

July 26, 2023

VIA EMAIL

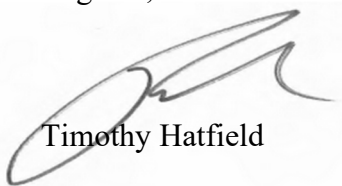
Sarah Bartelmann, MPH
Health Care Market Oversight Program Manager
Oregon Health Authority

Re: HCMO Second Supplemental Information Request — 012 PeaceHealth-NWSS

Sarah,

Below, please find responses to your supplemental information request, dated July 26, 2023, regarding the proposed transaction between PeaceHealth and Northwest Surgical Specialists, LLP. If you have any further questions, please do not hesitate to contact me directly.

Regards,



Timothy Hatfield

Enclosure

14. According to PeaceHealth's audited financial statements for FY2021, PeaceHealth is the sole member of Health Ventures which holds a majority stake in the Riverbend Ambulatory Surgery Center ("Riverbend ASC") located in Springfield, Oregon. According to its website, Health Ventures owns and operates Riverbend ASC in conjunction with a group of local physicians.

a. Please provide the NPI(s) associated with this facility.

Response: See enclosed.

b. What is PeaceHealth's/Health Ventures role in the management and operation of the Riverbend ASC?

Response: RiverBend ASC has an independent management and operations team. PeaceHealth provides the following administrative support services to Riverbend ASC:

- Payor contracting support
- Pharmacy oversight
- Clinical trial services
- Clinical nursing services coverage
- Regulatory and policy support

c. Does PeaceHealth/Health Ventures negotiate payment rates with payers for services provided at this facility? If so, which services?

Response: PeaceHealth provides administrative support for Riverbend ASC's payor contracting activities, but PeaceHealth and Riverbend ASC have separate payor contracts and do not jointly negotiate payment rates.

d. Please provide all assumed business names (DBAs) for Riverbend ASC.

Response: RiverBend ASC uses the dba Day Surgery at RiverBend.

15. Entities' response to question 2 of OHA's supplemental information request dated July 7th, 2023, refers to decisions being made in the "service area" and activities by "PeaceHealth leaders in the service area."

a. Is this referring to the service areas of Florence, Eugene/Springfield, and Cottage Grove Community Governing Bodies in the organizational chart? If not, describe the service area being referenced.

Response: The PeaceHealth Medical Group ("PHMG") management and leadership team is a mix of system-based personnel in Vancouver (PeaceHealth's headquarters) and staff based in the various geographies in which PHMG operates. The Community Governing

Bodies are advisory in nature and do not have control over the day-to-day operations of PHMG or any other PeaceHealth operating division.

16. Please provide information and/or documentation describing PeaceHealth's Bridge Assistance Program and Pathways financial assistance programs.

Response: PeaceHealth's Bridge Assistance Program and Pathways Financial Assistance Program have been replaced by the financial assistance and charity care policies that were provided in our July 14th response.

17. Will former NWSS employees be subject to any restrictions on future employment opportunities (e.g., through non-compete agreements or other contractual arrangements) as a condition for their employment with PeaceHealth?

Response: No.

18. Entities' updated Notice dated July 12, 2023, states that PeaceHealth will assume NWSS lease for the clinic space located at 3355 RiverBend Drive, Springfield, Oregon ("Clinic Space"). The revised Asset Purchase Agreement draft, dated July 14, 2023, removes all reference to Clinic Space. a. Please provide information as to whether PeaceHealth will be executing a lease at the Clinic Space.

Response: PeaceHealth still intends to execute a space lease for the Clinic Space.

19. The revised Asset Purchase Agreement draft, dated July 14, 2023, removes all reference to employment offers and the employment offer list.
- a. Will NWSS's general surgeons, as listed in prior drafts of the Asset Purchase Agreement, be joining PeaceHealth?

Response: Yes.