

EXECUTIVE SUMMARY

Samaritan-Norco Transaction Review

The [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals to make sure they support statewide goals related to cost, equity, access, and quality. 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. On April 6, 2023, OHA received a complete [notice of material change transaction](#) from Samaritan Health Services, Inc., a nonprofit corporation that operates an integrated health care delivery system of hospitals, clinics and health plans.

Proposed Transaction

Norco Inc., (“Norco”) a home medical equipment supplier operating in seven states including Oregon, is proposing to purchase the assets, both tangible and intangible, used in the business of Samaritan Medical Supplies, LLC (“SMS”), a durable medical equipment provider serving Newport, Corvallis and Lebanon, Oregon. Samaritan Health Services, Inc. (“Samaritan”), a nonprofit Oregon corporation that operates hospitals, clinics, health plans, and a coordinated care organization, is the sole member of Samaritan Medical Supplies, LLC. The entities are planning to finalize the transaction in May 2023, pending regulatory approval.

OHA’s Review

OHA conducted a preliminary review of the proposed transaction to assess the likely impact of the transaction across four domains: cost, access, quality, and equity. During the review, OHA reviewed documents filed, gathered background information about the companies involved, analyzed claims and other relevant data, and issued requests for additional information from the entities. OHA held a 14-day public comment period.

Key Findings



Cost

The proposed transaction is unlikely to increase costs to consumers. Although Norco has many locations in Oregon, it currently has no locations in the primary service areas of SMS and serves very few patients residing in those areas. The transaction will not lead to any significant consolidation within the primary service areas or across the statewide market for durable medical equipment and therefore is not expected to significantly increase Norco’s market leverage.



Access

Norco has committed to continuing to provide the same services in the four locations currently operated by SMS. Norco also intends to maintain contracts with payers and continue to serve patients with Medicare, commercial insurance and the Oregon Health Plan.

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Quality

The proposed transaction is unlikely to impact the quality of care related to providing durable medical equipment to patients in the service areas.



Equity

The proposed transaction is unlikely to impact health equity, as the entities intend to continue the same services for the same patients.

Conclusions and Decision

Based on preliminary review findings, **OHA approved the transaction on May 4, 2023.** (See [order](#)). OHA made this decision based on these criteria:

The material change transaction is unlikely to substantially reduce access to affordable health care in Oregon

Norco intends to maintain the same services and equipment at the four locations of SMS and intends to accept payment from all of SMS's current insurance plans, including Medicare and the Oregon Health Plan. The entities commit to providing the same level of access to durable medical equipment (DME) supplies as is currently available. Norco currently does not have locations in SMS's service areas. This transaction is unlikely to significantly impact costs or result in a significant increase of market leverage. This transaction is unlikely to affect the affordability of health care for patients.

OHA will monitor the impact of the transaction by conducting follow up analyses one year, two years, and five years after the business deal is completed. During these reviews, OHA will analyze the impact of the transaction on quality of care, access to care, affordability, and health equity, specifically following up on observations noted in the Findings & Potential Impacts section of the Review Summary Report. OHA will also assess whether the parties to the transaction have kept to the commitments stated in the notice of transaction regarding equity, cost, access, and quality of care.

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