

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

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**STATE OF OREGON
OREGON HEALTH AUTHORITY
HEALTH POLICY AND ANALYTICS DIVISION**

In the Matter of the Proposed	)	Proposed Findings of Fact, Conclusions of
Material Change Transaction of Chapters	)	Law, and Order
Health System, Inc. and CareOregon, Inc.	)	
	)	Transaction ID: 0083

This Order resolves the Notice of Material Change Transaction (the “Notice”) filed by Chapters Health System, Inc. (“Chapters”) on or about March 20, 2026, with respect to Chapters’ proposed affiliation with Housecall Provider Services, LLC (“Housecall Provider Services”) and Housecall Providers, PC (“Housecall Providers”) (the “Transaction”), both of which are wholly-owned subsidiaries of CareOregon, Inc. (“CareOregon”). Housecall Provider Services and Housecall Providers are collectively referred to herein as “HCP;” Chapters, CareOregon, and HCP are collectively referred to herein as the “Entities.” The Entities filed the Notice with the Oregon Health Authority (“OHA”) under the Health Care Market Oversight (“HCMO”) Program pursuant to Oregon Revised Statutes (ORS) 415.500 through 415.900 and Oregon Administrative Rules (OAR) 409-070-0000 through 409-070-0085.

On April 29, 2026, OHA confirmed receipt of a complete Notice in compliance with OAR 409-070-0030 and 0045. Pursuant to ORS 415.501(5) and OAR 409-070-0055, OHA timely conducted a preliminary review of the Transaction. OHA’s review analyzed the potential impact of the Transaction. The analysis followed guidelines and methods set out in the HCMO Analytic Framework (see <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/OHA-HCMO-Analytic-Framework-FINAL.pdf>), which is grounded in the goals, standards, and criteria for transaction review and approval outlined in OAR 409-070-0000 through OAR 409-070-0085. OHA’s analysis is presented in a Preliminary Review Report posted to the HCMO website at <https://www.oregon.gov/oha/HPA/HP/Pages/083-Chapters-CareOregon.aspx> and incorporated herein by reference. A public comment period was open from April 29, 2026, through June 29, 2026. OHA received 1 public comment.

Now, therefore, upon due consideration of the circumstances, including the Notice, documentation filed in support of the Notice, public comments, databases maintained by OHA, databases maintained by federal agencies, websites of the Entities, academic research articles, other publicly available reports, OHA enters the following Proposed Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

OHA FINDS that:

1. On or about March 20, 2026, Chapters filed an incomplete Notice with OHA.
2. On or about April 15, 2026, OHA notified Chapters that the Notice was incomplete and provided guidance about submission requirements.
3. On or about April 29, 2026, OHA confirmed receipt of a complete Notice and commenced the preliminary review pursuant to OAR 409-070-0055. OHA also solicited additional information from the Entities.
4. Between May 6, 2026, and June 5, 2026, Chapters submitted responses to OHA's request for additional information.
5. OHA accepted public comments on the Transaction from April 29, 2026, through June 29, 2026. OHA received 1 public comment.
6. Chapters is a 501(c)(3) nonprofit public benefit corporation incorporated in Florida that operates affiliate nonprofit hospice and palliative care organizations in California, Florida, Georgia, Maryland, Nevada, Oregon, Virginia, and the District of Columbia.
7. In Oregon, Chapters operates Willamette Valley Health, Inc. dba Willamette Vital Health ("WVH"), an Oregon nonprofit corporation. WVH provides hospice and palliative care services primarily in the Salem metropolitan area; in 2025, it served 990 Oregon patients and employed 112 individuals.
8. CareOregon is an Oregon 501(c)(3) nonprofit public benefit corporation offering health plans and services to over 500,000 people in Oregon. It primarily provides Medicaid benefits to Oregon Health Plan members in seven Oregon counties, as well as operating a smaller Medicare Advantage plan, tribal care coordination services, and home health through HCP.
9. Housecall Provider Services fka HCP Services, LLC, is an Oregon limited liability company that offers home-based hospice and community palliative care services in Oregon, operating primarily in the Portland metropolitan area.
10. Housecall Providers fka HC Providers, PC, is an Oregon professional corporation that offers home-based primary care services and primarily operates in the Portland metropolitan area.
11. In 2025, HCP served 626 patients for hospice care, 397 patients for palliative care, and 2,536 patients for primary care services. It employed 169 FTE across Oregon.
12. Chapters operates primarily in the Salem metropolitan area. OHA estimates that, between 2019 and 2023, Chapters represented approximately 5% of the statewide hospice market and 7% of the

statewide palliative care market based on episodes of care. Chapters does not provide home-based primary care services.

13. HCP operates primarily in the Portland metropolitan area. OHA estimates that, between 2019 and 2023, HCP accounted for approximately 2% of the statewide hospice market and 28% of the statewide palliative care market based on episodes of care.
14. On February 16, 2026, the Entities executed an Affiliation Agreement, according to the terms of which Chapters will acquire a 49% membership interest in HCP, and the remaining 51% will be transferred to Chapters' Medical Director or another Oregon licensed physician.
15. Chapters and HCP have limited, non-overlapping geographic footprints in Oregon for both hospice and palliative care service delivery. Chapters operates primarily in Salem and surrounding areas, whereas HCP mainly serves the Portland area; there is no overlap in their Primary Service Areas (PSAs).
16. The transaction is unlikely to materially affect market concentration. OHA's analysis found that the transaction will result in an estimated 25-point increase in the Herfindahl-Hirschman Index (HHI) from 658 to 683 for home-based hospice services in Oregon. This HHI increase is well below the federally defined threshold for presumed anti-competitive effects. OHA estimates that while the transaction could increase statewide HHI for palliative care services, there will be minimal impact on concentration at the service area level given that Chapters and HCP operate in different parts of Oregon.
17. The Entities have committed, through the Affiliation Agreement, to maintaining the availability of hospice care, palliative care, and home-based primary care services for at least five years following the close of the transaction.

CONCLUSIONS OF LAW

1. The Notice is supported by the required documentation and meets the requirements of the HCMO Program rules for approval with respect to transactions involving health care Entities pursuant to ORS 415.500 through 415.900 and OAR 409-070-0000 through 409-070-0085.
2. OHA finds that:
 - a. The Transaction is not likely to substantially alter the delivery of health care in Oregon.
 - i. While Chapters and HCP both deliver hospice and palliative care services in Oregon, they each serve different geographic areas of the state. OHA therefore does not expect the Transaction to result in any material increase in concentration within Oregon's markets for hospice or palliative care. Entities have pledged to take significant steps to preserve patient access and continuity of care through a commitment to maintaining current service levels for a minimum

of five years and keeping current staff employed for at least 12 months following the close of the Transaction. OHA's conditions are designed to ensure Entities adhere to these commitments and will require them to regularly report on their progress for five years.

ORDER AND CONDITIONS

1. The Transaction shall be approved with conditions upon the basis of the information contained in the Notice and supplemental filings submitted to date.
2. The Entities shall not make any material modifications to the terms of the definitive agreements pursuant to which this Transaction will be effectuated and closed without the prior consent of OHA. Such modifications do not include scrivener's errors such as typos, incorrect numbers, or omitted words or other modifications that do not materially change the terms of the proposed transaction as presented to OHA in the Notice, attachments and subsequent filings to date. If any such modification to the definitive agreements has been or will be made, it shall be presented to OHA no later than fifteen (15) days before the scheduled closing of the Transaction.
3. Unless otherwise specified hereunder, for a period of five (5) years from the date of closing this Order shall be conditioned upon and subject to the following:
 - a. The Entities shall adhere to the representations made throughout the Notice and subsequent filings with OHA.
 - b. The Entities shall adhere to the post-closing covenants and agreements set forth in Article VII of the Affiliation Agreement and asserted in the Notice, including but not limited to:
 - i. All assets on HCP's balance sheets as of the closing date of the Transaction will continue to be used solely for qualifying end of life, palliative care, or home-based primary care charitable purposes within the State of Oregon.
 - ii. All employees of HCP in good standing as of the closing date of the Transaction will continue to be employed by HCP or Chapters (with co-employment by CareOregon through December 31, 2026, pursuant to the Transition Services Agreement) for at least twelve (12) months following the closing date of the Transaction unless an employee resigns or is terminated for poor performance, misconduct, or violation of HCP or Chapters policy.
 - iii. Chapters will make contributions of capital to HCP to the extent reasonably necessary for HCP to perform and achieve the Post Closing Performance

Requirements, as defined in Section 7.5 of the Affiliation Agreement, including Condition 2.b.ii.

- c. HCP will continue to provide, and Chapters will support and cause to be provided, the same or higher levels of palliative care, hospice care, primary care and other services within service areas of Oregon as provided by HCP as of the date of this Order.
- d. Chapters shall provide an annual report to OHA demonstrating compliance with conditions (“Compliance Report”). The first Compliance Report shall be due no later than twelve (12) months following the closing date of the Transaction, and subsequent reports shall be due every 12 months thereafter for a period of five (5) years. Chapters shall provide a public-facing version of the Compliance Report to OHA consistent with the requirements of OAR 409-070-0070. Each Compliance Report must be verified under oath and must include:
 - i. Certification of compliance with each Condition 2b.i through 2b.iii and 2c of this Order.
 - ii. Information demonstrating compliance with each Condition 2b.i through 2b.iii and 2c of this Order. For each Condition, Chapters must provide:
 - 1. A detailed narrative description of all progress toward meeting the Condition requirements, including timelines, milestones, and outcomes, as relevant and/or applicable; and
 - 2. Supporting documentation, if applicable, reflecting compliance with each Condition.
 - iii. Updated versions of the utilization data provided in the Entities May 20, 2026, RFI responses:

Unique Count of Patients Served in the Most Recent Calendar Year

Calendar Year:	Hospice care	Palliative care	Primary care
Original Medicare (include dual-eligible Medicare patients)			
Medicare Advantage (include dual-eligible MA patients)			
Medicaid/OHP (do not include dual-eligible patients)			

Commercial			
Self-pay (patients paying without insurance)			
Other payer (please list)			
Total Patient Count			

Count of Services/Episodes of Care Rendered in the Most Recent Calendar Year

Calendar Year:	Hospice care	Palliative care	Primary care
Original Medicare (include dual-eligible Medicare patients)			
Medicare Advantage (include dual-eligible MA patients)			
Medicaid/OHP (do not include dual-eligible patients)			
Commercial			
Self-pay (patients paying without insurance)			
Other payer (please list)			
Total Service/Episode Count			

- The Entities shall notify OHA within one (1) business day following completion of the Transaction by email to hcmo.info@oha.oregon.gov.

This Order will be posted to the HCMO Program website at <https://www.oregon.gov/oha/HPA/HP/Pages/health-care-market-oversight.aspx>.

OHA reserves the right to enforce the Conditions set forth herein to the fullest extent provided by the law. In addition to civil penalties and any legal remedies available, OHA shall be entitled to specific performance, injunctive relief, and such other equitable remedies as a court may deem appropriate for breach of these Conditions.

OHA is required to analyze and publish the Entities' compliance with Conditions placed on the Transaction and to assess the impact of the Transaction under ORS 415.501(19) and (20). OHA is required to publish its analyses and conclusions. Per OAR 409-070-0080, OHA may require the Entities to provide any information, reports, analyses, and documentation needed to monitor and assess the impact of the Transaction.

NOTICE OF RIGHT TO REQUEST A HEARING

You are entitled to a hearing as provided by the Administrative Procedures Act (chapter 183, Oregon Revised Statutes), ORS 415.019, and OAR 137-070-0075. You are entitled to be represented by an attorney at the hearing. Legal aid organizations may be able to assist a party with limited resources. The

Oregon Health Authority will be represented by an Assistant Attorney General from the Oregon Department of Justice.

To request a contested case hearing, your request must be in writing and must be received within fifteen (15) days from the date this Final Order was personally served, mailed, or electronically transmitted to you, based on the date at the top of this document.

A request sent by U.S. mail is “received” on the date it is postmarked. Your request may also be emailed. Your request should be sent to:

hcmo.info@oha.oregon.gov

or

Health Care Market Oversight Program
800 NE Oregon St
Suite 772
Portland, OR 97232

If you submit a request for a contested case hearing, you will be notified of the time place of the hearing. Information on the hearing process will be provided to you in accordance with ORS 183.413(2). Any hearing will be conducted by an administrative law judge from the Office of Administrative Hearings, assigned as required by ORS 183.635.

If you fail to request a hearing within the time allowed, if you request a hearing and subsequently withdraw your request for a hearing, if you request a hearing and fail to appear for the hearing, or if a hearing is scheduled and you later notify OHA that you will not appear at the specified time and place, you will have waived your right to a hearing, and this proposed order will become a final order by default. If OHA issues a final order by default, it designates its file on this matter, including all materials that you have submitted relating to this matter, as the record in this case for purposes of proving a prima facie case.

Dated this 29th day of June, 2026



Sarah Bartelmann, MPH
Health Care Market Oversight Program Manager
Oregon Health Authority

NOTICE TO ACTIVE DUTY SERVICE MEMBERS. Active-duty service members have a right to stay these proceedings under the federal service members Civil Relief Act. For more information contact the Oregon State Bar at 800-452-8260, the Oregon Military Department at 503-584-3571, or the nearest United States Armed Forces Legal Assistance Office through <http://legalassistance.law.af.mil>. The Oregon Military Department does not have a toll-free telephone number.