

Health Care Market Oversight (HCMO) Program

HCMO-1: Notice of Material Change Transaction

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 or by phone at 503-945-6161. We accept all relay calls.

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 HCMO-1 Notice form must be used to comply with this statutory mandate.

You must file this HCMO-1 Notice form electronically with OHA, in a portable document form (pdf), by email to hcmo.info@oha.oregon.gov **no less than 180 days** before the expected closing date of your material change transaction. Please submit the completed HCMO-1 Notice form, other relevant HCMO forms, and any supplemental documents as separate files.

To avoid delays in OHA's review of your proposed transaction, due diligence is required to complete this HCMO-1 Notice form correctly. Please provide a public-facing response to each item. Pursuant to the requirements of OAR 409-070-0070(1), this form should not contain any information you intend to designate as confidential. All information you designate as confidential must be provided separately as one or more supplemental attachments to this form. To avoid unnecessary delays, do not redact content that is publicly available or without grounds for a claim of confidentiality under Oregon law. Please consistently apply Bates numbering to all documents submitted with this form and include the applicable Bates number sequence on all redaction logs.

The Notice is not complete until all required information is satisfactorily provided, and the review period will not run until OHA deems the Notice complete.

This HCMO-1 Notice form, along with any public supporting documents, 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.

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 HCMO-1 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)	Asante
Party B:	Surgery Center of Southern Oregon, LLC ("SCSO")
Additional Party	Rogue Valley Healthcare Services, LLC

[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	Asante	
Assumed name	Asante	Click or tap here to enter text.
Tax ID	93-0223960	
Mailing address	2650 Siskiyou Blvd, Medford, OR 97504	
Website	www.asante.org	
Contact Name	Kristen Roy	
Title	SVP & Chief Legal Officer	
Phone	541-789-5668	
Cell Phone	Click or tap here to enter text.	
Email	Kristen.Roy@Asante.org	

Is Party A represented by legal counsel for this transaction?

☒ Yes

☐ No

Provide information regarding Party A's legal counsel, if applicable.

Name	Michael B. Lampert
Firm	Ropes & Gray LLP
Address	800 Boylston Street, Boston, MA 02199

Phone	617-951-7095
Email Address	Michael.Lampert@ropesgray.com

2. Provide information for Party B.

Legal entity name	Surgery Center of Southern Oregon, LLC
Assumed name	Click or tap here to enter text.
Tax ID	93-1189291
Mailing address	2798 East Barnett Road, Medford, OR 97504
Website	www.sosurgi.com
Contact Name	Skyler J. Dickson
Title	Executive Director
Phone	541-608-8680
Cell Phone	Click or tap here to enter text.
Email	skylerd@sosurgi.com

Is Party B represented by legal counsel for this transaction?

☒ Yes

☐ No

Provide information regarding Party B's legal counsel, if applicable.

Name	Joe Kellerman
Firm	Hornecker Cowling LLP (counsel for Party B members other than Asante)
Address	14 North Central, Ste 104, Medford, OR 97501
Phone	541-779-8900
Email Address	iek@roquelaw.com

For any additional Parties, please provide a supplemental attachment describing the information requested in Section 2.

Legal entity name	Rogue Valley Healthcare Services, LLC	
Assumed name		
Tax ID	Formation of entity in progress	
Mailing address	Formation of entity in progress	
Website	N/A	
Contact Name	Kristen Roy	
Title	Representative of Organizer	

Phone	541-789-5668
Cell Phone	Click or tap here to enter text.
Email	Kristen.Roy@asante.org

Is this potential party represented by legal counsel for this transaction?

☒ Yes

☐ No

Provide information regarding Party A's legal counsel, if applicable.

Name	Michael B. Lampert
Firm	Ropes & Gray LLP
Address	800 Boylston Street, Boston, MA 02199
Phone	617-951-7095
Email Address	Michael.Lampert@ropesgray.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?

Following the satisfaction of all closing conditions, including any required HCMO approval.

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

a. Goals and objectives

The primary goal and objective of this proposed transaction is to secure the continued availability and potential expansion of outpatient surgery services in southern Oregon.

SCSO is not financially stable and, without the proposed transaction, there will be a loss of services provided by SCSO to southern Oregonians, which would have a negative effect on access to healthcare in the community. Southern Oregon Orthopedics Properties, LLC (at times referred to herein as “SOOP”), an orthopedic physician group that provided significant services at SCSO, departed SCSO in 2022. SOOP is now operating its own ambulatory surgery center in the same service area, which has negatively affected the volume and revenue of SCSO, and the remaining providers at SCSO are unable to sustain the volume necessary to keep SCSO financially viable.

SCSO currently offers surgery, endoscopy, and interventional pain medicine services in the following areas, on an outpatient basis: Gastroenterology, General Surgery, Gynecology, Oral Maxillary, Neurosurgery, Ophthalmology, Orthopedics, Otolaryngology, Pain Medicine, Plastic Surgery, Podiatry, Urology. The objective of this transaction is to maintain access to and availability of these services to members of the community.

b. Summary of transaction terms

Pursuant to a definitive asset purchase and sale agreement, Asante, or its assigns, will purchase substantially all the assets, including the underlying real estate, of SCSO, at fair market value. Fair Market Value was determined by a nationally recognized valuation firm, which completed a comprehensive review of SCSO’s financial and organizational status.

c. Why the transaction is necessary or warranted

This proposed transaction is necessary and warranted because it will directly help secure the availability of healthcare in southern Oregon. Without the proposed transaction, there will be a loss of services provided by SCSO to southern Oregonians.

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).

The parties do not anticipate any exchange of funds in connection with the transaction, other than the payment of the purchase price and any adjustment amounts thereto pursuant to a definitive asset purchase and sale agreement.

Asante anticipates purchasing substantially all tangible assets of SCSO. Those include assets traditionally associated with ambulatory surgery centers, including the building, imaging equipment and viewers, surgical lighting, surgical equipment, surgical supplies and inventory, furnishings, and computer equipment. The parties have not generated a list of the specific assets to be transferred but anticipate doing so at a later date.

Asante anticipates that a wholly owned subsidiary of Asante will hold the assets purchased from SCSO. That subsidiary's anticipated name is Rogue Valley Healthcare Services, LLC. An organizational chart showing the anticipated corporate relationship of Rogue Valley Healthcare Services, LLC to Asante appears at Item 10.c.

For additional details please see the term sheet attached as Supplemental Materials: Exhibit 3.

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

As a member of SCSO, Asante was aware of SCSO's declining financial position, and the likelihood that SCSO would not survive on a long-term basis. With the objective of preserving SCSO as a provider of services in the community, Asante approached SCSO and its members in June 2025 regarding the proposed purchase of the surgery center.

The other members of SCSO engaged in negotiations with Asante. Given the pressing need find a buyer, and the ability of Asante, given its geographic proximity, to integrate SCSO into its broad services to the community, other buyers were not considered.

Following a tentative agreement of all of the interest holders, Asante entered into a term sheet between Asante and SCSO, dated August 25, 2025. A copy of the term sheet between Asante and SCSO is enclosed as Supplemental Materials: Exhibit 3, which is the only currently available agreement or term sheet for the proposed transaction.

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

Asante is a current member and shareholder of SCSO and is aware of SCSO's current financial decline resulting from changes in market conditions, as well as the departure of SOOP, which opened a competing surgery facility in Fall 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.

Asante conducted an internal review of SCSO's financial statements, material contracts, employment matters, real estate and equipment, provider and payer information and other relevant information necessary to conduct preliminary due diligence and determine the fair market value of SCSO.

For additional details please see the valuation consultant report attached as Supplemental Materials: Exhibit 7.

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.

The Oregon DOJ will have access to a copy of this application, per OAR 409-070-0040. Federal filings are not required for this transaction.

- 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.

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

Asante is a locally owned and governed Oregon nonprofit public benefit corporation. It is based in Medford, Oregon, and governed by a board of directors comprised of local volunteer community members. As the largest health care provider in nine counties, Asante provides comprehensive medical care to 600,000 people throughout southern Oregon and northern California. Asante's facilities include Ashland Community Hospital in Ashland, Rogue Regional Medical Center in Medford, Three Rivers Medical Center in Grants Pass, Asante Physician Partners and additional health care operations throughout the region.

Across its three hospitals and clinics, Asante provides inpatient and outpatient hospital care services including surgical services, emergency and trauma services, critical care services, and ambulatory care across a variety of services, specialties and diagnostic care, outlined in more detail in response to Item 10(f), below.

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

Asante is a non-member non-profit public benefit corporation, organized in Oregon. It has no ownership. It is governed by a board of directors, who are volunteer community members.

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

Please see enclosed Supplemental Materials: Exhibit 8.

- 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.

Please see enclosed Supplemental Materials: HCMO-1b: Exhibit 1b.

- 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.

Please see enclosed Supplemental Materials: Exhibit 4a. Asante does not operate outside of Oregon.

- 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.)

Asante is a healthcare system that owns and operates three hospital facilities, a physician group, and several clinics and departments.

Rogue Regional Medical Center ("RRMC") is located at 2825 E. Barnett Rd., Medford, Oregon 97504. It is the tertiary regional referral and level II trauma center serving southern Oregon and northern California. The hospital is licensed for 378 inpatient beds and provides an array of services including surgical services, urology, obstetrics and gynecology, diagnostic imaging, pediatrics, intensive care, emergency care, cardiac, trauma, stroke, behavioral health, cancer care, sleep studies, inpatient behavioral health, inpatient rehabilitation, and more. It features the region's only neonatal intensive care unit. Other services include neurosurgery, bariatric surgery, rehabilitation, and an advanced wound care center.

Three Rivers Medical Center, located at 500 SW Ramsey Ave., Grants Pass, Oregon 97527, is a 125-bed full-service community hospital serving Josephine County and surrounding areas. It provides a range of services including emergency care, critical care, surgical procedures, maternity, and pediatric

services. Its key specialties are in cardiology, orthopedics, gastroenterology, and oncology. The hospital also has an outpatient center with departments for immediate care, outpatient surgery, rehabilitation, and various surgical specialties like ear, nose and throat, and orthopedics.

Ashland Community Hospital, located at 280 Maple St., Ashland, Oregon 97520, is a 49-bed general hospital that provides focused inpatient and surgical care with accessible emergency and diagnostic services.

Asante operates two immediate care clinics: The Rogue Regional Medical Center Immediate Care, located in Medford, and the Three Rivers Medical Center Immediate Care, located in Grants Pass. At both of these locations, patients needing medical care for non-life-threatening illness and injury, including respiratory ailments, have access to same-day walk-in care. The range of services includes stitches and fracture care, lab, imaging, STD evaluation, and physical exams.

Asante operates two outpatient cancer centers: The first is Mary and Dick Heimann Cancer Center in Medford. It is most advanced home for cancer treatment in the region. The second is the Helen K. Spears Cancer Center in Grants Pass. Both of the centers offer comprehensive cancer diagnostic and treatment services, including PET/CT imaging, radiation oncology, infusion therapy, and wrap-around services, including an expanded nurse navigator program, pain and symptom management, rehabilitation, nutrition and support groups, and oncological massage.

Asante operates a medical group, Asante Physician Partners, with several primary care and specialty care locations throughout Jackson and Josephine Counties. This includes seven primary care locations in Medford, Grants Pass and White City. Specialty care clinics include: general and colorectal surgery; endocrinology; internal medicine; ear, nose and throat; neurology; behavioral health; cardiovascular and thoracic surgery; maternal fetal medicine; pediatric outpatient infusion; urology and more.

RRMC operates several additional departments. At 555 Black Oak, Medford, it operates a pre-op clinic, a sleep lab, outpatient imaging, and a lab. At 520 Medical Center Drive, Medford, it operates the Cardiovascular Institute, which includes several clinics, cardiac imaging and a lab dedicated to cardiac services, including the Cardiovascular and Thoracic Surgery Clinic. At 2911 Siskiyou Boulevard, Medford, it operates the only maternal fetal medicine clinic in the region. At 691 Murphy Road, Medford, it operates the Lab Outreach and Outpatient Draw Station. At 2859 State Street, Medford, it operates a urology clinic. At 2868 Creekside Circle, Medford it operates the Coumadin Clinic. At 2841 Avenue G, White City, it operates the White City Laboratory and Outpatient Draw Station. Finally, at 781 Black Oak Drive, Medford, it operates Outpatient Rehabilitation Services.

Like RRMC, Three Rivers Medical Center operates several additional departments as well. At 520 SW Ramsey Avenue, Grants, it operates the Cardiac Studies Clinic and the Cardiac and Pulmonary Rehabilitation Program. Asante Outpatient Center at 537 SW Union Avenue, Grants Pass, includes cardiopulmonary services and lab/blood draw, pre-op clinic, outpatient surgery and endoscopy, and outpatient rehabilitation services. At 1075 SW Grandview Avenue, Grants Pass, it operates a women's imaging and lab. Finally, at 495 SW Ramsey Avenue, Grants Pass, it operates outpatient x-ray services.

For information regarding Asante's ownership interests in additional entities, please see Supplemental Materials: Exhibit 8.

ii. Service lines, both overall and in Oregon

Asante offers the following service lines in Oregon: Bariatrics, Behavioral Health, Cancer Research, Cancer Services, Cardiac, Cardiac Rehabilitation, Cardiopulmonary, Cardiothoracic surgery, Colorectal surgery, Coumadin therapy, Diabetes care, , Emergency services, Family medicine, General Medicine, Genetic counseling, Heart, Hips, Hospice, Imaging, Immediate Care, Inpatient Rehabilitation, Joint Replacement, Lab, Lung Cancer Screening, Maternal Fetal Medicine, Medical Alert, Midwifery, NICU, Neuroscience and Stroke, OB Services, Orthopedic surgery, Palliative Care, Pediatric Hematology-Oncology, Pediatrics, Physical Therapy, Primary Care, Urology, Work Health and Wound Care.

Asante does not operate outside of Oregon.

iii. Products and services, both overall and in Oregon

Asante provides healthcare services in Oregon. Asante does not operate outside of Oregon.

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

Staff in Oregon: 5842. Overall staff: 6047. Overall FTE: 5069.

v. Geographic areas served, both overall and in Oregon

Primary service area: Jackson and Josephine counties, Oregon.

Secondary service area: Curry, Douglas, Klamath and Lake counties in Oregon and Del Norte, Siskiyou and Modoc counties in northern California.

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

Please see enclosed Supplemental Materials: HCMO-1c: Facilities and Locations form, Exhibit 1c.

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

Asante served 214,961 unique patients in fiscal year 2024 and completed 817,737 cases for these patients.

- viii. Annual number of services provided in Oregon – data from FY2024

	FY2024¹
Inpatient Discharges	24,604
Adjusted Discharges	56,385
Emergency Department	109,760
Surgical Procedures	17,888
Live Births	2,480
Catheterization Lab Visits	6,496
Infusion Visits	44,766

- ix. For hospitals, number of licensed beds

Rogue Regional Medical Center: 378

Three Rivers Medical Center: 125

Ashland Community Hospital: 49

11. Describe Party B.

SCSO is an ambulatory surgery center that performs outpatient procedures.

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

SCSO offers Outpatient Surgery, Outpatient Endoscopic Procedures, Outpatient Interventional Pain Procedures

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

SCSO is a limited liability company owned and managed by four members. These members are: Asante, Doctors for Outpatient Surgery, LLC ("DFOS"), Digestive Investigation, LLC, ("DI"), and Southern Oregon Outpatient Neurosurgery, LLC ("SOON"). Each of these members holds an equal membership interest, and shares governance responsibilities.

¹ Source: Asante Continuing Disclosure Annual Report for the Fiscal Year Ending September 30, 2024.

DFOS, DI, and SOON are Oregon limited liability companies. They do not hold ownership interests in other entities.

Please see current governance documents for SCSO for additional information regarding operational structure and ownership, attached as Supplemental Materials: Exhibit 5b.

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

Please see attached Appendix to HCMO-1.

Please see the response to Item 11b, above, for further description of the ownership structure of SCSO.

The day-to-day operations of SCSO are conducted by SCSO's administrator and medical director. The administrator, medical director, and staff do not hold ownership interests in SCSO.

- 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.

Please see enclosed Supplemental Materials: Exhibit 1b.

- 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.

The past three years' financial statements are enclosed as Supplemental Materials: Exhibit 4b. SCSO operates in Oregon only.

- 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.)

SCSO operates an ambulatory surgery center.

- ii. Service lines, both overall and in Oregon

Gastroenterology, General Surgery, Gynecology, Oral Maxillary, Neurosurgery, Ophthalmology, Orthopedics, Otolaryngology, Pain Medicine, Plastic Surgery, Podiatry, Urology.

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

Surgery, Endoscopy, Interventional Pain Medicine.

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

85 employees, 61 FTE.

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

Primary Service Area: Jackson and Josephine Counties, in Oregon.

Secondary Service Area: Klamath, Curry, Douglas, and Lake counties in Oregon. Del Norte, Siskiyou, and Modoc counties in California.

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

2798 E Barnett Rd, Medford, OR 97504

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

Unique individuals served in 2024: 9,500.

- viii. Annual number of services provided in Oregon

Procedures performed in 2024: 10,695.

- 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).²

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

Please see attached Appendix to HCMO-1. SCSO has not engaged in any applicable mergers, acquisitions, or joint ventures.

² As noted above in Section II, the formation of Rogue Valley Healthcare Services, LLC is in progress. As such, Rogue Valley Healthcare Services, LLC does not have responsive information to the requests in Section 11 (a) – (f).

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.

Please see enclosed Supplemental Materials: Exhibit 2 for a pre- and post-transaction organizational chart. For a depiction of Asante's legal entities, please see enclosed Supplemental Materials: Exhibit 8. As noted in the organization chart at Exhibit 2, a wholly owned subsidiary of Asante will hold the assets of SCSO post-transaction. Please see the response to Item 1, above, for additional information on the subsidiary.

Currently, SCSO offers surgery only four days per week, and pain clinic operations two days per week. But for this transaction, those activity levels would be expected to decrease and it is uncertain whether SCSO would be able to remain a going concern.

One of Asante's objectives in the transaction is to increase the level of service activity at the facility. A paired objective is to improve Asante's own ability to meet community needs, by securing, at a reasonable level of capital investment, clinical space adjacent to the RRMC building, and thereby being able to provide integrated but lower-acuity services at the current SCSO site, presenting future opportunities to repurpose hospital space for higher-acuity services. For efficiency of operations and integration, Asante anticipates that the facility will become licensed as an outpatient department of RRMC. As a satellite of RRMC, services provided at the facility will be integrated with the RRMC, allowing for greater coordination of care for patients of SCSO.

The SCSO facility currently is in need of significant physical plant renovations. Asante anticipates that those may take approximately six months. During that time, patients who might otherwise have received care at SCSO can receive outpatient surgical care across the street at RRMC (or of course, if they prefer, any non-Asante facility).

Asante anticipates that, in the future, under Asante ownership, and with full integration into Asante's operations and Asante's electronic health records system, a number of Asante-affiliated surgeons who do not currently perform surgeries at SCSO may do so.

- b. Corporate governance and management

Asante will form Rogue Valley Healthcare Services, LLC as a single purpose entity ("SPE") limited liability company to complete the transaction. Rogue Valley Healthcare Services, LLC will be wholly owned and managed by Asante. Control

will be vested in Asante as its sole owners.

c. Investments or initiatives

After the transaction closes, Asante will invest substantially in improving the facilities and equipment of the surgery facility in order to bring it up to the standards necessary to operate as part of Asante's health system, including updated facilities and equipment, as well as ensuring necessary hospital quality and safety requirements.

Asante is in the process of finalizing for internal approval the details of its investment in upgrades to the SCSO facility. As noted above, the facility requires upgrades, including replacing the facility's medical vacuum system and one of the facility's emergency generators, reconfiguring the space, and upgrading utility systems. Asante estimates that the improvements will take approximately six months to perform. Because Asante remains in the process of finalizing its funding request internally, Asante does not yet have a definitive amount for the planned investments. However, Asante would estimate that the investments to replace the facility's vacuum system and one of SCSO's generators would be in the range of up to approximately \$450,000.

d. Type and level of staffing

Asante is evaluating the staffing needs of SCSO post-transaction. As described in response to Item 13(a), some of SCSO's services are not available each day and some staff may not currently be employed on a full-time basis. One of Asante's goals in the transaction is to operate SCSO at full capacity, which may necessitate additional staffing. During the period while Asante undertakes improvements at the facility, SCSO staff may be needed to provide services across the street at RPMC.

e. Type and level of services provided

Asante will improve and enhance the quality of services offered at the surgery facility and operate it according to the standards of the health system. Asante anticipates offering the same types of services at the surgery facility once the renovations are completed post-transaction.

f. Number and type of locations

In the primary service area of the surgery facility (Josephine and Jackson counties), there will be the same number of outpatient surgery facilities once the renovations are completed post-transaction.

g. Geographic areas served

There will be no impact on the geographic areas served, but the proposed transaction will improve access to outpatient surgery services to patients within the geographic area.

h. For providers, payer contracts and payer mix

The parties expect the payer mix for the outpatient surgery facility to reflect Asante's payer mix following closing. In Fiscal Year 2024, Asante's payer mix was 16.2% commercial, 75.6% government payer and 8.3% other.

The SCSO payer mix in Fiscal Year 2024 was 36.7% commercial, 62.7% government payer and 0.6% other.

i. For insurance carriers, provider contracts and networks

Existing networks will not be affected, and Asante expects that patients at the facility will have increased access to care through access to Asante's carriers, provider contracts and networks.

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

Asante is reviewing SCSO's contracts to determine potential changes post-transaction. It is anticipated that, as a result of this transaction, the surgery facility will have access to Asante's integrated contract management system, materials purchasing discounts and Asante's existing Epic electronic medical record system. Additionally, partnership with key areas—including quality and safety, finance, and compliance—will support the reduction in growth of healthcare costs.

The definitive agreement is currently under negotiation, and no disclosure schedules have yet been prepared.

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.

Broadly, this transaction will ensure that patients and the public retain access, at a reasonable cost, to outpatient surgical services in Asante's and SCSO's service areas.

SCSO is not currently financially sustainable. Asante's purchase of the assets and operation of the outpatient surgery facility will ensure long-term financial viability of the surgery facility, as well as continued access to vital outpatient services for the local community. Without the proposed transaction, there would

be a loss of services provided by SCSO to southern Oregonians.

In addition, this transaction will infuse liquidity into existing provider groups, allowing them to reinvest in capital projects, recruitment, retention and growth, which will benefit the community.

Asante's financial assistance policy will apply to patients utilizing this facility in the same manner as to patients accessing any other part of the health system. Asante's financial assistance policy ensures that low-income and medically underserved populations are not overburdened by large medical bills.

In summary, the proposed transaction is in the best interests of the public because it will serve to preserve, stabilize, and increase access to critical healthcare services in the southern Oregon community and because it will create an opportunity for further improvements to both the access to and quality of such services.

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

The parties do not anticipate negative impacts as a result of this proposed transaction.

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.

This transaction will enhance and improve health outcomes for people of Oregon by providing increased access to outpatient surgery to residents in the service area. Without the proposed transaction, there will be a loss of services provided by SCSO to southern Oregonians, reducing access to outpatient surgery and increasing wait times for patients.

As described in response to Item 13(a), above, SCSO currently is operating on a reduced basis, and but for this transaction, those activity levels would be expected to decrease, due to the departure of a legacy physician-group member. It is uncertain whether SCSO would be able to remain a going concern.

Asante is confident that this transaction will increase access to outpatient surgery because Asante expects, after making improvements, to operate the facility on a full-time basis. Compared to current-state, the increase in access will be measured by the difference from part-time to full-time operations; compared to the possibility of the facility's closing, the increase in access will be more substantial, measured by the totality of services provided.

In addition, because Asante expects that, long-term, its operation of the facility, across the street from RRM, may enable Asante to provide services at the

legacy SCSO facility instead of at the hospital facility, Asante may, as a result of the transaction, be able to increase the availability of services to the community at the hospital facility, as well.

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

This proposed transaction will enable southern Oregonians to benefit from the investment that Asante has made in infrastructure, services, skills and training to support a safety net health care system.

The incorporation of the surgery facility into the Asante health system will provide access to the system's integrated contract management system, materials purchasing discounts and access to Asante's existing Epic electronic medical record system.

Additionally, the use of shared administrative services will support the reduction of growth in health care costs. Partnership with key areas—including quality and safety, finance, and compliance—will improve patient care and outcomes. While Asante has not modeled the savings, Asante believes that there are substantial economies of scale that will reduce the costs of operation of the facility and therefore may reduce long-term growth in health care costs. For example, Asante projects that SCSO's integration into Asante's contract management system will reduce SCSO's equipment, services, and device costs compared to its current procurement processes, which operate on a smaller scale and without efficiencies. Similarly, integration into Asante's Epic electronic medical records system will reduce administrative burdens of operating a separate system, and will promote clinical connectivity and therefore the opportunity for more efficient operation of care. In addition, by enabling Asante to expand its physical plant adjacent to the hospital facility at a relatively lower capital cost, Asante can reduce its operating costs and therefore reduce contribution to long-term growth in costs.

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

As a nonprofit organization, Asante has a long-standing and demonstrable commitment to care for all patients regardless of their ability to pay for services. A large portion of Asante's existing patients are from medically underserved populations, and services of the outpatient surgery facility will be provided to these populations in the same manner as any other services provided by the Asante health system.

As part of a nonprofit healthcare system, each Asante hospital completes a Community Health Needs Assessment once every three years. The most recent

CHNAs, which were approved by Asante's governing body on August 6, 2025, specifically solicit input and feedback on health inequities by conducting a Community Health Survey, under which Asante engages individuals in its service areas, with a focus on ensuring that voices from patients in medically underserved demographics are heard and taken into account. It also focuses on secondary data from key governmental sources, including the Oregon Health Authority, Centers for Disease Control and Prevention, U.S. Census and others.

This information is then used to set certain organizational priorities – including access to care.

In furtherance of these priorities, Asante has a financial assistance policy, including presumptive screening, that ensures that patients from these medically underserved populations are not overburdened with medical costs.

Asante's patients are presumptively screened for eligibility for financial assistance and such assistance is automatically applied to the portion of any billings that the patient may otherwise be responsible for. Patients of Asante that are below 400% of the Federal Poverty Level (FPL) and above 300% of the FPL will receive a 65% reduction of patient costs. Patients with an FPL of 300% or less receive a 100% reduction of patient costs.

For those eligible for partial assistance or no financial assistance, Asante offers a variety of other options, including interest-free payment plans, limits on annual collections and consideration of reduced costs or other arrangements for patients suffering from financial hardship.

As its currently organized, SCSO serves a lower percentage of patients covered by government payers (62.7% government payer for SCSO versus 75.6% for Asante in Fiscal Year 2024) and is not required by law to evaluate health inequities or access to services in the same comprehensive manner as Asante.

The outpatient surgery facility is anticipated to serve a higher number of patients on Oregon Health Plan, to decrease wait times that otherwise would develop for southern Oregonians to receive surgical procedures, and to provide financial assistance to medically underserved populations.

Please see the responses to Items 13(a), 13(d) and 15(a), above, for a discussion of how Asante anticipates that SCSO will serve a higher number of patients, including individuals on the Oregon Health Plan. Asante anticipates that increased capacity (and therefore, quite simply, an increased number of surgical slots available to patients) will reduce wait times, both for patients who otherwise might have received care at SCSO and for patients who might have received care at RPMC.

- 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.

As noted above in response to Item 15(c), Asante healthcare system hospitals complete Community Health Needs Assessments (CHNA) once every three years. For-profit entities, such as SCSO, have no such requirement.

The framework used by Asante is considered a “Health Equity Framework” under which Asante is committed to ensuring health equity for all by addressing the underlying causes of racial and economic inequities and health disparities.

Specifically, Asante is committed to the following maxim, described in the CHNA:

To improve the health of our communities, we acknowledge we must address not only the clinical care factors that determine a person’s length and quality of life, but also the social and economic factors, the physical environment, and the health behaviors that all play an active role in determining health outcomes

Asante actively works to benefit the public good by rectifying historical and contemporary factors contributing to health inequities and access to services and bringing the surgery facility under the Asante umbrella will strengthen this effort.

- 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.

There will not be any competitive effects that result from this proposed transaction, for the reasons described immediately below.

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

No. There are sufficient alternatives such that there will be no decrease in competition. Besides SCSO, there are 11 other ambulatory surgery centers in Jackson and Josephine counties (8 in Medford (including SCSO), 2 in Grants Pass, 1 in Talent, and 1 in Ashland). In addition to that, there are 4 hospital surgery departments in those 2 counties: Rogue Regional Medical Center, Providence Medford, Three Rivers Medical Center, and Ashland Community Hospital.

Of note, besides Asante's fractional ownership in SCSO, Asante does not have an investment in any of the other ambulatory surgery centers in the service area.

- 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.

As outlined above, in addition to SCSO, there are 11 other ambulatory surgery centers in Jackson and Josephine counties, and 4 hospital surgery departments.

Please see enclosed Supplemental Materials: Exhibit 9 for a list of applicable ambulatory surgery centers and hospital surgery departments.

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

The financial stability and long-term sustainability provided by Asante will positively impact long-term access to outpatient surgery services for residents in Asante's service area. This transaction will result in the sale of the assets of SCSO, but it will result in outpatient surgery services to continue to be provided at the renovated facility.

Currently, SCSO is not financially viable, and it is likely that a transaction is necessary to ensure its continued operations. Post-transaction, SCSO will benefit from Asante's contract management systems that will reduce costs (e.g., supplies, equipment) in its operations. Asante's plan to increase SCSO's current capacity will also serve to improve SCSO's financial viability. As discussed in the response to Item 15(h), SCSO's integration into Asante's Epic electronic medical records system will promote clinical connectivity and therefore the opportunity for more efficient operation of care. Asante's financial position will allow for longer term operational planning of SCSO.

In addition, the sellers are physician groups and the capital they receive may be used to recruit and retain additional physicians, thereby increasing access to care in the community. This transaction will infuse liquidity into existing provider groups, allowing them to reinvest in capital projects, recruitment, retention and growth, which will benefit the community.

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)
- ☒ [HCMO-1b: Business Entities form](#) (required parties with multiple business entities licensed to operate in Oregon)
- ☒ [HCMO-1c: Facilities and Locations form](#)
- ☒ **HCMO-2:** Pre- and post-transaction organizational structure diagram
- ☒ **HCMO-3:** Copies of all current agreements or term sheets for the proposed transaction
- ☒ **HCMO-4:** Financial statements for all entities for the most recent three fiscal years
- ☒ **HCMO-5:** Copies of current governance documents for all entities (for examples, bylaws, articles of incorporation, corporate charter, etc.)
- ☐ Documentation or analytic support for your responses, as applicable
- ☒ **HCMO-6:** 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 20th day of October, 2025.

Cash Perry

SUBSCRIBED AND SWORN TO before me, this 20 day of October, 2025.

Kristin Morrison

Notary Public in and for Jackson County, Oregon

My Commission Expires: September 28, 2026

