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August 21, 2026

VIA EMAIL

Zachary Goldman, MPP
Acting Cost Programs Manager
Oregon Health Authority
hcmo.info@oha.oregon.gov

Re: Responses to Supplemental Requests for Information – 090 – Headspace-Sword

Dear Mr. Goldman:

In connection with the Notice of Material Change Transaction (“Form HCMO-1”) submitted to the Oregon Health Authority Health Care Market Oversight Program (“OHA”) by Headspace, Inc. (“Headspace”), Sword Health Technologies, Inc. (“Sword”), and OrangeDot, Inc. (“OrangeDot,” and together with Headspace and Sword, the “Applicants”), please find enclosed the Applicants’ responses to the information requests set forth in Section A and Section B of OHA’s letter dated August 17, 2026.

SECTION A – INFORMATION REQUIRED FOR A COMPLETE SUBMISSION

1. **HCMO-1, Item 10c/Appendix 10c:** We understand that Ginger.io is in the process of dissolving. For the purposes of clarity, please include Ginger.io in the pre-transaction organizational chart either as a separate page (pre-June 5, 2026 chart) or on the same pre-transaction organizational chart with some legend or indicator to describe their status.

Please refer to the revised Appendix 10(c) and 10(c) of the revised HCMO-1 form (*see* **HCMO_ATT-0932; HCMO-FORM-010**).

2. **HCMO-1, Item 10e/Appendix 10e:** Please clarify the degree to which: a) Ginger.io is included in OrangeDot’s prior year financial statements; and b) whether any other entities besides OrangeDot and Headspace are included in the OrangeDot financial statements.

Please refer to 10(e) of the revised HCMO-1 form (*see* **HCMO-FORM-010**).

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- 3. HCMO-1, Item 10f.iv: Please break out Headspace staff and FTE counts by Headspace, Inc. and Headspace Medical Group, respectively, both nationally and for Oregon.**

Please refer to 10(f)(iv) of the revised HCMO-1 form (*see* **HCMO-FORM-011**).

- 4. HCMO-1, Item 11f.iv: Please break out Sword staff and FTE counts by Sword Health and the Sword Practices, respectively, both nationally and for Oregon.**

Please refer to 11(f)(iv) of the revised HCMO-1 form (*see* **HCMO-FORM-013 to HCMO-FORM-014**).

- 5. HCMO-1, Item 11f.vii. and viii: Please break out the number of patients served and services provided by Sword's lines of service (musculoskeletal care, women's health, cardiometabolic conditions, and mental health) and provide data by year for 2023, 2024, and 2025.**

Please refer to 11(f)(vii) and 11(f)(viii) of the revised HCMO-1 form (*see* **HCMO-FORM-014**).

- 6. HCMO-1, Item 11f.vii: Please explain the term "members" and clarify whether it is synonymous with the 4,891 patients referenced in 11f.viii.**

Please refer to 11(f)(vii) of the revised HCMO-1 form (*see* **HCMO-FORM-014**).

- 7. HCMO-1, Item 12: Please list all prior Sword transactions from the past 10 years even if not related to mental health.**

Please refer to 12 of the revised HCMO-1 form (*see* **HCMO-FORM-015**).

- 8. HCMO-1, Item 16a: Please explain why you believe Headspace and Sword do not "currently compete meaningfully in providing telemental health services" given that both companies provide virtual mental health services.**

Please refer to 16(a) of the revised HCMO-1 Form (*see* **HCMO-FORM-019**).

- 9. HCMO-1b: Please add Headspace, Inc. and OrangeDot as business entities.**

Please refer to the revised HCMO-1b-Business-Entities Form (*see* **HCMO-FORM-024**).

SECTION B – SUPPLEMENTAL REQUESTS FOR INFORMATION

- 1. Entities state that "Sword anticipates reducing its corporate staff to create efficiencies where redundancies exist between the two organizations after being combined." Please explain whether any of these reductions are expected to affect Oregon staff.**

There are currently 12 corporate Headspace staff that reside in Oregon. Sword's integration plans are still being finalized, but, at this time, Sword does not anticipate reductions to impact more than a small number of these employees.

2. Entities state that Sword intends to apply its outcome-based pricing model to Headspace customers, where “Sword Practices receive full payment only when members achieve clinically significant improvement.”

a. Does Sword currently use this model for behavioral health visits as well as virtual physical therapy?

Yes, Sword currently uses this model for behavioral health visits and virtual physical therapy.

b. Please explain how “clinically significant improvement” is typically defined for behavioral health payment models.

For behavioral health, Sword currently employs the widely used PHQ-9/GAD7 scale to consistently assess behavioral health outcomes (Sword notes that CMS uses this scale to measure outcomes in its ACCESS program; see <https://www.cms.gov/priorities/innovation/access-technical-frequently-asked-questions#ovw>).

The PHQ-9/GAD-7 scales utilize questionnaires to screen for depression and anxiety. Specifically, PHQ-9 uses a 9-question depression screening tool with scores ranging from 0 to 27, with higher scores indicating more severe depression. GAD-7 uses a 7-question anxiety screening tool with scores ranging from 0 to 21 with higher scores indicating more severe anxiety. PHQ-9 and GAD-7 are used together to track treatment response. A positive outcome for the PHQ-9/GAD-7 metric is indicated if a participant sees a reduction of either: (i) at least 6 points on the PHQ-9 scale; (ii) at least 4 points on the GAD-7 scale, (iii) a decrease from a level above the “none to minimal” range to the “none to minimal range” (a 0-4 score) on either the PHQ-9 or GAD-7 scale, or (iv) maintains a score below 4 on both the PHQ-9 and GAD-7 scale.

Treatment completion for purposes of charging the employer or payor will only occur once the participant has a PHQ-9/GAD-7 positive outcome described above.

3. The Notice states that Sword “intends to improve the technology used to deliver mental health services.” Please explain what types of improvements Sword is planning.

Headspace’s current offering is anchored in a strong, clinically-informed content library with broad consumer reach. Sword intends to build on that foundation by layering in Sword’s technology-enabled care delivery model. In practice, this means using technology, always under the direction and oversight of clinicians, to:

- *Improve care navigation and triage* – Sword plans to enhance the tools that help members reach the right level of care, be it self-guided content, therapy, or psychiatry, more quickly and accurately, with escalation protocols overseen by clinicians.

- *Move from episodic care to a continuous care model* – With the use of an ongoing, asynchronous care experience in which members can engage with (under the supervision and support from clinicians), members will be able to have a continuous care experience.
- *Move from a reactive to a proactive always-on care model* – Sword’s care platform is able to identify signals that a member may benefit from outreach or a check-in and proactively engage with the member.
- *Increase personalization of care programs* – Sword will apply its experience in personalizing digital care to tailor mental health programs to each member's needs, preferences, and clinical presentation, improving engagement and adherence.
- *Enable whole-person care integration* – Because mental health conditions frequently co-occur with other conditions (e.g., chronic pain, cardiometabolic conditions), Sword plans to integrate the mental health platform with its existing clinical programs so that members receive coordinated care rather than fragmented services.
- *Build a longitudinal clinical record* – Sword’s technology will enable a robust clinical memory of each member, allowing treatment plans to be tailored to each member based on what has and has not worked previously for that specific member.

The requested certification is also provided. Thank you for your attention to this matter. If you have any questions or require additional information, please contact me at dmccormick@mcdermottlaw.com or +1 617 535 4105.

Sincerely,

Drew Elizabeth McCormick

Drew McCormick