Health Care Market Oversight

Transaction 083
Chapters – CareOregon
Preliminary Review Report

June 29, 2026

OREGON HEALTH AUTHORITY

About this Report

This report summarizes analyses and findings from Oregon Health Authority's preliminary review of the proposed material change transaction involving Chapters Health System, Inc. and CareOregon, Inc. It accompanies the Findings of Fact, Conclusions of Law, and Final Order ("Preliminary Review Order") issued by the Oregon Health Authority on June 29, 2026. 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 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.

Executive Summary

The Health Care Market Oversight (HCMO) program reviews proposed heath 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 April 29, 2026, OHA accepted a complete Notice of Material Change Transaction ("notice") from Chapters Health System, Inc. ("Chapters"). The notice describes plans for CareOregon, Inc's ("CareOregon") wholly-owned subsidiaries, Housecall Provider Services, LLC (fka HCP Services, LLC) and Housecall Providers, PC (fka HC Providers, PC) (together, "HCP") to affiliate with Chapters. Chapters, HCP, and CareOregon are referred to in this report as "the Entities."

Chapters is a provider of hospice and palliative care operating in California, Florida, Georgia, Maryland, Nevada, Virginia, Washington, D.C., and Oregon. In Oregon, Chapters operates Willamette Vital Health ("WVH"), which in 2025 served 990 patients and employed 112 individuals in the state. CareOregon is an Oregon-based nonprofit that offers health plans to people with Oregon Health Plan (OHP) coverage.

HCP provides home and community-based medical services in Oregon through Housecall Providers, PC, a professional medical corporation that operates a large home-based primary care practice, and Housecall Provider Services, LLC, a home hospice program and a community-based palliative care program. Through the proposed transaction, HCP will affiliate with Chapters and Chapters will become the sole owner of HCP.

OHA's Review

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

Key Findings

Chapters and HCP have limited, non-overlapping geographic footprints in Oregon.

Both Chapters (through WVH) and Housecall deliver hospice and palliative care services; however, there is no overlap in Primary Service Areas (PSAs) between Chapters and Housecall for either hospice or palliative care services. Chapters operates primarily in the Salem area, while Housecall mainly serves the Portland metropolitan area. Chapters has about 5% of Oregon's hospice market share and approximately 7% of its palliative care market share. Housecall has about 3% of Oregon's hospice market share and 28% of its

palliative care market share. Housecall also provides home-based primary care services, while Chapters does not provide any primary care services.

The proposed transaction is unlikely to affect access to care or service delivery in Oregon.

This transaction is not expected to materially increase geographic-based market concentration of any services given that the Entities operate in distinctly different parts of Oregon. In addition, the Entities have committed to maintaining the same, or higher, levels of existing hospice, palliative care, and home-based primary care services for at least five years. Chapters has also committed to making capital contributions to HCP for at least five years which will support ongoing access to care. OHA's conditions require the Entities to uphold these commitments and report on them annually for five years.

Conclusions and Decision

Based on preliminary review findings, **OHA approved the transaction with conditions on June 29, 2026.** (See Preliminary Review Order). OHA approved the proposed transaction based on the following criterion:

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

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. The 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 the Entities adhere to these commitments and will require them to regularly report on their progress for five years.

Approval Conditions

OHA's approval conditions apply for a five-year period following the close of the proposed transaction. Please see the Preliminary Review Order for the legal wording of conditions. In summary, the conditions require the Entities to:

1. Adhere to commitments made in the notice and submissions to OHA;
2. Maintain employment of existing HCP employees in good standing for at least twelve months;
3. Continue to use all HCP assets exclusively for hospice, palliative care, and/or home-based primary care charitable purposes in Oregon;

4. Provide the same or higher levels of hospice, palliative care, and home-based primary care services for at least five years as was provided by HCP as of the date the Preliminary Review Order is issued;
5. Make capital contributions from Chapters to HCP so that conditions 2, 3, and 4 can be met; and
6. Submit annual compliance reports describing compliance with conditions.

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 compliance with approval conditions and whether Chapters 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 April 29, 2026, OHA accepted a complete Notice of Material Change Transaction ("notice") from Chapters Health System, Inc. ("Chapters"), Housecall Providers Services, LLC ("Housecall Provider Services") and Housecall Providers, PC ("Housecall Providers") (Housecall Provider Services and Housecall Providers are collectively referred to as "HCP"), and CareOregon, Inc. ("CareOregon", and together with Chapters and HCP, the "Entities"). CareOregon had previously acquired HCP in 2017.[1] The notice describes plans for HCP to affiliate with Chapters.

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 April 29, 2026, OHA posted a comment form to the Transaction Notices and Reviews page of the HCMO website and emailed subscribers to HCMO program updates to inform them about the opportunity to provide comment. OHA accepted comments via the form, phone, and by email to hcmo.info@oha.oregon.gov. OHA received 1 public comment.

Proposed Transaction

HCP, which is currently owned by CareOregon, plans to affiliate with Chapters under this proposed transaction.

Entities Involved

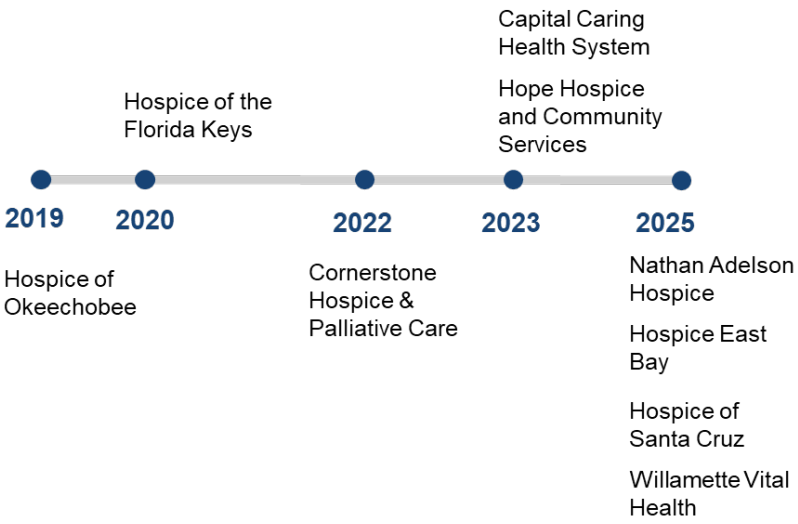
Chapters Health System

Chapters is a Florida nonprofit 501(c)(3) corporation that provides hospice and palliative care services in multiple states. Chapters also provides pharmacy, staffing services, behavioral health services, Program of All Inclusive Care for the Elderly (PACE), and primary care services.[2] Chapters describes itself as "the largest not-for-profit chronic illness management and hospice organization in the country."[3] Chapters "affiliate" non-profit hospice organizations operate in California, Florida, Georgia, Maryland, Nevada, Virginia, Washington DC, and Oregon.[4] In Oregon, Chapters operates Willamette Valley Hospice, Inc. dba Willamette Vital Health ("WVH") located in Salem.[5]

WVH provides hospice care, grief support, music therapy, spiritual therapy, art therapy, animal therapy, respite services provided by volunteers, massage therapy, and pet

placement services.[6] WVH serves patients in Marion, Polk, and parts of Benton, Clackamas, Linn, and Yamhill counties.[7] In 2025, WVH provided services to 990 patients and employed 112 individuals in Oregon.[8]

Chapters has expanded their business by affiliating with independent hospice companies across the country.[9] Chapters formed Chapters Health West through affiliations with four hospices: Hospice East Bay (Pleasant Hill, CA), Hospice of Santa Cruz County (Santa Cruz, CA), Nathan Adelson Hospice (Las Vegas, NV), and WVH.[10] Chapters Health West was formed in October 2025.[11] The company has stated in the media it is looking to further expand its footprint in the western United States. The timeline below shows Chapters affiliations in the past 10 years.[12]



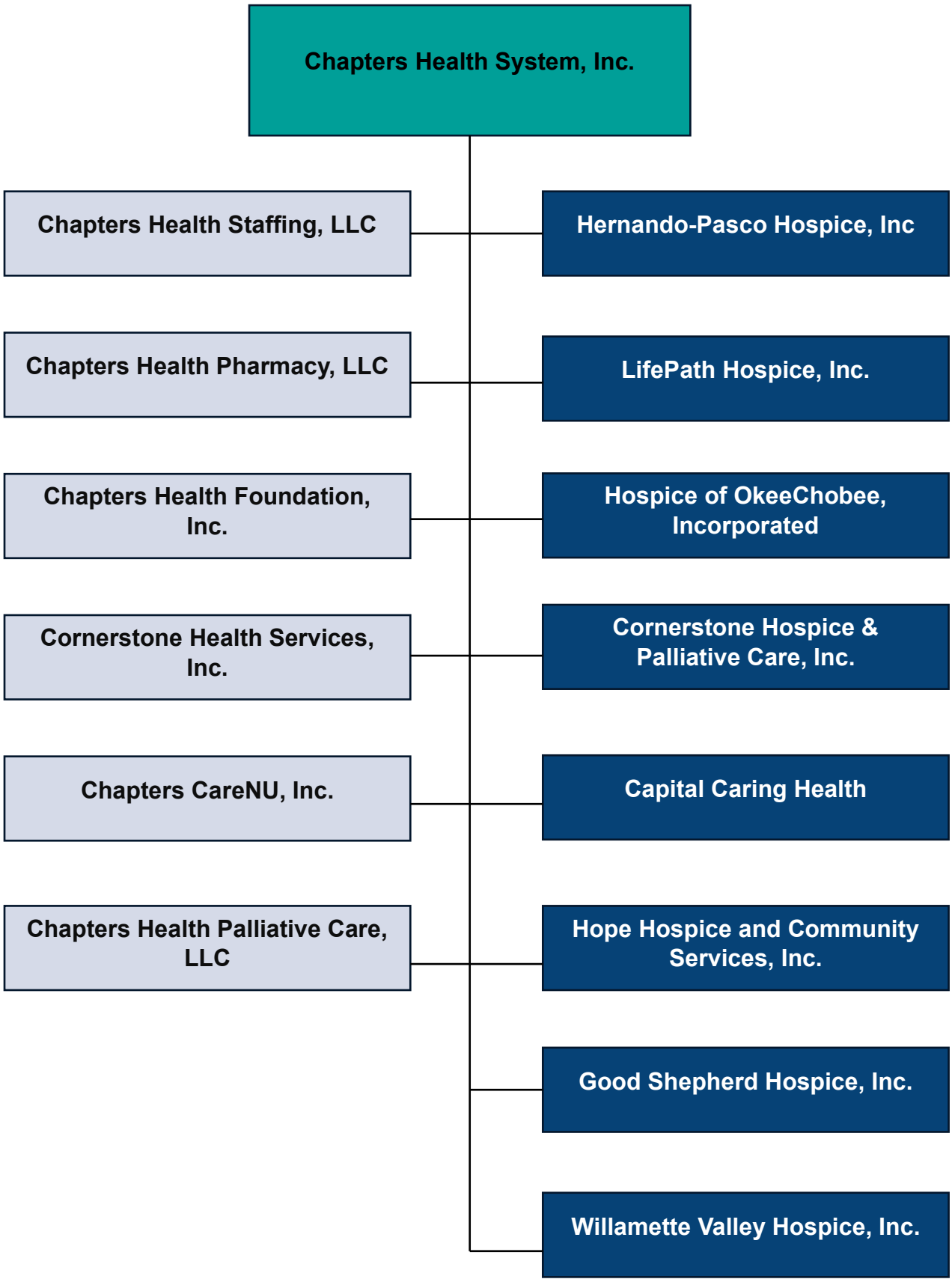
In addition to the Chapters-affiliated hospice companies, Chapters owns multiple other businesses listed below.[13]

Business name	Description
Chapters Health Pharmacy, LLC	Provides pharmacy services to Chapters affiliates.
Chapters Health Palliative Care, LLC	Provides palliative care services in the counties served by Chapters affiliates.
Chapters Health Staffing, LLC	Provides physician, nursing, and therapy services to Chapters affiliates.
Cornerstone Health Services, Inc.	Parent company of Cornerstone Health Services, LLC (a palliative care provider covering the counties served by Chapters affiliates), and Cornerstone Centers for Wellbeing, LLC (a mental health counseling service based in Florida)
Chapters Health Foundation	Non-profit foundation that supports all current and future Chapters affiliates.
CareNU, Inc.	For-profit provider of chronic illness care services. Parent company of Assurity Direct Contracting Entity LLC and SECUR, Inc. SECUR Health offers Medicare Advantage Institutional Special Needs

	Plans (“I-SNPs”). Assurity Direct Contracting Entity LLC (“Assurity DCE”), participates in the Accountable Care Organization Realizing Equity, Access, and Community Health (“ACO REACH”) program for people enrolled in traditional Medicare.

Organizational Structure and Governance

Chapters is governed by a board of directors and is the parent corporation of approximately 25 subsidiaries.[14] A simplified organizational chart is included below. This shows Chapters’ current affiliated nonprofit hospice and palliative care organizations on the right side and other direct Chapters subsidiaries on the left. A complete organizational chart with all subsidiaries is posted to HCMO’s website.


Chapters Health System, Inc.
Chapters Health Staffing, LLC
Chapters Health Pharmacy, LLC
Chapters Health Foundation, Inc.
Cornerstone Health Services, Inc.
Chapters CareNU, Inc.
Chapters Health Palliative Care, LLC
Hernando-Pasco Hospice, Inc
LifePath Hospice, Inc.
Hospice of OkeeChobee, Incorporated
Cornerstone Hospice & Palliative Care, Inc.
Capital Caring Health
Hope Hospice and Community Services, Inc.
Good Shepherd Hospice, Inc.
Willamette Valley Hospice, Inc.

CareOregon

Founded in 1994, CareOregon is a nonprofit public benefit corporation that provides health plans and services to people in Oregon, with a focus on services for people with Oregon Health Plan (OHP) coverage. CareOregon is headquartered in Portland, Oregon. Nearly all of CareOregon's revenue comes from public programs, including Medicare and Medicaid.[15] Its mission is to "inspire and partner to create equity in individual and community health."[16] CareOregon serves individuals in Clackamas, Clatsop, Columbia, Multnomah, Jackson, Tillamook, and Washington counties.

As of 2026, CareOregon:

- Has more than 1,600 staff and FTE
- Has 596,574 members including 568,435 Medicaid members and 13,651 Medicare members.[17]

CareOregon serves more than one-third of all OHP members in the state.[18,19] The company provides benefits to members of three Coordinated Care Organizations (CCOs) in Oregon across seven counties: Columbia Pacific CCO, Health Share of Oregon, and Jackson Care Connect. CareOregon also operates:

- CareOregon Dental – a dental care organization
- CareOregon Advantage – A Medicare Advantage Special Needs Plan
- HouseCall Providers – a home health and hospice provider.

Housecall Providers

Housecall Providers (HCP), which consists of both Housecall Provider Services and Housecall Providers, offers home-based primary care, hospice~~,~~ and palliative care services to people living in the Portland metro area. CareOregon acquired HCP in 2017.[20] In 2025 in Oregon, HCP served 626 patients for hospice care, 397 patients for palliative care, and 2,536 patients for primary care services and employed 169 FTE. HCP operates across 10 Oregon counties: Clackamas, Clatsop, Columbia, Jackson, Josephine, Marion, Multnomah, Polk, Tillamook, and Washington.

HCP operates three clinical service lines

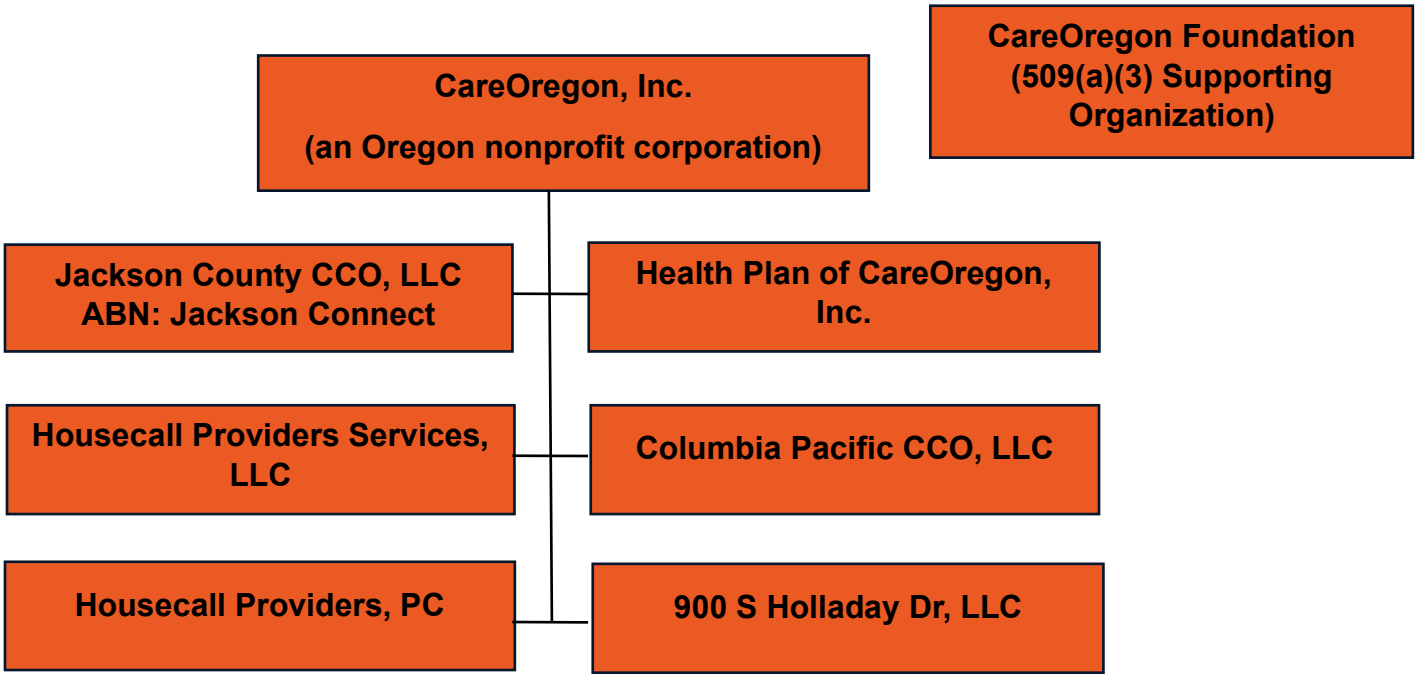
Service Line	Description
Home-based primary care	Comprehensive, patient-centered medical care directly within the home. It brings the full scope of primary care into a residential setting and includes the coordination and oversight of home health and community-based services when needed.[21]
Community-based palliative care	Providing palliative care through established delivery systems, such as home care and hospice, as well as collaborative partnerships with service agencies and individual clinicians.[22]
Home hospice	End-of-life hospice services that are furnished to an individual by home hospice care staff in a place

	of temporary or permanent residence used as the individual's home for the purpose of maintaining that individual at home

Organizational Structure and Governance

CareOregon is governed by a 14-member board of directors with backgrounds in health care, education, governance, philanthropy, and private investment.[23] Until early 2026, CareOregon maintained a Community Advisory Board that included CareOregon members and community members.[24]

A simplified organizational chart is included below, see Pre-Transaction Organizational Diagrams for the complete CareOregon organizational chart with all subsidiaries.



Rationale for the Transaction

CareOregon has stated they can no longer financially support HCP's business. HCP has been operating at a financial loss for several years and cannot support themselves independently.[25] The transaction was pursued because Chapters has the expertise and specialized support that are available through affiliation with Chapters. HCP will benefit from financial and accounting, information, regulatory and corporate compliance, human resources, marketing, legal, and other services that it will use through the affiliation with Chapters.[26]

The Entities have stated that by affiliating with Chapters, HCP will join Chapters' contracting which will create greater efficiencies and lower costs.[27] HCP wanted an affiliation with an organization possessing expertise and experience in home care operations, which are not things that CareOregon possesses.[28]

Transaction Terms

At closing, Chapters will acquire CareOregon's 49% share of HCP; the remaining 51% membership interest in HCP, currently owned by CareOregon's Chief Medical Officer, will be transferred to the Medical Director of Chapters or another Oregon licensed physician.[29]

Post-Transaction Plans

Following completion of the proposed transaction, HCP will continue to be governed by the HCP Board. The initial post-closing Board will include current HCP Board members not currently affiliated with CareOregon. After the transaction closes, the Chapters President/CEO, Chapters President of Hospice and PACE, and Chapters Chief Financial Officer will be added to the HCP Board. The HCP Executive Director will be responsible for day-to-day operations, finances, and overall company performance.[30]

The Entities have committed to maintaining hospice, palliative care, and home-based primary care services at their current levels in their current service areas following the close of the transaction for at least five years. The affiliation agreement between the Entities made certain post-closing commitments to ensure the continuation of services by HCP, including:[31]

- All HCP employees in good standing will continue to be employed by Chapters for at least 12 months following closing.
- All assets on HCP's balance sheets as of closing will continue to be used solely for qualifying end of life, palliative care, or home-based primary care charitable purposes for services in Oregon.
- For a period of no less than 5 years Chapters will continue to provide the same or higher levels of palliative care, hospice care, primary care and other services within service areas in Oregon as provided by HCP pre-close.
- During the 5-year period, Chapters will make capital contributions to HCP as needed to perform the post-closing performance requirements.

Post-closing, Chapters will provide administrative services for HCP. CareOregon will provide interim human resources (HR) and Information Services (IS) to HCP while HCP transitions to Chapters services. HR services will transition to Chapters at the beginning of 2027 and IS services are expected to transition to Chapters 90 days after closing.[32]

The Entities have stated that the transaction will not have any immediate impact on HCP's patients.[33] Chapters will explore opportunities to expand the number of patients served by HCP to improve access to hospice and palliative care to residents in the service area. Chapters will work with HCP to increase the number of payer contracts and diversify

HCP's payer mix.[34] Chapters has stated that lines of business other than hospice will be targeted for payer mix diversification, which is intended to improve HCP's finances.[35]

Below is a simplified post-closing organizational chart, the complete organizational chart is available on the transaction webpage.


Chapters Health System, Inc.
Chapters Health Staffing, LLC
Chapters Health Pharmacy, LLC
Chapters Health Foundation, Inc.
Cornerstone Health Services, Inc.
Chapters CareNU, Inc.
Chapters Health Palliative Care, LLC
Housecall Providers, PC
Hernando-Pasco Hospice, Inc
LifePath Hospice, Inc.
Hospice of OkeeChobee, Incorporated
Cornerstone Hospice & Palliative Care, Inc.
Capital Caring Health
Hope Hospice and Community Services, Inc.
Good Shepherd Hospice, Inc.
Willamette Valley Hospice, Inc.

Findings & Potential Impacts

OHA compiled and analyzed data and information to understand the potential impacts of the transaction on people in Oregon and to assess whether the proposed transaction met the criteria for approval outlined in HCMO's statute and rules. To evaluate the potential impacts of the proposed transaction on Oregon residents, OHA analyzed utilization and payments for home hospice, at-home palliative care, and at-home primary care in Oregon using the All Payers All Claims database (APAC) of health insurance claims and alternative payment arrangement data. For more information on OHA's analysis, see **Appendix A: OHA's Review**. The below sections summarize OHA's findings from the preliminary review.

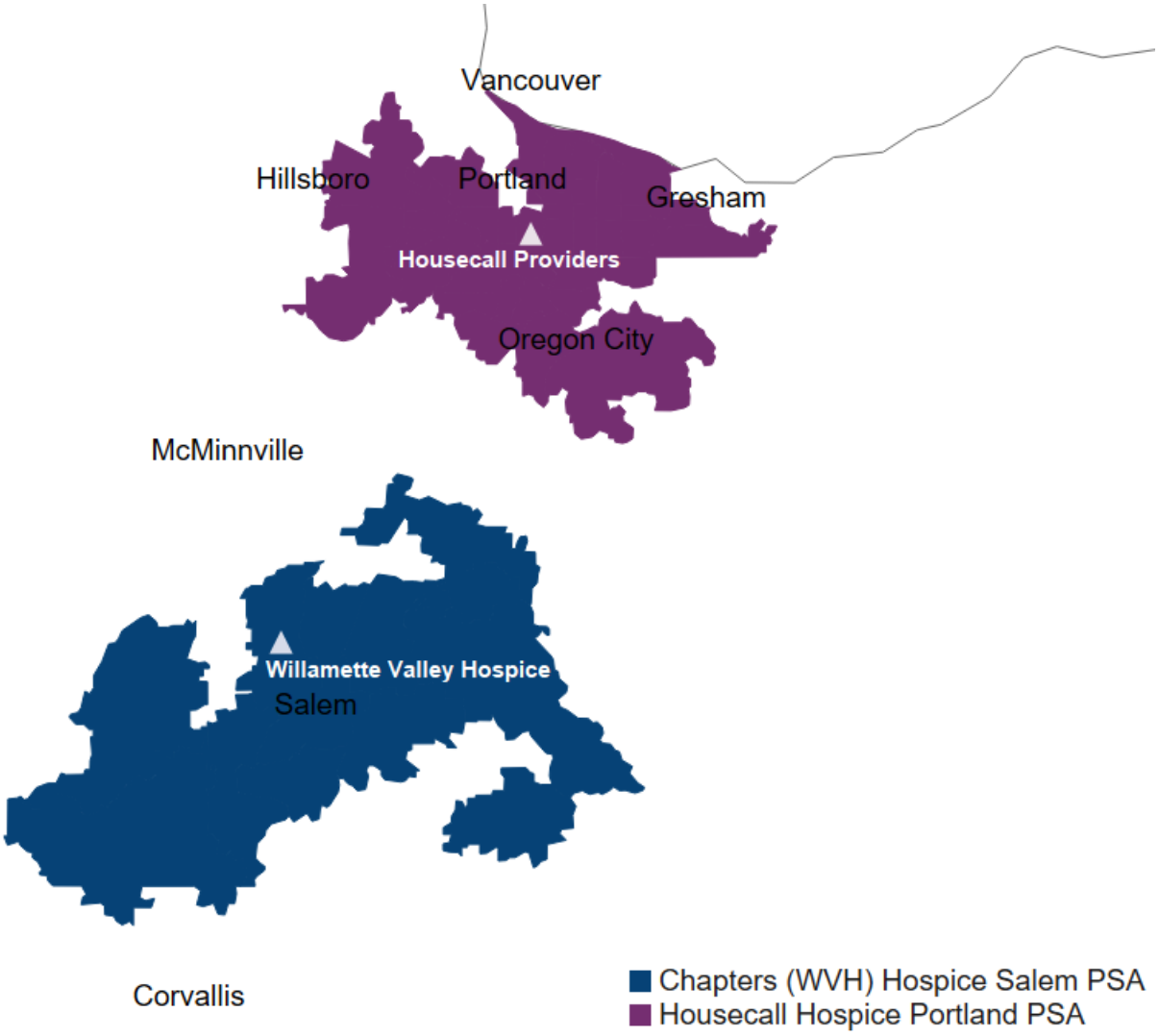
Key Findings

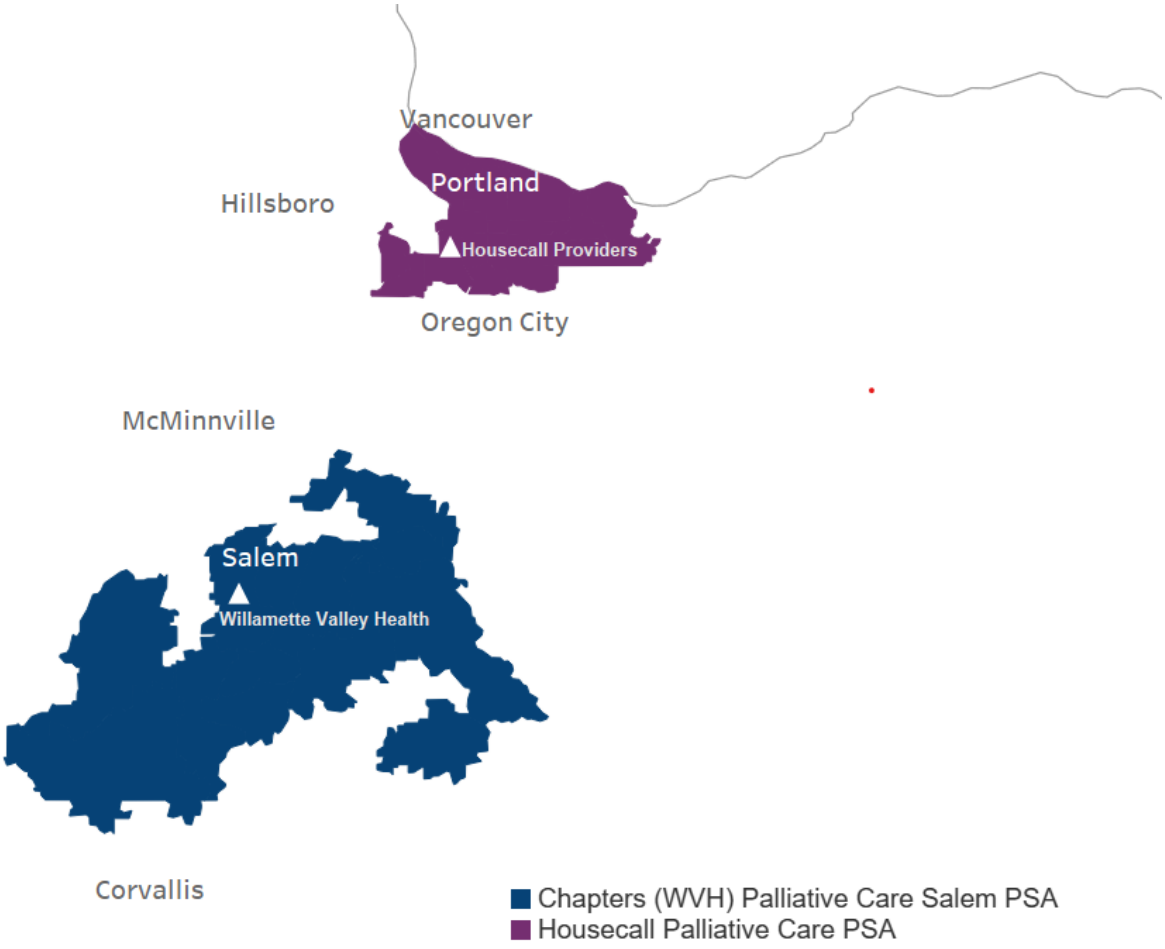
Chapters and HCP have limited, non-overlapping geographic footprints in Oregon.

Chapters and HCP provide hospice and palliative care services in distinct geographic areas of Oregon.

Chapters (through WVH) and HCP both provide hospice and palliative care services in Oregon. OHA estimates that during 2019-2023, Chapters and HCP provided approximately 5.2% and 2.4%, respectively, of home hospice episodes statewide. For palliative care, OHA estimates that Chapters and HCP accounted for approximately 7% and 28% of statewide service revenues, respectively, during 2022-2024.

While they provide similar services, Chapters and HCP serve different areas of the state. Chapters operates primarily in Salem and surrounding areas, whereas HCP mainly serves the Portland area. Chapters' Primary Service Areas (PSAs) for hospice and palliative care are shown in blue in the maps below, and HCP's PSAs are shown in purple. As the maps illustrate, there is no overlap between the Chapters and HCP PSAs for home hospice or palliative care services.


Vancouver
Hillsboro
Portland
Gresham
Housecall Providers
Oregon City
McMinnville
Willamette Valley Hospice
Salem
Corvallis
Chapters (WVH) Hospice Salem PSA
Housecall Hospice Portland PSA



Home-based primary care services are only provided by HCP

In addition to home hospice and palliative care services, HCP also delivers home-based primary care services in the Portland metropolitan area. Chapters does not currently provide any primary care services in Oregon.

The proposed transaction is unlikely to affect access to care or service delivery in Oregon.

The transaction is unlikely to materially increase market concentration

While Chapters and HCP both provide home hospice and palliative care services in Oregon, OHA's analysis found that the transaction is unlikely to materially increase concentration in either market.

In the case of home hospice, the PSAs served by Chapters and HCP do not overlap, and the transaction will therefore not increase PSA-level market concentration. The transaction also would not significantly affect concentration in the *statewide* market for home hospice services. OHA estimates that the transaction will increase Chapters' share of the statewide market for home hospice services from 5.2% to 7.6%, representing a 25-point increase in the Herfindahl-Hirschman Index (HHI) from 658 to 683. This HHI increase is well below the federally defined threshold for presumed anti-competitive effects. (Per federal guidelines, transactions resulting in an HHI of over 1,800 and an HHI increase of more than 100 points are presumed to be anti-competitive.)[36]

OHA estimates that the transaction could increase statewide HHI for palliative care services, but because Chapters and HCP operate in different areas of the state, the transaction will not affect concentration at the service area level and is unlikely to materially reduce competition for palliative care services in Oregon. As noted above, Chapters and HCP PSAs for palliative care do not overlap. OHA's claims data shows that patients have tended to access palliative care services close to where they live, so a Chapters patient in the Salem area would be unlikely to view HCP (which operates in the Portland metro area) as a desirable alternative for obtaining care. Similarly, an insurer looking to build a statewide palliative care provider network would probably not consider HCP a substitute for Chapters.

The Entities have committed to maintaining availability of hospice care, palliative care, and home-based primary care services for at least five years.

In the notice, the Entities state that their Affiliation Agreement obligates them to continue to provide "…the same or higher levels of palliative care, hospice care, primary care and other services within service areas in Oregon"[37] for at least five years following the close of the transaction. In addition, the Entities have committed to continuing to employ all employees in good standing for at least twelve months following the close of the transaction, which can be expected to support continuity of care for patients.[38] OHA's approval conditions hold the Entities to these commitments for a five-year period.

Conclusions

Based on preliminary review findings, **OHA approved the transaction with conditions on June 29, 2026.** See Findings of Fact, Conclusions of Law, and Preliminary Review Order, dated June 29, 2026.

Approval Criteria

The transaction was approved per ORS 415.501(6)(b) and OAR 409-070-0055(2)(d), because OHA determined the transaction is not likely to substantially alter the delivery of health care in Oregon. Below is a summary of the main reasons, based on the findings described in this report, why OHA considers the criterion satisfied.

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

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. The 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 the Entities adhere to these commitments and will require them to regularly report on their progress for five years.

Approval Conditions

OHA's approval conditions apply for a five-year period following the close of the proposed transaction. Please see the Preliminary Review Order for the legal wording of conditions. In summary, the conditions require the Entities to:

1. Adhere to commitments made in the notice and submissions to OHA;
2. Maintain employment of existing HCP employees in good standing for at least twelve months;
3. Continue to use all HCP assets exclusively for hospice, palliative care, and/or home-based primary care charitable purposes in Oregon;
4. Provide the same or higher levels of hospice, palliative care, and home-based primary care services for at least five years as was provided by HCP as of the date the Preliminary Review Order is issued;
5. Make capital contributions from Chapters to HCP so that conditions 2, 3, and 4 can be met; and
6. Submit annual compliance reports describing compliance with conditions.

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 compliance with approval conditions and 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

Acronyms & Abbreviations

ACO	Accountable Care Organization
APAC	All Payer All Claims
CCO	Coordinated Care Organization
CEO	Chief Executive Officer
Fka	Formerly known as
HCMO	Health Care Market Oversight
HCP	Housecall Providers, LLC and Housecall Providers, PC
I-SNP	Medicare Advantage Institutional Special Needs Plans
LLC	Limited Liability Company
OAR	Oregon Administrative Rules
OHA	Oregon Health Authority
OHP	Oregon Health Plan (Medicaid)
ORS	Oregon Revised Statute
PACE	Program of All Inclusive Care for the Elderly
PSA	Primary Service Area
WVH	Willamette Vital Health

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.[39] 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, the entities involved, and the home health market. 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.

Request for Information

OHA issued one request for information (RFI) to inform its preliminary review on May 6, 2026, to which the Entities responded on May 20, 2026, and June 5, 2026. Through this RFI, OHA sought more information about existing Chapters and HCP staffing, utilization

and revenue per line of service, and expected strategies for future stabilization of HCP services. OHA also asked for more information about the outcomes from prior affiliations between Chapters and other hospice and home health entities.

Analytic Methods

Home Hospice Cost and Utilization Analysis

OHA's identification of home hospice service areas and its estimates of market share, consolidation, cost and utilization are based on home hospice claims data from APAC. To find relevant claims for these uses, OHA utilized bill type codes for home hospice. All analyses in this report are based on claims incurred by Oregon residents and rendered by or billed to Oregon providers. Because hospice care is reimbursed primarily by original Medicare, claims data capture substantially all of the home hospice market.

OHA's market analyses use 'episodes' of home hospice care for the unit of measurement. Instances of home hospice care are considered one episode if the same home hospice (as defined by NPI) provides care to the same patient for any time period without a gap in care longer than 60 days. Instances of care with gaps longer than 60 days are considered separate episodes.

At-Home Palliative Care Cost and Utilization Analysis

OHA's identification of at-home palliative care service areas and its estimates of market share, consolidation, cost and utilization are based on data from APAC. OHA included all claims billed to Housecall's advanced illness care provider (using NPI) in its definition of the at-home palliative care PSA. Claims rendered by other providers were identified using bill type codes, diagnosis codes reserved for palliative care and place of service codes to identify claims for care rendered to patients in their home or residences (excluding skilled care facilities). All analyses in this report are based on claims incurred by Oregon residents and rendered by or billed to Oregon providers.

OHA's market analyses use 'episodes' of palliative care for the unit of measurement. Instances of palliative care are considered one episode if the same provider (as defined by NPI) provides care to the same patient for any time period without a gap in care longer than 60 days. Instances of care with gaps longer than 60 days are considered separate episodes.

Because at-home palliative care providers may be reimbursed through alternative payment arrangements with payers, not all provider volume or revenue is captured in claims. OHA used alternative payment data in APAC to identify relevant payments and estimate a revenue-based market share in addition to a claims-based market share to assess consolidation.

At-Home Primary Care Cost and Utilization Analysis

OHA's identification of the at-home primary care service area and its estimates of market share, consolidation, payments, and utilization are based on data from APAC. OHA

included all claims billed to Housecall's primary care provider (using NPI) in its definition of the at-home primary care PSA. Claims rendered by other providers were identified using a set of procedure codes that indicate at-home primary care visits and place of service codes to identify claims for care rendered to patients in their home or residences (excluding skilled care facilities). To ensure these claims were provided by relevant providers, OHA utilized provider taxonomy codes to exclude providers who do not provide primary care. All analyses in this report are based on claims incurred by Oregon residents and rendered by or billed to Oregon providers.

OHA used counts of unique patients for the unit of measurement.

Because at-home primary care providers are commonly reimbursed through alternative payment arrangements with payers, not all provider volume or revenue is captured in claims. OHA used alternative payment data in APAC to identify relevant payments and estimate a revenue-based market share in addition to a claims-based market share to assess consolidation.

Market Share and Consolidation

Consolidation, or concentration, is a measure of the degree of competition in a market; highly concentrated markets are generally characterized by a smaller number of firms and higher market shares for individual firms. When a transaction involves health care entities offering similar products or services (a "horizontal" transaction), the level of concentration in the market and the change in concentration resulting from the transaction is useful as an initial screen for potential anticompetitive effects.

OHA measured market concentration using the Herfindahl-Hirschman Index (HHI), a measure commonly used by federal and state antitrust enforcement agencies.

HHI is calculated as follows:

$$HHI = (S_1^2 + S_2^2 + S_3^2 + \cdots S_n^2)$$

Where S1 is market share (in percentage points) of firm 1 and n is the total number of competitors in the market. By summing the squared values of market shares, the HHI gives greater weight to firms with larger market shares. For this analysis, OHA measured market shares as a percentage of pediatric home health and hospice episodes rendered between 2021 and 2024 for residents of Oregon zip codes within the entity's primary service area.

Transactions occurring in concentrated markets and those involving a significant change in concentration are more likely to have adverse effects on competition and lead to price increases. For horizontal transactions under preliminary review, HCMO will use the HHI thresholds specified in the U.S. Department of Justice and Federal Trade Commission Horizontal Merger Guidelines summarized in the table below.

Post-transaction	HHI Change	Level of Concern
HHI greater than	More than 100	High (if both). Presumed to substantially

1,800		lessen competition or tend to create a monopoly.
Market share greater than 30%	More than 100	High (if both). Presumed to substantially lessen competition or tend to create a monopoly.

U.S. Department of Justice and the Federal Trade Commission, Horizontal Merger Guidelines, December 18, 2023, available at https://www.justice.gov/d9/2023-12/2023%20Merger%20Guidelines.pdf.

Service Area Methodology

To define the Primary Service Area (PSA) for this transaction, OHA followed four steps:

1. Summarize the claims rendered by or billed to the provider(s) involved in the transaction during the study period by patient zip code and episode count. OHA uses National Provider Identifiers (NPIs) to identify relevant claims for each provider in the transaction. OHA typically defines a transaction PSA using the claims rendered by or billed to the provider(s) being acquired.
2. Rank the patient zip codes in descending order of episode count (volume).
3. Identify contiguous zip codes that account for at least 75% of the provider's total episodes. This identifies the contiguous, volume-driven PSA.
    a. To do this, OHA starts with the provider's office zip code and adds other zip codes to the map based on volume rank only if they are contiguous to the provider's office zip code. When an NPI is associated with more than one address, OHA uses the zip code of the primary practice address listed for the NPI in the NPPES NPI Registry as the starting zip code.
    b. Zip codes that are not immediately contiguous with the provider's office location may be permanently excluded from the PSA or only temporarily excluded until interim zip codes are added that fill in the geographical gap. Adding a new zip code that then pulls in previously excluded zip codes can result in a PSA volume over 75%.
4. Add zip codes that are fully encompassed by the zip codes identified in step 3. This may result in a PSA volume over 75%.

https://www.aafp.org/about/policies/home-based-primarycare

Data Sources

All Payers All Claims

The Oregon All Payer All Claims Database (APAC) houses administrative health care data for Oregon's insured populations. It includes medical and pharmacy claims, non-claims payment summaries (Payment Arrangement File data), member enrollment data, billed premium information and provider information for Oregonians who are insured through certain commercial insurance, Medicaid and Medicare. Information about APAC is available on OHA's. The APAC study period for this review was based on claims for services rendered between 2019 and 2023 for home hospice and on claims and non-claims payment summaries for services rendered and payments made between 2020 and 2024. OHA's analysis is based on claims for services rendered to residents of Oregon

based on the state of their home address at the time of service as reported to APAC by providers with locations in Oregon, and on summaries of payments made to providers with practice locations in Oregon.

References

[1] 083 Chapters-CareOregonHCMO-1 Notice of Material Change Transaction [internet]. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[2] Ibid.
[3] Chapters Health System Leadership Team [Internet]. Available from: https://www.chaptershealth.org/about-us/leadership-team/andrew-molosky/
[4] Chapters Health System Locations [Internet]. Available from: https://www.chaptershealth.org/locations/
[5] Willamette Vital Health Finalizes Affiliation with Chapters Health System [Internet]. Chapters Health. Available from: https://www.chaptershealth.org/press-releases/willamette-vital-health-finalizes-affiliation-with-chapters-health-system/
[6] 083 Chapters-CareOregon HCMO-1 Notice of Material Change Transaction [internet]. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[7] Ibid
[8] Ibid
[9] Vossel, Holly. Housecall Providers to Affiliate With Chapters Health System [Internet]. Hospice News. Available from: https://hospicenews.com/2026/02/25/housecall-providers-to-affiliate-with-chapters-health-system/
[10] Ibid
[11] Ibid
[12] 083 Chapters-CareOregon HCMO-1 Notice of Material Change Transaction [internet]. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[13] Ibid
[14] CareOregon Pre-Transaction Organizational Chart. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20-%20Pre-Transaction%20Organizational%20Diagrams.pdf
[15] 083 Chapters-CareOregon HCMO-1 Notice of Material Change Transaction [internet]. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[16] CareOregon Who We Are. Available from: https://www.careoregon.org/about-us/who-we-are
[17] 083 Chapters-CareOregon Notice of Material Change Transaction [internet]. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[18] Ibid
[19] Oregon's Monthly Medicaid Enrollment Dashboard (2026). Salem, OR: Oregon Health Authority. https://www.oregon.gov/oha/HPA/ANALYTICS/Pages/Medicaid-Data-Dashboards.aspx
[20] 083 Chapters-CareOregon HCMO-1 Notice of Material Change Transaction [internet]. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[21] Home-Based Primary Care (HBPC) and Home Health Services [Internet]. AAFP. Available from: https://www.aafp.org/about/policies/home-based-primarycare
[22] Palliative Care in the Community [Internet]. CAPC. Available from: https://www.capc.org/palliative-care-community/

[23] CareOregon: About Us. Available from: https://www.careoregon.org/about-us/who-we-are
[24] Scwartz, Andrew. CareOregon Ends Long-Standing Community Advisory Group [Internet]. Willamette Week. Available from: www.wweek.com/news/health/2026/06/02/careoregon-ends-longstanding-community-advisory-group/
[25] 083 Chapters-CareOregon HCMO-1 Notice of Material Change Transaction [internet]. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[26] Ibid
[27] Ibid
[28] Francis, Mike. Florida-based bid to take over Housecall Providers under state review [Internet]. Lund Report. Available from: https://www.thelundreport.org/content/florida-based-bid-take-over-housecall-providers-under-state-review?check_logged_in=1
[29] 083 Chapters-CareOregon HCMO-1 Notice of Material Change Transaction [internet]. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[30] Ibid.
[31] 083 Chapters-HouseCall Affiliation Agreement. https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20-%20Affiliation%20Agreement_Redacted.pdf
[32] 083 Chapters-CareOregon HCMO-1 Notice of Material Change Transaction [internet]. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[33] Ibid
[34] 083 Chapters-HouseCall Request for Information. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083-RFI-1.pdf
[35] Ibid.
[36] U.S. Department of Justice and the Federal Trade Commission, Horizontal Merger Guidelines, December 18, 2023, available at https://www.justice.gov/d9/2023-12/2023%20Merger%20Guidelines.pdf.
[37] 083 Chapters-CareOregon HCMO-1 Notice of Material Change Transaction [internet]. Item 6b. Oregon Health Authority. Available from: https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/083%20Public%20HCMO-1-Notice-of-Material-Change-Transaction.pdf
[38] Ibid
[39] Oregon Health Authority, Health Care Market Oversight Analytic Framework, January 31, 2022, available at https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/OHA-HCMO-Analytic-Framework-FINAL.pdf (Accessed 8/10/22)