ²¹ Ibid.
- ²² Pre and post close organizational charts, available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/055-pre-post-org-charts.pdf>.
- ²³ Notice. Question #13.
- ²⁴ Ibid.
- ²⁵ Ibid.
- ²⁶ Ibid.
- ²⁷ Supplemental Response Letter, July 30, 2025, available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/055%20Evernorth%20-%20Oregon%20HSR%20Filing%20-%20Supplemental%20Response%20Cover%20Letter.pdf>.
- ²⁸ CarepathRx, “CarepathRx Named Top 15 U.S. Pharmacy for Second Consecutive Year,” available at: <https://carepathrxllc.com/2023/03/14/carepathrx-named-top-15-u-s-pharmacy-of-2022/>.
- ²⁹ U.S. Department of Justice and the Federal Trade Commission, Merger Guidelines, December 18, 2023, available at https://www.ftc.gov/system/files/ftc_gov/pdf/P234000-NEW-MERGER-GUIDELINES.pdf

³⁰ Oregon Health Authority, Health Care Market Oversight Analytic Framework, January 31, 2022, available at <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/OHA-HCMO-Analytic-Framework-FINAL.pdf> (Accessed 8/10/22)