

EXECUTIVE SUMMARY

PeaceHealth-NWSS 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 July 17, 2023 OHA received a completed [Notice of Material Change Transaction](#) from PeaceHealth, a nonprofit health system.

Proposed Transaction

PeaceHealth is a nonprofit Catholic health system headquartered in Vancouver, Washington, that operates hospitals, clinics and other health care facilities in Washington, Oregon, and Alaska. PeaceHealth proposes to acquire Northwest Surgical Specialties, LLP (NWSS), a surgery practice that operates a clinic in Springfield, OR. Through this proposed transaction, PeaceHealth will acquire substantially all of NWSS's business. This includes taking over the clinic location lease, purchasing furniture and equipment, taking over telephone numbers, and employing most NWSS physicians and staff. PeaceHealth states that it intends to employ seven of NWSS's eight surgeons, four advanced practitioners (physicians' assistants and family nurse practitioners), and half of other NWSS staff members following the proposed transaction.

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 entities involved, analyzed claims and other relevant data, and issued requests for additional information from the entities. OHA held a 14-day public comment period and received no comments.

Key Findings



Cost

The proposed transaction is unlikely to increase costs associated with surgical care services. PeaceHealth committed to not charging new facility fees for services rendered by NWSS providers. OHA will monitor trends in prices and spending for surgery and related services in follow-up reviews.



Access

PeaceHealth committed to preserving access to surgical care services and is exploring expanding services. Because the same surgeons will be serving patients in the same location, the proposed transaction is unlikely to affect access to care. NWSS providers will also continue to offer their surgical care services to patients in other hospitals.



Quality

NWSS surgeons currently perform surgeries in PeaceHealth operating rooms and will continue to do so after the transaction. The transaction is unlikely to adversely affect the quality of health care.

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Equity

The proposed transaction will increase patients' access to financial assistance, because NWSS does not have a patient-facing financial assistance program whereas PeaceHealth does. The types of services offered will remain the same and the health insurer payer mix is unlikely to significantly change.

Conclusions and Decision

Based on preliminary review findings, **OHA approved the transaction with conditions on August 16, 2023.** (See [Order](#)). The transaction was approved because it is not likely to substantially alter the delivery of health care in Oregon.

The proposed transaction is unlikely to reduce the availability or breadth of surgical care services for the communities served by NWSS. NWSS physicians and other providers will continue serving patients and performing surgical procedures from the same locations. OHA does not expect that the proposed transaction will result in significant changes to the types of health insurance accepted for surgical care services.

Further, PeaceHealth asserts it will neither restrict future employment opportunities as a condition for former NWSS physician employment with PeaceHealth, nor will PeaceHealth charge any new facility fees for services rendered by former NWSS physicians.

Conditions for approval of the proposed transaction are in place for a period of five years following the close of the transaction and include the following:

1. PeaceHealth shall not charge facility fees for any services rendered by former NWSS physicians for which no facility fees are currently applied.
2. PeaceHealth shall not subject former NWSS employees to any restrictions on future employment opportunities as a condition for their employment, or subsequent bona fide advancement of the former NWSS employee by PeaceHealth.

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 concerns or 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 regarding cost, access, and quality of care.

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