

Health Care Market Oversight

# **Transaction 056**

## **LucyRx-CerpassRx**

### **Preliminary Review Report**

September 19, 2025



# About this Report

This report summarizes analyses and findings from Oregon Health Authority’s preliminary review of the proposed material change transaction involving LucyRx Opco, Inc. (“LucyRx”) and Cerpass Holding Company (“CerpassRx”). It accompanies the Findings of Fact, Conclusions of Law, and Order (“Preliminary Review Order”) issued by Oregon Health Authority on September 19, 2025. For legal requirements related to the proposed transaction, please reference the [Preliminary Review Order](#).

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact us by email at [hcmo.info@oha.oregon.gov](mailto:hcmo.info@oha.oregon.gov) or by phone at 503-945-6161. We accept all relay calls.

If you have any questions about this report or would like to request more information, please contact [hcmo.info@oha.oregon.gov](mailto: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 August 20, 2025, OHA accepted a complete [Notice of Material Change Transaction](#) ("notice") from LucyRx OpCo, Inc. ("LucyRx"). The notice describes plans for LucyRx to acquire CerpessRx Holding Company ("CerpessRx"). LucyRx and CerpessRx are referred to in this report as "the entities." LucyRx and CerpessRx both provide pharmacy benefit management (PBM) services primarily for self-funded employer groups.

## 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 and alignment with preliminary review criteria.

## Key Findings

### **Neither entity has a significant presence in Oregon.**

LucyRx and CerpessRx collectively serve fewer than 1,500 people and manage fewer than 5,000 prescriptions in Oregon. Neither entity operates physical locations and only one employee is located in the state.

### **The proposed transaction is unlikely to significantly impact access to services.**

The entities have stated that they do not expect the transaction to result in any material changes to CerpessRx's operating structure, staffing, service offerings, or geographic footprint in Oregon.

### **The proposed transaction is unlikely to result in substantial market concentration in Oregon.**

Neither entity has a substantial share of the PBM market, and the entities collectively manage just 0.01% of prescriptions in Oregon.

## Conclusions and Decision

Based on preliminary review findings, **OHA approved the transaction on September 19, 2025.** (See [Preliminary Review Order](#)). OHA approved the proposed transaction based on the following criteria:

**1. Comprehensive review of the material change transaction is not warranted given the size and effects of the transaction.**

The entities do not have a significant business presence in Oregon. Neither entity operates physical locations in Oregon. The entities manage few prescriptions in the state and the transaction is unlikely to impact the PBM market 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 415.500 et seq.](#) and [Oregon Administrative Rules 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 August 20, 2025, OHA accepted a complete Notice of Material Change Transaction (“notice”) from LucyRx OpCo, Inc. (“LucyRx”) regarding LucyRx’s proposed acquisition of Cerpess Holding Company (“CerpessRx”) (the “transaction”).

OHA reviewed the notice of material change transaction 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 August 20, 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](mailto:hcmo.info@oha.oregon.gov). OHA received 0 public comments.

## Proposed Transaction

Through this transaction, LucyRx proposes to acquire CerpessRx. LucyRx and CerpessRx both provide pharmacy benefit management (PBM) services nationwide.

## Entities Involved

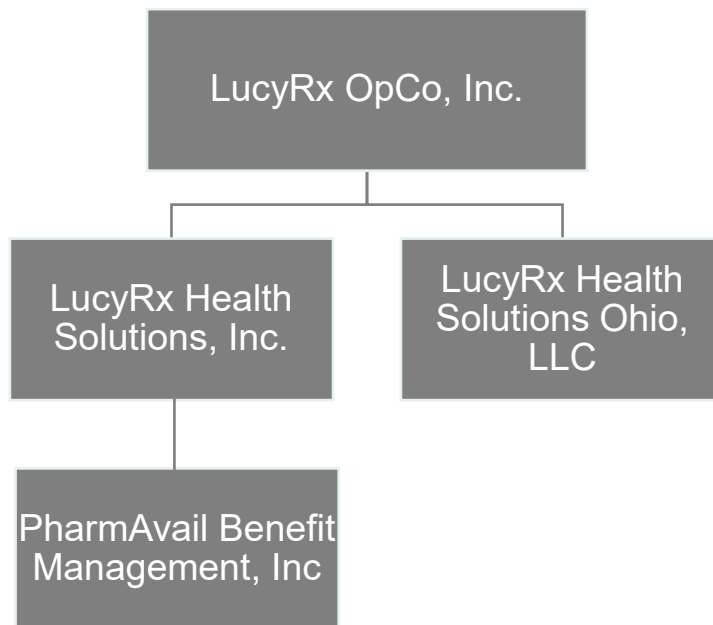
### LucyRx

LucyRx is a privately held, for-profit company headquartered in Bethesda, Maryland, and incorporated in Delaware.<sup>1</sup> Established in 2023, LucyRx specializes in PBM services.<sup>2</sup> LucyRx employs 175 full-time staff members, including one employee who resides in Oregon.<sup>3</sup>

LucyRx directly owns and operates Lucy Health Solutions Ohio, LLC, while also indirectly owning and operating LucyRx Health Solutions, Inc. and PharmAvail Benefit Management, Inc.<sup>4</sup> Together, these three full-service PBMs are collectively known as the “LucyRx Entities.”<sup>5</sup> LucyRx is overseen by a

**Pharmacy Benefit Managers (PBMs)** manage prescription drug benefits for health insurance plans, employers, and government programs. PBMs negotiate prices with manufacturers and payers, develop formularies, design pharmacy networks, and negotiate payments with pharmacies.

sole director and officers.<sup>6</sup> The simplified organizational chart below shows the structure of LucyRx.



The LucyRx Entities provide a wide range of PBM services, primarily to self-funded employer groups. Services include:

- Claims processing
- Rebate aggregation
- Pharmacy network contracting

Collectively, the LucyRx Entities provide services nationwide; independently, their geographic reach is as follows:

- LucyRx Health Solutions Inc. is licensed and operates in 14 states
- LucyRx Health Solutions Ohio, LLC is licensed and operates in 21 states
- PharmAvail operates primarily in North Carolina and Georgia

In 2024, the LucyRx Entities served more 450,000 individuals across all 50 states, including around 900 people in Oregon.<sup>7</sup> Although LucyRx does not directly hold any Oregon employer contracts, LucyRx Health Solutions, Inc. partners with a third-party administrator (TPA) that contracts with three employers in the state.

## CerpassRx

CerpassRx is a privately held, for-profit company offering PBM services based in Texas and incorporated in Delaware.<sup>8</sup> The company delivers PBM services primarily through its subsidiary Healthcare Highways Rx, LLC, which provides claims management and related pharmacy benefit services.<sup>9</sup>

CerpassRx Holding Company is owned by Nomi Health, Inc., a broader healthcare network that operates multiple subsidiaries.<sup>10</sup> While CerpassRx focuses on PBM services,

Nomi Health’s other businesses provide non-clinical health services, including financial and analytics services.<sup>11</sup> The simplified org chart below shows CerpessRx’s organizational structure.



CerpessRx works with employer groups and third-party administrators (TPAs) to manage pharmacy benefits for members enrolled in employer-sponsored health plans.<sup>12</sup> The company has approximately 156 full time employees, though none reside in Oregon.<sup>13</sup>

CerpessRx’s operations are overseen through its executive team, including the President and Chief Financial Officer, who are responsible for key decision-making and overall strategy.<sup>14</sup>

CerpessRx provides PBM services in 37 states, including Oregon.<sup>15</sup> In 2024, the company managed benefits for over 230,000 individuals nationwide, including 562 Oregon residents.<sup>16</sup> CerpessRx has no employees in Oregon.

## Rationale for the Transaction

The entities’ stated rationale for the transaction is to introduce meaningful competition into the PBM market, which is “currently dominated by a small number of vertically-integrated players.”<sup>17</sup> The entities believe that combining will create an alternative to dominant PBMs in the market and create opportunities to increase competition, drive innovation, and reduce costs, improve access, and improve health outcomes for customers.<sup>18</sup>

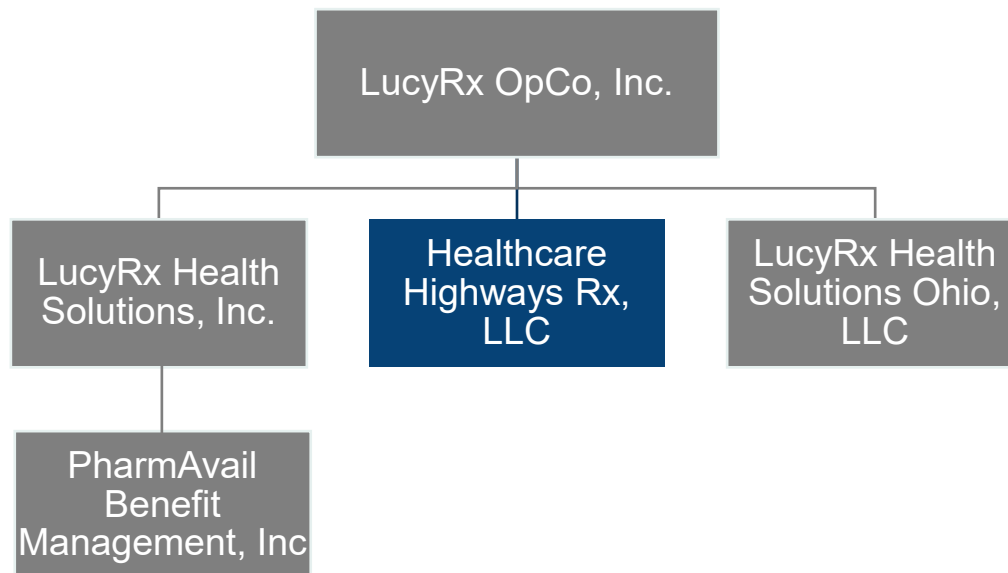


## Transaction Terms

LucyRx, CerpasRx, and Nomi Health entered into a Stock Purchase Agreement (“Agreement”) to consummate the transaction. According to the terms of the Agreement, LucyRx will acquire all of the issued and outstanding shares of CerpasRx stock. As a result of the transaction, CerpasRx and its subsidiaries will be wholly owned by LucyRx.

## Post-Transaction Plans

Following the closing of the proposed transaction, LucyRx will wholly own the CerpasRx business. The simplified organization chart below shows the post transaction structure.



The entities state that they do not expect significant changes to CerpasRx’s day-to-day operations, “with no disruption to existing client relationships or contractual obligations.”<sup>19</sup> Additionally, the entities state that they don’t expect the transaction to have any “material changes to CerpasRx’s operational structure, staffing, service offerings, or geographic footprint.”<sup>20</sup>

## 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 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

### Neither entity has a significant presence in Oregon.

Both LucyRx and CerpasRx serve customers nationwide, including in Oregon. The entities do not, however, have significant business operations in Oregon compared to their presence in other states. In the notice, the entities state, “Neither party has any physical footprint in Oregon and there will be no change to the number and types of locations currently operated by either party.”<sup>21</sup>

### LucyRx has a limited presence in Oregon.

LucyRx employs approximately 175 full time employees, with only one employee residing in Oregon.<sup>22</sup> LucyRx entities provide services in all 50 states and the District of Columbia but does not operate any physical locations or facilities in Oregon.<sup>23</sup> LucyRx managed 615 prescriptions in Oregon in 2024.<sup>24</sup>

In terms of prescription management, LucyRx’s Oregon business is a very small portion of its nationwide business. In 2024, Oregon prescriptions accounted for only 0.04% of LucyRx’s nationwide prescriptions.<sup>25</sup> The table below shows the number of prescriptions managed by LucyRx in Oregon and nationwide in recent years.

Year	Nationwide Prescriptions	Oregon Prescriptions	Oregon % of Nationwide Prescriptions
2022	1,273,566	696	0.05%
2023	1,268,574	531	0.04%
2024	1,490,952	615	0.04%

### CerpasRx has a limited presence in Oregon.

CerpasRx operates in 37 states, including Oregon, with a primary focus on Michigan, Nevada, and Oklahoma.<sup>26</sup> While the company serves people living in 24 Oregon counties, it has no physical presence in the state and none of its 156 full-time staff reside here.<sup>27</sup> Instead, CerpasRx provides PBM services to employer-sponsored health plans and third party administrators, some of which include members who reside in Oregon.<sup>28</sup> In 2024, CerpasRx managed fewer than 4,000 prescriptions in Oregon.<sup>29</sup>

Overall, the share of services CerpasRx provides in Oregon remains minimal compared to its nationwide operations, with Oregon prescriptions making up just 0.14% of nationwide prescriptions in 2024.<sup>30</sup> The table below shows the number of prescriptions managed by CerpasRx in Oregon and nationwide.

Year	Nationwide Prescriptions	Oregon Prescriptions	Oregon % of Nationwide Prescriptions
2022	2,125,288	3,277	0.15%
2023	2,137,651	2,849	0.13%
2024	2,877,681	3,909	0.14%

## **The proposed transaction is unlikely to result in substantial market concentration in Oregon.**

### **Neither entity has a substantial share of the market.**

OHA used Oregon All Payer All Claims (APAC) data to understand the entities' share of the PBM market in Oregon.<sup>31</sup> Both LucyRx and CerpessRx have tiny shares of the PBM market in Oregon. In 2024, LucyRx managed 615 prescriptions in Oregon, which represents less than 0.01% of all prescriptions in the state.<sup>32</sup> CerpessRx managed 3,808 prescriptions in the state in 2024, representing less than 0.01% of all prescriptions in Oregon.<sup>33</sup> Of the more than 47 million prescriptions filled in Oregon in 2024, LucyRx and CerpessRx together managed just 0.01%. Nationwide, LucyRx and CerpessRx collectively manage less than 0.5% of prescriptions.<sup>34</sup>

### **The transaction is unlikely to impact the PBM market in Oregon.**

PBMs play a key role in determining what drugs are available to patients and how much they cost.<sup>35</sup> As the costs of prescriptions have increased, so have concerns that lack of competition in the PBM market is driving high costs.<sup>36</sup> Nationwide, the PBM market is highly concentrated. The entities state that three PBMs (CVS Caremark, Express Scripts, and Optum Rx) manage nearly 80% of prescriptions.<sup>37</sup>

While the entities state that they seek to improve competition in the PBM market nationally and provide an alternative to dominant players, their presence in Oregon is minimal and the entities do not plan to implement any specific investments or initiatives in Oregon.<sup>3839</sup> The proposed transaction is therefore unlikely to result in any material impacts on the PBM market in the state.

## **The proposed transaction is unlikely to significantly impact access to services.**

The entities have stated that they do not expect the transaction to result in any material changes to CerpessRx's operating and management structure, staffing, service offerings, or geographic footprint in Oregon.<sup>40</sup> The proposed transaction does not include any planned investments or initiatives that would impact the type or level of services, staffing, or locations in Oregon.

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*"Specifically, in the immediate, Oregon residents will have no changes to their pharmacy networks or formularies as a result of the Proposed Transaction."*

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## Conclusions

Based on preliminary review findings, OHA approved the transaction. (See [Findings of Fact, Conclusions of Law, and Order](#), dated September 19, 2025.) The transaction was approved per ORS 415.501(6)(b) and OAR 409-070-0055(2)(e) because OHA determined that comprehensive review is not warranted given the size and effects of the transaction.

## 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.

### **Comprehensive review of the material change transaction is not warranted given the size and effects of the transaction.**

The entities do not have a significant business presence in Oregon. Neither entity operates physical locations in Oregon. The entities manage few prescriptions in the state and the transaction is unlikely to impact the PBM market 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.

## Acronyms & Abbreviations

APAC	Oregon's All Payer All Claims database
HCMO	Health Care Market Oversight
OHA	Oregon Health Authority
PBM	Pharmacy Benefit Manager
Rx	Commonly used to indicate a medication or prescription
TPA	Third Party Administrator

## **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.<sup>41</sup> 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; state agency, professional association, and third party entity reports; reports commissioned by local, state, and federal government; and other relevant governmental communications. OHA also considered articles and research reports.

# References

- <sup>1</sup> HCMO-1 Notice of Material Change Transaction for 056 LucyRx-CerpassRx. Item 10. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/056%20Lotus%20-%20HCMO-1.pdf>
- <sup>2</sup> Ibid.
- <sup>3</sup> Ibid.
- <sup>4</sup> Ibid.
- <sup>5</sup> Ibid.
- <sup>6</sup> Ibid.
- <sup>7</sup> Ibid.
- <sup>8</sup> Ibid. Item 11.
- <sup>9</sup> Ibid.
- <sup>10</sup> Ibid.
- <sup>11</sup> Ibid.
- <sup>12</sup> Ibid.
- <sup>13</sup> Ibid.
- <sup>14</sup> Ibid.
- <sup>15</sup> Ibid.
- <sup>16</sup> Ibid.
- <sup>17</sup> Ibid. Item 6.c.
- <sup>18</sup> Ibid. Item 6.a.
- <sup>19</sup> Ibid. Item 13.
- <sup>20</sup> Ibid.
- <sup>21</sup> Ibid. Item 13.f.
- <sup>22</sup> Ibid. Item 10.f.
- <sup>23</sup> Ibid. Item 13.f.
- <sup>24</sup> Ibid. Item 10.
- <sup>25</sup> Ibid.
- <sup>26</sup> Ibid. Item 11.
- <sup>27</sup> Ibid.
- <sup>28</sup> Ibid.
- <sup>29</sup> Ibid.
- <sup>30</sup> Ibid.
- <sup>31</sup> Oregon Health Authority. (2025). All Payer All Claims Reporting Program. Release 24. Salem, Oregon: Oregon Health Authority
- <sup>32</sup> HCMO-1 Notice of Material Change Transaction for 056 LucyRx-CerpassRx. Item 10.f.vii. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/056%20Lotus%20-%20HCMO-1.pdf>
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- <sup>35</sup> Martin, K. (2025, March 17). *What Pharmacy Benefit Managers Do, and how they contribute to drug spending*. The Commonwealth Fund.<https://www.commonwealthfund.org/publications/explainer/2025/mar/what-pharmacy-benefit-managers-do-how-they-contribute-drug-spending>
- <sup>36</sup> Qato DM, Chen Y, Van Nuys K. Pharmacy Benefit Manager Market Concentration for Prescriptions Filled at US Retail Pharmacies. JAMA. 2024;332(15):1298–1299. doi:10.1001/jama.2024.17332
- <sup>37</sup> Federal Trade Commission. FTC releases interim staff report on prescription drug middlemen. Federal Trade Commission; 2024 Jul 9. Available from: <https://www.ftc.gov/news-events/news/press-releases/2024/07/ftc-releases-interim-staff-report-prescription-drug-middlemen>.
- <sup>38</sup> HCMO-1 Notice of Material Change Transaction for 056 LucyRx-CerpassRx. Item 6. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/056%20Lotus%20-%20HCMO-1.pdf>
- <sup>39</sup> Ibid. Item 14.

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<sup>40</sup> Ibid. Item 13.

<sup>41</sup> 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>.