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September 25, 2025

VIA EMAIL

Sarah Bartelmann, MPH
Cost Programs Manager
Oregon Health Authority
hcmo.info@oha.oregon.gov

Re: Responses to Supplemental Requests for Information – 060 – CVR-Inovia

Dear Ms. Bartelmann:

In connection with the Notice of Material Change Transaction (“Form HCMO-1”) submitted to the Oregon Health Authority Health Care Market Oversight Program (“OHA”) by CVR Management, LLC (“CVR”), Center for Vein Restoration (OR), LLC (“CVR-OR”), and Inovia, LLC (“Inovia Vein,” and together with CVR and CVR-OR, the “Applicants”), please find enclosed the Applicants’ responses to the information requests set forth in Section A of OHA’s letter dated September 12, 2025.

Where applicable, in response to follow-up items identified in Section A and redaction comments noted in Section B, the Applicants have prepared a revised version of Form HCMO-1, together with certain supplemental documentation. The revised materials were submitted via Secure File transfer on September 25, 2025. We will separately follow up to provide responses to Section C within the timeframe identified in your letter (i.e., within 14 calendar days of receiving confirmation that OHA has deemed the submission complete).

1. Please provide information for Party C, Center for Vein Restoration (OR), LLC.

Please refer to the revised language in Section I of Form HCMO-1 (*see R-CVR_INOV_HCMO_00003*).

2. Please include a description of what will happen to Inovia post-closing.

As described in Section 6(b) of Form HCMO-1 (*see R-CVR_INOV_HCMO_00009*), CVR-OR is a professional entity that will assume Inovia Vein’s clinical assets and operations upon closing of the proposed transaction. The parties will enter into a Transition Services Agreement pursuant to which CVR-OR and Inovia Vein will collaborate to fully effectuate the integration of Inovia

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R-CVR_INOV_HCMO_00274

Vein's operations into CVR-OR through which Inovia Vein's physicians will now (post-closing) provide and bill for professional medical services.

For the avoidance of doubt, post-closing, the same Inovia Vein physicians will provide professional medical services on behalf of CVR-OR using the same clinical equipment that they used prior to the transaction meaning that there will be no changes to the clinical operations.

- 3. Entities' Term Sheet states that "business, financial, compliance and legal due diligence will commence immediately upon the execution by the parties of this Term Sheet." The Notice only discusses legal due diligence of Inovia. Please describe all business, financial, and compliance due diligence that has commenced as described in the Term Sheet and provide copies of all products, reports, or analyses resulting from these due diligence processes.**

Please see revisions to Section 7(b) of Form HCMO-1 (*see R-CVR_INOV_HCMO_00012*).

- 4. Please provide a pre-closing organizational chart showing the following:**

- a. Current ownership and governance for CVR-OR and its relationship to CVR.**

Please refer to the revised Attachment 10(c) to Form HCMO-1 (*see R-CVR_INOV_HCMO_00054 – R-CVR_INOV_HCMO_00055*).

With respect to CVR-OR, the entity is presently wholly owned by Khanh Nguyen, D.O., who is employed by CVR-OR and holds incidental equity in CVR. Following the consummation of the transaction, Khanh Nguyen, D.O.'s ownership interest in CVR-OR will be reduced to one percent (1%), with the remaining ninety-nine percent (99%) to be held by a physician licensed to practice in the State of Oregon.

- b. Any owners or investors of CVR or its direct and indirect parent companies.**

Please refer to the revised Attachment 10(c) to Form HCMO-1 (*see R-CVR_INOV_HCMO_00054 – R-CVR_INOV_HCMO_00055*).

- 5. Pre-closing Inovia organizational chart: Please provide an org chart showing the current structure and governance of Inovia, including any owners or investors.**

Please refer to Attachment 11(c) to Form HCMO-1 (*see R-CVR_INOV_HCMO_00268 – R-CVR_INOV_HCMO_00269*).

- 6. The response to this item appears to include an internal note. Please update response to remove this internal note and include a narrative and/or reference the appropriate attachment, as applicable.**

Please refer to the revised Form HCMO-1 (*see R-CVR_INOV_HCMO_00017*).

- 7. Please provide a pre-closing organizational chart showing the following:**

a. Current ownership and governance for CVR-OR and its relationship to CVR; and

Please refer to the revised Attachment 10(c) of Form HCMO-1 (*see R-CVR_INOV_HCMO_00054 – R-CVR_INOV_HCMO_00055*). This item appears to duplicate Item #4 above.

b. Any owners or investors of CVR or its direct and indirect parent companies.

Please refer to the revised Attachment 10(c) of Form HCMO-1 (*see R-CVR_INOV_HCMO_00054 – R-CVR_INOV_HCMO_00055*). This item appears to duplicate Item #4 above.

8. Please provide a response to this item.

The designated “Provider Type” for Inovia Vein is “Physician Group,” as indicated on page 16 of the Applicants’ initial submission.

9. Please clearly describe the anticipated changes post-closing relating to the functions and assets of each of the following entities: (a) CVR, (b) CVR-OR, and (c) Inovia.

As noted above and described in the submission, at closing, CVR-OR will assume all pre-closing clinical assets and operations of Inovia Vein. Following the closing, CVR-OR will serve as the professional entity. The parties will enter into a Transition Services Agreement pursuant to which CVR-OR and Inovia Vein will collaborate to fully effectuate the integration of Inovia Vein’s operations into CVR-OR through which Inovia Vein’s physicians will now (post-closing) provide and bill for professional medical services.

As further described in the submission, CVR will acquire the non-clinical assets of Inovia Vein and will enter into a Management Services Agreement in accordance with applicable Oregon law.

10. Please describe all changes to the operational structure post-closing. Specifically, address changes to CVR’s operating agreement and any other expected impacts to the governance of CVR post-closing as the existing operating agreement appears to conflict with the supplied post-closing organizational structure chart.

There will be no modifications to CVR’s operating agreement or governance structure following the closing of the transaction.

With respect to CVR-OR, ownership at closing will be structured as follows: ninety-nine percent (99%) will be held by a physician duly licensed to practice in the State of Oregon, and one percent (1%) will be held by Khanh Nguyen, D.O. The operating agreement of CVR-OR will be amended and restated to reflect this ownership structure. The 99% physician owner will manage and have authority over all of the clinical operations and any decisions affecting any clinical decision-making of CVR-OR. The 1% will manage the administrative matters of CVR-OR that do not impact clinical decision-making of CVR-OR.

11. Please update the post-closing organizational chart to include Inovia.

Please refer to the revised Attachment 13(a) (*see R-CVR_INOV_HCMO_00056 – R-CVR_INOV_HCMO_00057*).

12. Please describe any specific commitments to make investments or initiatives in connection to the proposed transaction.

- a. **For example, one of the stated goals of the transaction is to transition to CVR’s electronic medical records system, but this is not listed as an investment or initiative in Item 13c. Has CVR made a commitment to support an electronic medical record transition? If so, please provide a description of such commitment.**

CVR provides administrative and back-office support services that include the use of CVR’s standard systems, including EMR. Upon complete of the integration of Inovia Vein into CVR-OR, the administrative and back-office support services provided by CVR will include the use of CVR’s EMR system. Upon integration, the Inovia Vein clinics are expected to begin realizing the operational efficiencies associated with CVR’s EMR system, as outlined in Section 6(a) of Form HCMO-1.

13. This item is intended to be answered by entities that are insurance carriers. This transaction does not involve insurance carriers. This response should be moved to Item 13h and this Item 13i should be “not applicable”.

Please refer to the revised Sections 13(h) and 13(i) of Form HCMO-1 (*see R-CVR_INOV_HCMO_00020*).

14. Your response appears to be contradictory. It states both that “there are no plans to make any changes” and that existing contracts will “evolve to the CVR contracts.” Please clarify this contradiction and address the following in doing so:

- a. **Do CVR and Inovia currently contract with any of the same suppliers or other contractors? Explain whether there is any current alignment between CVR and Inovia suppliers and other contracts.**

Inovia Vein has existing supplier contracts with certain national vendors. Because both Inovia Vein and CVR’s practice affiliates specialize in vein treatment, Inovia Vein and CVR’s practice affiliates contract with certain of the same national vendors. It is anticipated that over time, Inovia Vein, as determined by Inovia Vein, will participate in CVR’s national contracts with suppliers where doing so will allow the Inovia Vein clinics to procure supplies at more favorable rates, thus reducing the costs to provide care in Oregon. Generally, the supplier and vendor assessment begins upon the closing of a transaction and takes approximately three to four months for CVR’s affiliated practice (Inovia Vein in this instance) to finalize the most appropriate supplier and vendor strategy for the affiliated practice.

b. Explain whether any existing Inovia supplier, partner, and other contracts will be terminated or transferred to CVR.

Based on CVR and Inovia Vein's preliminary assessment, the parties anticipate that Inovia Vein will terminate its existing contracts with the following vendors:

- Medtronic Supply Agreement
- Boston Scientific Supply Agreement
- Health Performance Specialists (HPS) Agreement
- Eclinical Works Agreement (Inovia Vein's existing EMR)
- Ultrlinq Agreement (Inovia Vein's existing cloud ultrasound image storage system)
- Centerlogic Agreement (Inovia Vein's outsourced IT support contractor)
- PhotoRx Agreement (Inovia Vein's cloud photo image storage system)

c. Describe the anticipated timeline for any changes to contracts.

Please refer to response to Item 14(a) above.

15. Item 15b states that the transaction will benefit the public good by “by helping reduce the growth in healthcare costs across Oregon” which “will be achieved by expanding access to timely, office-based outpatient care...” Please explain the following:

a. How will the transaction expand access to care? Specifically, will the transaction increase the number of available providers, types of visits, types of services, clinic locations or available appointments, or other methods of increasing access to services beyond the current levels?

The primary benefit of the proposed transaction will be the continued maintenance and support of Inovia Vein's existing clinical operations. Currently, Inovia Vein's clinics have significant unused patient capacity in terms of both physical space and provider availability; however, this potential is constrained by an antiquated EMR system and multiple disparate systems that require time-consuming manual processes and paper-based workflows. For example, inefficiencies in ultrasound imaging operations related to clinical recordkeeping create a bottleneck that limits the number of patients who can be accommodated each day. In addition, Inovia Vein physicians devote a substantial amount of time to managing the company's administrative functions, reducing the time they can spend providing direct patient care.

Through consummating the proposed transaction, CVR will deliver administrative operational efficiencies, as well as business and technology infrastructure upgrades designed to enhance Inovia Vein's patient care delivery within the current reimbursement environment. For example, integration with CVR's modern, vein-focused EMR system—together with direct integration of ultrasound imaging and digital report generation systems that eliminate manual and paper-based processes—will streamline scheduling, documentation, and overall practice management. Dedicated support for implementation

and staff training will further ensure a smooth transition. These upgrades will remove bottlenecks in clinical workflows and enable more efficient use of clinic resources. Additionally, CVR's systems and processes will relieve Inovia Vein physicians of many administrative responsibilities allowing them to focus more fully on patient care.

This support is intended to preserve Inovia Vein's position as a viable competitor in the Oregon healthcare market, and in particular, to continue to deliver a lower-cost option for receiving vein care as compared to the cost of hospital-based services. These enhancements may also facilitate future growth, including increasing the number of available providers and expanding access to services beyond current levels.

- b. **The notice (Item 16) states that “Inovia Vein will continue to operate in its existing locations, with no change in service availability or referral pathways.” Given that there will be no changes, how will maintaining the current state and level of services reduce the growth in health care costs?**

Like many independent physician-run practices in Oregon, the Inovia Vein physicians face growing challenges from the increasing time required to meet rising administrative demands, comply with regulatory burdens, and manage escalating costs—pressures that have pushed many independent practices toward hospital affiliations as a survival strategy. Without an affiliation with CVR, Inovia Vein believes it may be forced to explore other options, including hospital affiliation or, in the worst case, closing some or all of its clinics as these challenges intensify in the coming years. Independent physician practices are increasingly being acquired by or merged into larger hospital systems, which often charge 40–60% more for identical services due to facility fees and other billing practices, driving up overall healthcare costs. Hospital integrations typically result in higher pricing for the same services, which places greater financial burdens on patients and payers. Either alternative would likely force patients to seek care at more costly, vertically integrated hospital-based practices.

The proposed transaction offers Inovia Vein an alternative to pursuing a hospital acquisition or closing clinics, thereby preserving—and potentially expanding—its commitment to providing more affordable, office-based care for patients in Oregon, and is expected to help mitigate healthcare cost growth in Oregon by maintaining Inovia Vein's ability to bill at the lower non-facility rate, avoiding the cost increases associated with vertical integration into hospital systems—a trend accelerating both nationally and within Oregon.

Furthermore, as described above, alignment with CVR offers opportunities to achieve economies of scale, enabling its affiliated providers—such as Inovia Vein—to procure supplies, services, and administrative support at lower rates than would be available independently. These efficiencies, particularly in administrative and back-office operations, are expected to reduce Inovia Vein's administrative expenditures and allow its physicians, at their discretion, to devote additional resources and time to direct patient care.

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

At this time, no formal data, metrics, or documentation specific to Inovia Vein and CVR are available. CVR does not currently publish reporting—internally or externally—regarding any potential relationship between administrative support provided through MSO activities and clinical productivity outcomes, and the Applicants are not aware of any third party analysis of such correlation.

However, as cited in the original HCMO-1, there are third party studies analyzing the potential impact on cost. Specifically, according to an analysis by the American Medical Association, outpatient office visits, office imaging studies, and procedures performed in physician clinics (known as “non-facility settings”) are consistently far less costly for patients than identical services delivered in hospital outpatient departments, with prices for some services reaching up to six times higher and a median cost difference of 40% in favor of the non-facility setting. (*A Comparison of Medicare Pay in the Office and Hospital Outpatient Settings*, American Medical Association. (2021), available: <https://www.ama-assn.org/system/files/comparison-medicare-pay-outpatient-research.pdf>.) This model ensures that patients can access high-quality vein care in a cost-effective and convenient setting. Inovia Vein will also continue to offer discounted direct-pay options for uninsured patients, further supporting equitable access.

16. Item 15c: The current response states that the proposed transaction “will benefit the public good by preserving and expanding access...” Please explain how the proposed transaction will expand access to outpatient vein care for medically underserved populations across Oregon. In doing so, address the following:

- a. **Explain what demographic information Inovia Vein currently collects, including information about “populations experiencing health inequities, such as low-income individuals, racial and ethnic minorities, LGBTQ+ individuals, people with disabilities, or those with limited English proficiency?”**

As a relatively small, independent medical practice owned and operated by physicians, Inovia Vein has focused for more than 20 years on maintaining the operational and financial capacity to serve our patients and communities effectively. Our priority has been to provide high-quality vein care to all patients without restrictive access policies, including low-income individuals, racial and ethnic minorities, LGBTQ+ individuals, people with disabilities, and those with limited English proficiency.

Inovia Vein serves patients of all backgrounds, including those with commercial insurance (in- or out-of-network), Medicare, Medicaid via the Oregon Health Plan, or no insurance. Patients may self-refer unless restricted by their insurance plan. To expand access, Inovia Vein conducts outreach to underserved communities through clinic visits, partnerships with emergency and urgent care providers, and participation in community events—raising awareness about vein health and treatment options. The Inovia Vein clinics welcome referrals from patients and community providers regardless of payor type, and prioritize urgent cases to ensure timely care. Inovia Vein is committed to equitable access for uninsured, underinsured, or financially burdened patients, while maintaining sustainability and complying with regulations on free or subsidized care.

Inovia Vein maintains a charity care program across its clinics which offers financial assistance to low-income individuals who meet the financial eligibility criteria and clinical need criteria and can furnish appropriate documentation of their status, in accordance with federal fraud and abuse laws. Eligible patients may include those who are uninsured, underinsured, enrolled in the Oregon Health Plan (where vein procedure coverage is limited), or insured individuals facing large, unsustainable financial burdens due to deductibles and copayments. Financial assistance is administered without discrimination, in compliance with federal and Oregon anti-discrimination laws. Inovia Vein conducts an annual review of the program to ensure it remains aligned with community needs and regulatory requirements, fostering equitable access to essential vein care for all patients.

In the most recent fiscal year (FYE June 30, 2025), Inovia Vein charges to the Oregon Medicaid program comprised 4% of its total annual charges for services for Oregon patients billed to insurers. The percentage of service charges to Medicaid is strongly influenced by the lack of Oregon Medicaid coverage for many common vein services. The Oregon Medicaid program percentage does not include charity care for Medicaid beneficiaries related to uncovered services.

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

At this time, no formal data, metrics, or documentation are available.

Currently, Inovia Vein collects only the standard demographic information required for medical care and billing purposes. Given the relatively limited scale of Inovia Vein's operations compared to a hospital or other large healthcare facility, the practice does not have the systems or in-house IT expertise to systematically collect and track demographic data such as gender identity or sexual orientation. While such information may be disclosed by patients, it is not tracked or reported as discrete data (i.e., which prevents Inovia Vein from running any reports, generating metrics, etc.). Inovia Vein is not required to collect this information for reporting to governmental or quasi-governmental authorities, nor is it maintained in the practice's internal records.

Inovia Vein's longstanding focus has been on delivering inclusive, patient-centered care rather than gathering detailed demographic data beyond what is necessary for clinical and regulatory purposes. CVR, our partner in this transaction, shares this commitment and has a similar history of inclusive care across its practices nationwide. This inclusive approach will continue following the proposed transaction.

17. Supplemental Materials.

a. Please provide complete copies, or draft copies if complete copies are not available, of all agreements underlying the terms of the proposed transaction, including the following agreements referenced in the submitted documents:

To date, the Applicants' agreements regarding the terms of the purchase agreement and ancillary documents are reflected in the executed Term Sheet. The Applicants will submit

the complete set of definitive agreements to OHA for review within fifteen (15) days following the anticipated closing date.

i. Acquisition Agreement;

The results of preliminary negotiations of the parties relative to the purchase agreement are captured on page 3 of the Term Sheet.

ii. Employment Agreement;

The results of preliminary negotiations of the parties relative to employment agreements are captured on page 3 of the Term Sheet.

iii. Clinical Liaison Agreement;

An independent contractor agreement between Khanh Nguyen, D.O. (1% owner of CVR-OR) and CVR pursuant to which Khanh Nguyen, D.O. participates in administrative advisory and collaboration meetings with CVR on behalf of CVR-OR.

iv. Oregon Permissible Securities Transfer Restriction Agreement; and

The parties have not yet negotiated the terms of the Securities Transfer Restriction Agreement, but the terms will comply with the enumerated elements in Oregon S.B. 951 and H.B. 3410 for such agreement and applicable federal law.

v. Oregon Permissible Management Services Agreement.

The parties have not yet negotiated the terms of the Management Services Agreement, but the terms will comply with Oregon S.B. 951 and H.B. 3410 and applicable federal law.

- b. The supplied post-closing organizational structure appears to conflict with the supplied operating agreement of CVR-OR (CVR_INOV_HCMO_000253). Please provide a draft of the post-closing operating agreement of CVR-OR or explain how the 99% physician ownership and 1% Dr. Nguyen ownership will be documented post-closing.**

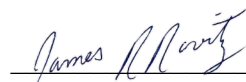
Please refer to the revised language in Section 13(a) of Form HCMO-1 (*see R-CVR_INOV_HCMO_00019*), as well as the response to Item A.10 above.

CVR-OR's operating agreement will be amended and restated at closing to reflect a post-closing ownership structure consisting of ninety-nine percent (99%) held by a physician licensed to practice in the State of Oregon, and one percent (1%) held by Khanh Nguyen, D.O., who is the sole owner of CVR-OR prior to closing. The Applicants intend to submit a draft of the amended operating agreement—together with the other definitive agreements

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necessary to effectuate the proposed transaction—within fifteen (15) days of the anticipated closing date, in accordance with OHA guidance.

Sincerely,



James R. Ravitz