

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

In the Matter of the Proposed	)	Findings of Fact, Conclusions of Law, and
Material Change Transaction of	)	Final Order
Headspace, Inc. and Sword Health	)	
Technologies, Inc.	)	Transaction ID: 090

This Order resolves the Notice of Material Change Transaction (the “Notice”) filed by Headspace, Inc. (“Headspace”) and Sword Health Technologies, Inc. (“Sword”) on or about July 23, 2026, with respect to Sword’s proposed acquisition of Headspace. Headspace’s parent company OrangeDot, Inc. (“OrangeDot”), Headspace, and Sword 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 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 27, 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 proposed transaction. OHA’s review analyzed the potential impact of the Transaction. The analysis followed guidelines and methods set out in the Health Care Market Oversight 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 will be posted to the HCMO website at www.oregon.gov/hcmo, which is incorporated herein by reference. A public comment period was open from August 27, 2026, through September 28, 2026. OHA received no public comments.

On September 28, 2026, OHA issued a Proposed Order to the Entities providing a fifteen (15) day period to request a contested case hearing under Oregon law. On September 28, 2026, the Entities waived their right to request a contested case hearing. This Final Order fully resolves this matter. Now, therefore, upon due consideration of the circumstances, including the Notice, documentation filed in support of the Notice, databases maintained by OHA, databases maintained by federal agencies, websites of the Entities, academic research articles, and other publicly available reports, OHA enters the following Findings of Fact, Conclusions of Law, and Final Order.

FINDINGS OF FACT

OHA FINDS that:

1. On or about July 23, 2026, Headspace filed the Notice with OHA.
2. On or about August 17, 2026, OHA notified Headspace that the Notice was incomplete, provided guidance about submission requirements, and requested additional information.
3. On or about August 21, 2026 and August 25, 2026, Headspace submitted a revised Notice and supporting materials to OHA.
4. On or about August 27, 2026, OHA notified Headspace that it received all requested information and confirmed receipt of a complete Notice. OHA commenced the preliminary review pursuant to OAR 409-070-0055 and communicated that the review would be completed on or before September 28, 2026, unless extended in accordance with applicable statutes and administrative rules.
5. OHA accepted public comments on the Transaction from August 27, 2026, through September 28, 2026. OHA received no public comments.
6. Headspace is a Delaware corporation that offers digital mental health services. It provides virtual therapy and psychiatry, behavioral health coaching, mindfulness and meditation content both directly to consumers and via health plan and employer contracts. Headspace also provides management and administrative services to its affiliated behavioral health professionals collectively referred to as Headspace Medical Group (“HMG”).
7. OrangeDot is a Delaware corporation and the parent company of Headspace. Headspace is managed as a wholly owned subsidiary of OrangeDot.
8. In 2025, Headspace had 12 employees in Oregon and provided coaching services to 310 members and clinical therapy/psychiatry services to 225 members in Oregon. There are no expected changes to the type or level of services, contracts with payers, or geographic areas served post-closing.
9. Sword is a Delaware corporation. Its wholly owned subsidiary, Sword Health, operates state-specific subsidiaries (collectively, “Sword Practices”) that are owned by licensed clinicians. Sword Health and Sword Practices use artificial intelligence, digital tools, and medical devices to offer virtual musculoskeletal health, women’s health, cardiometabolic health, and mental health services across the United States.
10. In 2025, Sword employed 6 staff in Oregon. Sword served 4,891 individuals in Oregon across 87,424 services. Compared to the number of Oregon patients receiving musculoskeletal services from Sword in 2025, the number receiving mental health services was considerably smaller.

11. Sword's primary revenue is derived from its musculoskeletal health care service line. Sword began providing virtual mental health services in 2025.
12. Sword is acquiring Headspace through a reverse triangular merger. Sword formed Apollo Merger Sub, a wholly owned subsidiary, specifically for the transaction. Apollo Merger Sub will merge with OrangeDot and then will be dissolved after the transaction closes. OrangeDot and Headspace will then both be wholly owned subsidiaries of Sword and subject to Sword's corporate governance and management.
13. Sword intends to reduce corporate staff to create efficiencies but does not intend to reduce services or clinical staff. Sword has stated it will make changes to improve technology used for virtual behavioral health service delivery and move to an outcomes-based pricing model.
14. The transaction is unlikely to reduce access to Headspace or Sword services in Oregon. Sword has stated it expects no reductions to Headspace's current behavioral health service access but intends to make improvements to existing technology to benefit consumers.
15. The transaction is unlikely to result in a meaningful increase in market concentration for virtual behavioral health services in Oregon. Headspace and Sword do not meaningfully compete in the virtual behavioral health market and patients have many options in Oregon for virtual therapy services.

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 not likely to substantially alter the delivery of health care in Oregon.
 - i. Sword's acquisition of Headspace and its behavioral health services will be primarily additive to Sword's current service array in Oregon, which is mainly concentrated in virtual physical therapy/musculoskeletal care. Sword has stated it expects no reductions to Headspace's current behavioral health service access but intends to make improvements to existing technology to benefit consumers. There is little risk that this transaction will materially increase market concentration for virtual behavioral health services as Headspace and Sword are not meaningful competitors in this space. Moreover, consumers have many other options for accessing virtual behavioral health services in Oregon.

ORDER

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

1. The transaction is hereby APPROVED upon the basis of the information contained in the Notice of Material Change Transaction to date.
2. The Transaction shall become effective no later than 60 calendar days from the date of this Final Order pursuant to OAR 409-070-0045(12).
3. 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 Health Care Market Oversight Program website at <https://www.oregon.gov/oha/HPA/HP/Pages/health-care-market-oversight.aspx>.

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.

Dated this 29th day of September 2026



Zachary Goldman, MPP
Acting Cost Programs Manager
Oregon Health Authority

APPEAL RIGHTS

You have the right to appeal this order to the Oregon Court of Appeals pursuant to ORS 183.482. To appeal you must file a petition for judicial review with the Court of Appeals within 60 days from the day this order was served on you. If you do not file a petition for judicial review within the 60-day time period, you will lose your right to appeal.