

October 19, 2023

Health Care Merger Oversight Program
Oregon Health Authority
500 Summer Street, NE, E-20
Salem, OR 97301-1097

Subject: Support for the Proposed Merger of SCAN Group and CareOregon

Dear Members of the Oregon Healthcare Market Oversight Committee,

As a native Oregonian and a physician who has dedicated a large portion of my career to serving Oregon's most vulnerable populations, I feel compelled to voice my support to approve the combination of SCAN Group and CareOregon under HealthRight Group, a new non-profit entity. This view is informed by years of firsthand experience in delivering frontline services as an emergency physician with both Legacy and Providence Health and Services, contributing to committee work on Oregon's pioneering coordinated care organization development efforts, and providing behavioral health services for Oregonians grappling with substance use disorders. I've garnered a nuanced understanding of the intricate healthcare challenges Oregon communities face. Additionally, as a practitioner in California, I have been able to closely observe SCAN's operations and can attest to their reputation as a highly regarded insurer for seniors as well as an active community partner in addressing broader healthcare needs is well-earned.

SCAN and CareOregon are extraordinarily well-aligned both in organizational values and in demonstrated track records of taking strategic action to better serve their members. Bringing together these mission driven organizations as HealthRight Group ensures the Oregon market continues to offer a high value, non-profit alternative to plans underwritten by for profit competitors. The HCMO program's mission to ensure that healthcare business agreements prioritize the well-being of Oregonians is commendable. Based on my experience and observations, I firmly believe the merger between SCAN Group and CareOregon aligns seamlessly with this mission.

Here's why:

Addressing the challenges of Health Plan Cost Structure: One of the most pressing challenges in healthcare is finding a balance between cost and quality, especially for our state's Medicaid beneficiaries. By leveraging the combined strengths and resources of HealthRight Group, CareOregon can continue to meet patients where they are in their care journey, ensuring they receive the care they need without unnecessary financial strain.

Infrastructure Enhancement: An efficient health plan requires robust, capital-intensive infrastructure investments in areas such as finance, IT, human resources, and legal operations. HealthRight will harness the expertise and resources of both entities, fortifying these essential infrastructural pillars.

A Non-Profit Model that Puts People First: As the for-profit healthcare landscape undergoes consolidation, HealthRight will support CareOregon in ensuring that Oregonians continue to have access to high-quality care.

Commitment to Quality and Equity: CareOregon has pioneered a successful community-based healthcare model designed to respond to Oregon's unique healthcare needs. It's wise to carefully consider the impacts of introducing a new partner into this equation. Throughout my 15-year career, I have observed that SCAN shares an unwavering dedication to serving vulnerable populations with complex needs. Their leadership has consistently shown a profound commitment to fulfilling its mission through action and like CareOregon, centering quality and equity in both individual and community health.

I understand the gravity of such decisions and the importance of due diligence, especially in considering how to best protect and serve Oregon's vulnerable and fragile populations in the future. Having observed the operations and commitments of both SCAN Group and CareOregon, I am confident that their merger will usher in an era of improved care delivery, greater resource allocation, and enhanced commitment to its significant role in upholding Oregon's health safety net.

Change is a constant in the healthcare industry. This has been true since CareOregon's founding and it's occurring at an increasingly rapid pace and at greater scale today. CareOregon should be commended for taking initiative to stay well ahead of market forces that could jeopardize the fulfillment of its vital mission. This is what prudent, forward-looking organizations do and I am confident they have found the best possible non-profit partner in SCAN Group. I strongly urge HCMO staff to recommend approval based on the merits of providing greater stability and even greater potential to meet Oregon's future healthcare needs, especially in service to our most vulnerable populations.

Thank you for your dedication to the health and well-being of all Oregonians and for considering my perspective on this matter.

Sincerely,

Greg

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