

Health Care Market Oversight (HCMO) Program

HCMO-1: Notice of Material Change Transaction

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General Instructions

Pursuant to Oregon Revised Statute (ORS) 415.501, an entity to a material change transaction must submit a Notice to the Oregon Health Authority (OHA) notifying OHA of such transaction. This HCMO-1 Notice form must be used to comply with this statutory mandate.

You must file this HCMO-1 Notice form electronically with OHA, in a portable document form (pdf), by email to hcmo.info@oha.oregon.gov **no less than 180 days** before the expected closing date of your material change transaction. Please submit the completed HCMO-1 Notice form, other relevant HCMO forms, and any supplemental documents as separate files.

To avoid delays in OHA's review of your proposed transaction, due diligence is required to complete this HCMO-1 Notice form correctly. Please provide a public-facing response to each item. Pursuant to the requirements of OAR 409-070-0070(1), this form should not contain any information you intend to designate as confidential. All information you designate as confidential must be provided separately as one or more supplemental attachments to this form. To avoid unnecessary delays, do not redact content that is publicly available or without grounds for a claim of confidentiality under Oregon law. Please consistently apply Bates numbering to all documents submitted with this form and include the applicable Bates number sequence on all redaction logs.

The Notice is not complete until all required information is satisfactorily provided, and the review period will not run until OHA deems the Notice complete.

This HCMO-1 Notice form, along with any public supporting documents, will be published and serve as notice to the public. Contact program staff with any questions or to request technical assistance at hcmo.info@oha.oregon.gov.

Who must file a Notice

Under ORS 415.501, an entity entering into a transaction that constitutes a material change must submit written notice to OHA of such material change.

A material change transaction includes:

- A. A transaction in which at least one party had average revenue of \$25 million or more in the preceding three fiscal years and another party:

- i. Had an average revenue of at least \$10 million in the preceding three fiscal years; or
- ii. In the case of a new entity, is projected to have at least \$10 million in revenue in the first full year of operation at normal levels of utilization or operation as prescribed by the authority by rule.

Out-of-state entities

If a transaction involves a health care entity in this state and an out-of-state entity, a transaction that otherwise qualifies as a material change transaction must submit this Notice if the transaction may result in increases in the price of health care or limit access to health care services in this state. See [OHA Guidance on Out-of-State Entities](#).

Confidentiality

Information on this HCMO-1 Notice form shall be a public record and will be posted on OHA's website. Pursuant to ORS 415.501(13), OHA shall maintain the confidentiality of all confidential information and documents that are not publicly available that are obtained in relation to a material change transaction and may not disclose the information or documents to any person without the consent of the person who provided the information or document. Information and documents described in this paragraph are exempt from disclosure under Oregon Public Records Law (ORS 192.311 to 192.478).

Entities must follow the requirements of Oregon Administrative Rule (OAR) 409-070-0070 when designating portions of a Notice and any documents submitted by the applicant in support of the Notice as confidential. See [OHA Use of Confidential Information Guidance](#).

Definitions

"Acquisition" occurs when:

- a) Another person acquires control of the health care entity including acquiring a controlling interest as described in OAR 409-070-0025;
- b) Another person acquires, directly or indirectly, voting control of more than fifty percent (50%) of any class of voting securities of the health care entity other than a domestic insurer as described in OAR 409-070-0025(1)(c);
- c) Another person acquires all or substantially all of the health care entity's assets and operations;
- d) Another person undertakes to provide the health care entity with comprehensive management services; or
- e) The health care entity merges tax identification numbers or corporate governance with another entity.

"Legal entity name" means legal business name as reported with Internal Revenue Service.

“Merger” means a consolidation between two or more organizations, including two or more organizations joining through a common parent organization or two or more organizations forming a new organization.

“NPI” means 10-digit National Provider Identification number issued by the Centers for Medicare and Medicaid Services (CMS).

“Tax ID” means 9-digit federal tax identification number also known as an employer identification number (EIN) assigned by the Internal Revenue Service.

“Transaction” means:

- a) A merger of a health care entity with another entity;
- b) An acquisition of one or more health care entities by another entity;
- c) New contracts, new clinical affiliations and new contracting affiliations that will eliminate or significantly reduce, as defined by the authority by rule, essential services (see [Essential Services and Significant Reduction](#) guidance);
- d) A corporate affiliation involving at least one health care entity; or
- e) Transactions to form a new partnership, joint venture, accountable care organization, parent organization or management services organization.

Additional defined terms can be found at ORS 415.500 et seq. and OAR 409-070-0000 to -0085.

I. Parties to the proposed transaction

List the entity name for all parties to the proposed transaction. Add extra rows as needed for additional parties.

Party A (Applicant)	StateServ Holdings LLC
Party B:	Eagle Rx Holdco, Inc.

[Click or tap here to enter text.](#)

II. Contact information for the parties

Provide contact information for the proposed transaction, as requested below.

1. Provide information for Party A.

Legal entity name	StateServ Holdings LLC
Assumed name	Click or tap here to enter text.
Tax ID	82-2544743
Mailing address	1201 Alma School Rd Suite 4000
Website	https://dragonflyhealth.com/

Contact Name	Paul DiCosmo
Title	CEO, Dragonfly Health, Inc.
Phone	Click or tap here to enter text.
Cell Phone	See Confidential Appendix
Email	See Confidential Appendix

Is Party A represented by legal counsel for this transaction?

☒ Yes

☐ No

Provide information regarding Party A's legal counsel, if applicable.

Name	Gregory Heltzer
Firm	McDermott Will & Emery LLP
Address	500 North Capitol Street, NW, Washington, DC 20001
Phone	202-756-8178
Email Address	gheltzer@mwe.com

2. Provide information for Party B.

Legal entity name	Eagle Rx Holdco, Inc.
Assumed name	Click or tap here to enter text.
Tax ID	47-1407967
Mailing address	1601 Cherry St. Suite 1800 Philadelphia, PA 19102
Website	https://enclarapharmacia.com/
Contact Name	Joseph M. Ruschell
Title	Vice President, Associate General Counsel & Corporate Secretary, Humana Inc.
Phone	See Confidential Appendix
Cell Phone	Click or tap here to enter text.

Email	See Confidential Appendix
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Is Party B represented by legal counsel for this transaction?

☒ Yes

☐ No

Provide information regarding Party B's legal counsel, if applicable.

Name	Shawn Johnson
Firm	Crowell & Moring LLP
Address	1001 Pennsylvania Avenue NW, Washington, DC 20004
Phone	202-624-2624
Email Address	srjohnson@crowell.com

For any additional Parties, please provide a supplemental attachment describing the information requested in Section 2.

3. Provide a billing contact for payment of review fees.

Name	Alex Schmid
Address	1201 Alma School Rd, Suite 4000, Mesa, AZ 85210
Phone	See Confidential Appendix
Email Address	See Confidential Appendix

III. About the proposed transaction

4. Provide the type of material change transaction. (See OAR 409-070-0010 for definitions of transactions subject to review.)

☐ Merger

☒ Acquisition

☐ Affiliation

☐ Contract

☐ Other (specify)_____

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

Within three business days of the satisfaction of all closing conditions.

6. Briefly describe the proposed material change transaction, including:

a. Goals and objectives

In connection with the proposed transaction, StateServ Holdings LLC ("StateServ Holdings"), the parent company of Dragonfly Health, Inc. ("Dragonfly Health"), a health care entity pursuant to ORS 415.500(4)(a), will acquire Eagle Rx Holdco, Inc. ("Eagle Rx"), the holding company of Enclara Pharmacia, Inc. ("Enclara Pharmacia"), a health care entity pursuant to ORS 415.500(4)(a), from Humana Inc. ("Humana"). Through the transaction, Dragonfly Health will grow its pharmacy capabilities, enabling it to serve a wider range of post-acute care providers. The integration of Enclara Pharmacia's more extensive pharmacy capabilities with Dragonfly Health's existing durable medical equipment management offerings will create a more comprehensive one-stop shop for post-acute care providers. This improved combined offering is intended to deliver greater value, lower costs, improved efficiency, and enhanced service for post-acute care providers, ultimately allowing caregivers to spend more time caring for patients and less on administrative tasks.

b. Summary of transaction terms

Pursuant to a Stock Purchase Agreement, StateServ Holdings will acquire all of the issued and outstanding shares of Eagle Rx from Humana. Certain subsidiaries of Eagle Rx operate the Enclara Pharmacia business.

c. Why the transaction is necessary or warranted

Today, post-acute care providers manage separate contracts with multiple vendors for durable medical equipment and pharmacy services to address their patients' needs. Navigating different technology platforms adds complexity and inefficiencies, placing additional administrative burdens on clinical staff and reducing time spent with patients. This transaction seeks to improve the administration of these two services by clinical staff/caregivers (for example, placing orders, tracking deliveries, managing invoices, and other workflow) by creating the opportunity for care providers to simplify the procurement of these services through a single service provider, which will streamline operations, improve efficiency for both administrators and clinicians, and allow caregivers to focus on delivering the best possible care to their patients.

d. Any exchange of funds between the parties, including the nature, source and amount of funds or other consideration (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).

The parties do not anticipate any exchange of funds in connection with the transaction, other than the payment of purchase price and any adjustment amounts thereto pursuant to the stock purchase agreement entered into by the parties.

7. Describe the negotiation or transaction process that resulted in the entities entering into an agreement.

The parties began discussions about a potential transaction in May 2024, and after several months of negotiations, Dragonfly Health submitted a letter of intent to acquire Enclara Pharmacia in December 2024. After further negotiations, the parties entered into a Stock Purchase Agreement on May 9, 2025.

For further information about the negotiation process, please see response in Confidential Appendix.

- a. How the entities were identified (e.g., did one party approach the other, did one party engage in a bid/auction process, etc.)

Dragonfly Health was identified as a potential buyer via an auction process conducted by Citibank, on behalf of Humana.

- b. Any due diligence performed by any of the parties to the transaction. Provide any products, reports, or analyses resulting from due diligence processes.

Dragonfly Health engaged outside legal counsel to perform a comprehensive legal due diligence review of Eagle Rx and its operations. All such diligence reports and work product are attorney work product and subject to attorney-client privilege.

Additionally, Dragonfly Health engaged:

- PwC to assist on financial, tax, and separation due diligence
- West Monroe to support technology due diligence
- Aon to support benefits insurance diligence
- Health Advances for market research
- Gallagher for property and casualty insurance diligence

See at HCMO_ATT_00000208 to HCMO_ATT_00000478.

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

☐ Yes

☒ No

9. List any applications, forms, notices, or other materials that have been submitted to any other state or federal agency regarding the proposed material change transaction. Include the data and nature of any submissions. This includes, but is not limited to, the Oregon Department of Consumer and Business Services, Oregon Public Health Division, Oregon Department of Justice, U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application), Federal Trade Commission, and U.S. Department of Justice.

Notice provided pursuant to Indiana's Reporting of Health Care Entity Mergers and Acquisitions.

- a. If a pre-merger notification was filed with the Federal Trade Commission or U.S. Department of Justice, please attach the pre-merger notification filing along with this notice submission.

N/A

IV. About the entities involved in the proposed transaction

10. Describe Party A.

Dragonfly Health is a leading care-at-home data, technology, and service platform, and the industry's first combined durable medical equipment and pharmacy solution for post-acute care providers.

- a. Describe Party A's business, including business lines or segments

Dragonfly Health was created through the combination of StateServ, which provides durable medical equipment management services, and Delta Care Rx, a provider of pharmacy network and fulfillment services.

- b. Describe Party A's governance and operational structure (including ownership of or by a health care entity)

The daily operations of Dragonfly Health are managed by the executive team who are formally appointed officers, with Paul DiCosmo serving as CEO, Chris Roode as COO, and Elliot Amundson as CFO, with each of them making decisions in accordance with the powers granted to them by the board of managers of StateServ Parent, LLC (the ultimate parent entity for Dragonfly Health) or Paul DiCosmo in his capacity of CEO. Each officer also owes fiduciary duties to Dragonfly Health and its equityholders. If any officer takes an action not in accordance with his or her duties, the board of managers of StateServ Parent, LLC can terminate that individual or provide requirements or guidance on corrective actions.

Please see Structure Chart for StateServ Platform at HCMO_ATT_00002224 to HCMO_ATT_00002225, which provides the organizational structure for the entities of Party A. Below we have provided a description for the entities identified therein.

StateServ Aggregator, LLC is the top-level entity for which WindRose Health Investors (Dragonfly Health's investor) and other co-investors hold their interest in the Dragonfly Health business.

StateServ Parent, LLC, StateServ Acquisition, Inc., and StateServ Acquisition Texas, LLC are acquisition entities formed in connection with previous transactions (see response to question 12 below).

Dragonfly Health, Inc. (f/k/a StateServ Intermediate Holdings, Inc.), StateServ Holdings, LLC are management entities, responsible for the day-to-day activities of Dragonfly Health.

Network Medical LLC, InvaSoft, LLC, and InvaServ, LLC hold Dragonfly Health's contracts with hospice agencies or other providers.

Scriptalytics LLC, ScrYpt Sense LLC, Easy Rx Pad, LLC, Dragonfly Hospice Pharmacy, LLC, and Dragonfly Infusion Services, LLC are involved in Dragonfly Health's pharmacy solutions operations.

The StateServ Companies, L.L.C. and the remaining entities are Dragonfly Health's DME operating companies by state.

For further information about Dragonfly Health's governance structure, please see response in Confidential Appendix.

WindRose Health Investors has the following current health care related investments (listed below). The services these entities provide are different from what is offered by Dragonfly Health and Enclara Pharmacia.

- **Accuity** – Provider of outsourced revenue cycle management services to hospitals via a robust clinical documentation improvement program.
- **Altruix** - Specialized pharmacy offering high-touch, value-added distribution and medication adherence services and technology, primarily serving patients with severe and persistent mental illness (SPMI), intellectual and developmental disabilities (IDD), and substance abuse disorders.
- **BlueSprig** - Provider of Applied Behavioral Analysis (ABA) therapy services to children with autism spectrum disorder.
- **Bluestone Physician Services** – Provider of an integrated care delivery model to high-risk, chronically ill patients residing in senior living, community, and home-based settings.

- **Bpd** – Provider of data-driven marketing strategies, creative content development, and omnichannel campaign execution for hospitals and health systems.
- **CardioOne** – A physician enablement company built specifically to serve independent cardiologists, providing physicians with an integrated technology platform, a practice optimization program, a workforce solution, and a growth engine that combines to provide a best-in-class patient and provider experience.
- **Caregiver** – Provider of long-term care services and supports to people with intellectual and developmental disabilities.
- **CIVIE** - AI-powered ecosystem of radiology solutions that encompass the entire patient and clinical journey from exam ordering to image viewing, reporting, and payment.
- **Coral** - A provider of pharmacy cost management services, including rebate administration, adjudication, and formulary optimization for long-term care (LTC) facilities, hospitals and health systems, and select risk-bearing specialty physician groups.
- **Healthmap Solutions** - A specialty health management company focused on progressive diseases, with a particular expertise in kidney health populations.
- **Kolmac Clinic** – Provider of outpatient detoxification, rehabilitation, and continuing care programs for adults who have problems with alcohol and other addictive substances, as well as those with gambling problems.
- **MyndYou** – Provider of an AI-powered virtual care assistant, MyEleanor, that allows healthcare organizations to engage patients at scale through voice conversations.
- **RevHealth** - Independent provider of omnichannel healthcare communications supporting pharma, biotech, device, and other healthcare clients with professional promotion, medical education, and patient education and advocacy communication services.
- **Roslin CT** - Global contract development and manufacturing organization (CDMO) focused on advanced cell and gene therapies/
- **Shearwater Health** - Provider of offshore clinical process outsourcing and nurse recruitment services to U.S.-based healthcare payors and providers.
- **Soleo Health** - Independent national provider of complex specialty pharmacy services and infusion therapy administered in the home or at alternate sites of care.
- **SubjectWell** - Patient access marketplace connecting people with health conditions to clinical trials or approved treatments.
- **Traditions Behavioral Health** – Provider of permanent outsourced physician psychiatric services to institutional and community-based programs.

- **Veristat** - Global clinical research organization (CRO) that empowers biotech and pharmaceutical sponsors to advance complex therapeutic challenges and accelerate innovative therapies.
- c. Provide a diagram or chart showing the organizational structural and relationships between business entities.

See Structure Chart for StateServ Platform at HCMO_ATT_00002224 to HCMO_ATT_00002225.

- d. List all of Party A's business entities currently licensed to operate in Oregon using [HCMO-1b: Business Entities form](#). Provide the business name, assumed business name, business structure, date of incorporation, jurisdiction, principal place of business, and FEIN for each entity.

See HCMO-1b: Business Entities form.

- e. Provide financial statements for the most recent three fiscal years. If Party A also operates outside of Oregon, provide financial statements both for Party A nationally and for Party A's Oregon business.

See audited financial statements for Dragonfly Health and subsidiaries for the year ended December 31, 2024, StateServ Intermediate Holdings, Inc. and subsidiaries for the year ended December 31, 2023, and StateServ Intermediate Holdings, Inc. and subsidiaries for the year ended December 31, 2022. Dragonfly Health, was formerly known as StateServ Intermediate Holdings, Inc, at HCMO_ATT_00002227 to HCMO_ATT_00002306.

Dragonfly Health is headquartered in Arizona and provides services nationwide. Dragonfly Health does not have the ability to prepare state-specific financial statements. In 2024, Dragonfly Health generated \$2.3 million in revenues for its pharmacy business in Oregon, and \$6.3 million for its durable medical equipment business in Oregon.

- f. Describe and identify Party A's health care business. Provide responses to i-ix as applicable:

Dragonfly Health offers durable medical equipment services via a combination of owned and third party providers, and pharmacy network and fulfillment services, which includes wholly-owned mail-order pharmacy operations.

- i. Provider type (hospital, physician group, etc.)

Provider of durable medical equipment services, and pharmacy network and fulfillment services, which includes wholly-owned mail-order pharmacy operations.

- ii. Service lines, both overall and in Oregon

Dragonfly Health provides durable medical equipment services and pharmacy services for post-acute care providers.

Durable Medical Equipment

Dragonfly Health sources and manages durable medical equipment, oxygen, and other services throughout the country. Dragonfly Health distributes itself within its direct service area (14 states, including Oregon) and has a network of suppliers for deliveries in other states. Dragonfly Health offers an industry leading ordering and reporting platform, DMETrack, offering clients and providers advanced order management, reporting, and invoicing functions, in addition to its supplier network. Dragonfly Health's DME business serves more than 1,000 programs across the post-acute continuum including hospice, PACE, and skilled nursing, ensuring complete coverage in 49 states (Alaska has no service).

Pharmacy

Dragonfly Health's pharmacy business provides post-acute providers in thirty states with access to its mail-order pharmacy and contracted network of retail pharmacies for same-day services, along with various related services including:

- e-Prescribing solutions to expedite receipt of controlled medications for patients, improve symptom management, reduce medication ordering errors, and allow for a more efficient workflow allowing team members to spend more time with patients;
- On-Demand Pharmacist Services to support for clinical decision-making, cost control and quality outcomes;
- A technology suite of services for remote patient monitoring, and a virtual intake portal that can be self-branded by hospices and post-acute care providers; and
- Other ancillary technology services related to EMR interfacing, utilization analysis, Medicare drug cost reporting, drug monitoring, clinical education, and pharmacist consultations.

iii. Products and services, both overall and in Oregon

See above.

iv. Number of staff and FTE, both overall and in Oregon

Dragonfly Health has 1,105 total employees, 22 of which work in Oregon. Of these 22 employees, 18 are part of Dragonfly Health's durable medical equipment business and 4 are part of Dragonfly Health's pharmacy business.

v. Geographic areas served, both overall and in Oregon

Dragonfly Health provides services in all states and the District of Columbia, excluding Alaska for its durable medical equipment business (DME) and in 30 states for its pharmacy business. For its locations in Oregon, please see services areas of facilities listed in HCMO-1c: Facilities and Locations form.

- vi. Addresses of all facilities owned or operated using [HCMO-1c: Facilities and Locations form](#)

See HCMO-1c: Facilities and Locations form.

- vii. Annual number of people served in Oregon, for all business, not just business related to transaction

Dragonfly Health contracts with post-acute care providers and the number of people served is dependent upon the volume of patients cared for by those facilities. For pharmacy services, Dragonfly Health processes pharmacy claims but does not directly fulfill all claims for patients at its client hospice agencies.

Please see response in Confidential Appendix for further information.

- viii. Annual number of services provided in Oregon

Please see response in Confidential Appendix.

- ix. For hospitals, number of licensed beds

Not applicable.

11. Describe Party B.

Eagle Rx is a wholly-owned subsidiary of Humana and the holding company for the Enclara Pharmacia business. Enclara Pharmacia provides pharmacy solutions primarily to hospice and palliative care customers nationally, including in Oregon. Enclara Pharmacia operates in Oregon through its Enclara Pharmacia, Inc. entity.

Humana through its subsidiaries, offers health insurance benefit services including Medicare Advantage plans, Medicare Part D prescription drug plans ("PDP"), Medicare Supplement plans, Medicaid managed care plans, and specialty insurance benefits including dental, vision, life and disability. Humana also provides pharmacy solutions, primary care, and home health services. Humana offers Medicare Advantage, PDP, Medicare Supplement and specialty plans in Oregon and operates one home health location in the state.

- a. Describe Party B's business, including business lines or segments

Enclara Pharmacia is a pharmacy solutions provider. It provides customers timely and reliable access to prescription drug medications through its network of contracted retail pharmacies and its owned national mail-order pharmacy. Enclara Pharmacia also provides caregivers and administrators associated clinical and technological support, to help reduce the burden of managing patient prescriptions.

- b. Describe Party B's governance and operational structure (including ownership of or by a health care entity)

Eagle Rx is a wholly-owned subsidiary of Humana, a publicly traded corporation. Eagle Rx is governed by a board of directors and, ultimately, by the Humana Board of Directors.

- c. Provide a diagram or chart showing the organizational structural and relationships between business entities.

See Eagle Rx structure chart at HCMO_ATT_00002226.

- d. List all of Party B's business entities currently licensed to operate in Oregon using [HCMO-1b: Business Entities form](#). Provide the business name, assumed business name, business structure, date of incorporation, jurisdiction, principal place of business, and FEIN for each entity.

See HCMO-1b: Business Entities form.

- e. Provide financial statements for the most recent three fiscal years. If Party B operates outside of Oregon, provide financial statements both for Party B nationally and for Party B's Oregon business.

See unaudited consolidated statements of operations of the business of EagleRx and its Subsidiaries for the years ended December 31, 2024, December 31, 2023, and December 31, 2022, nationally and for Oregon only at HCMO_ATT_00002307 to HCMO_ATT_00002310.

- f. Describe and identify Party B's health care business. Provide responses to i-ix as applicable.

- i. Provider type (hospital, physician group, etc.)

Enclara Pharmacia is a pharmacy solutions provider.

- ii. Service lines, both overall and in Oregon

Enclara Pharmacia provides pharmacy solutions nationwide, including in Oregon. Enclara Pharmacia contracts with customers, including hospice and palliative care agencies, to provide access to patient prescription drug medications and associated clinical and technological support. Enclara Pharmacia arranges for delivery of patient prescription drug medications either through a network of contracted retail pharmacies or directly through its owned mail-order pharmacy operations.

- iii. Products and services, both overall and in Oregon

See above.

- iv. Number of staff and FTE, both overall and in Oregon

Enclara Pharmacia has approximately 735 employees, none of whom live or work in Oregon.

- v. Geographic areas served, both overall and in Oregon

Enclara Pharmacia is active nationally, with only a minimal presence in Oregon. Enclara Pharmacia has no physical presence in Oregon but provides pharmacy solutions including mail-order pharmacy services to customers in Oregon.

Enclara Pharmacia currently serves customers with locations in the following counties: Clatsop, Clackamas, Coos, Curry, Deschutes, Douglas, Hood River, Josephine, Klamath, Lane, Marion, Morrow, Multnomah, and Washington.

- vi. Addresses of all facilities owned or operated using [HCMO-1c: Facilities and Locations form](#)

Enclara Pharmacia does not own or operate any facilities in Oregon.

- vii. Annual number people served in Oregon, for all business, not just business related to transaction

Humana Inc. has approximately 15,400 Medicare Advantage members and 40,700 PDP members in Oregon.

Additionally, Humana operates a single home health agency located in Lake Oswego, OR.

Please see response in the Confidential Appendix for further information.

- viii. Annual number of services provided in Oregon

Please see response in Confidential Appendix.

- ix. For hospitals, number of licensed beds

Not applicable.

For any additional Parties, please provide a supplemental attachment describing the information requested in Section 11 (a) – (f).

12. Describe all mergers, acquisitions, and joint ventures that closed in the ten (10) years prior to filing this notice of material change transaction involving any entities party to the current proposed transaction, the same or related services, and health care entities. For each previous transaction, include:

- a. Legal names of all entities party to the transaction
- b. Type of transaction
- c. Description of the transaction
- d. Date the transaction closed

StateServ Holdings LLC

Blue Wolf investment in StateServ

- a) StateServ Holdings LLC (the Company); Equityholders of StateServ Holdings, LLC (Sellers); BW DME Acquisition LLC (Buyer)
- b) Stock purchase
- c) Blue Wolf Capital's acquisition of StateServ
- d) August 24, 2017

StateServ acquisition of Hospicelink

- a) Network Medical, Inc. d/b/a Hospicelink (the Company); Equityholders of Network Medical Inc (Sellers); BW NM Holdings Inc (Buyer)
- b) Stock purchase
- c) StateServ's acquisition of Hospicelink
- d) January 26, 2018

WindRose's Investment in StateServ

- a) BW DME AIV III FEEDER, LLC (Seller), BW DME INTERMEDIATE HOLDINGS LLC (Seller), BW DME ACQUISITION LLC (Company), BW DME AIV III C CORP (Blocker), BW DME INTERMEDIATE HOLDINGS LLC (Seller Rep), STATESERV ACQUISITION, INC. (Buyer)
- b) Stock Purchase
- c) WindRose's acquisition of StateServ Medical from Blue Wolf
- d) November 2021

StateServ's purchase of Delta Care Rx

- a) STATESERV HOLDINGS LLC (Buyer). For specific legal names of Sellers, please see response in Confidential Appendix.
- b) Stock Purchase
- c) StateServ's acquisition of Delta Care Rx
- d) September 2023

Eagle Rx Holdco, Inc.

Acquisition of HP Solutions Holdings, LLC and Outcome Resources, LLC

- a) Eagle Rx, Inc. and Care Services, LLC
- b) Membership Interest Purchase
- c) Through the Membership Interest Purchase Agreement, Eagle Rx, Inc. acquired 100% of the membership interests of HP Solutions Holdings, LLC and Outcome Resources, LLC from Care Services, LLC.
- d) February 1, 2022

Acquisition by Humana

- a) Humana, Inc. and Eagle Rx Holdings, L.P.
- b) Purchase and Sale Agreement

- c) Through the Purchase and Sale Agreement, Humana Inc. acquired 100% of the issued and outstanding shares of Eagle Rx Holdco, Inc.
- d) January 31, 2020

13. Describe any anticipated changes resulting from the proposed material change transaction, including:

a. Operational structure

- i. Provide a chart or diagram showing the pre- and post-transaction organizational structure and relationships between entities.

Eagle Rx will become a solely owned subsidiary of StateServ Holdings. Please see Project Oriole – Structure Chart at HCMO_ATT_00002311 to HCMO_ATT_2313.

b. Corporate governance and management

Dragonfly Health management is actively evaluating a pro forma organization structure inclusive of Enclara Pharmacia management. Please see response in Confidential Appendix for further information.

c. Investments or initiatives

Investments are anticipated related to improving the pharmacy management system technology platform to allow for future growth, greater integration with Dragonfly Health's DME platform, and improved experiences for post-acute care provider customers and their caregivers and patients. Please see response in Confidential Appendix for further information.

d. Type and level of staffing

No changes in staffing levels are contemplated.

e. Type and level of services provided

No changes are contemplated.

f. Number and type of locations

No changes are anticipated for Dragonfly Health's Oregon facilities. Dragonfly Health will continue to operate its closed-door (i.e., non-retail) pharmacy location in Bend, OR that serves certain Oregon customers. Please see response in Confidential Appendix for further information.

g. Geographic areas served

Dragonfly Health's service capability for pharmacy will expand from 30 states to 50 states with no reduction in service in any state or local area therein. The transaction will not change Dragonfly Health's service footprint for its durable medical equipment business.

h. For providers, payer contracts and payer mix

Not applicable. Dragonfly Health and Enclara Pharmacia contract directly with post-acute care providers.

- i. For insurance carriers, provider contracts and networks

Not applicable.

- j. Other contractual arrangements, including contracts with suppliers, partners, ancillary service providers, PBMs, or management services organizations

No immediate changes are contemplated. Over the next three years, Dragonfly Health expects to make changes to various contractual arrangements of both parties in order to better manage and integrate the two platforms and reduce overall costs.

V. Impacts from the proposed material change transaction

14. Describe how the proposed material change transaction will impact the public and people served by the entities in Oregon.

The proposed transaction provides Dragonfly Health with the opportunity to grow its pharmacy services capabilities and offer services to more post-acute care providers across the country, in particular expanding its service footprint from 30 states to 50 states. Further, the transaction will benefit existing Dragonfly Health customers and other potential post-acute providers in Oregon that may benefit from access to a more efficient mail-order pharmacy. The combination will further benefit providers, by having the option of coordinating with just one vendor for their DME and pharmacy services needs, reducing burdens on providers' administrative and clinical staff and allowing more time to care for patients.

- a. If there are any anticipated negative effects, describe how the entities will seek to mitigate negative impacts.

None.

15. Explain how the proposed material change transaction will:

- a. Impact health outcomes for people in Oregon. Provide applicable data, metrics, or documentation to support your statements.

As described above, the combination of Dragonfly Health's and Enclara Pharmacia's offerings and the creation of a more efficient option for post-acute care patients' DME and pharmacy services needs will help improve the experience for both patients and caregivers. Having a single source for DME and pharmacy services will reduce complexity and burdens on clinicians by providing them with one vendor solution to manage patients' needs. This offering will reduce time spent on administrative matters and free up time for patient care, improving experience for patients and caregivers. Please see response in Confidential Appendix for further information.

- b. Benefit the public good by reducing the growth in health care costs. Provide applicable data, metrics, or documentation to support your statements.

Combining both companies' contracted retail pharmacy networks and mail-order pharmacy capabilities, along with their ancillary technology platforms, will enhance efficiency for post-acute care providers.

Reducing the growth of health care costs is a key tenet of Dragonfly Health's value proposition to post-acute care providers, including hospice organizations, and a key part of its strategic vision for this transaction. Hospice care is funded primarily through fixed Medicare per diems and hospice providers are unable to control reimbursement rates. Therefore, to be profitable and stay in business, hospice organizations must carefully manage costs. Apart from facilities and labor costs, the biggest cost drivers are DME, pharmacy and medical supplies. Managing multiple vendors for these services is a huge pain point for providers. Dragonfly Health began as an efficient DME provider whose technical innovations cut costs and saved providers time and money while delivering an enhanced patient experience. Customer feedback first encouraged Dragonfly Health to consider bundling pharmacy services as part of its offering. Through this transaction, Dragonfly Health aims to grow by offering a unique bundle of DME and pharmacy solutions that eases burdens and reduces overall costs.

Please see response in Confidential Appendix for further information, and HCMO-ATT-00002615.

- c. Benefit the public good by increasing access to services for medically underserved populations. Provide applicable data, metrics, or documentation to support your statements.

The combined organization will allow for increased access—and quicker access—to essential medications for post-acute care providers and their patients. Please see response in Confidential Appendix for further information.

- d. Benefit the public good by rectifying historical and contemporary factors contributing to health inequities or access to services. Provide applicable data, metrics, or documentation to support your statements.

As described above, the transaction will improve the caregiver and patient experience in post-acute care settings and will increase timely access to critical medications for patients across different communities.

- e. If the transaction will not benefit the public good as described in b-d, explain why this proposed material change transaction is in the best interest of the public.

Not applicable.

16. Describe any competitive effects that may result from the proposed material change transaction.

The transaction will not result in any adverse competitive effects, because post-acute care providers will still have many alternative vendors to obtain pharmacy services.

- a. Will the proposed material change transaction result in a decrease in competition?

No. Oregon's more than 600 local pharmacies fulfill the vast majority of pharmacy services for hospice and post-acute needs in the state. These local pharmacies as well as numerous regional and national pharmacy solution vendors compete to serve hospice and other post-acute care providers.

Hospice and other post-acute care providers do not provide information to pharmacy solution vendors about the competing vendors for each opportunity. But Dragonfly Health and Enclara Pharmacia understand that they compete with local pharmacies as well as regional and national pharmacy solution vendors for each Oregon opportunity, as they are just two of the many options available to Oregon providers. Below is a list of just some of the larger regional and national pharmacy solution vendors that tout their abilities to serve customers nationally, including in Oregon.

- **AmerisourceBergen** – matches hospice agencies to its “network of independent community pharmacies nationwide, including though Good Neighbor Pharmacy network which includes 10 pharmacy locations in Oregon - <https://www.amerisourcebergen.com/provider-solutions/hospice-pharmacy-connect>
- **Avantum Hospice Pharmacy** – “Offers services nationally with 11 local dispensing pharmacies throughout our footprint and 69,000 contracted pharmacies.” - <https://avantumrx.com/about/>
- **BetterRx** – offers hospice agencies “Nationwide Pharmacy Fulfillment” - <https://www.betterrx.com/reliable-pharmacy-fulfillment>
- **HospiceChoice Rx** – Offers “a robust network of more than 75,000 pharmacies across the country.”- <https://hospicechoicerrx.com/about-hospicechoice-rx/>
- **OnePoint Patient Care** – Provides “access to [] exclusive hospice-dedicated pharmacies, as well as over 55,000 contracted network pharmacies across the country” and offers “Direct Express delivery service from [] 100+ OnePoint company-owned pharmacies,” including locations in Eugene, OR and Vancouver, WA (just north of Portland) - <https://www.oppc.com/locations/>
- **Optum Hospice Pharmacy Services** – Includes “over 67,000 pharmacies in [its] nationwide network” of retail, local independent, and mail order pharmacies. - <https://business.optum.com/en/pharmacy-benefit-management/hospice-pharmacy/pharmacy-network.html>
- **PDC Rx** –offers a “growing” network of local pharmacies and “Coast-to-Coast Mail Order” services - <https://www.pdcrx.com/hospice-pharmacy-network>
- **PDMI** – offers a “Nationwide Pharmacy Network” via its “contractual agreements with more than 71,000 chain and independent pharmacies across the country.” - <https://pdmi.com/primary-services/nationwide-pharmacy-network>

- **Wise Hospice Options** – “a strong and dependable provider for Hospice nationwide.” - <https://wiseop.com/about-us/>

Please see response in Confidential Appendix for further information.

- If yes, describe any anticompetitive effects that will result from the proposed transaction.

Not applicable.

- If yes, describe any plans to mitigate potential anticompetitive effects, including any divestiture plans.

Not applicable.

- Provide applicable data, metrics, or documentation to support your statements.

Dragonfly Health’s total revenue from its pharmacy business in Oregon was just \$2.3 million in 2024. Enclara Pharmacia’s total revenue from its pharmacy business in Oregon was just \$2.7 million in 2024. Pharmacy fulfillment services for post-acute providers is an approximately \$26 billion industry. See Health Advances Market Study, p. 6. The parties are small players in this industry.

- Describe the proposed material change transaction’s impact on the financial stability of any entity involved in the transaction.

There are no anticipated impacts on the financial stability of either party to the transaction.

VI. Supplemental materials

Submit the following materials, if applicable, with your submission. Apply Bates numbering to all confidential documents submitted with the Notice and include the applicable Bates number sequence on all redaction logs.

- ☒ [HCMO-1a: NPI form](#) (required for health care provider entities)
- ☒ [HCMO-1b: Business Entities form](#) (required parties with multiple business entities licensed to operate in Oregon)
- ☒ [HCMO-1c: Facilities and Locations form](#)
- ☒ Pre- and post-transaction organizational structure diagram
- ☒ Copies of all current agreements or term sheets for the proposed transaction
- ☒ Financial statements for all entities for the most recent three fiscal years
- ☒ Copies of current governance documents for all entities (for examples, bylaws, articles of incorporation, corporate charter, etc.)
- ☒ Documentation or analytic support for your responses, as applicable
- ☒ Redaction log

VII. Certification

I, the undersigned, being first duly sworn, do say:

1. I have read ORS 415.500 et seq. and OARs 409-070-0000 to 409-070-0085.
2. I have read this Notice of Material Change Transaction and the information contained therein is accurate and true.

Signed on the 20th day of June, 2025.

Paul & John

SUBSCRIBED AND SWORN TO before me, this 20th day of June, 2025

Elizabeth V. Sieloff

Notary Public in and for Maricopa AZ



My Commission Expires: 7/9/2028