

## Health Care Market Oversight

# Kroger and Albertsons Merger

The [Health Care Market Oversight](#) (HCMO) program reviews health care business deals, like mergers and acquisitions, to make sure they do not harm people and communities in Oregon. On August 8, 2023, the Oregon Health Authority (OHA) accepted a [notice](#) related to Kroger's purchase of Albertsons. The notice describes plans for the companies to merge.

## Who's involved?

**Kroger** is a public company that operates supermarkets in 35 states under a variety of names, including Fred Meyer and QFC. Kroger is the nation's largest supermarket chain. Most Kroger stores include pharmacies, including 53 retail pharmacies in Oregon located in Fred Meyer and QFC stores. Kroger also operates a pharmacy benefit manager and mail-order pharmacy business.

**Albertsons** is a public company that operates supermarkets in 34 states under a variety of names, including Safeway, Albertsons, and Sav-On. Most Albertsons-owned supermarket locations have retail pharmacies on-site, including 106 retail pharmacies in stores in Oregon. Albertsons also offers telehealth services in partnership with Providence Health and Services.

**C&S Wholesale Grocers ("C&S")** is a private company focused on wholesale grocery supply. C&S supplies thousands of independent and retail chain grocery stores. It also operates retail grocery stores in the Midwest states and Carolinas.

## About the deal

Kroger will pay \$24.6 billion to buy Albertsons. Through the deal, Kroger will take on \$4.7 billion of Albertsons' debt. The entities state that the purpose of the transaction is to create a more competitive combined company. In the notice, Kroger states that it has no plans to reduce health care or pharmacy services in Oregon. To address concerns from state and federal authorities that the merger could reduce grocery competition, the entities are planning to sell ("divest") more than 400 Albertsons and Kroger stores to C&S, including 49 stores in Oregon.

## What's next?

OHA is reviewing this deal to understand how it could affect pharmacy care and access to prescription drugs for communities in Oregon. During the review, OHA will use health care data, news and media reports, information from the companies, and input from the public to decide whether the deal should be approved. After completing a review, OHA will issue a decision about whether the deal may proceed as planned. This deal is also under review by other federal and state regulators.

## We want to hear from you!

Your feedback can help us understand how this deal could help or harm people in your community. To share your thoughts and feedback about this deal, please email [hcmo.info@oha.oregon.gov](mailto:hcmo.info@oha.oregon.gov). In your email, include the word "Kroger", what you think, and whether you support or oppose the deal. You can also join the community review board, a group tasked with providing a recommendation to OHA. Please see [HCMO's website](#) for information on how to apply.

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