



Date: February 10, 2023

Re: Comprehensive Review Determination — 008 SCAN Group-CareOregon

The Oregon Health Authority (OHA) is the state agency charged with operating the Health Care Market Oversight Program under Oregon Revised Statutes (ORS) 415.500 through 415.900 and Oregon Administrative Rules (OAR) 409-070-0000 through 409-070-0085.

On January 12, 2023, OHA confirmed receipt of a complete Notice of Material Change Transaction in compliance with OAR 409-070-0030 and 0045. Pursuant to ORS 415.501(5) and OAR 409-070-0055, OHA completed a timely preliminary review of the above-referenced transaction. OHA has determined that the transaction is a covered transaction pursuant to OAR 409-070-0010(1)(b) and that a comprehensive review of the transaction is required.

At this time, OHA has determined that the following additional submissions are required:

1. Final executed copies of all definitive agreements pursuant to which the transaction will be documented and closed, in accordance with OAR 409-070-0045(5)(a)(B);
2. The information identified in the January 30, 2023, letter from counsel to the Department of Consumer and Business Services (“DCBS”) and OHA in connection with the Form A review process;
3. Information, materials and analyses regarding potential anticompetitive effects as a result of the proposed transaction in the regions in which CareOregon and its subsidiaries and affiliates operate; and
4. Detailed explanation, supported by objective metrics, projections and analyses regarding how the proposed transaction will (a) benefit the public good and communities and/or (b) improve health outcomes for Oregon residents.

OHA may request additional information or clarifications as the comprehensive review progresses.

Pursuant to OAR 409-070-0035, OHA shall report the results of its comprehensive review to the DCBS on or before July 11, 2023, unless otherwise extended or tolled as permitted under OAR 409-070-0000 through 407-070-0085. DCBS will make the final determination regarding this proposed material change transaction and shall coordinate with OHA to incorporate the results of OHA’s review into the final determination issued by DCBS pursuant to OAR 409-070-0035(2).

NOTE: Pursuant to OAR 409-070-0035(3), the filing of a notice of material change transaction that is subject to review by each of the Authority and the Department under this rule shall be deemed to include an express consent to the sharing between the Authority and the Department of confidential material submitted in connection with such proposed material change transaction. Confidential material provided by any party in connection with such proposed material change transaction shall be maintained as confidential material in accordance with ORS 705.137 and ORS 415.103, and OAR 409-070-0070, and may be shared between the Authority and the Department pursuant to ORS 705.137(3)(b)&(c) and (4), and ORS 192.355(1), (9), (10) and (31), as applicable. Such sharing shall not constitute a waiver of the confidential status of such materials. OHA

is reviewing the confidentiality log submitted with the Notice of Material Change Transaction and will inform the parties of the results of that review once completed.

Please contact hcmo.info@oha.oregon.gov if you would like to request a comprehensive review conference pursuant to OAR 409-070-0045(2). This is an opportunity to obtain additional information about OHA's expectations for the review, including analytic approach, timelines, and additional information required by OHA.

For more information about the Health Care Market Oversight program, please consult the program website at <https://www.oregon.gov/oha/HPA/HP/Pages/health-care-market-oversight.aspx>.

If you have questions or need further information, please contact the Health Care Market Oversight team at hcmo.info@oha.oregon.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah Bartelmann", with a long horizontal flourish extending to the right.

Sarah Bartelmann, MPH
Health Care Market Oversight Program Manager
Oregon Health Authority