

Health Care Market Oversight (HCMO) Program Notice of Material Change Transaction

The applicant must complete and submit this notice of proposed material change transaction to hcmo.info@dhsoha.state.or.us.

One important role of the Health Care Market Oversight Program is to notify the community and people living in Oregon when entities propose a material change transaction. This document will be published and serve as the public notice. Contact program staff with any questions or to request technical assistance at hcmo.info@dhsoha.state.or.us.

Note: if any entity involved in the proposed transaction has associated National Provider Identifiers (NPIs), complete and submit the NPI form.

I. General Information about the Transaction and Entities

1. Name, title, organization, and email address of the individual completing this form on behalf of the applicant.

Name	Todd Cruse
Title	President
Organization	Advantage Dental Services, LLC
Email Address	todd.cruse@dentaquest.com

2. What type of material change transaction is the applicant proposing?

- Merger Contract Other (specify) _____
 Acquisition Affiliation

3. What is the proposed effective date of the material change transaction?

The Transaction will close following receipt of regulatory approvals. All regulatory approvals were requested in October, 2021 and either have already been received or are expected to be issued by Q2 of 2022.

4. Briefly describe the applicant completing this notice.

Advantage Dental Services, LLC, an Oregon limited liability company (federal tax ID 93-1195386) (“Advantage Dental”), is an Oregon dental care organization that provides dental services to Oregon Health Plan Medicaid members under contracts with Oregon coordinated care organizations, as well as with the Oregon Health Authority (“OHA”) directly. Advantage Dental does not provide any other health care services in Oregon beyond dental care. Advantage Dental is a wholly owned indirect subsidiary of DentaQuest Group, Inc., a Delaware corporation (“DentaQuest”). Advantage Dental’s mailing address is 442 SW Umatilla Ave., Ste. 200, Redmond, OR 97756. Its website is: <https://www.advantagedentalservices.com/>.

5. **Briefly describe all other entities involved in the proposed transaction.**
- **DentaQuest Group, Inc.**, with a federal tax ID 20-4056199, and a mailing address of 456 Medford Street, Boston, MA 02129. DentaQuest’s website is located here: <https://www.dentaquest.com/>. DentaQuest is currently the indirect parent company of Advantage Dental. DentaQuest is not a “health care entity” as defined under OAR 409-70(16) (other than pursuant to subsection (g) of such definition). DentaQuest is a dental benefits and delivery organization, with members across 36 states.
 - **DQ Acquisition Corp. (“DQAC”)**, a Delaware corporation, with a mailing address of: One Sun Life Executive Park, Wellesley Hills, MA 02481. DQAC does not have a website – it was formed for the sole purpose of being a party to the proposed transaction and will not survive the transaction. DQAC is a wholly owned subsidiary of Sun Life Assurance Company of Canada – U.S. Operations Holdings, Inc., a Delaware corporation (“Sun Life”), with a federal tax ID of 04-3401283 and a mailing address of One Sun Life Executive Park, Wellesley Hills, MA 02481. Sun Life’s website is located here: <https://www.sunlife.com/us/en/>. DQAC and Sun Life are not “health care entities” as defined under OAR 409-70(16).
6. **Briefly describe the nature and objectives of the proposed material change transaction, including any exchange of funds between the parties (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of health care services) and whether any changes in health care services are anticipated in connection with the proposed transaction.**

As a result of a corporate merger, DentaQuest will become a wholly owned subsidiary of Sun Life. Specifically, DQAC (a wholly owned subsidiary of Sun Life) will merge into DentaQuest, with DentaQuest as the surviving entity. In connection with the merger, DentaQuest stockholders will receive cash consideration of approximately \$2.475 billion.¹ The Transaction is occurring four entity levels above Advantage Dental, and solely between out-of-state entities. No changes in Oregon health care services will occur in connection with the transaction. Sun Life and its affiliates do not have any Oregon prepaid managed care health services organizations or other health care entities, nor any activity in the Oregon Medicaid market generally, and no combination, consolidation, or other reduction in Advantage Dental’s services is anticipated as a result of the transaction.

¹ The final amount of compensation is subject to certain adjustments (e.g., for indebtedness, cash, net working capital, and capital surplus on the closing date).

II. Impact from the Proposed Transaction

7. Explain how the proposed transaction is unlikely to substantially reduce access to affordable health care in Oregon.

The Transaction is not expected to have any impact on the price of or access to health care services within Oregon, as the Transaction will not involve any change to Advantage Dental (including, e.g., name, federal tax ID number, direct ownership or governance, management or leadership, Advantage Dental's contracts with Oregon coordinated care organizations, or operations generally).

8. Explain how the proposed transaction will improve health outcomes for residents of this state or will benefit the public good by achieving at least one of the following:

(i) reducing the growth in patient costs. (If the transaction will not reduce the growth in patient costs, explain why the proposed transaction is in the best interest of the public.)

(ii) increasing access to services in medically underserved areas.

(iii) rectifying historical and contemporary factors contributing to health inequities or access to services.

Following the Transaction, Advantage Dental will continue providing high quality, cost effective dental care for Oregon Health Plan Members and Oregon residents. Advantage Dental expects to continue to enhance the efficiency of dental care and improve oral health for all by promoting patient-centered, preventive oral health planning and care. The Transaction, occurring between two out-of-state entities, is not expected to have any negative impact on patient costs, patient access, equity or quality of health care in Oregon.

9. Will the proposed transaction result in a decrease in competition? If yes, describe any anticompetitive effects that may result from the proposed transaction, and if those effects are outweighed by the benefits of the proposed transaction in increasing or maintaining services to underserved populations.

No. Sun Life and its affiliates have no "health care entities" as defined under OAR 409-70(16), and the Transaction is expected to have no effect on competition in the State of Oregon.

10. Indicate the date and nature of any applications, forms, notices, or other materials you have submitted regarding the proposed material change to any other state or federal agency.

See [Exhibit A](#) for a schedule of forms, notices, and filings with state or federal agencies. Notably, Advantage Dental provided formal notice of the upcoming Transaction to Oregon Health Authority on October 19, 2021 pursuant to its 2021 Dental Care Organization contract with OHA. OHA, by correspondence dated October 20, 2021, expressly consented to the Transaction subject to (1) Advantage Dental submitting an updated disclosure of ownership form; and (2) Advantage Dental satisfying any and all requirements of the Oregon Department of Consumer & Business Services. See [Exhibit B](#) for a copy of relevant correspondence.

11. **Will the proposed material change transaction change control of a public benefit corporation or religious corporation?**

The Transaction will result in a change of indirect control over one public benefit corporation: Oregon Community Dental Care.

- **Oregon Community Dental Care**, an Oregon public benefit corporation without members (federal tax ID 45-4129709) (“OCDC”), is an Oregon general dental practice that provides dental services to Oregon residents through a single dental office in Winston, Oregon. Advantage Dental Plan, Inc., a DentaQuest indirect subsidiary, appoints OCDC’s directors. However, no combination, consolidation, or other reduction in OCDC’s services will occur as a result of the Transaction.

III. Signature

Certification and attestation are not required. The electronic signature below should be the name entered in Question #1 and an individual who can sign on behalf of the applicant.

Electronic Signature  Date 3/1/2022