

REDACTED PUBLIC COPY

January 18, 2024

VIA EMAIL (hcmo.info@odhsoha.oregon.gov)

Oregon Health Authority
Health Care Market Oversight
Barbara Roberts Human Services Building
500 Summer Street NE, E-65
Salem, OR 97301

Re: Notice of Material Change Transaction involving Agility and KeiperSpine, Transaction 017

To OHA:

On behalf of Agility Podiatry MSO, LLC (“Agility”), please find transmitted via email with this letter information submitted in response to the Supplemental Information Requests set forth in the letter dated November 30, 2023 from Oregon Health Authority Health Care Market Oversight (“OHA”) relating to the Notice of Material Change Transaction submitted by Agility on November 17, 2023. Please note that this letter and certain attached materials are marked CONFIDENTIAL pursuant to ORS 415.501 13(c).

1. ***Please provide existing employment agreements between the physicians and Keiper.***

See requested employment agreements for Drs. Keiper, Sherman, and Angeles attached. Please note these agreements are CONFIDENTIAL pursuant to ORS 415.510(13)(c). In addition, or in the alternative, these agreements, in their entirety, constitute and contain “trade secrets” pursuant to ORS 192.501(2).

2. ***Please provide a copy of the Management Services Organization (MSO) agreement between Agility and Northwest Extremity Specialists, LLC (“NES”).***

See requested Administrative Services Agreement attached (“NES ASA”). Please note the NES ASA is CONFIDENTIAL pursuant to ORS 415.510(13)(c). In addition, or in the alternative, the NES ASA, in this entirety, constitutes and contains “trade secrets” pursuant to ORS 192.501(2).

3. ***Provide the payer mix of (a) Keiper and (b) SSCE based on revenues in the most recent fiscal year. Please include the percentage of revenues from Original Medicare, Medicare Advantage, Commercial, Medicaid/OHP, and self-pay.***

See requested payer mix information attached. Please note the attached payor mix information is CONFIDENTIAL pursuant to ORS 415.510(13)(c). In addition, or in the alternative, the document, in this entirety, constitute “trade secrets” pursuant to ORS 192.501(2).

4. *Describe the range and nature of services Agility MSO plans to provide to Keiper under the administrative services agreement proposed as part of the transaction. Please provide a copy of the agreement or a term sheet.*

[REDACTED]

[REDACTED]

[REDACTED]

5. *Does Agility MSO, Ortho MSO, or Agility Intermediate negotiate contracts for services of multiple physician practice groups, that have existing Agility MSO or Ortho MSO administrative services agreements, with insurance companies or other third-party payers? If yes, please describe any such contractual arrangements.*

[REDACTED]

6. *Describe any plans for Agility MSO to negotiate reimbursement rates with payers jointly on behalf of Keiper, SSCE, Northwest Extremity Specialists, LLC (“NES”), Creekside Physical Therapy and Rehabilitation, Los Angeles Orthopedic Surgery*

Specialists (“LAOSS”), Advanced Ortho, or any other entities for which Agility MSO, Ortho MSO, or Agility Intermediate provides management services.

[REDACTED]

- 7. Identify and describe all transactions entered into by NES since January 1, 2022. Please include information on the entities involved, health care services or items provided by the entities to people in Oregon, and the nature and objectives of each transaction.*

[REDACTED] NES expanded beyond podiatry and added Tigard Orthopedics and Fracture Clinic, a single-physician, single-location practice in Tigard, OR, specializing in arthroscopic surgery, sports medicine physical therapy and minimally invasive surgery. The founding physician of Tigard Orthopedics, Dr. Bowman, specializes in worker injuries. Approximately 80% of his practice involves the treatment of injured workers – shoulder pain or instability due to rotator cuff and labral tears, knee pain or instability due to meniscal and articular cartilage injuries of the knee as well as ligament damage to the knee. [REDACTED]

[REDACTED] NES added The Wilsonville Foot Health Center, a single-physician podiatry practice in Wilsonville, OR. [REDACTED]

- 8. Provide copies of any Letters of Intent outlining the material terms related to the proposed transactions between Agility, KeiperSpine, P.C. (“Keiper”), Spine Surgery Center of Eugene, LLC (SSCE), and Glenn Keiper, M.D., Jonathan Sherman, M.D., and Carmina Angeles, M.D.*

Please see the Term Sheet included with our November 16, 2023, submission.

- 9. Provide a copy of the Keiper asset purchase agreement, or other similar definitive agreement, outlining the terms of Agility’s purchase of certain non-clinical assets of Keiper. If a final executed version is not yet available, please provide a draft version reflecting the current agreement terms.*

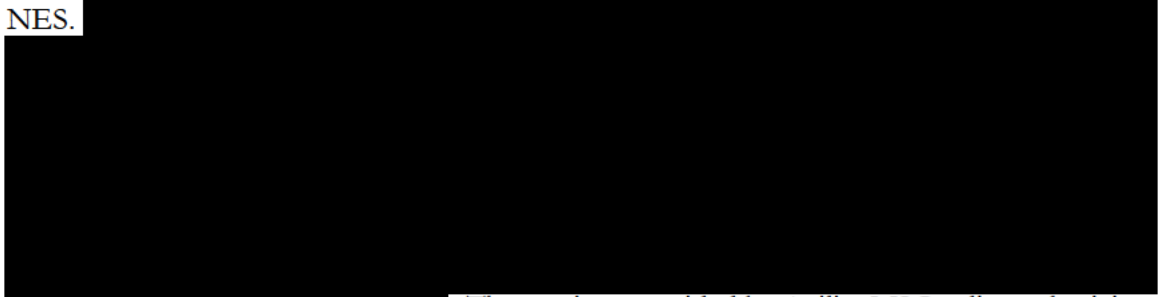
[REDACTED]

10. ***Provide a copy of the SSCE equity purchase agreement, or other similar definitive agreement, outlining the terms of Agility's purchase of 51% of the total equity interests of SSCE from the physicians. If a final executed version is not yet available, please provide a draft version reflecting the current agreement terms.***



11. ***Describe the range of "non-clinical management services" provided by Agility MSO to NES.***

The non-clinical management services provided by Agility MSO to NES are the services set forth in the requested administrative services agreement by and between Agility MSO and NES.



The services provided by Agility MSO relieve physicians of certain administrative duties and allow them to focus on providing best-in-class patient care.

12. ***Provide corporate governance documents for Agility Health Holdings, LLC, including but not limited to articles of incorporation, bylaws, articles of organization, and operating agreements.***

See requested articles of organization and operating agreement attached. Please note that the operating agreement is Confidential pursuant to ORS 415.501(13)(c).

13. ***Provide corporate governance documents for Agility Intermediate, including but not limited to articles of incorporation, bylaws, articles of organization, and operating agreements.***

See requested bylaws and articles of incorporation attached. Please note that the bylaws are confidential pursuant to ORS 415.501(13)(c).

14. ***Provide corporate governance documents for KeiperSpine, including but not limited to articles of incorporation, bylaws, articles of organization, and operating agreements.***

See requested bylaws and articles of incorporation attached. Please note that the bylaws are CONFIDENTIAL pursuant to ORS 415.501(13)(c).

15. *Provide corporate governance documents for Spine Surgery Center of Eugene, including but not limited to articles of incorporation, bylaws, articles of organization, and operating agreements.*

See requested articles of organization and operating agreement attached. Please note that the operating agreement is CONFIDENTIAL pursuant to ORS 415.501(13)(c).

16. *Provide organization charts for before and after the proposed transaction.*

See requested chart attached.

17.

[REDACTED]

[REDACTED]

18.

[REDACTED]

[REDACTED]

Sincerely,

McGuireWoods LLP

s/ Helen Suh

Helen Suh

HS

Enclosures