I. Providence Home Health & Hospice in Oregon

82. Does Providence currently compensate any home health or hospice clinical staff (including physicians and nurse practitioners/physician assistants) in Oregon on a pay-per-visit, per patient, or other volume basis?

a. If yes, please identify the applicable staff category(ies).

b. For each staff category identified in subpart a., describe in detail the compensation structure, including the percentage of compensation that is pay-per-visit, per-patient, or otherwise volume-based.

c. Provide a sample or redacted employment agreement for each applicable staff category.

[redacted]

83. Provide the following information on Providence hospice physicians in Oregon as of December 31, 2024:

a. Number and percentage of physicians who were certified by the American Board of Family Medicine in hospice and palliative medicine.[1]

As of December 31, 2024, Providence employed 7 hospice physicians, 6 of whom were subspecialty board certified in hospice and palliative medicine by the American Board of Family Medicine, with primary boards in either Family Medicine, Internal Medicine, or Emergency Medicine. This means 86% of Providence hospice physicians were subspecialty board certified in palliative medicine as of December 31, 2024.

b. Number and percentage of physicians who were certified by the Hospice Medical Director Certification Board as hospice medical directors.[2]

As of December 31, 2024, Providence employed 7 hospice physicians in hospice in Oregon, one of whom was certified by the Hospice Medical Director Certification Board. This means 14% of Providence hospice physicians were certified by the Hospice Medical Director Certification Board as of December 31, 2024.

[1] https://www.theabfm.org/added-qualifications/hospice-and-palliative-medicine/
[2] https://hmdcb.org/

84. Use the "Providence Workbook," attached hereto as Appendix C, to provide data on Providence home health and hospice agencies in Oregon relating to the following areas:

a. Staffing and caseloads.
b. Total patients served, visit duration and frequency, and episode length.
c. Financial assistance.
d. Utilization, cost, and revenue by payer type for Providence home health agencies.
Further instructions are provided in Appendix C.

Please see attached as Exhibit 84.1. Appendix C represents all available responsive data maintained by Providence. If a cell is blank or states "NA", that means Providence does not have the requested data. Please note that Providence interprets reference to "All Providence Home Health" in Appendix C to mean all Providence home health agencies *in Oregon*.

85. The response to question 51 of the First RFI cites "operational constraints that prevent Providence from increasing volumes" in its home health and hospice service lines. The response to question 19 of the First RFI states:

Providence cannot turn around these service lines and operate them profitability because Providence's operating structure is focused primarily on acute care provided at its hospitals and facilities. Providence is not designed to support home health and hospice.

Please expand on these statements, identifying in detail the "operational constraints" in question and why Providence cannot independently overcome these constraints.

"Operational constraints" as referenced in response to Inquiry 51 include but are not limited to the following:

- **<u>Resource Limitations</u>:** Providence is a large, integrated health system spanning 7 states that has faced significant financial losses in the last 3 years. The largest segment of the Providence health system is acute care, with 52 hospitals/acute care centers operating across Providence's multi-state footprint, followed in size by Providence's ambulatory care segment. Providence Home and Community Care ("HCC"), which includes home health and hospice, is the smallest segment of the Providence health system. Providence HCC in total accounts for less than 5% of total Providence revenue, and home health and hospice are only a portion of HCC's revenue. Home health and hospice generate less than 1% of total Providence revenue.

As with any large health care system, Providence's financial and human resources are stretched thin across service lines and allocated pursuant to patient priorities. Because resource intensive acute, inpatient services are at the core of Providence's patient needs, home health and hospice service lines are consistently competing with acute, inpatient services for organizational resources, including funding and staffing. This constant competition for resources has hindered Providence's ability to direct organizational focus to its home health and hospice service lines, which reflects the current financial performance and substantial downward projections. This misalignment with the broader Providence system has prevented Providence's home health and hospice service lines from developing expertise, technology, and patient support systems optimized for home-based services. Providence lags behind its competitors with respect to home care specific systems, technology, and proven methodology focused on improving quality and utilization of home-based services. Providence does not have the resources, expertise or organizational focus to independently turnaround these service lines and catch-up to industry leaders.

Compassus is a national leader in home health and hospice services. Providence believes that partnering with Compassus to leverage its expertise and tools to improve Providence's home health and hospice service lines is the best possible path towards improving quality and overall financial outlook of these service lines. Compassus offers a ready-made solution with proven tools, systems, and scalable infrastructure for home health and hospice care, enabling Providence to meet patient needs. Through Compassus's operational tools and expertise, Providence gains the capability to overcome its limitations, ensuring timely care, quality of care delivery, and availability of the right clinician at the bedside—ultimately meeting the needs of patients and their families when it matters most.

- **Technology and Infrastructure**: Providence designs its operating infrastructure to best support the largest segment of the health system, acute care, which provides the most care to the community. From electronic health record system and IT support to revenue cycle, payor contracting, and HR/recruiting, Providence systems are primarily designed and optimized to support acute care. Compared to organizations focusing exclusively on the home health and hospice space, it takes Providence longer to recruit clinicians seeking home care positions, Providence's billing and collections for home health and hospice are slower, and Providence's software and tools are barriers to efficiency.

Providence's technology suite and infrastructure is targeted towards acute, inpatient settings, not home-based care. For example, Providence uses Epic as its EHR system and its instance of Epic is specifically designed for its acute care facilities, not home health and home hospice services. This leaves much to be desired with respect to caregiver experience because Epic is not natively designed to be used in the field (i.e., at the patient's home) and lacks features that home care specific EHR platforms like Homecare Homebase (HCHB) used by Compassus have. From scheduling and routing to charting and billing, HCHB is optimized for home-based care.

Providence also lacks clinical decision support and predictive analytics tools that can help improve quality and utilization of home care and hospice services. Compassus will leverage tools called Pulse and Muse that integrate with HCHB to bring new clinical decision and predictive analytics support to clinicians post-closing. Ensuring timely delivery of home-based services is critical but also one of the most challenging aspects of delivering services that are geographically dispersed. Tools like HCHB, Pulse and Muse will improve Providence-Compassus JV's ability to deliver the right services at the right time to its patients.

Finally, Providence does not have the financial and human resources needed to independently purchase, develop, and implement these tools that are optimized for its home health and hospice services lines. Even if it did, there is no guarantee that such tools would produce the desired results within the necessary timeframe. The Providence home health and hospice service lines face substantial losses while the health system as a whole is struggling. Thus, Providence cannot afford to wait the years it would take to purchase, develop, and implement these home-care specific technologies. Moreover, Providence does not have experience in purchasing, developing and implementing these home care specific technologies, meaning their clinical and operational effectiveness is uncertain. Compassus is offering ready-made back-office operations optimized for home-based care and a technology suite that Compassus has used and implemented in prior joint ventures with large health systems like Providence. This transaction is an opportunity for Providence to more rapidly adopt home care specific expertise and technologies that can help support the financial turnaround of its home health and hospice service lines.

II. Plans for the Providence Joint Venture

A. Financial Assistance

86. In response to question 21 of the First RFI, Entities stated they provided a copy of the Providence JV's financial assistance policy as Exhibit 21.2. Exhibit 21.2 has the heading "Policy 32 – Financial Assistance" and is dated July 15, 2022. Entities also provided, in response to question 27 of the First RFI, Exhibit 27 titled, *Compassus Policy 32 Financial Assistance Final 5.2024.pdf*, which appears to be an updated version of Exhibit 21.2 (revised June 28, 2024).

a. Please clarify whether the Providence JV plans to adopt Compassus' financial assistance policy verbatim. If yes:

In Oregon, Providence-Compassus JV plans to adopt the June 28, 2024, version of the Compassus' Financial Assistance Policy. This policy was reviewed and reapproved by Compassus on July 14, 2024 without substantive changes. The updated version that will be implemented in all Providence-Compassus JV states, including Oregon, is attached hereto as Exhibit 86.1.

b. Please state which version of the policy (July 15, 2022, or June 28, 2024) will apply to the Providence JV.

Please see response to Inquiry 86.a.

c. Please explain the decision to adopt Compassus' financial aid policy verbatim as the policy of the Providence JV and describe any efforts to date, or future plans, to revise the JV's policy to better align with the provisions of Providence's current financial assistance policy, as provided in Exhibit 21.1.

Providence's financial assistance policy is structured to comply with Oregon's financial assistance laws that are applicable to hospitals, not home health or hospice agencies. *See ORS 442.615 ; OAR 409-023-0100 et. seq.* Providence and Compassus jointly reviewed Compassus' Financial Assistance Policy and determined that its eligibility criteria and benefits are equitable and sufficient to meet the needs of the community. Compassus' Financial Assistance Policy is more generous than Providence's policy in certain respects. For example, under Providence's policy, a patient with income that is 300%-400% of Federal poverty guidelines ("FPG") is eligible for 75% discount. Under Compassus' policy, a patient with income that is (i) 251% - 300% FPG receives a 95% discount, (ii) 301% - 351% FPG receives a 90% discount, and (iii) 351% - 400% FPG receives an 85%

discount.

d. Please provide copies of the currently effective financial assistance policy(ies) for the Providence JV in both California and Washington.

Please see attached as exhibit 86.1. Providence-Compassus JV plans to use the same Financial Assistance Policy in all states of operation.

B. Staffing and Compensation

87. The response to question 53 of the First RFI (page 145 of the First RFI responses) states that *if the Providence JV is successful in increasing patient census*, there will be no reduction in clinical staff. Describe in detail any plans to reduce clinical staffing if the Providence JV is unable to increase patient census in Oregon as projected. Provide copies of any data, analyses, or documents supporting your response. In your response, please provide, at minimum, detailed information on the following:

a. The factors that would determine how any such staffing reductions are implemented in Oregon.

The Providence-Compassus JV has no plans to reduce clinical staffing, as efforts are focused on implementing strategies and initiatives to increase patient census in Oregon as projected (see Exhibit 9.1). Like all health care institutions, the Providence-Compassus JV will align clinical staffing levels with patient volume to ensure sufficient care coverage and adherence to quality standards. If the patient census grows, Providence-Compassus JV plans to hire additional clinical staff, as needed, to ensure the increase in volume does not over burden existing clinicians (i.e., ensure patient/staff ratios are consistent with national trends) and to meet patients' needs while maintaining high quality services. If patient census unexpectedly decreases or otherwise does not keep pace with projected demand, Providence-Compassus JV will evaluate whether it needs to reduce staffing. Any reduction in clinical staffing will be the last resort in response to lower than anticipated community need for the Providence-Compassus JV's home health and hospice services. In that case, the Providence and Compassus would work together to re-allocate clinical resources to more in-demand services or service lines.

In addition to evaluating patient census trends and its impact on the financial sustainability of the platform, Providence-Compassus JV plans to evaluate a variety of factors when making decisions about changes in clinical staffing including but not limited to:

- Geographic Distribution of Patients: Geographic clusters with persistently lower patient volume may require consolidation of

resources to optimize clinician allocation based on where the greatest demand exists.

- Service Demand by Discipline: Certain disciplines (e.g., nursing, social work, physical therapy) may experience varying levels of demand depending on patient needs and care coordination patterns. This variability would factor into any decisions around staffing adjustments.

These factors would guide any organizational decisions around reducing clinical staffing—always prioritizing patient care quality and compliance with applicable regulatory standards. Parties are hopeful that Providence-Compassus JV will be successful in growing patient census which would obviate the need for considering any clinical staff reductions.

b. The clinical positions/roles most likely to be affected by any staffing reductions and why.

As previously noted, Providence-Compassus JV has no plans to reduce existing clinical staffing levels. If after careful consideration of the factors discussed above, Providence-Compassus JV determines that a reduction in clinical staffing is necessary based on lower than anticipated community need, it will determine which roles to eliminate in direct alignment with patient census and service demands—ensuring that staffing levels remain proportionate to operational and patient care needs and that any reduction does not adversely impact care quality or overburden remaining clinical staff.

c. The services or programs most likely to be affected and why.

Services or programs that may be affected will depend on careful evaluation of the factors discussed above. As previously noted, Providence-Compassus JV has no plans to reduce existing clinical staffing levels, so any reduction in staffing would be the result of unforeseen changes to community need. Thus, staffing changes would be tailored to address those unforeseen changes.

d. The geographic locations most likely to be affected and why.

Geographic locations that may be affected will depend on careful evaluation of the factors discussed above. As previously noted, Providence-Compassus JV has no plans to reduce existing clinical staffing levels.

88. The Entities have stated in response to question 62 of the First RFI that there are no plans to change the "compensation structure for any class of employee in Oregon." Please clarify whether there are any plans to modify any current volume-based (including pay-per-visit or per-patient)

compensation arrangements for clinical staff in Oregon to help achieve the Providence JV's productivity targets.

[redacted]

89. **The response to question 53 of the first RFI cites "productivity standards" by service line for nurses.**
    a. **Please explain the use of different metrics (visits per week vs. average daily census ("ADC")) to measure productivity for home health and hospice, respectively.**

[redacted]

[redacted]

[3] Please note that these targets may be higher or lower depending on factors such as service area and complexity/case mix. For example, clinicians in rural service areas will typically have lower target as compared to metropolitan areas with denser patient population.
[4] Please note that these targets may be higher or lower depending on factors such as service area and complexity/case mix. For example, clinicians in rural service areas will typically have lower target as compared to metropolitan areas with denser patient population.

[redacted]

[redacted]

b. If available, provide targets for home health nurses expressed as ADC/FTE and hospice nurses expressed as visits/week/FTE.

This information was previously provided in response to Inquiry 53.a. Also, please see response to Inquiry 89.a.

c. Does the Providence JV intend to set productivity targets for other categories of home health or hospice clinical staff? If so, please provide the applicable targets for each staff category by service line, including Current Oregon Metric, Compassus Oregon Target, Compassus National Target, and Industry Average.

Providence-Compassus JV plans to set the productivity targets for non-nurse clinicians after the transaction closes in Oregon. Providence-Compassus JV plans to use the same metrics and methodology discussed in Inquiries 53 and 89.d.

d. Provide copies of all underlying data and calculation methodology upon which all productivity targets provided in response to subparts b. and c. of this question and question 53 of the First RFI are based.

[redacted]

e. **Describe in detail any plans by the Providence JV to adapt productivity targets to account for differences in patients' (i) complexity/case mix, (ii) social needs/determinants of health, (iii) geographic location (e.g., rural or urban), and (iv) site of care (e.g. home or facility).**

90. The response to question 52 of the First RFI references "strategic utilization of paraprofessional staff."

a. Please define this term and explain who these "paraprofessionals" are and what training they have.

"Paraprofessional" as used in response to Inquiry 52 refers to trained support staff members who work under the supervision of certified professionals and assist with providing services to patients and their families. Generally, roles in Inquiry 52 with "assistant" or "aide" in their title are considered "paraprofessionals" (e.g., physical therapy aide/assistant, occupational therapy aide/assistant, nursing assistant, etc). Training and education for "paraprofessional" staff is consistent with the requirements of their respective licensing boards.

b. Explain how Compassus measures paraprofessional utilization.

Paraprofessional utilization is measured using the same productivity metrics described in response to Inquiry 89.a. As stated in response to Inquiry 66.e., Providence-Compassus JV will use a centralized team of utilization management nurses who leverage tools like Homecare Homebase, Muse and Pulse, to support paraprofessional utilization. One goal of the centralized team is to help ensure that clinicians with the appropriate licensure levels are providing services commensurate with patient needs (e.g., limiting encounters where an RN is providing services that a nursing assistant can deliver).

c. How does Compassus decide which responsibilities or tasks should fall to a paraprofessional and which ones should continue to be performed by a licensed professional? In responding, explain to what extent licensed clinicians are involved in this decision.

Professional staff determine what tasks are performed by paraprofessionals. As discussed above, paraprofessional staff are supervised by professional staff (e.g., nursing assistant is supervised by an RN, occupational therapy aide/assistant is supervised by an occupational therapist, etc.). Typically, a plan of care for both home health and hospice services is reviewed and finalized by the patient's physician. A registered nurse will deliver services pursuant to the plan of care and will coordinate with other professional and paraprofessional staff to ensure the patient's needs are being met consistent with the plan of care. "Paraprofessional" staff in Oregon hold any licenses, registrations, or certificates required by Oregon law, and provide services that are consistent with their scope of licensure, registration, or certification. The scope of services provided by paraprofessionals are set using the scope of their licensure, registration, or certification, applicable industry standards and operational needs.

d. Describe in detail plans for the Providence JV to increase "utilization of paraprofessional staff."

Increasing utilization of paraprofessional staff in Oregon will be an iterative process based on feedback from staff and patients, performance metrics, and experience with implementing the clinical and back-office tools described throughout this notice.

91. The response to question 52(o) of the First RFI regarding bereavement counselors states that "the parties are evaluating continued bereavement support in the community."

a. Explain this statement given that bereavement counseling is a required component of hospice care.

Parties agree that bereavement is a required component of hospice care and Providence-Compassus JV will continue providing these services in Oregon post-closing. This statement is meant to convey that Compassus is working with Providence to determine whether the Providence Foundation will continue to provide funding to support community bereavement services over and above those typically provided in hospice care in Oregon. Providence and Compassus are in close to finalizing an agreement to provide supplemental community support through the Providence-Compassus JV. See Exhibit 106.1.

b. Explain whether the Compassus Living Foundation expects to provide any funding for bereavement counselors post-closing.

Compassus Living Foundation does not have plans to provide funding for bereavement counselors post-closing. Providence-Compassus JV will employ and pay for bereavement counselors to support patient needs. Providence Foundation has provided funding to support supplemental bereavement services f patients in the past and an agreement to continue that community support is nearing completion See Exhibit 106.1.

c. Explain how bereavement counselor staffing for the Providence JV will be impacted if the Providence Foundation decides not to fund these positions. In your response, please address any impacts on the ratio of bereavement counselor FTE to hospice decedents.

Providence-Compassus JV will employ and pay for bereavement counselors in the ordinary course of business to support patient needs (i.e., Providence-Compassus JV is not dependent upon the Providence Foundation for funding bereavement services). As discussed in response to Inquiry 70, Providence-Compassus JV will support community grief initiatives, such as Camp Erin, that are separate from the ordinary course bereavement services that it provides to hospice patients and their families. Post-closing, the Providence Foundation plans to fund such community grief initiatives, including Camp Erin, subject to the terms of the agreements described in response to Inquiry 106.

92. The Entities stated throughout their responses to the First RFI that they have no intention of reducing clinical FTE. OHA understands this to mean that there are no anticipated *layoffs* of clinical staff. Please clarify:

a. How the Providence JV intends to respond to voluntary departures of clinical FTE.

If a caregiver decides to leave the organization due to personal or professional circumstances, Providence-Compassus JV will post the position. As stated before, Providence-Compassus JV is optimistic that it will grow the number of patients served in Oregon and in doing so will retain and hire additional staff members, as needed.

b. Whether the Providence JV intends to bring on new clinical staff to offset attrition. Why or why not? In responding, please address staffing/hiring plans for Oregon versus nationwide.

Please see response to Inquiries 57 and 87. As the Providence-Compassus JV achieves its clinical and productivity goals, the joint venture intends to expand services and patient census. This expansion is critical to Providence-Compassus

JV's long-term success. Any reduction in clinical staff (via attrition or otherwise) would directly undermine this goal. Thus, Providence-Compassus JV intends to maintain existing clinical staffing levels. Over time, Providence-Compassus JV hopes to grow clinical staff to increase access to home health and hospice services in Oregon. As described in response to Inquiry 87, any intentional reduction in staff (via attrition or otherwise) would be the result of unforeseen circumstances, likely associated with lower than expected demand for home health or hospice services,.

93. The response to question 28 of the First RFI mentions that the Providence JV intends to take assignment of the Providence payor contracts. The response to question 68 of the First RFI further states that Compassus will be responsible for administering payor contracts held directly by the Providence JV. However, reference is made to certain multi-service line agreements held by Providence, with the indication that Providence will continue to manage those agreements on behalf of the Providence JV. Please explain how those Providence contracts will continue to provide payment for care rendered by the Providence JV, since the services will be rendered under a different Tax ID number.

Providence-Compassus JV's goal is to maintain network continuity post-closing so it can continue to serve Providence patients in need of home based services. As described in response to Inquiry 28, Providence-Compassus JV will evaluate whether it will either (a) take the assignment of Providence's payor contracts post-closing, subject to applicable payer consent requirements, or (b) enter into a new contract with that payer or transition Providence-Compassus JV to Compassus' national, legacy contract with that payer. This payer-by-payer and contract-by-contract evaluation cannot occur until after the closing, as such payer-specific information has not been shared between the parties (outside certain clean teams, consistent with applicable antitrust law). If Providence-Compassus JV takes assignment of a payor contract, it will be able to bill and collect for the services under its NPI and EIN for services provided under that contract.

As part of the closing process in Oregon, once HCMO approves this transaction, the parties will undergo the Change of Ownership ("CHOW") process with Medicare and Medicaid, as applicable, that will transfer ownership of NPIs associated with Oregon hospice and home health agencies to Providence-Compassus JV. After the CHOW process is complete, Providence-Compassus JV can bill and collect from Medicare/Medicaid as applicable under its NPI and EIN.

There are a small number of multi-service line agreements that Providence may hold and continue operating on behalf of Providence-Compassus JV as

[redacted]

Salaries and wage cost increases are related to increases in union rates, which are significantly above historical trends. Increased costs for supplies, purchased services, and other expenses are driven by inflationary increases.

IV. Transaction Terms and Agreements

104. Please provide a current list of all Partners (General and Limited) in Compassus Holdings, L.P.

Please see attached as Exhibit 104.1.

105. Please confirm that all Management Services Agreements held by Compassus or an affiliate of Compassus in the State of Oregon are in compliance with Oregon law, including but not limited to Senate Bill 951, as signed into law on June 9, 2025.

Providence-Compassus JV believes that its Business Support Services Agreement with FC Compassus, LLC complies with applicable Oregon laws.

106. Please provide the following information related to the "Foundation-to-Foundation" agreement referenced in response to question 70 of the first RFI.

a. A summary of the terms of the agreement.

[redacted]

[redacted]

they will be factored into evaluations, and the extent to which performance on these metrics could impact compensation.

Metrics related to clinical staff compliance with decision support tool recommendations are not incorporated into staff evaluations and do not impact compensation.

95. Describe in detail how the Providence JV plans to ensure that implementation of HomeCare HomeBase ("HCHB") and clinical decision support tools does not create undue documentation burden for clinical staff. In doing so, please address the following:

a. How Compassus measures and assesses charting or documentation burden among clinical staff.

HCHB and the clinical decision support tools are designed to reduce charting and documentation burdens, not increase them. HCHB is the leading EMR in the homecare space with best-in-class charting capabilities. Providence clinicians will find that HCHB is much easier to use and more intuitive for home care services than Providence's legacy Epic EMR. Moreover, clinical staff will benefit from Compassus' investments in technology tools designed to improve the caregiver documentation experience. For example, Providence-Compassus JV will be implementing an AI scribing capability to help improve clinical accuracy of documentation and reduce documentation burden for clinicians. To ensure that these tools actually reduce burdens on clinicians, Compassus has a dedicated committee consisting of clinicians from the field that provide input to improve the EMR experience for caregivers. Please see response to Inquiry 65.f for more information regarding Compassus' success in reducing documentation time for caregivers in its joint venture with OhioHealth.

b. The anticipated impact of implementing HCHB and clinical decision support tools (e.g. Pulse, Muse, and the Care Delivery App) on clinician documentation burden.

These tools do not impose additional documentation burden on clinicians. These are clinical decision support and predictive analytics tools that take data from HCHB and industry best practice to give clinicians information that they can use to inform their clinical decision-making.

Muse is used to ensure that the right clinician is at the bedside at the right time. Muse does not require a rendering clinician to prepare any documentation or log into this tool. Insights provided by this tool are based on the clinical documentation available in HCHB that is inputted by the

clinician in the ordinary course of care delivery. Clinician supervisors have access to the tool and assist their team with navigating care and routing clinicians to patients at the right time.

Pulse is also used by supervisors to assist clinicians deliver care to high-risk patients. This tool helps the rendering clinician understand who might be at high risk for rehospitalization or declining. It also helps clinicians with medically necessary recertification. This tool draws from clinical documentation available in HCHB that is inputted by the clinician in the ordinary course of care delivery. This tool does not create an additional documentation burden for the caregiver.

The Care Delivery application is a resource for clinicians that is available for reference as needed. It does not require clinicians to prepare additional documentation. It is not a required tool, but clinicians choose to use the tool in the field to help with disease management. For example, Providence-Compassus JV's pharmacy formulary will be available on the tool so clinicians can refer to it as needed to deliver care. The tool is used to ensure that clinicians have the information needed to provide comfort, safety, and quality of life to their patients.

c. Outcomes (e.g. changes in documentation time or burden) from previous Compassus joint ventures or acquisitions.

As discussed above, these tools will not increase documentation time or burden for clinicians. These tools will make the jobs of Providence-Compassus JV caregivers easier by providing them information that they can use to improve clinical decision-making which ultimately results in better outcomes for the patient. Compassus has successfully launched these tools in previous joint ventures with great success. The usage of these tools among clinicians is high demonstrating the value these tools bring to their practice.

Providence-Compassus JV has implemented these tools in states where this transaction has closed (i.e., Alaska, Washington, Texas and California). Also, Providence-Compassus JV recently deployed its Interdisciplinary Team ("IDT") Tool for hospice in the foregoing states. The IDT Tool generates a summary for each patient on service using HCHB documentation to support each IDT. This process saves the Director of Clinical Services role hours each week for this administrative task, which allows them more time to focus on direct patient care and have more meaningful patient discussions within IDT. Clinician have provided overwhelmingly positive feedback regarding the IDT Tool. Within a short amount of time the IDT Tool's utilization is

80%, demonstrating the instant positive impact on caregiver experience attributable to Compassus' tools.

96. Exhibit 42.3 at Compassus_Notice_011244 indicates that a "critical milestone" for the Providence JV is to "create a messaging strategy for 'tiering' in provider network during patient choice process."

a. Please describe in detail this milestone and the strategies and activities Compassus has undertaken to date to achieve this milestone in other Providence JV states.

"Tiering in provider network" is a process that hospitals, physician groups, accountable care organizations, and health plans undertake in order to engage post-acute providers that align with the organization's quality and patient care goals. Providence had an established tiering structure pursuant to which the Providence Home Health and Hospice entities are in the top tier for post-acute networks. Providence-Compassus JV did not alter any tiering, but focused its efforts on effective communication of the new Providence-Compassus JV branding and any changes in referral pathways or processes driven by system changes, subject to patient choice.

b. For all states where the Providence JV has closed, provide copies of all materials Providence or Compassus provides to Providence hospital patients regarding their options for home health or home hospice services post-discharge. Include copies of all lists of home health or home hospice providers that may be provided to Providence hospital patients.

Please see attached as Exhibit 96.1. Although these materials may vary hospital-by-hospital, Exhibit 96.1 is representative sample of materials Providence hospitals provide to patients regarding their home health or home hospice service options post-discharge.

c. Provide copies of all documentation (including presentations, scripts, manuals, etc.) used by or created for the Providence JV for the purposes of training staff (including but not limited to Care Transition Coordinators) on how to communicate with patients about their options for home health or home hospice services upon discharge from Providence hospitals.

Please see attached as Exhibit 96.2. Additionally, each Providence hospital in Oregon maintains and periodically updates a list of Medicare certified home health and hospice agencies in their respective

communities. Providence Oregon hospitals use medicare.gov to create the list shared with patients. Providence caregivers are trained on how to communicate with patients about their options for home health and hospice services by care managers at each Providence hospital in Oregon. Patients are always informed that they can select a provider from the lists or from any other source for their personal care.

97. The Ascension-Compassus Joint Venture ("AAH JV") engaged in a series of acquisitions in the four years after its formation. Describe any plans for the Providence JV to acquire additional home health or hospice agencies in Oregon or elsewhere following the Closing Date. In doing so, please provide expected timelines, affected service line(s) and geographies.

Providence-Compassus JV does not currently have plans to acquire additional home health agencies in Oregon or elsewhere following the closing date. Providence-Compassus JV's board and management may consider such transactions from time to time in the ordinary course of business.

III. Financial Information

98. Please provide, based on historical data for the years 2019 through 2024, the percentage of revenues for Providence's hospice business (as reported in Appendix A, worksheet "9. Home Hospice") attributable to Medicare.

Please see attached as Exhibit 98.1.

99. Regarding the submitted files in support of the response to question 16 of the First RFI:

a. Please explain what the "Other changes" amounts in "16.iii Compassus_Notice_100003 OR Net Asset Rollforward.xlsx" include.

"Other changes" in the net asset roll forward reflect movements in balances such as intercompany receivables, advances, deferred revenue, and operating lease liabilities. This balance sheet was created based on estimated allocations, because net assets are not directly tracked on a separate, standalone basis. As a result, these movements cannot be reliably attributed to specific amounts by account and are therefore grouped as "Other changes."

b. Please clarify why the Net income/(loss) is not matching for YE25-YE29 in "16.iii Compassus_Notice_100003 OR Net Asset Rollforward.xlsx" compared to "OHA OR Forecast Project Luke -OR Financials-FY19 YTD25.xlsx".

Please refer to the "Combined PL" tab in Compassus_Notice_099002 which includes the Net Income (Loss) that ties to the Net Income (Loss) in Compassus_Notice_100003 starting in FY 2020.

100. Regarding the submitted files in support of the response to question 17 from the First RFI:

a. Please provide a version of the submitted files with additional breakouts by payer type (e.g., Commercial, Medicaid, Original Medicare, and Medicare Advantage) for the home health business.

The files submitted in response to Inquiry 17 include a balance sheet for home health and hospice assets in Oregon from 2019 to 2024 and then projected to 2029, Providence's profit and loss statements for home health, hospice, private duty broken out by region for the same time frame, and a cash flow statement for the same time period. Providence does not have data sufficient to, or the resources to, break those files out further by payer type. Appendix C and response to Inquiry 100.b reflects the available payer breakouts.

b. Please provide, based on historical data for the years 2019 through 2024, the percentage of revenues for Providence's hospice business (as reported in Exhibit 17) attributable to Medicare.

Please see attached as Exhibit 98.1.

101. Regarding the nationwide forecasts for the Providence JV provided in Compassus_Notice_01619 through 01675:

a. Please provide Oregon-specific forecasts for the home health and hospice businesses in the same format and with the same metrics as the nationwide forecasts presented at 01658 through 01661. In doing so, please highlight and explain any differences between nationwide and Oregon-specific forecasts.

Exhibit 9.1 is representative of the Oregon-specific forecast available. Parties do not have Oregon-specific forecasts in the same format and metrics as the nationwide forecast at Compassus_Notice_01658 through 01661. Compassus relied on nationwide forecasts for the purposes of evaluating this transaction, and did not perform state-specific forecasts in

the same manner as the nationwide forecast.

b. Please provide Oregon-specific "Valuation Creation Levers" in the same format and with the same metrics as the nationwide data presented at Compassus_Notice_01641. In doing so, please highlight and explain any differences between nationwide and Oregon-specific forecasts.

Compassus does not have Oregon-specific "value creation levers" in the same format and metrics as the nationwide data at Compassus_Notice_01641. Compassus relied on nationwide data for the purposes of evaluating "valuation creating levers" for this transaction, and did not perform state-specific analysis in the same manner as the nationwide analysis.

c. Describe in detail how the Oregon-specific "Valuation Creation Levers" will impact the Oregon-specific forecasted revenue and patient cost provided in response to question 101.a.

Response in RFI 1 to Inquiries 28 and 45 is representative of how the "valuation creation levers" will impact Oregon-specific forecasted revenue and patient cost. Parties do not have additional Oregon-specific analysis regarding impact of the valuation creation levers to the Oregon forecast in Exhibit 9.1.

Response in RFI 1 to Inquiry 34 contains detail discussion regarding implementation of "valuation creation levers" with respect to the AAH JV, which provides additional background regarding how these levers will benefit Providence-Compassus JV in Oregon and other states.

d. Describe in detail how the operational and financial outcomes for the AAH JV compare to the nationwide forecasts at Compassus_Notice_01641 and 01658-01661.

Compassus_Notice_01641 and 01658-01661 covers nationwide forecasts for Providence-Compassus JV (not the AAH JV). RFI 1 contains significant amount of information regarding the success of AAH JV, which the parties hope to replicate with Providence-Compassus JV.

102. Exhibit 17, "Compassus_Notice_099005 Luke – HCC Statement of Cash Flow – Summary-c.xlsx" shows a large positive change followed by a negative change in Accounts Receivable in 2023 and 2024.

a. Please explain the reason for these fluctuations.

Providence does not have sufficient information to explain the fluctuations in Accounts Receivable in 2023 and 2024 in Exhibit 17. Each of Providence's

separate entities do not hold separate cash balances. Cash is consolidated and held at the system level. The Statement of Cash Flow at Compassus_Notice_099005 is based upon estimated allocations and was created in response to HCMO's request. Providence does not track cash flow at an entity level.

b. Please update and resubmit the file to include the actual cash balance at the end of each period.

Providence does not have data on the actual cash balances at the end of each period. As discussed above, each of Providence's separate entities do not hold separate cash balances. Cash is consolidated and held at the system level. The Statement of Cash Flow at Compassus_Notice_099005 was created based upon allocations and in response to HCMO's request. Providence does not track cash flow at an entity level.

103. Regarding the files "099002 Oregon Financials by Agency-FY19-FY29 Forecasted 202050815-c.xlsx" and "Compassus_Notice_099006 Oregon Balance Sheet by Year.xlsx" (both provided in Exhibit 16), please provide the following information:

a. Explain how "Net Income" for the period from FY 2019 to FY 2024 reported in "099002 Oregon Financials by Agency-FY19-FY29 Forecasted 202050815-c.xlsx" impacts the "Net Assets" reported in "Compassus_Notice_099006 Oregon Balance Sheet by Year.xlsx."

Please refer to "Compassus_Notice_100003 OR Net Asset Rollforward" schedules which shows net assets and net income/(loss).

Increase in net assets was driven by increase in accounts receivables from 2019 to 2024.

[redacted]

Salaries and wage cost increases are related to increases in union rates, which are significantly above historical trends. Increased costs for supplies, purchased services, and other expenses are driven by inflationary increases.

IV. Transaction Terms and Agreements

104. Please provide a current list of all Partners (General and Limited) in Compassus Holdings, L.P.

Please see attached as Exhibit 104.1.

105. Please confirm that all Management Services Agreements held by Compassus or an affiliate of Compassus in the State of Oregon are in compliance with Oregon law, including but not limited to Senate Bill 951, as signed into law on June 9, 2025.

Providence-Compassus JV believes that its Business Support Services Agreement with FC Compassus, LLC complies with applicable Oregon laws.

106. Please provide the following information related to the "Foundation-to-Foundation" agreement referenced in response to question 70 of the first RFI.

a. A summary of the terms of the agreement.

[redacted]

[redacted]

[redacted]

b. A description of the programs and services covered by the agreement.

Program Philanthropic Support Agreement covers the community benefit programs described in Inquiry 2.

Under the Charitable Assistance Reimbursement Agreement, the Providence Foundation will reimburse the Compassus Living Foundation for expenses incurred in connection with the following three categories of charitable benefits:

- Shelter Me: Housing, utilities, home repairs.
- Comfort Me: Final arrangements (cremation/burial)
- Wish with Me: Final wishes (travel, events).

c. A draft of the agreement including any schedules or exhibits.

Please see attached as Exhibits 106.1 and 106.2.

107. Please provide the following information related to the Providence JV Key Performance Indicators ("KPIs") described in response to question 50 of the First RFI:

a. Specify the time frame over which each KPI will be measured and assessed.

The quality of care and star ratings are measure and assessed on an ongoing basis and the survey compliance is assessed and measured on an annual basis.

b. Please provide the specific measures included in the hospice "Quality of Care Rating," including whether these measures are from the Hospice Item Set (HIS) or the Hospice Claims Index (HCI)

Quality of care in hospice is represented by HIS *and* HCI. Due to the timing of the outcomes, Providence-Compassus JV will take into account both the HIS (which is being replaced with Hospice Outcomes and Patient Evaluation (HOPE)) and HCI when the outcomes are posted.

V. Asserted Benefits of the Transaction

108. The response to question 75 of the First RFI noted that "underserved Oregonians will benefit from the initiatives of the Compassus Living Foundation," which include "providing safe housing for individuals facing instability."

a. Describe these activities in detail.

Please see RFI 1 response to Inquiry 70 which describes the benefits Compassus Living Foundation will provide to Oregonians. Compassus Living Foundation will provide housing assistance to eligible patients in the form of a one-time grant to help support rent or mortgage payment during the patient's healthcare journey. Typically, the beneficiaries of this grant are patients at the risk of eviction or foreclosure.

b. Provide an estimate of the number of individuals in Oregon Compassus expects to serve annually.

Providence-Compassus JV does not have an estimate number of individuals that it expects to serve in Oregon. Please see Exhibit 9.1 for estimated projections regarding number of "admissions" in Oregon covering a period of five years following closing.

109. The response to question 77.e. of the First RFI stated, "the Providence-Compassus JV hopes to invest in the expansion of in-home care to communities that Providence has not been able to serve."

a. Please provide specific examples of "communities Providence has not been able to serve."

This statement is intended to convey the fact that there are geographies in Oregon that Providence's home health and home hospice service area does not adequately cover, and Providence has not been able to invest in expanding its service area to reach more Oregonians.

Post-closing, Providence-Compassus JV is committed to serving more Oregonians including those who reside in underserved areas. As described in response to Inquiries 74 and 75, if this transaction does not close in Oregon, Providence will stop taking on new home health and hospice patients in Oregon and would diligently work to transition active patient care to other organizations in the community. This will reduce access to and availability of home health and hospice services in Oregon. However, this transaction is designed to avoid this exact outcome. Post-closing, Providence-Compassus JV will work diligently to stabilize the finances and operations of Oregon agencies, and in so doing, Providence-Compassus JV will serve more Oregonians.

As described below, Providence-Compassus JV intends to grow patient census by providing existing services to more Oregonians within its current service areas, many of which are underserved (e.g., locations in Clatsop, Hood River, Jackson, Marion and Yamhill counties)[5].If Providence-Compassus JV can serve more Oregonians in existing service areas while ensuring that its finances and operations are sustainable, Providence-Compassus JV will consider applying for a new license to provide additional services within existing service areas (e.g., provide home hospice services in areas where it only provides home health services, and vice versa), and consider opportunities to add new regions to existing service areas or open new agencies, as described below.

- **Serving more patients within current service area**: Home-based care agencies are licensed for certain geographies (e.g. zip codes, counties, etc.). Because of capacity constraints, home-based care agencies often serve a limited subset of residents within a geographic area who are in need of services at a given time. For example, Providence's home health agencies covering greater Portland and greater Medford service areas do not have sufficient staffing to accept all patients referred for care, and those agencies turn down 90-120 referred patients every month because of capacity constraints. Providence-Compassus JV's post-closing goal is to ensure that the agencies serve more Oregonians within existing service areas, so fewer patients are turned down due to capacity constraints and more Oregonians can access home health and hospice services. As described above, many agencies currently operate in areas that are underserved, so serving more patients in existing service areas will increase underserved Oregonians' access to home-based care services. Providence-Compassus JV expects it will help improve clinical capacity of each agency by boosting productivity and hiring more clinicians, as needed, so it can serve more patients within its existing service area.

- **Expansion to new geographies:** Post-closing, in the ordinary course of business, Providence-Compassus JV will consider adding incremental geographies (e.g. add new counties or zip codes) to existing licenses, or open de novo agencies in new geographies based on community needs. Parties do not have specific plans and timelines for this expansion. Providence-Compassus JV's expansion to new regions in Oregon will be subject to its ability to increase patient

[5] See OHA's 2024 Map designating these regions as a "health professional shortage area" for primacy care services. Although this map is specific to primary care services, parties believe that it is also reflective of the lack of availability of home-based care services in these regions.

census in current service areas, where the parties believe there is unmet community need.

- **Adding new services to existing service area**: Post-closing, in the ordinary course of business, Providence-Compassus JV may consider introducing additional at-home services in existing service areas. For example, it may invest in enhanced care models like SNF at Home or provide home-health services in areas where Providence previously only provided home hospice services or vice versa (e.g., Providence currently provides home health services in the Seaside, Oregon service area, so Providence-Compassus JV will consider also providing home hospice services in that area). Providence-Compassus JV's expansion to new service lines in current service areas in Oregon will be subject to its ability to increase patient census in current service areas for existing services, where the parties believe there is unmet community need.

b. Explain in detail why Providence has not been able to serve these communities to date.

Please see responses to Inquiries 19, 51 and 85 for information regarding operational constraints that have adversely affected Providence's ability to serve more Oregonians. Additionally, Providence-Compassus JV will strive to improve the recruiting and retention of clinical staff. Providence has historically struggled to recruit clinicians to its home-based services, which affects its ability to meet the community's needs. Providence's average time to fill a home health open clinical position is roughly 60+ days, with specific "hard to recruit" disciplines in certain geographies taking significantly longer. These recruitment challenges adversely affect Providence's ability to serve more patients.

c. Explain in detail how the Providence JV may be able to serve these communities given that Providence has been unable to do so.

As more fully described in responses to Inquiries 19, 51 and 85, Compassus will help Providence overcome financial and operational constraints that have adversely affected its ability to service more Oregonians. Sustaining and growing Providence's home health and hospice service lines requires economic investment (e.g. ability to hire more staff as needed, technologies to support clinician productivity and patient quality, and advanced business development capabilities), strategic prioritization (e.g. balancing mix of patients referred by affiliated vs unaffiliated referral sources, development of capabilities for new models of clinical care, etc.), and time/attention from administrative support staff (e.g. HR, IT, Legal, Compliance, Revenue Cycle Management,

Finance/Accounting, etc.) which will be more readily available post-closing as part of the Providence-Compassus JV.

VI. Appendix A Data Clarifications

110. Please clarify the following for worksheet "4.e.vi. Palliative Care Staffing" in Appendix A.

a. Please explain why palliative care staffing was underreported in the July submission compared to the October submission.

The staffing numbers reported in July 2025 covered only the address locations listed in Appendix A, rather than all locations of an agency branch in its entirety. Updates made to the October 2025 submission were inclusive of all locations comprising of an agency branch rather than solely the address locations in Appendix A.

b. Do the clinical staff listed provide only palliative care services, or do they also provide home health or home hospice services?

Clinical Staff listed provide only palliative care services.

[redacted]

112. Please provide the following additional clarifications for worksheet "9. Home Health."

a. OHA understands that the projected utilization metrics assume the Providence JV closes in Oregon, whereas the projected revenue and cost data assume it does not close. Please confirm this understanding.

OHA's understanding is correct.

[redacted]

[redacted]

[redacted]

ii. **If the historical and projected metrics are on the same basis, please explain how the Providence JV expects to achieve the projected increase in such a short time.**

[redacted]

[redacted]

i. **Please explain the drivers of this projected decline.**

[redacted]

ii. **Please clarify the assumptions behind the 2026 projection, including whether the projection assumes the Providence JV will close in Oregon.**

[redacted]

[redacted]

[redacted]

October submission reflects the accurate revenue, expenses and costs for Providence home health in Oregon for YTD 2025. This data was updated based on the work performed by Providence's financial consultant with respect to the October submission.

[redacted]

In 2024, Providence eliminated 17 caregiver roles across both home health and hospice service lines as part of a planned reduction in force. Additionally, clinical staffing decreased due to the program closures and changes described in response to Inquiries 4, 5, 6 and 12 in RFI 1. Other decreases were due to ordinary course attrition. Closing Providence-Compassus JV in Oregon is critical to avoid further reduction of Oregon clinical staff.

113. Please provide the following clarifications for worksheet "9. Home Hospice."

[redacted]

The staffing numbers reported in July 2025 covered only the address locations listed in Appendix A, rather than all locations of an agency branch in its entirety. Updates made to the October 2025 submission were inclusive of all locations comprising of an agency branch rather than solely the address locations in Appendix A.

[redacted]

i. **Please clarify whether historical and projected metrics are calculated on the same basis. If not, please describe how the**

calculations differ.

Please see response to Inquiry 112.b.i.

ii. **If the historical and projected metrics are on the same basis, please explain how the Providence JV expects to achieve the projected increase in such a short time.**

Please see response to Inquiry 112.b.ii.

c. **Historical and projected annual revenues and costs (in total and by location) differ significantly between the July and October submissions. Please explain the reason(s) for these differences.**

Please see response to Inquiry 112.e.

d. **Values for the 'Total Annual Revenue and Cost' section in the 'Actual 2025 YTD' block decreased substantially between the July and October submissions. Please explain these differences.**

October submission reflects the accurate Total Annual Revenue and Cost for Providence hospice in Oregon for Actual 2025 YTD. This data was updated based on the work performed by Providence's financial consultant with respect to the October submission.

[redacted]

Please see response to Inquiry 112.g.

114. **In the October submission, the Entities' updated response to question 9.a. states, "Providence-Compassus JV does not plan to make any changes to the clinical FTE head count." Please explain how current (e.g., 2025 YTD) levels of Clinical Staff Employed can be maintained while forecasting a significant increase in revenue and visits under the Providence JV as indicated at Compassus_Notice_01658 and Compassus_Notice_01660.**

That statement is intended to convey that Providence-Compassus JV does not plan to reduce clinical FTE head count via planned layoffs. As described in response to Inquiry 87, Providence-Compassus JV will hire additional clinical staff, as needed, to support growth in patient census.

115. **Please clarify the following for worksheet "10. Home Health Staffing":**
    a. **Explain the significant change in total FTE between the July and**

October submissions.

The staffing numbers reported in July 2025 covered only the address locations listed in Appendix A, rather than all locations of an agency branch in its entirety. Updates made to the October 2025 submission were inclusive of all locations comprising of an agency branch rather than solely the address locations in Appendix A.

b. Explain why Registered Dieticians were reported in the July submission but not in the October submission.

This was due to a clerical error in the July 2025 submission.

116. In the worksheet "10. Hospice Staffing," please explain the significant change in total FTE between the July and October submissions.

The staffing numbers reported in July 2025 covered only the address locations listed in Appendix A, rather than all locations of an agency branch in its entirety. Updates made to the October 2025 submission were inclusive of all locations comprising of an agency branch rather than solely the address locations in Appendix A.

VII. Other

117. Please confirm the closing date of the Providence JV in California and provide an update on the timeline for integration of California operations into the JV. Identify and describe the key differences from wave 1 integration, including how the entities are "leveraging lessons learned and best practices from wave 1" as stated in response to question 42.j.ii. of the First RFI.

Following approval by relevant California authorities, Providence-Compassus JV closed in California on October 1, 2025. [redacted]

[redacted]

118. Integration planning documents provided in Exhibit 42.3 include references to "wave 0 caregivers" and "wave 0 hospice administrators." (See for example, Compassus_Notice_011416 and Compassus_Notice_011532.) Please describe in detail the activities and personnel involved in "wave 0."

[redacted]

[redacted]

Providence will submit this information directly to HCMO, and requests HCMO to not share this information with Compassus.

VIII. Attachment A – Information Requested from Compassus

121. The response to question 30.b of the First RFI describes efforts by the AAH JV to "increase staffing efficiency." Please describe in detail any strategies implemented by the AAH JV to:

a. Avoid overburdening clinical staff due to higher caseloads.

[redacted]

b. Adjust productivity expectations (including visit duration) based on patients' (i) complexity/case mix, (ii) social needs/determinants of health, (iii) geographic location (e.g., rural or urban), or (iv) site of care (e.g. home or facility).

[redacted]

122. Related to the response to question 36 of the First RFI, please describe in detail how the AAH JV has "embraced paraprofessional utilization throughout the organization."

[redacted]

[redacted]

[redacted]

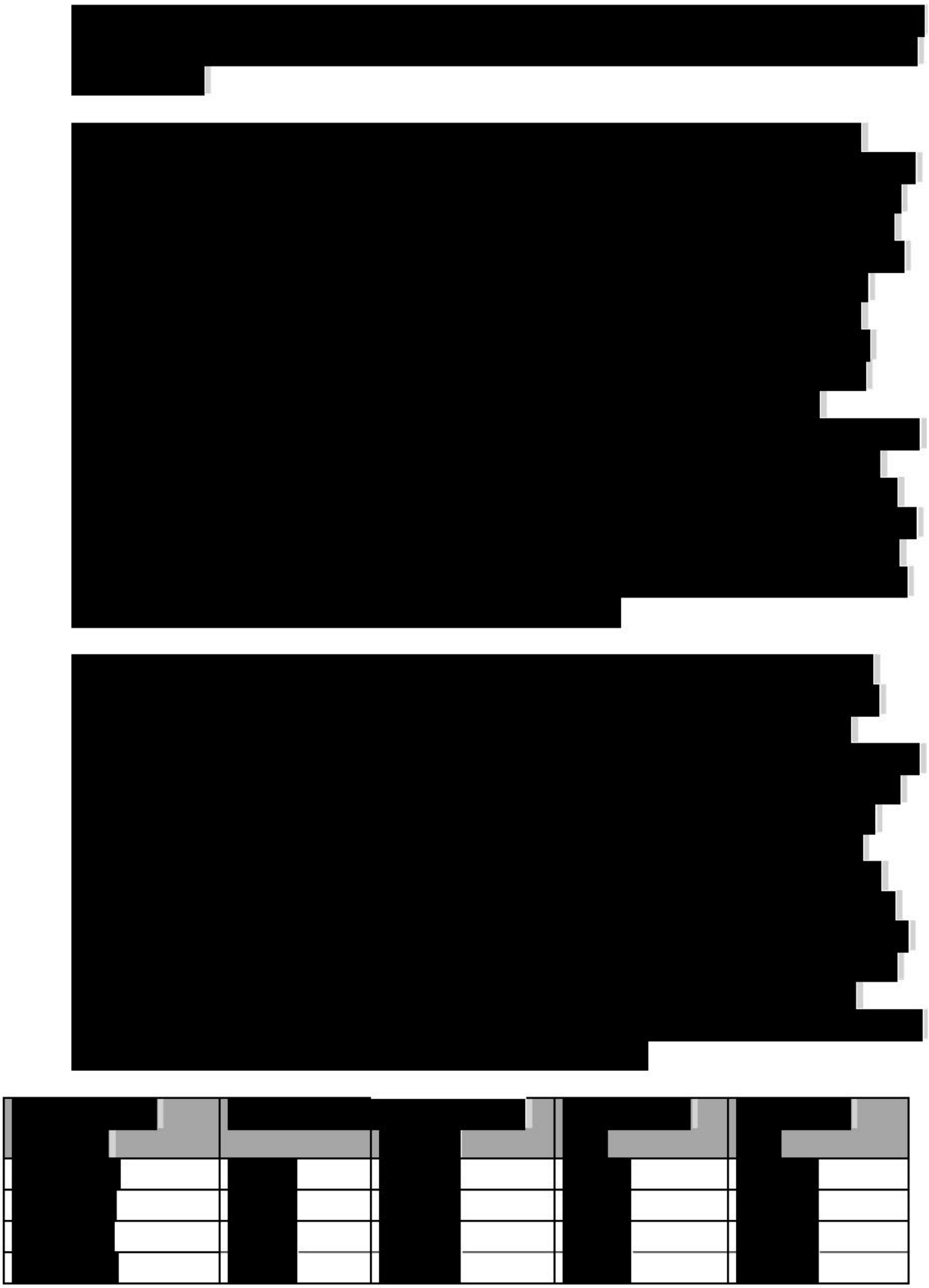
123. Please use the "Compassus Workbook," attached hereto as Appendix D, to provide information on:

a. Utilization, staffing, and patient information for all Compassus hospice agencies.
b. Staffing and caseloads for AAH JV home health agencies and all Compassus hospice agencies, respectively.
c. Utilization and costs by payer type for AAH JV home health agencies.
d. Referrals for all Compassus hospice agencies. Further instructions are provided in Appendix D.

[redacted]

[redacted]

[redacted]



[redacted]

[redacted]

[redacted]

[redacted]

124. In Appendix B, worksheet "31. Ascension Annual Summary," please confirm that all metrics (FTE, admissions, visits, revenues, costs, total patients, capture rate) reported for 2020 are limited to July - December 2020. If any metric uses a different reporting period for 2020, please update and resubmit the relevant 'Notes' fields in Appendix B, worksheet "31. Ascension Annual Summary."

[redacted]

125. Regarding the AAH JV:

a. Please explain any changes made to the organizational and management structure implemented as part of the joint venture and how these changes impacted the financial performance of the business subject to the joint

venture.

[redacted]

b. Please provide a version of the submitted files in Exhibit 33 with additional breakouts by payer type (e.g., Commercial, Medicaid, Original Medicare, and Medicare Advantage) for the home health business.

[redacted]

[redacted]

[redacted]

[redacted]