

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	)	Law, and Order
Quorum Health Corporation and QKA Health	)	
Corporation	)	Transaction ID: 089

This Order resolves the Notice of Material Change Transaction (“Notice”) filed by Quorum Health Corporation (“Quorum”) on or about May 29, 2026, with respect to its proposed merger (“Transaction”) with QKA Health Corporation (“QKA”). (Quorum and QKA are sometimes referred to collectively 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 August 7, 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 on people in Oregon, following the 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 Preliminary Review Report will be posted to the HCMO website at <https://www.oregon.gov/oha/HPA/HP/Pages/089-Quorum-Healthside.aspx> and is incorporated herein by reference. OHA accepted public comments throughout the review period and received 12 comments.

Now, therefore, upon due consideration of the circumstances, including the Notice, documentation filed in support of the Notice, information submitted by the Entities in response to OHA’s request for information, public comments, databases maintained by OHA, press reports, and other publicly available reports, OHA enters the following Proposed Findings of Fact, Conclusions of Law, and Order (“Proposed Order”).

FINDINGS OF FACT

OHA FINDS that:

1. On or about May 29, 2026, Quorum filed the Notice with OHA.
2. On or about June 26, 2026, OHA notified Quorum that the Notice was incomplete, provided guidance about submission requirements, and requested additional clarifying information.
3. On August 3, 2026, Quorum filed a revised Notice with OHA.
4. On or about August 7, 2026 (“Notice Date”), OHA notified Quorum it had received all requested information and confirmed receipt of a complete Notice. OHA commenced the preliminary review pursuant to OAR 409-070-0055 and issued a Request for Information (RFI) detailing additional information needed to inform the preliminary review.
5. OHA accepted public comments on the Transaction throughout the review period. OHA received 12 public comments, which are posted at <https://www.oregon.gov/oha/HPA/HP/Pages/089-Quorum-Healthside.aspx>.
6. Quorum is a for-profit corporation incorporated in Delaware and headquartered in Brentwood, Tennessee. Quorum is a wholly owned subsidiary of Quincy Health, LLC, a Delaware limited liability company based in Brentwood, Tennessee. Quorum is majority owned by private equity firm GoldenTree Asset Management, LP, and operates and manages 11 general acute care hospitals and affiliated outpatient services across nine states: Arkansas, California, Kentucky, New Mexico, Nevada, Oregon, Texas, Utah, and Wyoming. Quorum hospitals primarily serve non-urban communities.
7. Quorum’s subsidiary QHCCS, LLC (“QHCCS”) provides management services to Quorum’s hospitals, including MWMC.
8. In Oregon, Quorum owns McKenzie-Willamette Regional Medical Center Associates, LLC (“MWMC”), a Delaware limited liability company that operates a 113-bed acute care hospital and affiliated outpatient facilities in the Eugene-Springfield metropolitan area. MWMC and its subsidiaries served approximately 160,000 patients in 2025. MWMC operates under the assumed business names McKenzie-Willamette Medical Center, McKenzie Heart, Lung, and Vascular Center, and McKenzie Wound Center. MWMC owns a 40% stake in McKenzie Surgery Center, LP, an ambulatory surgery center in Eugene. MWMC and McKenzie-Willamette Medical Center are sometimes collectively referred to herein as “MWMC.”
9. Additionally, Quorum owns McKenzie Physician Services, LLC, a physician group practicing in the Eugene-Springfield area in Oregon. MWMC, McKenzie Physician Services, LLC, and McKenzie Surgery Center, LP are each referred to herein as an “Oregon Entity” and collectively, the “Oregon Entities.”

10. QKA d/b/a Healthside Partners is a non-profit corporation incorporated in Delaware in 2025 for the purpose of evaluating a potential conversion of Quorum from a for-profit to a nonprofit ownership structure. QKA is governed by a self-perpetuating board of three directors (“QKA Board”). The corporation has not generated revenue to date and does not currently hold any business assets. QKA is exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3) and designated a public charity under IRC Section 170(b)(1)(A)(iii).
11. On May 20, 2026, Quorum and QKA entered into an Agreement and Plan of Merger (“Agreement”), pursuant to which Quorum would merge with QKA and thereby convert from a for-profit entity to a nonprofit. Under the terms of the Agreement, Quorum will first convert certain subsidiaries to limited liability companies. Quorum will then transfer its equity ownership interests in all directly owned subsidiaries, including MWMC, McKenzie Physician Services, LLC, and QHCCS, to QHC Merger Sub, LLC (“QHC Merger Sub”) a newly formed and wholly-owned subsidiary of Quorum. As a final step, QHC Merger Sub will merge with and into QKA, with QKA continuing as the surviving corporation after closing.
12. Per the Agreement, QKA will assume substantially all of Quorum’s exiting operating assets and liabilities. In return, QKA will pay a consideration to the current Quorum investors totaling \$956.7 million. QKA expects to finance the Transaction through a combination of tax-exempt and taxable debt.
13. On April 7, 2020, Quorum and its affiliates filed petitions in the U.S. Bankruptcy Court for the District of Delaware seeking relief under Chapter 11 of the U.S. Bankruptcy Code. The company completed its financial restructuring in July 2020 and emerged from bankruptcy. Quorum asserts that despite emerging from bankruptcy, its overall structure did not materially change and continues to present limitations on long-term sustainability.
14. The Entities maintain that the main purpose of the Transaction is to improve the long-term financial stability of Quorum hospitals and health care services by providing access to tax-exempt financing, philanthropic donations, and other financial and strategic opportunities available to nonprofit hospitals. The Entities anticipate that as a non-profit, mission-driven organization, QKA will have greater ability to invest resources toward expanding access to care and meeting community needs.
15. Following the close of the Transaction, Quorum’s current executive team and all Quorum corporate employees will be employed by QKA. Entities state that compensation terms for QKA’s executive management will be determined by the QKA Board and informed by market compensation data provided by an independent compensation and benefits firm. Entities anticipate that the existing management services agreement (“MSA”) between QHCCS and MWMC will remain in effect post-closing.
16. Upon closing, QHCCS will be converted to nonprofit status, wholly controlled and governed by the QKA Board. The Entities state that following closing, neither Quorum nor its private equity owners will provide any management services to QKA or have any other business relationship with QKA, its subsidiaries, officers, or directors.

17. The Entities stated to OHA that following the Transaction's close, QKA intends to continue providing the same types and levels of services, maintaining the same facility locations, and serving the same geographic areas in Oregon. QKA does not expect any changes to the type or level of clinical staff in Oregon, and the Oregon facilities will maintain their current participation in federal, state, and commercial insurance plans. Additionally, QKA will maintain the same management team as proposed to OHA and does not expect any changes to the membership or responsibilities of MWMC's local Board of Directors ("MWMC Board").
18. QKA plans to allocate \$300 million in capital investments through 2029, including outpatient expansions, facility upgrades, and new technology. In Oregon, QKA expects to invest \$12 million to upgrade MWMC's Electronic Health Record ("EHR") system and \$24 million for the development of a free-standing emergency department ("ED") facility in Eugene. Other initiatives planned for MWMC include development of an employed primary care staff base, pursuing clinical partnerships with other larger health systems and physician groups, and additional support for cardiovascular, pulmonary, and orthopedic services. The entities assert that investments in new programs and initiatives will be informed by Community Health Needs Assessments ("CHNAs") completed every three years to identify local health needs and gather public input. It is unclear what authority, if any, the MWMC Board will have regarding capital spending and service line investments.
19. The Transaction has the potential to improve the health system's financial position. As a nonprofit, QKA will have access to tax-exempt financing, and the Entities anticipate that this will reduce the health system's borrowing costs by approximately \$31 million annually. Further, QKA estimates that nonprofit exemptions from property, sales, and use taxes will be worth \$13 million annually. QKA hospitals will also be eligible to participate in the federal 340B Drug Pricing Program and receive tax deductible philanthropic donations, gifts, and other contributions not available to for-profit entities. Despite these anticipated financial benefits, QKA will remain highly leveraged; the Transaction will increase long-term debt by 30% from \$968 million to approximately \$1.259 billion post-closing. (QKA intends to establish a \$120 million debt service reserve fund.) Debt payments, initially estimated at \$104.9 million annually, are expected to increase after five years to include principal amounts. Given numerous financial pressures facing U.S. hospitals, such as increasing labor and supply costs, workforce shortages, and legislative changes related to federal House Resolution 1, financial projections on which the Transaction is predicated may not materialize. High corporate overhead for executive compensation could place further strain on Healthside Partners' finances. In the long term, whether QKA remains financially viable will depend in large part on whether it can successfully turn around struggling hospitals, including MWMC, and build sufficient reserves to reduce its debt load and withstand external financial headwinds.
20. MWMC sustained a net loss of \$14.9 million in 2025 after reporting net profits for 2023 and 2024. Over the years 2023 through 2025, MWMC paid management fees to QHCCS averaging approximately 3.5% of net revenues. In both 2024 and 2025, corporate management fees exceeded MWMC's net profits.

21. By converting to nonprofit status, MWMC will be required, pursuant to ORS 442.624 and OAR 409-023-0110, to meet a Minimum Spending Floor (“MSF”) for community benefits as determined by OHA on a biennial basis. The earliest MWMC would be assigned a MSF is calendar year 2027, with implementation for fiscal year 2028. Additionally, MWMC will be subject to Oregon’s requirements for nonprofit hospitals’ financial assistance outlined in ORS 442.601 through and 442.618 and governed by OHA. Under these requirements, more patients of MWMC will be eligible to receive financial assistance.

CONCLUSIONS OF LAW

1. The Notice is supported by the required documentation and meets the requirements of the Health Care Market Oversight 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 unlikely to substantially reduce access to affordable health care in Oregon.
 - i. The Entities are not planning any changes in services, service locations, clinical staffing, or health insurance plan participation in connection with the Transaction. The Transaction may help to maintain access to health care services for people in Oregon by improving the financial position of Quorum and MWMC, enabling investments in new or expanded services in the Eugene-Springfield area, and increasing MWMC’s spending on patient financial assistance and other community benefits. OHA has imposed conditions on its approval of the Transaction to mitigate any risk that the Transaction would adversely affect access to affordable health care in Oregon.

ORDER AND CONDITIONS

Based on the foregoing Findings of Fact and Conclusions of Law it is hereby ORDERED that:

1. The Transaction is hereby APPROVED WITH CONDITIONS upon the basis of the information contained in the Notice to date.
2. The Entities shall complete the Transaction consistent with the Notice and as conditionally approved by OHA.
3. The Entities shall take all actions necessary to ensure that the Entities comply with and satisfy all commitments and representations included in the Notice and subsequent filings with OHA.

4. The Entities shall notify OHA of any material modifications or amendments to the Agreement. If any material modification to the Agreement is executed, such modification shall be presented to OHA no less than fifteen (15) calendar days prior to the effective date of the modification. Such modifications do not include scrivener's errors such as typos, incorrect numbers, omitted words, or other modifications that do not materially change the terms of the Agreement. OHA may issue an order blocking such modification prior to its effective date if the modification violates any of the Conditions of this order or changes the basis on which OHA approved the Transaction.
5. For a period of five years following the close of the Transaction (the "Term"), this Order shall be conditioned upon and subject to the following:
 - a. QKA shall operate and maintain MWMC on a nonprofit, tax-exempt basis. MWMC shall continue to operate under a general acute care hospital license, pursuant to OAR 333-500-0032 and OAR 333-520-0000 through 0120. At minimum, QKA shall use commercially reasonable efforts to maintain the following hospital-based services without a significant reduction in service levels currently in effect as of the date of this Order and at the same or similar locations without a significant increase in time or distance for community members to access:¹
 - i. 24/7 emergency department;
 - ii. Trauma services;
 - iii. ICU/CCU care;
 - iv. Inpatient and outpatient medical and surgical services;
 - v. Birthing, labor, and delivery services;
 - vi. On-site pharmacy services;
 - vii. A pharmacist on call 24/7 to staff the pharmacy;
 - viii. Diagnostic imaging services; and
 - ix. Laboratory services.
 - b. QKA shall use commercially reasonable efforts to maintain non-hospital-based services in Oregon without a significant reduction in service levels currently in effect as of the date of this Order and at the same or similar locations without a significant increase in time or distance for community members to access.
 - c. QKA shall notify OHA no later than thirty (30) calendar days prior to the effective date of any action that would discontinue or significantly reduce service levels for any of the service lines listed in Conditions 5.a. or 5.b. QKA must include with such notification a copy of the MWMC Board opinion required under subsection i. below.
 - i. Prior to any decision by the QKA Board to discontinue or significantly reduce service levels for one or more of the service lines outlined in Conditions 5.a. or 5.b., the QKA Board shall obtain a written opinion from the MWMC Board pursuant to Condition 5.n.

¹ "Significant Reduction" of services occurs when any of the concepts outlined in OAR 409-070-0010(3) changes by one-third or more. See OHA Guidance for more information at: <https://www.oregon.gov/oha/HPA/HP/Pages/Guidance-Documents.aspx>.

- ii. QKA shall provide a courtesy copy to OHA's HCMO program of any request for a waiver of certain service line requirements under OAR 333-500-065 or trauma level requirements under OAR Chapter 333, Division 200 within five (5) business days of such request.
- d. Each Oregon Entity shall maintain its current and active enrollment in the Medicare program in accordance with 42 C.F.R. § 424.510, the Oregon Medicaid Program in accordance with OAR § 410-120-1260, and its direct enrollments in other government healthcare programs in which each Oregon Entity was actively enrolled as of the Notice Date. Further, each Oregon Entity shall make commercially reasonable efforts to maintain participating provider agreements with the coordinated care organizations ("CCOs") that each Oregon Entity contracted with as of the Notice Date.
- e. Prior to closing, Quorum shall supply the QKA Board with a written narrative describing any compensation or payments to QKA's Executive Leadership triggered by the Transaction, including beneficiaries, amounts, and funding mechanisms.²
 - i. Quorum shall certify to the QKA Board that QKA has not, and will not, bear any cost of such payment, including any penalties due for excess parachute payments pursuant to Internal Revenue Code (IRC) Section 280G.
 - ii. Any member of QKA's Executive Leadership to whom the Transaction triggers any compensation or payment shall be recused from (i) all deliberations by the QKA Board regarding closing readiness and conditions precedent, (ii) all deliberations by the QKA Board regarding post-closing compensation and retention arrangements for such member of QKA's Executive Leadership, and (iii) any transaction-related communications by or on behalf of the QKA Board that could affect the timing or certainty of payment. An independent committee of disinterested directors shall oversee these matters.
- f. Compensation, including salary, benefits and incentives, for Executive Leadership of QKA shall be set by the QKA Board or an Executive Compensation Committee of the QKA Board ("Executive Compensation Committee") with no conflict of interest.
 - i. Prior to executing post-closing employment agreements for Executive Leadership, QKA shall obtain a written opinion by a third-party independent consultant based on compensation data for nonprofit health systems in comparable regional markets ("Executive Compensation Report") and shall provide such Executive Compensation Report to the QKA Board or the Executive Compensation Committee for review.
 - ii. In the event that the CEO of QKA serves as an ex officio voting director of QKA post-closing, the QKA Board shall adopt recusal protocols for any matter involving the CEO's Compensation, employment terms, or evaluation.

² "Executive Leadership" means Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Clinical Officer, Chief Legal Officer, Chief Human Resources Officer, and Chief Information Officer, or similar equivalent roles.

- g. Except for routine accounting and financial management purposes (e.g., debt service and allocations of costs for goods and services incurred on behalf of all QKA affiliates) typical of a consolidated nonprofit health system, QKA shall not receive the benefit of distributions from the Oregon Entities, nor shall Net Profits from the Oregon Entities be used to fund QKA operations outside the State of Oregon.³ Further, QKA shall not pay any dividends, distributions, or upstream transfers to non-charitable affiliates of QKA. Nothing in this Order shall prohibit QKA and its non-charitable affiliates from entering into intercompany arrangements for the provision of services or support to QKA and its non-charitable affiliates, which may include supplies, technology, and intellectual property. The terms of any such intercompany arrangement with non-charitable affiliates must be consistent with Fair Market Value (“FMV”) and documented in a written agreement with documentation to support such FMV terms.
- h. MWMC shall not be a party to any management services agreement with an entity, other than a charitable affiliate of QKA, that compensates a manager on a percentage-of-revenue or percentage-of-expense basis. Any centralized or intercompany services between QKA (or its affiliates) and MWMC must: (1) exclude revenue-sharing or incentive structures that prioritize net revenue generation over community benefit or access to care; (2) be memorialized in a written agreement; (3) be on terms that are consistent with the terms under which services are provided to other QKA-owned hospitals (including allocation of costs and expenses); and (4) with the exception of any contract with a charitable affiliate of QKA, be priced at cost or FMV supported by documentation.
- i. No later than three years after closing of the Transaction, QKA shall upgrade the EHR system for MWMC as part of a QKA health system-wide EHR update. QKA shall report annually to OHA on implementation of MWMC’s new EHR system.
- j. QKA shall establish and maintain a debt service reserve fund sized in accordance with size limitations for reasonably required reserve funds under Section 1.148-2(f) of the Treasury Regulations (“Required Balance”).⁴ Such fund, and any income derived from such fund, shall be used exclusively for the payment of interest and principal amounts on QKA’s long-term debt. QKA shall notify OHA within fifteen (15) calendar days of any draw on the debt service reserve fund. Should the debt service reserve fund balance remain below the Required Balance for a period of more than sixty (60) consecutive calendar days, QKA shall submit a remediation plan to OHA.
- k. For each fiscal year post-closing, QKA shall perform a variance analysis comparing QKA’s actual results to feasibility projections, with particular focus on supplemental payment revenues, Medicaid policy changes, and 340B performance. No later than sixty (60)

³ “Net Profits” means, for any fiscal year, the excess, if any, of operating revenues over operating expenses of the Oregon Entities, determined in accordance with GAAP on a basis consistent with the historical financial statements of the Oregon Entities.

⁴ As of the date of this Order, the size of the debt service reserve fund is expected to be approximately \$120 million, but this will vary based on sizing and amortization of bonds.

calendar days following completion of such variance analysis, QKA shall submit a report (“Variance Report”) to OHA including the results of the analysis, a detailed narrative explanation for variances exceeding 10%, and mitigation plans for any adverse variances in excess of 10% that may impact access to or quality of care in Oregon. QKA shall report to OHA annually on implementation of any such mitigation plans.

- l. QKA shall ensure compliance with all Oregon financial assistance requirements outlined in ORS Chapter 442 and OAR Chapter 409, Division 023, and Section 501(r) of the Internal Revenue Code and implementing regulations.
- m. In each year beginning in 2027 for the duration of the Term, QKA’s community benefit expenditures shall meet the Minimum Spending Floor established by OHA pursuant to ORS 442.602, ORS 442.624, and OAR 409-023-0110.
- n. QKA shall establish and maintain a MWMC Board of Trustees or other similar governing board (“MWMC Board”) of no fewer than 9 and no more than 13 voting members, including at least: (i) two active licensed medical staff members elected by the medical staff of MWMC; (ii) two patients or patient advocates; (iii) three community members unaffiliated with QKA or MWMC; and (iv) one representative with public health or health equity expertise. A majority of the MWMC Board shall be independent from QKA or MWMC (no employment, officer role, or other compensatory relationship). The MWMC Board shall have the authority to: (i) approve MWMC’s annual community health priorities and initiatives; (ii) review and recommend MWMC capital expenditures exceeding \$5 million, (iii) provide a written opinion to QKA prior to any significant reduction in services at MWMC; and (iv) conduct public listening sessions to obtain community input as needed.
- o. Except as expressly required by the Agreement and disclosed to OHA, no closing-related Transaction costs paid by QHC shall be reimbursed or otherwise shifted to QKA following closing.
- p. QKA shall provide an annual report to OHA (“Annual Report”). The first Annual Report shall be due no later than twelve (12) months following the closing date, and subsequent Annual Reports shall be due annually thereafter for the duration of the Term. To designate any portions of the Annual Report as confidential, QKA shall follow the requirements of OAR 409-070-0070, including by providing a public-facing version of the report. The Annual Report must include the following information:
 - i. Certification of compliance with each Condition.
 - ii. A detailed description of compliance with each Condition, including activities undertaken to ensure compliance and supporting documentation, as applicable.
 - iii. Starting with the second Annual Report, QKA’s audited financial statements for the most recent fiscal year, including income statement, balance sheet, and cash flow statement.

- iv. Copies of QKA's debt covenant calculations and rating updates produced in the preceding twelve (12) months.
- v. MWMC's financial statements for the most recent fiscal year, including income statement and balance sheet.
- vi. Data on MWMC's payer mix during the preceding twelve (12) months.
- vii. Within the first Annual Report, an accounting (including amounts and names of beneficiaries) of any bonuses or payments made to QKA Executive Leadership triggered by the closing of the Transaction.
- viii. For Condition 5.f., QKA shall provide:
 - 1. Minutes from meetings of the QKA Board or Executive Compensation Committee held in the preceding twelve (12) months at which compensation for QKA's Executive Leadership was discussed.
 - 2. A copy of the Executive Compensation Report and any other reports or analyses related to Executive Leadership compensation provided to the QKA Board or the Executive Compensation Committee in the preceding twelve (12) months.
 - 3. A copy of QKA's most recently filed Form 990.
- ix. A list of all related-party agreements involving QKA or its affiliates in effect at any time during the preceding twelve (12) months, including the following information:
 - 1. Parties to the agreement.
 - 2. Date on which the agreement was executed.
 - 3. Products or services provided under the agreement.
 - 4. A summary of any payment or remuneration terms.
 - 5. A summary of any amendments made in the preceding twelve (12) months.
- x. A status update on the implementation of a new EHR system for MWMC, including key dates, a description of milestones achieved in the preceding twelve (12) months, and anticipated next steps.
- xi. The balance of QKA's debt service reserve fund over the preceding twelve (12) months, including an accounting of all amounts debited or credited.
- xii. A detailed description of any mitigation actions undertaken pursuant to Condition 5.k. in the preceding twelve (12) months arising from or related to adverse financial variances.
- xiii. Information on financial assistance provided to MWMC patients, including:

1. A copy of MWMC's financial assistance policy and summary of any revisions in the preceding twelve (12) months.
 2. The number of patients in Oregon who received financial assistance in the preceding twelve months.
 3. The dollar amount of financial assistance provided to patients in Oregon in the preceding twelve (12) months.
 4. A copy of MWMC's most recently completed Hospital Financial Assistance Reporting ("HFAR") form submitted to OHA's Hospital Reporting Program.
- xiv. Copies of all community benefit reporting provided to OHA pursuant to ORS 442.302 and OAR 409-023-0105 in the preceding twelve (12) months.
 - xv. A detailed accounting of all expenses reported as "community benefit operations net cost" in the most recent Community Benefit Report form ("CBR-1") submitted to OHA.
 - xvi. Copies of all governance documents, operating agreements, charters, policies, and membership rosters of the MWMC Board. Membership rosters shall provide the following information for each member:
 1. First and last name.
 2. Title/role.
 3. Relationship (if any) to QKA or MWMC.
 4. Whether the individual is a member of the MWMC medical staff, a patient or patient advocate, a community member, or public health/health equity expert.
 - xvii. Within the first Annual Report, a list of all payments made by QKA for closing-related Transaction costs and a certification that none of the listed payments relate to QHC costs, except as expressly required by the Agreement and disclosed to OHA.
6. The Entities will be permitted to petition OHA for any needed modifications to or exceptions from any of the conditions contained in this Order. To petition for modification, the Entities shall apply in writing to OHA and include any documentation supporting the need for such modifications or exceptions.
 - a. A petition that fails to properly substantiate the need for such modification or exception will not be accepted as a complete petition.
 - b. No later than ten (10) business days following OHA's receipt of Entities' compliance petition, OHA shall notify the Entities if the petition is complete or specify the additional information OHA requires to make its decision.

- c. No later than fifteen (15) business days following OHA's confirmed receipt of Entities' complete petition, OHA shall notify the Entities of its determination of the requested modification or exception. In the event OHA requires additional information or clarifications to evaluate QKA's petition, OHA shall notify the Entities of the information required and the running of the fifteen (15) business days shall be tolled upon such notification and shall resume upon OHA's receipt of the requested information.
7. Pursuant to OAR 409-070-0045(12), the Entities shall complete the Transaction no later than sixty (60) calendar days following the date of issuance of OHA's Final Order. OHA may withdraw the Final Order in the event the Entities fail to comply with this Condition.
8. 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/089-Quorum-Healthside.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, including the imposition of an independent monitor or compliance officer, 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). Per OAR 409-070-0082, 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 409-070-0075. 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 Proposed 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 7th day of October, 2026



Zachary Goldman, MPP
Acting Cost Programs Manager
Oregon Health Authority

NOTICE TO ACTIVE DUTY SERVICEMEMBERS. 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.