

Comment from John Santa MD MPH December 14, 2023 What is the status of HealthShare?

I oppose this transaction because of concerns about the lack of information available to the public regarding Health Share CCO. Health Share CCO is the largest CCO in Oregon and in the Portland metropolitan area. CareOregon patients in the Portland metropolitan area enroll in Health Share. They choose CareOregon and funds are directed from Health Share to CareOregon. Health Share has around 500,000 patients with 400,000 choosing CareOregon. Health Share also designates CareOregon to do key administrative work related to CareOregon patients including behavioral health for all Health Share patients. When I made my first comment in January of 2023 I urged that information regarding the impact of this transaction on Health Share be provided to the public.

In CareOregon/SCAN's initial filing related to the transaction, Health Share was not named as an organization involved in the transaction. It appears that OHA did not agree with that and required that the filing be amended to include Health Share in March of 2023. The filing now names Health Share CCO but in various places states it will not be affected by the transaction. That claim needs to be substantiated by review of all agreements between CareOregon and Health Share.

I was allowed to attend the Health Share Board meeting on November 15, 2023 held at Health Share offices in which the CareOregon/SCAN transaction and its potential effect on Health Share was discussed. Three resolutions were approved at that meeting. I urged Health Share to make those specific resolutions public, but, to the best of my knowledge, they have failed to do so. Moreover, they have failed to inform the public what they clearly explained at the meeting---that the resolutions were focused on protecting Health Share and did not indicate any support or opposition to the merger.

It is important for the public to know that Health Share did not take these discussions lightly nor did they rush to a decision. CareOregon blames OHA for delaying this process when CareOregon failed to include Health Share at the outset and then took until November 15 to come to an agreement with Health Share. And now CareOregon and Health Share appear to be hiding information about their discussions and agreements related to the transaction. The Chair of the Health Share Governance Committee referred to multiple meetings beginning in the spring of 2023 that were organized around multiple questions Health Share had about the transaction. Those questions were ultimately addressed by CareOregon and Health Share Board/staff members over the 6 months prior to the November meeting. Board members described documents hundreds of pages in length that they reviewed at both the Committee level and the Board level. Board members repeatedly referred to discussions they had had at prior encounters in which they discussed these decisions among themselves and committed to supporting the three resolutions. One Health Share Board member from Washington County Health Department made a point of declaring that the Board had been assured that "nothing in the resolutions expressed support or opposition for the transaction" and multiple Board members expressed agreement with that statement.

The specific resolutions were not shared with me and were rapidly presented and voted on after a general discussion. I believe 2 of them required CareOregon/SCAN to provide any Health Share contracted administrative services with CareOregon employees and to keep all funding related to Health Share administrative services in Oregon. The third resolution was described as a "No Compete" agreement---basically CareOregon/SCAN agrees to not compete with Health Share. It may be that this

latter resolution is the reason for secrecy since it could be argued it divides up one or more markets (including Medicare Advantage) among competitors. But why does Health Share and CareOregon/SCAN want this kind of speculation?

While the Health Share Board took the process of protecting Health Share and its corporate members seriously, they have failed to inform the public or the 500,000 patients they are responsible for. On the Health Share Board web pages, just above Board member pictures, is this statement:

Public Engagement Board meetings are held when the Board makes substantive decisions. These meetings are open to the public and include public comment. All meetings of the Board are documented by meeting minutes that will be posted on this webpage upon approval by the Board.

On November 21, 2023 Health Share CEO Mindy Stadtlander emailed me in response to an email request to release information about the Health Share Board decision. In this email she states, "The Health Share Board does not take a position on the CareOregon/HealthRight transaction. Health Share's review has focused exclusively on protecting the Health Share collaboration in the event that the transaction is approved by OHA and DCBS. Under our bylaws, any change of control of a member organization requires a review to determine if the member organization may stay a member of Health Share."

On December 4, 2023 CareOregon/SCAN sent a letter responding to 18 questions from OHA. At last, a question about Health Share and an answer:

16. Has the proposed transaction been presented to the Members of Health Share for approval in accordance with Section 5 of Health Share's Restated Bylaws?

Response: Yes. On Wednesday, November 15th the members of HealthShare approved the change in control.

A simple but I think misleading answer. The answer uses the word "approved" but does so only in relation to "change in control." No mention is made of the transaction and the clear statements that I heard at the Health Share Board and CEO Stadtlander made ie "The Health Share Board does not take a position on the CareOregon/HealthRight transaction." The more accurate term might be the Health Share Board "acknowledged" the change in control. And likely the most accurate answer would be "The members of Health Share acknowledge the potential change in control if Oregon approves the transaction but takes no position on the transaction." Words are important and CareOregon/SCAN's words fail to communicate the full picture. No documentation of the Health Share decision is provided. So much for transparency.

But the statement uses a simple expression that settles the question of who is in control. We have spent the last year arguing at great length what degree of "local control" will remain. Now we know that when it comes to Health Share, when it comes to 400,000 Portland metro vulnerable patients, when it comes to billions of dollars every year from the state of Oregon, control of power and resources moves to HealthRight.

What is Health Share hiding and why are they hiding it from the public?