

Health Care Market Oversight

# **Transaction 045**

## **Cardinal Health - Advanced Diabetes Supply Preliminary Review Report**

March 31, 2025



# About this Report

This report summarizes analyses and findings from Oregon Health Authority’s preliminary (30-day) review of the proposed material change transaction filed by RGH Enterprises, LLC (“RGH”) regarding its acquisition of ADS Parent LLC (“ADS Parent”). It accompanies the Findings of Fact, Conclusions of Law, and Final Order (“Preliminary Review Order”) issued by Oregon Health Authority on March 31, 2025. For legal requirements related to the proposed transaction, please reference the [Order](#).

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact us by email at [hcmo.info@oha.oregon.gov](mailto:hcmo.info@oha.oregon.gov) or by phone at 503-945-6161. We accept all relay calls.

If you have any questions about this report or would like to request more information, please contact [hcmo.info@oha.oregon.gov](mailto:hcmo.info@oha.oregon.gov).

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# Executive Summary

The [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals to make sure they support Oregon's goals of health equity, lower costs, increased access, and better care. After completing a review, the Oregon Health Authority (OHA) issues a decision about whether a business deal, or transaction, involving a health care company should proceed.

## Proposed Transaction

On February 13, 2025, OHA accepted a complete [Notice of Material Change Transaction](#) ("notice") from RGH Enterprises, LLC dba Edgepark Medical Supplies ("RGH" or "Edgepark"), a subsidiary of Cardinal Health, Inc. ("Cardinal"). The notice describes plans for RGH to acquire ADS Parent LLC ("ADS"). Cardinal, a global healthcare services and products company, and ADS, a national direct-to-consumer online retailer that distributes diabetes supplies, are referred to in this report as "the Entities."

## OHA's Review

OHA completed a 30-day preliminary review of the proposed transaction. During the review, OHA assessed the likely impact of the transaction across four domains: cost, access, quality, and equity. OHA requested and received additional information from Cardinal and ADS to inform the review. OHA held a public comment period and received no submissions.

## Key Findings



### Cost

The proposed transaction is unlikely to affect costs for Oregonians purchasing continuous glucose monitors (CGMs). While the transaction will increase consolidation in an already highly concentrated market, the bulk of the business being acquired is for Medicare Fee-for-Service ("Medicare FFS"), which operates on a set fee schedule. In addition, although this transaction will combine the second and third largest providers of CGMs, Cardinal will continue to face competition from a dominant competitor.



### Access

The proposed transaction is unlikely to significantly affect access to direct-to-consumer CGMs. The Entities assert that they plan to continue offering all the same CGM brands and models post-transaction and do not expect changes to insurance coverage. OHA does have concerns about continued access for Medicare FFS members to diabetes test strips and other supplies. OHA has imposed conditions on its approval of the transaction to address this concern.



## Quality

The proposed transaction is unlikely to affect quality of care in Oregon. There are no plans to make any changes to the CGM product offerings themselves. Both Entities currently perform well on their internal customer service and operations metrics. The transaction has the potential to improve the customer experience by combining the strengths of each entity. OHA will monitor the Entities' performance in these areas post-closing.



## Equity

The proposed transaction is unlikely to result in significant changes to the types of services offered in Oregon or patients' ability to access those services and therefore unlikely to have an impact on health equity in the state. OHA does have concerns about continued access for Medicare FFS members to diabetes test strips and other supplies. OHA has imposed conditions on its approval of the transaction to address this concern.

## Conclusions and Decision

Based on preliminary review findings, **OHA approved the transaction with conditions on March 31, 2025.** (See [Preliminary Review Order](#)). OHA approved the proposed transaction based on the following criterion:

### **The material change transaction is not likely to substantially alter the delivery of health care in Oregon.**

The proposed acquisition of ADS by Cardinal is unlikely to substantially alter the delivery of health care in Oregon. While the proposed transaction will combine the second and third largest suppliers of CGMs in Oregon, OHA does not have specific concerns regarding cost as Medicare FFS accounts for most of the affected business, which operates on a set fee schedule.

OHA has some concern regarding Medicare FFS members' access to diabetes supplies outside of CGMs. Edgepark, Cardinal's direct-to-consumer medical supplies business line, does not currently participate in Medicare for such supplies. OHA also has concerns about maintaining the same level of customer experience given the significant Medicare population served and the reduction in competition. OHA has thus imposed conditions on its approval of this transaction to address these concerns. Numerous alternative options, including a strong competitor entity, will also continue to exist in the market for patients.

The approval conditions require the Entities to complete the proposed transaction consistent with the notice and also require the Entities to:

- Notify OHA if there are changes to the Agreement prior to the closing of the transaction.
- Adhere to the representations made throughout the Notice and subsequent filings with OHA.
- File an integration plan with OHA within 12 months post-closing that addresses the planned integration of ADS and Edgepark over a period of 24 months and file a

status report with OHA within 24 months post-closing on each element of the planned integration as outlined on the integration plan submitted at 12 months post-closing.

- Continue ADS', and the fully combined system's, participation in Medicare FFS at the same level as ADS' current participation.
- Submit an annual report to OHA on certain performance metrics for a period of five years.

As required by statute, OHA will conduct follow-up analyses one, two, and five years after the transaction is complete. OHA's monitoring will assess compliance with approval conditions and whether the entity keeps the commitments included in the notice. More broadly, OHA will monitor changes to health care cost, quality, access, and health equity for people in Oregon. For the complete list of conditions, see the [order](#).

# Introduction

OHA's Health Care Market Oversight program (HCMO), launched in March 2022, reviews proposed health care transactions such as mergers, acquisitions, and affiliations to ensure they support statewide goals related to cost, equity, access, and quality. The HCMO program is governed by [Oregon Revised Statute 415.500 et seq.](#) and [Oregon Administrative Rules 409-070-0000 through -0085](#).

In the authorizing statute, the Oregon Legislature specified what types of proposed transactions are subject to review and the criteria OHA must use when analyzing a given proposed transaction. The Oregon Legislature also authorized OHA to decide the outcome of a proposed transaction. After reviewing a given proposed transaction, OHA may approve, approve with conditions, or disapprove the transaction.

The HCMO program fits within OHA's broader mission of ensuring all people and communities can achieve optimum physical, mental, and social well-being through partnerships, prevention, and access to quality, affordable health care. The program also supports OHA's goal of eliminating health inequities by 2030.

# Proposed Transaction

On February 13, 2025, OHA accepted a complete Notice of Material Change Transaction (“notice”) from RGH Enterprises, LLC dba Edgepark Medical Supplies (“RGH” or “Edgepark”), a subsidiary of Cardinal Health, Inc. (“Cardinal”). The notice describes plans for RGH to acquire ADS Parent LLC (“ADS”) pursuant to the terms of their acquisition agreement (“Agreement”).

OHA reviewed the notice and determined, based on the facts in the notice, that the transaction is subject to review. The entities party to the transaction meet the revenue thresholds specified in [OAR 409-070-0015\(1\)](#) and the proposed transaction is otherwise covered by the program in accordance with [OAR 409-070-0010](#).

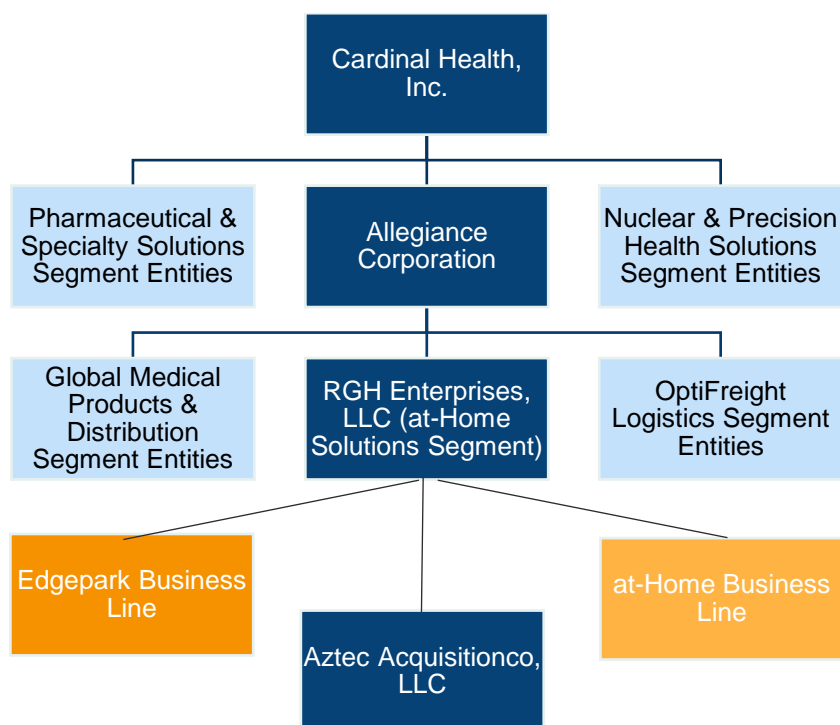
After receipt of the complete notice, OHA began a preliminary review of the proposed transaction. Preliminary reviews must be completed within 30 days of OHA’s confirmation of receipt of a complete notice, unless extended in accordance with applicable statutes and administrative rules. This report describes the transaction, OHA’s approach to the review, its findings, and OHA’s conclusions based on these findings.

## Parties to the Transaction

### Cardinal Health

Cardinal Health (“Cardinal”) is a large for-profit corporation founded in 1971 that provides global healthcare services and products to hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories, physicians’ offices, and patients at home.<sup>1</sup> Cardinal is governed by a board of directors and is headquartered in Dublin, Ohio.<sup>2</sup> Cardinal reports that they serve 90% of hospitals in the United States and service over 5 million patients in the home through direct patient business.<sup>3</sup> Cardinal operates five distinct business segments, described below.<sup>4</sup> This transaction concerns Cardinal’s **at-Home Solutions** business segment, which operates under RGH.

A simplified Cardinal organizational chart showing Cardinal’s ownership of its distinct business segments is included below. For a full list of Cardinal’s business entities associated with each of the five business segments, please see [HCMO-1b: Business Entities Form](#), [Attachment A](#), and [Pre- and Post-Closing Organizational Charts](#).



### at-Home Solutions

**RGH Enterprises, LLC (“RGH”)** is a wholly owned indirect subsidiary of Cardinal. RGH operates as a national mail order direct-to-consumer supplier of medical products.<sup>5</sup> RGH holds licenses for home medical equipment, pharmacy, and wholesale distribution in Oregon.<sup>6</sup> RGH operates Cardinal’s at-Home Solutions business segment, which consists of two core business lines: Edgepark and at-Home, both focused exclusively on supporting patient care in home settings.<sup>7</sup>

**Edgepark** specializes in direct-to-patient distribution of medical supplies, targeting individuals managing chronic conditions such as diabetes, incontinence, wound care, ostomy, urology, and respiratory support.<sup>8</sup> The proposed transaction with ADS is related to Cardinal’s **Edgepark** business line.<sup>9</sup>

**at-Home**, in contrast, serves as a business-to-business distributor, supplying medical equipment and over the counter products to home medical equipment providers, home health and hospice agencies, and e-commerce platforms.<sup>10</sup>

To facilitate this transaction, Cardinal has formed Aztecs Acquisitionco, LLC (“Aztecs”) as a direct subsidiary of RGH. Aztecs will merge with ADS, with ADS becoming the surviving entity.<sup>11</sup>



## Other Cardinal Health segments

Cardinal's **Pharmaceutical and Specialty Solutions** segment distributes branded and generic pharmaceuticals, specialty pharmaceutical products, and over-the-counter (OTC) healthcare and consumer products in the United States.<sup>12</sup> This segment provides services to pharmaceutical manufacturers and healthcare providers for specialty pharmaceutical products, offers non-clinical management services to physicians, and delivers pharmacy management services to hospitals.<sup>13</sup> It operates a limited number of pharmacies outside Oregon, including those in community health centers, and repackages generic pharmaceutical and over-the-counter healthcare products.<sup>14</sup> Cardinal supports over 100 retail pharmacies nationwide and owns a specialty pharmacy.<sup>15</sup> This segment distributes certain diabetes-related supplies, such as insulin syringes, but it does not distribute insulin.<sup>16</sup> Its operations focus on ensuring the availability of pharmaceuticals and healthcare products to pharmacies, hospital, and other health care providers.<sup>17</sup>

Cardinal's **Global Medical Products and Distribution** business manufactures, sources and distributes Cardinal branded medical, surgical, and laboratory products.<sup>18</sup> These products are sold in the United States, Canada, Europe, Asia, and other international markets.<sup>19</sup> This business also distributes a wide range of national brand medical, surgical, and laboratory products to hospitals, ambulatory surgery centers, clinical laboratories, and other healthcare providers in the United States and Canada.<sup>20</sup>

Cardinal's **Nuclear and Precision Health Solutions** segment operates nuclear pharmacies and manufacturing facilities that produce, prepare, and deliver radiopharmaceuticals.<sup>21</sup> These products are used in nuclear imaging, theranostics, and other medical procedures conducted in hospitals and physician offices.<sup>22</sup>

Cardinal's **OptiFreight Logistics** segment provides integrated technology solutions designed to optimize direct shipments and support the shipping and logistics needs of healthcare providers.<sup>23</sup> This segment serves hospitals, pharmacies, labs, and surgery centers.<sup>24</sup>

## Mergers and Acquisitions

In 2014 and 2015, RGH acquired businesses engaged in the distribution of diabetes supplies.

- In 2014, RGH purchased certain assets from Diamedix healthcare, a Virginia based business that distributes diabetic testing, incontinence, ostomy, breast pump and urological medical supplies.<sup>25</sup>
- The following year, 2015, RGH purchased certain assets from Home Healthcare Solutions, Inc., a Georgia based privately held medical supply business focused on direct-to-patient distribution of disposable medical products.<sup>26</sup>
- In 2015, RGH also acquired Inspire Medical Equipment & Services, Inc., Med Star Surgical & Breathing Equipment, Inc., and QMES LLC. RGH, also engaged in the distribution of diabetic supplies.

- From 2014 to 2017, Cardinal acquired four other entities<sup>i</sup> with businesses related to diabetes supplies, but not in the direct business of distribution or under their RGH operated business line.<sup>27</sup> For a full listing, please see [Exhibit 12](#).

## Facilities and Locations

Cardinal's Edgepark business line operates as a fully mail order and online direct-to-consumer business with no physical retail locations. Edgepark serves customers across Oregon and the United States.

## Advanced Diabetes Supply

Advanced Diabetes Supply ("ADS"), founded in 2002, is a national direct-to-consumer diabetes medical supplies provider headquartered in Carlsbad, California.<sup>28</sup> ADS serves approximately 500,000 patients annually nationwide.<sup>29</sup> ADS does not manufacture any products and does not operate any brick-and-mortar pharmacy locations.<sup>30</sup>

ADS' primary business is to distribute and dispense to patients diabetes-related products including CGMs, insulin pumps, and testing supplies through its licensed subsidiaries.<sup>31</sup> ADS does not manufacture any diabetes supplies.<sup>32</sup> ADS acquires diabetes supplies from separate manufacturers or other entities and dispenses the products to patients.

ADS provides services through its wholly owned subsidiaries North Coast Medical Supply LLC, doing business as "Advanced Diabetes Supply" or "ADS", and US Med LLC and United States Medical Supply LLC, doing business as "US Med."<sup>33</sup> Each ADS operating entity engages in the same business – dispensing to patients diabetes-related products—and generally dispense the same products to patients across the United States.<sup>34</sup> These entities hold Medical Device/Equipment/Gases-C registrations and Retail Drug Outlet licenses from the Oregon Board of Pharmacy.<sup>35</sup>

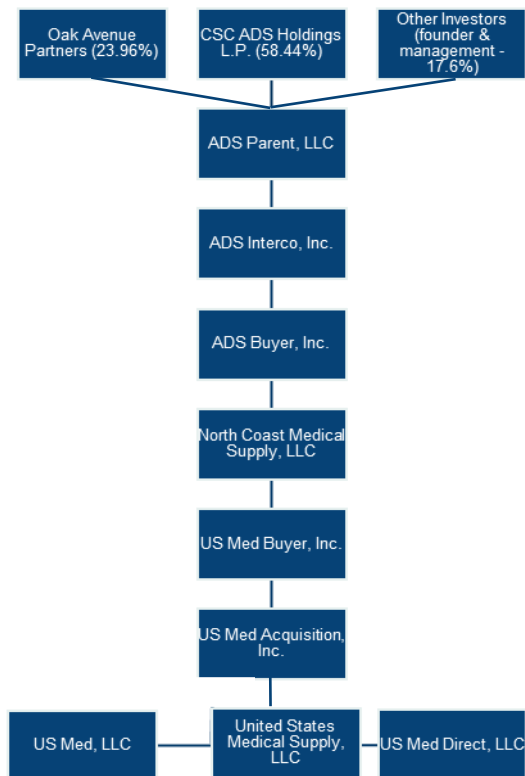
## Organizational Structure and Governance

ADS is 58.44% owned by CSC ADS Holdings, L.P., 23.96% owned by Oak Avenue Partners, Inc, and 17.6% owned by other minority investors consisting primarily of ADS Management.<sup>36</sup> Oak Avenue's ownership interest of ADS was acquired in November 2020.

ADS is overseen by a Board of Directors.<sup>37</sup> An organizational chart below shows ADS' ownership structure and subsidiary operating entities.

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<sup>i</sup> Cardinal purchased HDG Acquisition, Inc. and its subsidiaries in 2014.<sup>31</sup> This purchase included The Harvard Drug Group, L.L.C. but did not include the Letco Division.<sup>32</sup> In 2015, Cardinal purchased Cardis Corporation and Flexible Stenting solutions, each a subsidiary of Ethicon Inc..<sup>33</sup> In 2017 Cardinal Purchased InnerDyne Holdings and its subsidiaries including entities outside of the United States, and Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses. Cardinal also purchased Liberty Medical, LLC in 2017.



## Mergers and Acquisitions

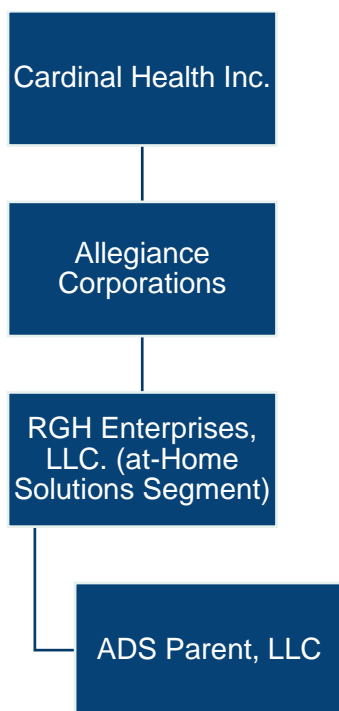
In 2021, ADS acquired US Med Buyer, Inc., US Med Acquisition, Inc., and US Med Ultimate Holdings, LLC, dated as of May 31, 2021.<sup>38</sup> This was the acquisition of ADS' US MED business. It closed on July 21, 2021. In 2022, ADS divested certain assets of US Med via an Asset Purchase Agreement by and between US MED, LLC and Strive Medical LLC, dated as of February 28, 2022.<sup>39</sup>

## Facilities and Locations

ADS operates as a fully mail order and online direct-to-consumer business with no physical retail locations. ADS serves customers across Oregon and the United States. For a full list of primary businesses, please see [HCMO-1b: Business Entities Form, Attachment A](#), and [Pre- and Post-Closing Organizational Charts](#)

## Transaction Terms

Under the proposed transaction, RGH will acquire ADS for approximately \$1.05 billion in cash.<sup>40</sup> Aztecs, the direct subsidiary of RGH formed solely for the purposes of this transaction, will merge with ADS and ADS will become the surviving entity. This will result in ADS becoming a direct, wholly owned subsidiary of RGH.<sup>41</sup> Below is a simplified organizational chart depicting Cardinal's ownership of ADS. A detailed organizational chart can be found [here](#).



## Rationale for the Transaction

Cardinal and ADS state that this transaction will “bring together two suppliers with complementary strengths and will enable the combined business to become more competitive to better meet patients’ needs.”<sup>42</sup> The Entities claim that the transaction will allow them to meet growing demand in the CGM market and will accelerate the growth of in-home distribution of CGMs to Oregonians.<sup>43</sup> According to the Entities, “patients prefer personalized services and user experiences with a focus on patient support and...physicians and providers have higher confidence in recommending diabetes-focused DME suppliers given their expertise, patient engagement and programs focused on diabetes care.”<sup>44</sup>

The Entities intend to combine Edgepark’s “strong back-office and cash collection capabilities” with ADS’ “strong patient network and user experience,” allowing the company to operate more efficiently and provide better service to patients and payers.<sup>45</sup> Cardinal also states that ADS offers the ability for Edgepark to diversify its payer mix.<sup>46</sup>

## Post-Transaction Plans

After the transaction closes, “Cardinal plans to preserve the current operations, systems, and processes of ADS while it assesses how to integrate the best practices and capabilities of both organizations into one, direct-to-patient ordering platform that optimizes patient care.”<sup>47</sup> The Entities intend to “adopt at Edgepark key aspects of ADS’ leading direct-to-patient ordering platforms, customers service, patient insurance approval information collection, and patient billing, while bringing to ADS key aspects of Edgepark’s insurance approval processes, insurance billing, and other back-office capabilities.”<sup>48</sup>

The Entities do not anticipate any immediate changes to payer contracts as Edgepark and ADS will continue their respective current operations at first. ADS' contracts with Medicare will not transfer to Edgepark, but ADS will continue to operate utilizing its existing Medicare enrollments.<sup>49</sup>

Cardinal states that they anticipate completing integration of ADS and Edgepark within approximately 24 months.<sup>50</sup>

## Diabetes Supplies Market

### Diabetes Supplies

Diabetes mellitus, a chronic metabolic disorder characterized by elevated blood glucose levels, requires ongoing management to prevent acute and long-term complications.<sup>51</sup> Effective care for both Type 1 and Type 2 diabetes relies on access to essential medical supplies, including blood glucose monitoring devices, insulin delivery systems, and ancillary tools such as lancets and test strips.<sup>52</sup>

Individuals with Type 1 diabetes, an autoimmune condition that prevents insulin production, typically depend on frequent blood glucose monitoring using blood glucose meters or CGMs, as well as insulin administration via syringes, pens, or pumps.<sup>53</sup>

Those with Type 2 diabetes, associated with insulin resistance, may also require traditional blood glucose monitors, CGMs, oral medications, and, in some cases, insulin therapy.<sup>54</sup> Advanced technologies like CGMs have significantly improved diabetes management by providing real-time glucose data, reducing the need to frequent fingerstick measurements.<sup>55</sup>

### Avenues for Purchase

In Oregon, people with diabetes acquire their supplies through pharmacies, online retailers, and healthcare providers. CGMs have historically been covered by payers for individuals with Type 1 diabetes, as they are the standard of care for managing the condition.<sup>56</sup> In addition, more payers are beginning to expand coverage of CGMs for individuals with Type 2 diabetes, including Medicare FFS, Medicare Advantage plans, Oregon Coordinated Care Organization (CCO) plans, Oregon Health Plan Medicaid FFS (Open Card), and commercial payers.<sup>57</sup>

### Trends

The use of CGMs is rapidly expanding, driven by advancements in technology, evidence of their benefits in diabetes management, and expanded payer coverage.<sup>58,59</sup> For commercially insured individuals with Type 1 diabetes, 49.8% of commercially insured Type 1 diabetes patients used CGMs as of 2016-2019, up from 20.1% in 2010-2013.<sup>60</sup> Recent over-the-counter approvals for systems like Stelo, Lingo, and Libre Rio have also made CGMs more accessible.<sup>61</sup> According to the American Diabetes Association, "individuals with Type 1 and Type 2 diabetes who get a CGM are shown to have less hypoglycemia, and they experience a reduction in their average blood glucose (A1C)."<sup>62</sup>

## **Other Players in Direct-to-Consumer Sales**

In addition to ADS and Cardinal, other businesses that offer direct-to-consumer sales of CGMs include Byram Healthcare, owned by Owens & Minor, CCS Medical, Bridgewater Health Supplies, Solara Medical Supplies, Quest Health Solutions, as well as directly from manufacturers such as Dexcom.

## **Findings & Potential Impacts**

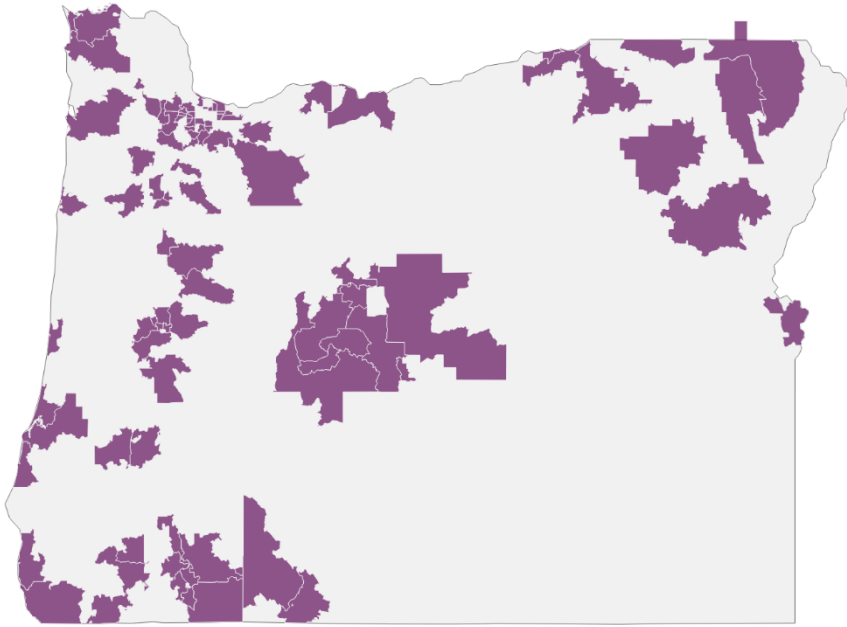
OHA compiled available data and information to understand and examine the potential impacts of the transaction across four domains: access, cost, quality, and equity. To assess the potential impacts of the proposed transaction on Oregon residents' equitable access to affordable care, OHA considered the following:

- Transaction terms
- Market characteristics
- Statements by entities
- Publicly available data, research, and reports

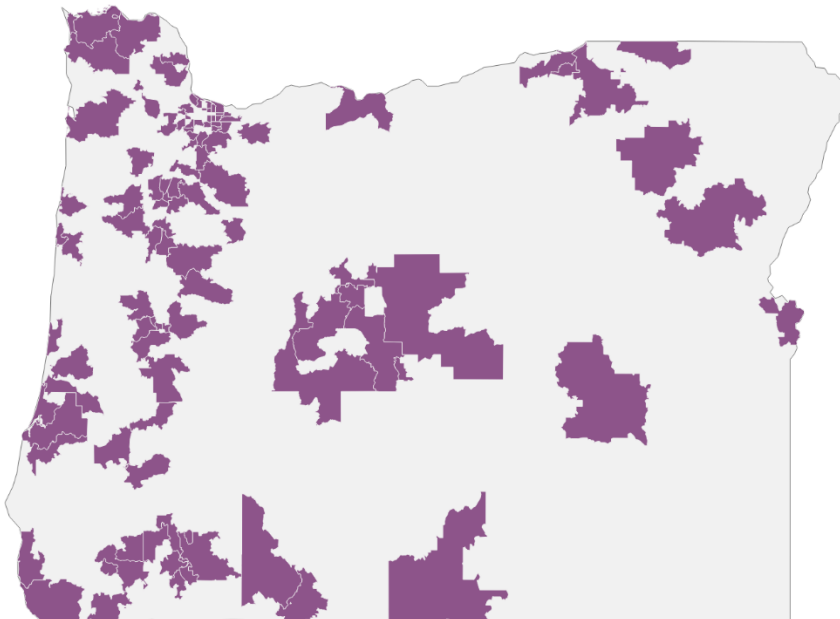
## **Service Areas**

The primary service areas for both Edgepark and ADS span the entire state of Oregon given their natures as direct-to-consumer mail order and online retailers. Maps for each of ADS' operating entities are provided below, as well as for Edgepark. Both of ADS' operating entities have somewhat greater service area in more rural regions of Oregon, which may be explained by their larger Medicare FFS volume.

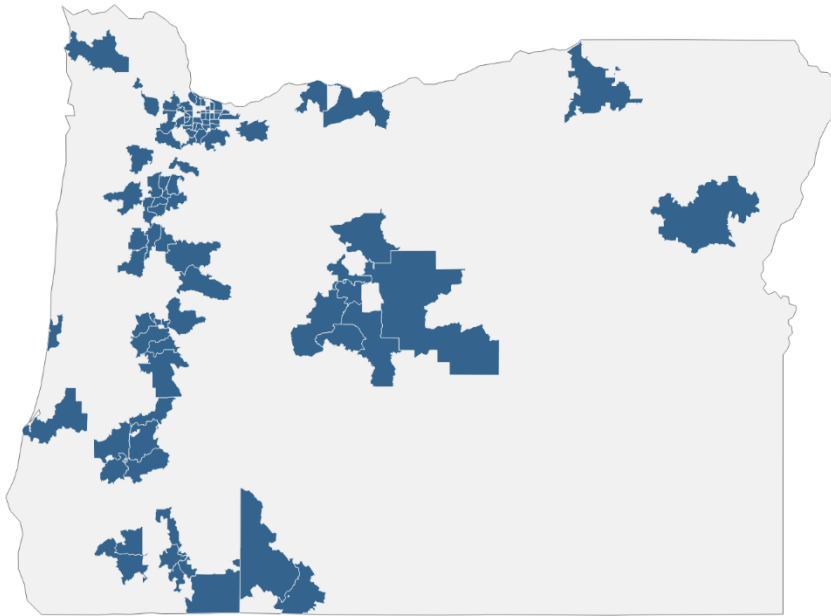
### ADS: North Coast Medical Supply



### ADS: US Med



## Edgepark



## Market Share & Consolidation

This transaction will combine two distributors of the same types of diabetes supplies in the same primary service area (discussed above), thus leading to horizontal consolidation in the diabetes supply market. The product market of concern here is primarily CGMs. While all entities sell other diabetes supplies in addition to CGMs, CGMs account for the vast majority of claims paid by the ADS entities.<sup>ii</sup> Blood glucose test strips, while a much smaller portion of the business, account for much of the rest of ADS' sales.<sup>iii</sup> For the purposes of looking at impact on market share, OHA thus analyzed impact on both the CGM market and combined CGM and blood glucose test strip market.

### Market Share

For both the CGM and combined CGM/test strip market, the Oregon statewide market is **highly concentrated** and markets will become more concentrated post-transaction. The Herfindahl-Hirschman Index (HHI), a measure of market consolidation, for the CGM market is 2,874, with a post-transaction HHI increase of 369. Expanding the product market to include test strips results an HHI of 3,255, with a post-transaction HHI increase of 101.

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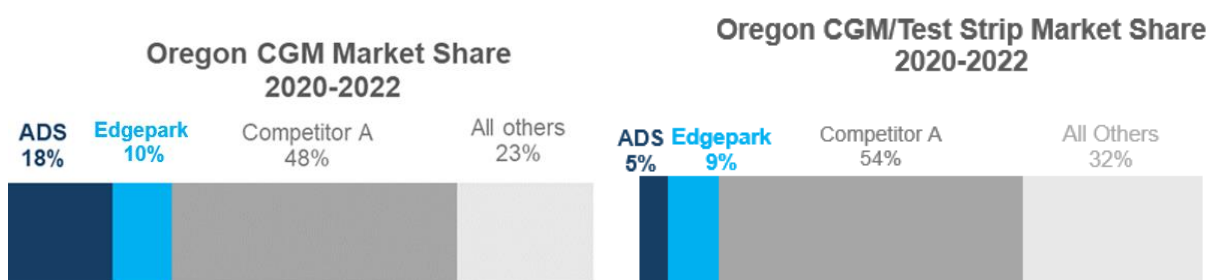
<sup>ii</sup> CGM claims constitute 86% of total claims paid for North Coast and 75% for US Med per 2022 APAC data.

<sup>iii</sup> Blood glucose test strips account for an additional 17% of US Med total claims paid per 2022 APAC data.



Market Consolidation as Measured by HHI			
Product Market	HHI Pre-Transaction	HHI Post-Transaction	Difference in HHI Pre and Post Transaction
CGM	2,874	3,243	369
CGM & Test Strips	3,255	3,356	101

In the CGM market, ADS currently accounts for 18% of Oregon's market and Edgepark for 10%. A third entity (Competitor A) holds 48% of the market. A large number of other entities collectively account for the remaining 23% of the market. Although this transaction will increase consolidation in an already highly consolidated market, the dominant Competitor A market player will maintain significant market share over the combined ADS and Edgepark entity (holding 28% market share combined). Looking at the expanded product market to include blood glucose test strips, Competitor A's market share increases to 54%, and ADS' and Edgepark's market shares drop to 5% and 9% respectively, with a greater number of other entities comprising the remaining 32%.



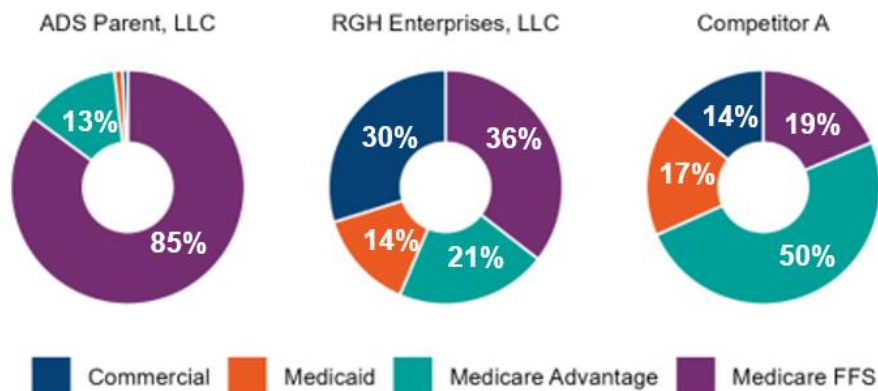
The Entities state that the diabetes supply distribution market is “highly fragmented with at least 3 other national broadline suppliers, numerous regional and specialty suppliers, and mail-order and retail pharmacies.”<sup>63</sup> They also note that “[a]s CGM sales have grown, regional and specialty suppliers have entered to meet growing demand...[and] the transaction will not inhibit this robust competition.”<sup>64</sup>

### Payer Mix

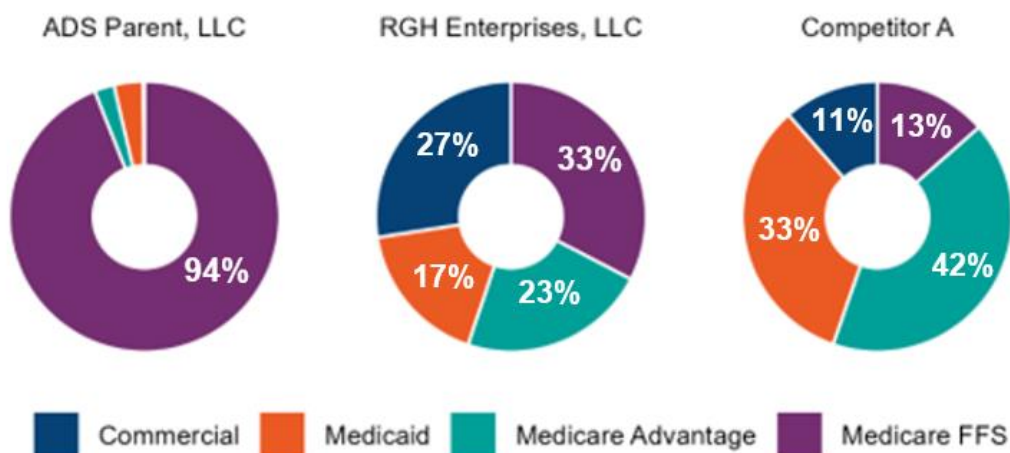
In the CGM market, Medicare FFS accounts for 85% of ADS' payer mix, Medicare Advantage following with 13%, and Medicaid and commercial payers together accounting for only 2%. Edgepark's payer mix is more diversified: Medicare FFS accounts for 36% of their payer mix, Commercial 30%, Medicare Advantage 21% and Medicaid 14%. The largest competitor in this market, Competitor A, primarily serves the Medicare Advantage market, constituting 50% of their payer mix, followed by Medicare FFS (19%), Medicaid (17%), and commercial (14%).

Similar trends exist for the expanded CGMs and blood glucose test strip market. For that market, ADS' payer mix rises to 94% for Medicare FFS and Edgepark's Medicare FFS payer mix drops to 33%.

### Payer Mix for the CGM Market



### Payer Mix for combined CGM/Test Strip Market



## Access

ADS' primary business comes from serving Medicare FFS members. Thus, OHA is concerned with ensuring continued access for Medicare FFS members at the same level post-transaction.

Post-closing, Cardinal plans to continue to operate Edgepark and ADS in their current states. Thus, no immediate changes to payer contracts are expected. However, unlike ADS, Edgepark does not currently provide coverage for diabetes test strips and related

supplies for Medicare FFS members. Post-transaction, the Entities have stated that ADS will continue to cover these supplies under its existing Medicare FFS participation agreements, and that Edgepark will “evaluate the potential reactivation of diabetes test strips and related supplies for Medicare beneficiaries as part of its post-close integration plan.”<sup>65</sup>

The Entities have also stated that they will continue to offer all brands and models of CGMs they currently offer—including all active brands by Dexcom, Abbott, and Eversense.<sup>66</sup>

**OHA has concerns about reductions in access to care for Medicare FFS members resulting from this transaction and has conditioned approval of this transaction to address those concerns.**

It is unlikely that the proposed transaction will significantly affect access to services currently provided by Edgepark and ADS. However, given the importance of ADS to Medicare FFS members, OHA has imposed conditions to monitor continued coverage for Medicare FFS members.

To address OHA’s concerns regarding access for Medicare FFS members, OHA is requiring the following conditions for approval:

- For a period of five (5) years following close of the transaction, the transacting parties shall continue ADS’ participation in Medicare FFS as related to diabetes supplies to the same extent as ADS’ current participation. Following the integration of ADS and Edgepark (i.e., approximately twenty-four months into the 5-year period), this condition shall apply across the combined entity for the remainder of the 5 year period.

OHA will assess whether the transaction resulted in any changes to access, including changes to insurance coverage, during its one-year, two-year, and five-year follow up reviews.

## Cost

The Entities state that they do not anticipate additional cost growth as a result of this transaction.<sup>67</sup>

OHA examined cost by looking at the average per unit payment for monthly CGM supply allowance claims.<sup>iv</sup> For ADS, the per unit total was \$195, with \$37 accounting for patient paid. For Edgepark, the per unit total is higher at \$244, but \$37 accounting for the patient paid portion. This may be explained by Edgepark's greater payer mix of Medicare Advantage and commercial. Medicare FFS payment rates for Durable Medical Equipment, such as CGMs, are set by Medicare fee schedules. Competitor A's per unit total is closer to Edgepark at \$223, potentially explained by their lower mix of commercial volume than Edgepark.

Average Per Unit Price for CGM	
ADS	\$195
Edgepark	\$244
Competitor A	\$223

Average per unit prices for glucose test strips follow a similar pattern with a per unit total of \$7 for ADS (primarily Medicare FFS volume) and \$24 for both Edgepark and Competitor A.

Average Per Unit Price for Glucose Test Strips	
ADS	\$7
Edgepark	\$24
Competitor A	\$24

As Edgepark will be acquiring an entity with primarily Medicare FFS volume, OHA does not have significant concerns given Medicare FFS rates are set and increased bargaining leverage by the combined entity will play less of a role in overall costs.

### **OHA does not have specific concerns about cost increases resulting from this transaction.**

This transaction will combine the second and third largest providers of CGMs. However, the market is already highly concentrated and the Entities will continue to face competition from a dominant player in the market. In addition, a substantial portion of the Entities' business is for Medicare FFS and Medicare Advantage beneficiaries, thus limiting the impact of any increased bargaining leverage.

OHA will assess whether the transaction resulted in any changes to cost, during its one-year, two-year, and five-year follow up reviews.

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<sup>iv</sup> Average total amount paid across all payers, all lines of business for "CGM supply allowance" claims.

## Quality

The Entities here are distributors, not manufacturers, of CGMs and other diabetes supplies, thus OHA does not have concerns regarding the quality of the CGMs and supplies themselves.

With respect to overall quality of Oregonian's health care, the Entities state that "[a]ccess to CGMs is associated with improved health outcomes in diabetes through, among other benefits, improved blood sugar monitoring and reduced hospitalizations. By improving CGM access, the proposed transaction will positively impact health outcomes for Oregonians."<sup>68</sup>

The transaction also has the potential to impact the customer experience with respect to ordering, obtaining, and paying for their diabetes supplies. The Entities state that "the proposed transaction will allow the combined company to more effectively compete by lowering costs and applying the learnings and systems that ADS has developed to improve customer service to Edgepark."<sup>69</sup>

Both entities currently track several internal performance metrics related to their operations and customer experience, outlined below. The Entities state that they will "prioritize continuity in commercial and operational roles to ensure an exceptional employee experience, enabling maintenance of key performance metrics as the business transformation is underway."<sup>70</sup>

As this transaction will reduce competition for customers in the CGM and diabetes supplies market, OHA has an interest in ensuring that this transaction will not lead to negative impacts on the customer experience. To ameliorate this concern, OHA has placed a condition on this transaction requiring the entities to report their performance annually for their currently tracked performance metrics.

### Current Customer Experience Performance

The Entities reported the below performance metrics to OHA.<sup>71</sup> As a condition of approval, the Entities will be required to provide annual updates on their performance under these metrics for five years.

#### Insurance Verifications Completed within One Business Day:

Year	Entity	% Verified within 24 Hours
2022	Edgepark	91.55%
	ADS	36%
2023	Edgepark	89.96%
	ADS	66%
2024	Edgepark	88.75%
	ADS	86%

## Timely Shipment of Orders

Edgepark	
Year	Shipments on Time
2023	97.1%
2024	98.3%

ADS	
Year	Orders Shipped Within 1 Business Day of Insurance Eligibility Date
2022	94%
2023	88%
2024	92%

## Customer Satisfaction

Edgepark and ADS currently track customer satisfaction using different surveys. Edgepark uses a Net Promoter Score (NPS) metric that asks customers how likely they are to recommend a company to others and a CSAT metric that tracks the percent of customers that gave a satisfaction rating of 4 or 5 on a scale of 1 to 5.

Edgepark		
Year	NPS	CSAT Score
2022	46.30	81.26
2023	48.54	81.61
2024	55.40	84.59

ADS uses a customer satisfaction survey based on the metrics listed below.

ADS				
Division	2022	2023	Organization Wide	2024
Satisfaction West Division	4.31/5	4.21/5	Overall Experience	4.31
Satisfaction East Division	89.24/100	87.37/100	Welcomed & Cared For	4.33
			Knowledge & Professionalism	4.40
			Follow Through & Engagement	3.96
			Order Timeliness	3.95
			Overall	4.19/5

### Call Response Time

Another performance metric is “Call Abandon Rate,” meaning the percentage of calls where customers hang up before the call is answered. Edgepark historically has performed better than ADS over the last three years, with an Abandon Rate of 2.3% in 2022, 2.1% in 2023, and 1.5% in 2024, compared to ADS’ Abandon Rate of 7.4% in 2022, 5.3% in 2023, and 3.9% in 2024.

Edgepark	
Year	Call Abandon Rate
2022	2.3%
2023	2.1%
2024	1.5%

ADS	
Year	Call Abandon Rate
2022	7.4%
2023	5.3%
2024	3.9%

In terms of speed of answering calls, ADS has performed better than Edgepark over the last three years, with ADS answering 92% of calls within 30 seconds compared to Edgepark at 80.8% of calls.<sup>72</sup>

Edgepark	
Year	% Responded to ≤ 30 Seconds
2022	78.6%
2023	78.6%
2024	80.8%

ADS	
Year	% Responded to ≤ 30 Seconds
2022	94%
2023	88%
2024	92%

### Complaint Resolution

Edgepark currently also tracks “First Call Resolution,” which is the percentage of calls that are addressed and then a second call from the same consumer is not received in the next three days. Edgepark’s First Call Resolution rate was in 69.3% in 2023 and 71.5% in 2024. ADS does not currently track a similar metric.

Edgepark	
Year	First Call Resolution
2023	69.3%
2024	71.5%

Edgepark also tracks percentage of customer complaints resolved within 14 days and has a resolution rate of greater than 99% for each of the last three years. ADS does not currently track a similar metric.

Edgepark	
Year	Resolved On Time
2022	99.77%
2023	99.76%
2024	99.81%

**OHA does not have specific concerns about changes in quality of care resulting from this transaction, but wants to ensure that a high-level of customer experience and operational efficiency is maintained, given the decreased competition that will result from this transaction.**

The proposed transaction is unlikely to adversely affect health care quality as the Entities solely distribute, not manufacture, CGM devices. However, given there will be reduced competition in the market, OHA is concerned with maintaining the current levels of customer experience, particularly given the large Medicare FFS market. The Entities also state that one of the goals of the transaction is to combine the strengths of each entity in terms of operations and customer experience. Thus, OHA has imposed conditions to monitor operations and customer service performance.

To address OHA's concerns regarding quality and customer experience, OHA is requiring the following conditions for approval:

- One year after the close of the transaction, the Entities must file an integration plan with OHA that addresses the planned integration of back-office and consumer-facing operations, including an anticipated timeline.
- Two years after the close of the transaction, the Entities must file a status report with OHA on each element of the planned integration.
- For five years following the close of the transaction, the Entities must submit an annual report to OHA that reports annual performance on the above metrics. If performance drops, the Entities must identify a plan to improve performance and report on the status the following year.

OHA will assess whether the transaction resulted in any changes to quality of care and consumer experience during its one-year, two-year, and five-year follow up reviews.



## Equity

The Entities state that there are no anticipated impacts to health equity.<sup>73</sup>

With respect to Medicaid, both Edgepark and ADS serve Oregon Medicaid members. Currently, ADS contracts with four Oregon Coordinated Care Organizations (CCOs) and Edgepark contracts with eight CCOs.<sup>74</sup> The Entities do not anticipate changes to their payer contracts post-transaction, except due to ordinary and regular contract negotiations.<sup>75</sup>

As discussed above, ADS primarily serves Medicare FFS members. Edgepark also serves Medicare FFS members for CGMs, but does not participate in Medicare FFS for test strips and other diabetes supplies outside of CGMs. Continued access to these diabetes supplies for Medicare FFS members is a concern for OHA. While the Entities state that ADS' participation in Medicare FFS will not change immediately post-transaction, OHA has imposed conditions as address this concern.

### **OHA does not have specific concerns about equity resulting from this transaction.**

The resulting transaction is unlikely to worsen health equity. OHA will continue to monitor the Entities' participation in government payer contracts post-transaction and other impacts on health equity.

OHA will assess whether the transaction resulted in any changes to health equity, including access to care for Medicare FFS members, during its one-year, two-year, and five-year follow up reviews.

## Conclusions

Based on preliminary review findings, **OHA approved the transaction with conditions on March 31, 2025.** See Findings of Fact, Conclusions of Law, and [Preliminary Review Order](#), dated March 31, 2025.

The transaction was approved per ORS 415.501(6)(b) and OAR 409-070-0055(2)(d), because OHA determined the transaction is not likely to substantially alter the delivery of health care in Oregon.

## Approval Criteria

The approval criteria are specified in administrative rules for the HCMO program and are consistent with Oregon law. Below is a summary of the main reasons, based on the findings described in this report, why OHA considers the criterion satisfied.

### **1. The material change transaction is not likely to substantially alter the delivery of health care in Oregon.**

The proposed acquisition of ADS by Cardinal is unlikely to substantially alter the delivery of health care in Oregon. While the proposed transaction will combine the second and third largest suppliers of CGMs in Oregon, OHA does not have specific concerns regarding cost as Medicare FFS accounts for most of the affected

business, which operates on a set fee schedule. OHA has some concern regarding access for Medicare FFS members to diabetes supplies outside of CGMs as Cardinal does not currently participate in Medicare for such supplies. OHA also has concerns about maintaining the same level of customer experience given the significant Medicare population served and the reduction in competition. OHA has thus imposed conditions on its approval of this transaction to address these concerns. Numerous alternative options, including a strong competitor entity, will also continue to exist in the market for patients.

## Approval Conditions

1. Conditions for approval of the proposed transaction are as follows:

- a. The transacting parties shall complete the Transaction consistent with the Notice and as conditionally approved by OHA.
- b. The transacting parties shall adhere to the representations made in the notice and subsequent filings with OHA.
- c. Consent of OHA. If any modification to the Agreement is proposed, it shall be presented to OHA no later than fifteen (15) days before the scheduled closing of the Transaction.
- d. Twelve (12) months from the date the Transaction closes, the transacting parties shall file an integration plan with OHA that addresses the planned integration of ADS and Edgepark over an estimated 24 months. This integration plan must include the anticipated timeline and milestones of the integration and, at minimum, any integration of the following:
  - i. ordering platforms,
  - ii. customer service operations,
  - iii. insurance approval,
  - iv. patient billing,
  - v. other back-office capabilities,
  - vi. changes to staffing or leadership, and
  - vii. performance metrics.

- e. Twenty-four (24) months following the date the Transaction closes, the transacting parties shall file a status report with OHA on each element of the planned integration as outlined in the integration plan submitted to OHA pursuant to Condition No. 2.d.
- f. For a period of five (5) years following close of the transaction, the transacting parties shall continue ADS' participation in Medicare FFS as related to diabetes supplies to the same extent as ADS' current participation. Following the integration of ADS and Edgepark (i.e., approximately twenty-four months into the 5-year period), this condition shall apply across the combined entity for the remainder of the 5-year period.
- g. For a period of five (5) years, the transacting parties shall submit an annual report to OHA demonstrating compliance with these Conditions and specifically address the subsections below. The first such report shall be due twelve (12) months following the date the Transaction closes, with each subsequent report due on the same date each year (i.e. if the transaction closes on May 1, 2025, the first report shall be due May 1, 2026, the second report shall be due May 1, 2027, and so on).
  - i. Performance for each year on the following performance metrics as currently tracked by the transacting parties. If performance for any year drops below prior year performance (beginning with a prior year of 2024 for the first report), provide an explanation for the drop, plan to improve performance, and reporting on status and outcome of the performance plan in the following year report. If performance metrics become integrated across Edgepark and ADS operations, explain the change and report on the unified metric.
    - 1. Insurance verifications completed within 24 hours.
    - 2. Orders shipped within 1 business days of insurance approval.
    - 3. National Promoter Score.
    - 4. Customer Satisfaction Score.
    - 5. First Call Resolution time.
    - 6. Customer complaints resolved within 14 days.
    - 7. Claims denial rate.
    - 8. Customer call abandon rate.

- ii. Status and verification of Medicare enrollment and billing status for ADS.
- iii. Scope of Medicare coverage provided by ADS.
- iv. Status and verification of Medicare enrollment and billing status for Edgepark.
- v. Scope of Medicare coverage provided by Edgepark.

## **Follow-Up Reviews**

As required by statute, OHA will conduct follow-up analyses one, two, and five years after the transaction is complete. OHA's monitoring will assess compliance with approval conditions and whether the entity keeps the commitments included in the notice. More broadly, OHA will monitor changes to health care cost, quality, access and health equity for people in Oregon.

As part of the required monitoring activities, OHA may request additional information from the entities. OHA will publish findings and conclusions from follow-up analyses to the HCMO website.

# Acronyms & Glossary

## Acronyms & Abbreviations

ADS	Advanced Diabetes Supply
APAC	Oregon's All Payer All Claims database
CCO	Coordinated Care Organization
CGM	Continuous Glucose Monitor
CMS	Centers for Medicare and Medicaid Services
CSAT	Customer Satisfaction Score
FFS	Fee-for-Service
HCMO	Health Care Market Oversight
HHI	Herfindahl–Hirschman Index
NPS	Net Promoter Score
OHA	Oregon Health Authority
OHP	Oregon Health Plan
PSA	Primary Service Area

## Glossary

**Competition:** A situation in a market in which firms or sellers independently strive to attract buyers for their products or services by varying prices, product characteristics, promotion strategies, and distribution channels.

**Concentration:** A measure of the degree of competition in the market; highly concentrated markets are generally characterized by a smaller number of firms and higher market shares for individual firms. Concentration is typically measured using the Herfindahl-Hirschman Index (HHI); see below.

**Consolidation:** The combination of two or business units or companies into a single, larger organization. Consolidation may occur through a merger, acquisition, joint venture, affiliation agreement, etc.

**Coordinated Care Organization:** OHA contracts with coordinated care organizations (CCOs) to provide benefits to people on the Oregon Health Plan. CCOs are locally based organizations that are accountable for the physical, mental, and dental health of the population they serve. CCOs create a network of providers and are governed by a partnership among health care providers and community members.

**Health equity:** OHA defines health equity as follows:

Oregon will have established a health system that creates health equity when all people can reach their full health potential and well-being and are not disadvantaged by their race, ethnicity, language, disability, age, gender, gender identity, sexual orientation, social class,

intersections among these communities or identities, or other socially determined circumstances. Achieving health equity requires the ongoing collaboration of all regions and sectors of the state, including tribal governments to address:

- The equitable distribution or redistribution of resources and power; and
- Recognizing, reconciling, and rectifying historical and contemporary injustices.

**Herfindahl-Hirschman Index (HHI):** A measure of market consolidation calculated by squaring the various entities' market share and then summing the results. See the section of this report titled Reporting Methodology: Market Share and Consolidation.

**Horizontal consolidation:** The combination of two companies or organizations that offer similar products or services. In health care, the acquisition of a hospital by a health system or the merger of two physician groups would be considered horizontal consolidation.

**Limited liability company:** Refers to a basic type of business entity that allows its owners to separate the financial assets and liabilities of the business from personal finances. A limited liability company can have multiple owners, called members, who have the discretion to manage the business's operations and distribute any profits how they choose. A limited liability company is characterized by limited liability, management by members or managers, and limitations on ownership transfer.

**Medicaid:** Medicaid provides public health insurance coverage for people who meet certain criteria, such as low-income, disability, and/or pregnancy.

**Medicare Advantage:** Medicare is federal health insurance for older adults and younger people with disabilities or specific illnesses. Medicare Advantage plans are health plans that provide Medicare Part A and Part B benefits. The federal government contracts with private companies to offer Medicare Advantage plans.

**Oregon Health Plan:** The Oregon Health Plan (OHP) is Oregon's Medicaid program. OHP provides free health coverage to people who meet income and other requirements.

# Appendix A: OHA's Review

OHA performed a preliminary review of the proposed transaction to assess its potential impact on Oregon's health care delivery system. The review explored impacts in four areas (domains): cost, access, quality, and equity. OHA's analysis followed the guidelines and methods set out in the HCMO Analytic Framework published January 31, 2022.<sup>76</sup> The framework is grounded in the goals, standards and criteria for transaction review and approval outlined in OAR 409-070-0000 through OAR 409-070-0085.

## Background Research and Literature Review

OHA conducted background research on the entities involved in the transaction to understand more about the proposed transaction, the entities involved, and the diabetes supplies market. OHA consulted publicly available sources, including press releases and media reports; Securities & Exchange Commission (SEC) filings; business filings with the Secretary of State in Oregon and other states; entity websites; state agency, professional association, and third party entity reports; and other relevant governmental communications.

## Requests for Information

In addition to the information provided in the notice, OHA made two information requests of Cardinal and ADS to clarify and supplement the notice, to which Cardinal and ADS responded. Through these requests, OHA sought more information about participation in Medicare, other payer contracts, post-transaction integration plans, and operations and customer service performance metrics.

## Analysis

OHA's analysis assessed the current state of the entities involved in the transaction, related industry trends, and the likely impact of the proposed transaction in Oregon. The table below describes the types of analysis OHA typically performs in each domain.

Domain	Analysis
Cost	<p>Analyses under the cost domain explore how the transaction may affect the prices consumers and payers (e.g., insurers, employers, and governments) pay for services in Oregon and overall spending on services for Oregonians. Prices and spending for services may be affected by the degree of competition between providers offering similar services within a service area.</p> <p>For this review, OHA compared the costs associated with the diabetes supplies distributed by both entities and examined the costs of other entities distributing diabetes supplies.</p>
Access	<p>Analyses under the access domain explore how the transaction may affect the range of services available in the market, types of providers and provider-patient ratios, characteristics</p>

Domain	Analysis
	<p>of the patient population, and any barriers to access, including transportation burdens and limitations by insurance type.</p> <p>Consolidation and change of ownership in the health care market can impact the range and type of services offered in the service area. Changes in population demographics can alter demand for some services and shifts in the labor market can impact availability of specific provider types, potentially affecting the financial viability and profitability of offering certain health care services in a region.</p> <p>For this review, OHA looked at the populations served by each entity, the types of insurance accepted by each entity, and process by which customers place orders with each entity.</p>
Quality	<p>Analyses in the quality domain explore how the transaction may affect patient outcomes and the experience of care. Consolidations and ownership changes in health care can impact clinical practice, including staffing ratios, time spent or number of visits with patients, timeliness of care, and the patient's experience of care, all of which can have adverse effects on patient outcomes. Analyses in the quality domain consider current indicators of quality and assess potential impacts of the transaction on quality of care.</p> <p>For this review, OHA requested and analyzed operations and customer experience metrics tracked by the Entities.</p>
Equity	<p>Analyses in the equity domain explore how the transaction may affect the entity's ability to assess for and equitably meet the needs of the population it serves. Consolidations and ownership changes in health care can disproportionately impact availability of health services for populations who already experience health inequities, including people of color, low-income families, and residents of rural areas. Equity-focused analysis considers the entities' ability to serve a patient population that is representative of the community in which they operate. OHA also looks for evidence that the entity is actively identifying and addressing inequities in access to or quality of care across their patient population.</p> <p>For this review, OHA looked at the populations served by each entity, the types of insurance accepted by each entity, and anticipated changes to insurance coverage.</p>



## Data Sources

Data sources used in OHA's review are listed in alphabetical order below.

### All Payers All Claims Data

The Oregon All Payer All Claims Database (APAC) houses administrative health care data for Oregon's insured populations. It includes medical and pharmacy claims, non-claims payment summaries, member enrollment data, billed premium information and provider information for Oregonians who are insured through certain commercial insurance, Medicaid and Medicare. Information about APAC is available on OHA's [website](#).

# Appendix B: Reporting Methodology

## Market Share and Consolidation

Consolidation, or concentration, is a measure of the degree of competition in a market; highly concentrated markets are generally characterized by a smaller number of firms and higher market shares for individual firms. When a transaction involves health care entities offering similar products or services (a “horizontal” transaction), the level of concentration in the market and the change in concentration resulting from the transaction is useful as an initial screen for potential anticompetitive effects.

OHA measured market concentration using the Herfindahl-Hirschman Index (HHI), a measure commonly used by federal and state antitrust enforcement agencies.

HHI is calculated as follows:

$$HHI = (S_1^2 + S_2^2 + S_3^2 + \dots S_n^2)$$

Where S1 is market share (in percentage points) of firm 1 and n is the total number of competitors in the market. By summing the squared values of market shares, the HHI gives greater weight to firms with larger market shares. For this analysis, OHA measured market shares as a percentage of inpatient discharges in 2019-2021 for residents of Oregon zip codes within MCMC’s primary service area, aggregating hospitals to the system level were applicable.

Transactions occurring in concentrated markets and those involving a significant change in concentration are more likely to have adverse effects on competition and lead to price increases. For horizontal transactions under preliminary review, HCMO will use the HHI thresholds specified in the U.S. Department of Justice and Federal Trade Commission Horizontal Merger Guidelines summarized in the table below.

### HHI Thresholds:

Post-transaction HHI	Concentration Level
Greater than 1,800	Highly concentrated
Between 1,000 and 1,800	Moderately concentrated
Less than 1,000	Low concentration

Post-transaction	HHI Change	Level of Concern
HHI greater than 1,800	More than 100	High (if both). Presumed to substantially lessen competition or tend to create a monopoly.
Market share greater than 30%	More than 100	High (if both). Presumed to substantially lessen competition or tend to create a monopoly.

## PSA Definition

To define the Primary Service Area (PSA) for this transaction, OHA followed four steps:

1. Summarize the claims rendered by or billed to the provider(s) involved in the transaction during the study period by patient zip code and episode count. OHA uses National Provider Identifiers (NPIs) to identify relevant claims for each provider in the transaction. OHA typically defines a transaction PSA using the claims rendered by or billed to the provider(s) being acquired.
2. Rank the patient zip codes in descending order of episode count (volume).
3. Identify contiguous zip codes that account for at least 75% of the provider's total episodes. This identifies the contiguous, volume-driven PSA.
  - a. To do this, OHA starts with the provider's office zip code and adds other zip codes to the map based on volume rank only if they are contiguous to the provider's office zip code. When an NPI is associated with more than one address, OHA uses the zip code of the primary practice address listed for the NPI in the [NPPES NPI Registry](#) as the starting zip code.
  - b. Zip codes that are not immediately contiguous with the provider's office location may be permanently excluded from the PSA or only temporarily excluded until interim zip codes are added that fill in the geographical gap. Adding a new zip code that then pulls in previously excluded zip codes can result in a PSA volume over 75%.
4. Add zip codes that are fully encompassed by the zip codes identified in step 3. This may result in a PSA volume over 75%.

# References

<sup>1</sup> Appendix to HCMO-1. Response 10. Available at:

<https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-HCMO-Notice-Appendix-Narrative-Reponses.pdf>.

<sup>2</sup> Ibid. Response 10b.

<sup>3</sup> Cardinal Health website. About Us. Available at: <https://www.cardinalhealth.com/en/about-us.html>.

<sup>4</sup> Appendix to HCMO-1. Response 10a. Available at:

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<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid. Response 6d.

<sup>12</sup> Ibid. Response 10a.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

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<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

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<sup>25</sup> Ibid. Response 12, Exhibit 12. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-Exhibit-12-Summary-of-Acquisitions-Divestitures.pdf>.

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid. Response 11.

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid. Response 11a.

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<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid. Response 11f.

<sup>36</sup> Ibid. Response 11c.

<sup>37</sup> Ibid. Response 11b.

<sup>38</sup> Ibid. Response 12.

<sup>39</sup> Ibid.

<sup>40</sup> Ibid. Response 6b.

<sup>41</sup> Ibid. Response 6d.

<sup>42</sup> Ibid. Response 6a.

<sup>43</sup> Ibid. Response 14.

<sup>44</sup> Ibid. Response 7b.

<sup>45</sup> Ibid. Response 15.

<sup>46</sup> Ibid. Response 7b.

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- <sup>47</sup> 3.10.25 Response to Request for Supplemental Information. Response 4. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-2025-03-10%20-Supplemental-Responses.pdf>.
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- <sup>49</sup> Ibid. Response 1c.
- <sup>50</sup> Ibid. Response 4.
- <sup>51</sup> WHO. Diabetes. Available at: [https://www.who.int/health-topics/diabetes#tab=tab\\_1](https://www.who.int/health-topics/diabetes#tab=tab_1)
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- <sup>64</sup> Ibid.
- <sup>65</sup> 3.18.25 Response to Second Request for Supplemental Information. Response 2. Available at: [https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-2025.03.18-Response-Second-Request\\_REDACTED.pdf](https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-2025.03.18-Response-Second-Request_REDACTED.pdf).
- <sup>66</sup> 3.10.25 Response to Request for Supplemental Information. Response 8. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-2025-03-10%20-Supplemental-Responses.pdf>.
- <sup>67</sup> Appendix to HCMO-1. Response 15b. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-HCMO-Notice-Appendix-Narrative-Reponses.pdf>.
- <sup>68</sup> Ibid. Response 15a.
- <sup>69</sup> Ibid.
- <sup>70</sup> 3.10.25 Response to Request for Supplemental Information. Response 4. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-2025-03-10%20-Supplemental-Responses.pdf>.

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<sup>71</sup> 3.18.25 Response to Second Request for Supplemental Information. Response 1. Available at: [https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-2025.03.18-Response-Second-Request\\_REDACTED.pdf](https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-2025.03.18-Response-Second-Request_REDACTED.pdf).

<sup>72</sup> Ibid.

<sup>73</sup> Appendix to HCMO-1. Response 14a. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-HCMO-Notice-Appendix-Narrative-Reponses.pdf>.

<sup>74</sup> 3.10.25 Response to Request for Supplemental Information. Response 3a. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-2025-03-10%20-Supplemental-Responses.pdf>.

<sup>75</sup> Appendix to HCMO-1. Response 13h. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/045-HCMO-Notice-Appendix-Narrative-Reponses.pdf>.

<sup>76</sup> Oregon Health Authority, Health Care Market Oversight Analytic Framework, January 31, 2022, available at <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/OHA-HCMO-Analytic-Framework-FINAL.pdf> (Accessed 8/10/22)