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November 21, 2024

By Electronic Mail

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Oregon Health Authority
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Zachary Goldman
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Oregon Health Authority

Re: November 6, 2024, Request for Supplemental Information – Transaction 039 – OHSU-Legacy

Oregon Health Authority:

On November 6, 2024, the Oregon Health Authority (“OHA”) sent a letter to Oregon Health and Science University (“OHSU”) requesting supplemental information for its comprehensive review of the proposed transaction with Legacy Health. Enclosed are responses to the questions raised in that letter. Documents in response to the requests have been submitted separately by secure file transfer to OHA staff.

OHSU and Legacy Health engaged in a good faith effort to answer these questions and locate and produce the non-privileged, ordinary course materials that are responsive to the OHA Request for Supplemental Information. By providing this response, the parties do not intend to waive, and are not waiving, any claim of privilege to which they are entitled. Where applicable, the parties have identified, by bates stamp identification, documents that are responsive to a specific Request. However, documents identified for a specific Request are likely responsive to other Requests as well.

We understand that public versions of materials submitted may be posted on the OHA website but that, as required by ORS 415.501(13), “OHA shall maintain the confidentiality of all confidential information and documents that are not publicly available that are obtained in relation to a material change transaction and may not disclose the information or documents to any person without the consent of the person who provided the information or document. Information and documents described in this paragraph are exempt from disclosure under Oregon Public Records Law (ORS 192.311 to 192.478).”

Accordingly, and consistent with Oregon Administrative Rule 409-070-0070, this submission includes two versions of the materials submitted: an unredacted version marked “CONFIDENTIAL” and a

redacted version marked "PUBLIC." The files marked "CONFIDENTIAL" contain protected confidential information and/or trade secrets of OHSU or Legacy Health that are not publicly available, as detailed on the included redaction log, and should not be disclosed. As such, OHSU requests for these materials the full measure of confidentiality protection available under Oregon law. Any redactions on the materials marked "CONFIDENTIAL" have been made to protect information that is considered legally privileged.

As indicated in OHSU's Notice, OHSU and Legacy Health plan to complete the transaction by March 30, 2025, to begin operational integration and deliver the benefits of the transaction. OHSU submitted its notice 185 days prior to its planned closing in accordance with statute. Our understanding of the timeline for HCOM review as of today is:

- October 4, 2024: OHA accepted a complete Notice from OHSU.
- November 4, 2024: OHA issued a Preliminary Review Report and moved the transaction to comprehensive review. (31 days after OHA accepted a complete Notice from OHSU.)
- November 6, 2024: OHA sent OHSU a request for supplemental information and began tolling, which means that OHA paused the 180 day statutory clock. OHA indicated that OHSU would have 15 days to respond and that those days would all be tolled, which means the 180 day clock would not advance. (33 days after OHA accepted a complete Notice from OHSU.)
- November 21, 2024: OHSU is submitting a response to the request for supplemental information identified in this document within the 15-day period requested by OHA. (48 days after OHA accepted a complete Notice from OHSU).

OHSU will continue to ensure timely responses are provided to any questions the agency may have.

If you have any questions or would like to discuss, please feel free to contact me.

Sincerely,

/s/ Ken Field

Ken Field

cc: Alice Cuprill Comas, EVP of Institutional Affairs and General Counsel, OHSU

OHSU Response to November 6, 2024, Request for Supplemental Information – Transaction 039 – OHSU-Legacy

Rationale for the Transaction

- 1. The entities state that OHSU intends to “reduce average wait times for new patient appointments for primary care” and “improve recruitment and retention of primary care providers.” Explain in detail how the newly combined entity will achieve these goals; include specific timelines and metrics related to this effort or, if none exist, state so.**

OHSU’s HCMO Notice outlines draft metrics and timelines related to the two goals identified in this question (reducing average wait times for new patient appointments for primary care and improving recruitment and retention of primary care providers). Specifically, OHSU submitted HCMO Notice Question 15 - Exhibit 2: Summary of Accountability Goals and Measures with the original Notice, providing specific metrics and timelines for identified commitments. Relevant to the two goals identified in this question, the draft Measurement and Accountability Framework commits to the following:

- **Reducing average wait times for new patient appointments for primary care:** As described on line 10 of the Framework, OHSU has committed to this goal and identified a potential metric, “new patient median lag.” The integration process will identify baseline and benchmark targets for this goal within 12 months of closing.
- **Improving recruitment and retention of primary care clinicians:** As described on line 12 of the Framework, OHSU has committed to this goal and identified a potential metric, “HR time to fill.” The integration process will determine baseline and benchmark targets for this goal within 24 months of closing.

Further development of details needed to accomplish these goals must occur during operational integration when the organizations have a single mission, have a combined fiduciary responsibility, and can fully share data. This cannot happen until the transaction closes.

As outlined in the Notice, the integrated public university health system will consider the following during operational integration after closing: potential capital commitment investments in existing Legacy Health facilities; mutually sharing best practices in recruitment, retention and training of providers across the continuum of care; and ensuring clinicians are practicing at the top of their licenses. Additionally, OHSU has committed to investments in frontline health care worker compensation, training, and development as described in HCMO Notice Question 13 - Exhibit 1: Letter of Agreement between Labor Partners and Oregon Health and Science University, which will be critical to meeting the recruitment and retention goals of the integrated public university health system in order to reduce wait times for access to care.

The integrated public university health system expects to develop initial integration plans and strategies to address these important primary care goals within 12 months of closing, and that people will begin to experience reduction in primary care wait times due to improved combined recruitment and retention of primary care clinicians within 18 – 36 months of closing.

OHSU is today actively recruiting for new primary care providers (there are currently 21 active faculty positions posted in OHSU Family Medicine alone), and this work offers an example of how the integrated entity will make progress on these goals. Currently at OHSU and Legacy Health, teams are working to find ways to increase access with currently available resources. For example, OHSU has found that due to an overwhelming volume of myChart messages and other patient care requests outside of scheduled appointments, clinicians' ability to manage typical panel sizes has fallen short. OHSU is working to develop more technical solutions to manage the indirect patient care needs, many of which are in pilot phases right now (in-basket messaging, prescription refills, etc.). OHSU also developed tools to monitor panel size for each location and is expanding panel size in some areas where possible. The integrated system will use these learnings as well as those shared by Legacy Health to improve access to primary care for people in Oregon and SW Washington.

- 2. The Combination Agreement outlines the permissible capital commitment expenditures, but the Notice is not as clear. Specifically, the Notice states that OHSU will assume \$1 billion in debt to finance capital expenditures across the integrated public university health system," while HCMO Notice Question 7 – Exhibit 6 states "permissible expenditures include routine and strategic projects including expansion of programs and facilities at existing Legacy facilities." (emphasis added) These appear to conflict. In order to ensure the public is able to understand how the capital commitment will be spent, please update the Notice to provide more clarity on these capital commitment expenditures.**

As set forth in the Notice, OHSU will incur \$1 billion in debt to finance capital expenditures across the integrated public university health system, which will be organized into two divisions post-closing: Portland Division and Regional and Ambulatory Division (the facilities and operations in these divisions are listed on Exhibits C and D of the agreement). Ultimately, the capital commitment will go toward improving facilities that are essential to care delivery in the region and to programs, service expansions, and other tools that will improve access for people that are underserved. Section 3.4.4 of the Combination Agreement defines "Permissible Capital Commitment Expenditures" to include not just capital expenditures at existing Legacy Health facilities, but also expenditures on:

- information technology at the Regional and Ambulatory Division facilities, whether or not at existing Legacy Health facilities (subject to a \$25 million cap);
- the possible migration to a single instance of Epic, which would require expenditures across the whole system (subject to the same cap referenced above); and
- new or expanded facilities, capabilities, and programs (which may include population health, digital health, and ambulatory growth initiatives) as part of the Regional and Ambulatory Division, whether or not at existing Legacy Health facilities.

This means that while some permissible capital commitment expenditures are limited to existing Legacy Health facilities, other categories are not so limited because the agreement allows for expenditures across the entire Regional and Ambulatory Division. In other words, as noted in HCMO Notice Question 7 - Exhibit 6, permissible capital commitments include routine and strategic projects *including, but not limited to*, expansion of programs and facilities at existing Legacy Health facilities. The Notice makes clear that the capital expenditures will

be made across the integrated public university health system, including at existing OHSU and Legacy Health facilities, and potentially new ambulatory service facilities.

Moreover, Section 3.4.4 specifies that none of the capital expenditures may be spent on the main OHSU Hospital (since it is in the Portland Division), and none of the expenditures may be spent on facilities or operations that are not wholly owned by OHSU at the time the expenditures are made (for example, Hillsboro Medical Center and Portland Adventist Medical Center) other than partially owned pre-closing Legacy facilities or facilities and operations formed after closing for purposes of making permissible capital commitment expenditures. For the first five years following closing, the portion of the capital commitment spent on Regional and Ambulatory Division facilities that were existing wholly-owned facilities of OHSU prior to closing will not exceed the proportion that the aggregate revenues of such facilities represent relative to the aggregate revenues of all Regional and Ambulatory Division facilities in each case during the calendar year immediately preceding closing.

3. Provide a written narrative explaining any plans made from November 6, 2019, through November 6, 2024, for OHSU to invest in any capital improvements or expansions.

Capital plans for each year between November 2019 and November 2024 are described in the power point presentations OHSU has submitted in response to Question #3.a) below. Capital projects were varied and included infrastructure to support each of OHSU's missions. It should be noted that plans relating to the inpatient addition (sometimes referred to as IPA or OHEP) were paused in 2020 due to the impacts of the COVID-19 pandemic. The project is now under construction.

a) Provide all written communications, memos, emails, presentations, materials, and documents referencing such plans, within the same date range of November 6, 2019, through November 6, 2024, for OHSU to invest in any capital improvements or expansions.

Please refer to bates OHSU_RFI#3(a)_00000001 through OHSU_RFI#3(a)_00000227 for non-privileged written materials from November 6, 2019, through November 6, 2024, referencing OHSU's capital investment plans and expansions. Additional documents responsive to this Request may be found in the production of non-privileged email correspondences provided in OHSU_RFI_Vol001.

b) Provide a written narrative as to whether OHSU plans to pursue any previously planned capital improvement or expansion efforts included in the response to this question #3.

OHSU plans to pursue the previously planned capital improvement or expansion efforts included in the response to Question #3. It should be noted that the 2024 Capital Plan included amounts for a study related to and design of an expansion to Doernbecher Children's Hospital. The design work is nearly complete, and the OHSU Board has yet to consider whether it will approve additional capital to construct the project.

4. The Notice includes statements about expanding training sites for OHSU’s students.

- a) **List all training opportunities that took place in any Legacy-owned or affiliated facility from November 6, 2019, through November 6, 2024. Describe:**
 - i. **the type of trainee (e.g., medical student, resident, fellow, nurse, etc.);**
 - ii. **details of the clinic/site (e.g., primary care);**
 - iii. **the average number of students per year who received training at the location; and**
 - iv. **the specific Legacy location.**

The following tables address the training opportunities at Legacy-owned or affiliated facilities during the relevant period:

<u>Medical:</u>			
Trainee Type:	Residents, Fellows, Medical Students; Physician Assistants		
Clinic/Site Type:	Inpatient, outpatient, primary care, and specialty clinics		
Average number of students per year who received training at the location:	<u>Academic Year</u>	<u>Employed Resident/Fellow</u>	<u>Visiting*</u>
	2019-2020	75	1500
	2020-2021	75	1500
	2021-2022	86	1500
	2022-2023	98	1500
	2023-2024	110	1500
Specific Legacy Health location	Legacy Emanuel Medical Center, Legacy Good Samaritan Medical Center, Legacy Meridian Park Medical Center, Legacy Mount Hood Medical Center, Legacy Salmon Creek Medical Center, Randall Children’s Hospital at Legacy Emanuel, and Unity Center for Behavioral Health		
* Includes medical students, PAs, Residents and Fellows from various institutions			

<u>Nursing:</u>			
Trainee Type:	Undergraduate RN, Graduate RN		
Clinic/Site Type:	Inpatient, clinics		
Average number of students per year who received training at the location:	<u>Calendar Year</u>	<u>Undergrad RN</u>	<u>Graduate RN</u>
	2019	1374	138
	2020	1257	214
	2021	468	120
	2022	1110	213
	2023	781	276
	2024	899	222
Specific Legacy Health location:	Legacy Emanuel Medical Center, Legacy Good Samaritan Medical Center, Legacy Meridian Park Medical Center, Legacy Mount Hood		

	Medical Center, Legacy Salmon Creek Medical Center, Legacy Silverton Medical Center, Randall Children’s Hospital at Legacy Emanuel, and Unity Center for Behavioral Health, Legacy Medical Group Clinics
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<u>Pharmacy:</u>			
Trainee Type:	Residents, Students		
Clinic/Site Type:	Inpatient, outpatient, primary care, and specialty clinics		
Average number of students per year who received training at the location:	<u>Academic Year</u>	<u>Student</u>	<u>Resident</u>
	2019-2020	119	9
	2020-2021	124	9
	2021-2022	110	8
	2022-2023	100	7
	2023-2024	108	9
Specific Legacy Health location:	Legacy Emanuel Medical Center, Legacy Good Samaritan Medical Center, Legacy Meridian Park Medical Center, Legacy Mount Hood Medical Center, Legacy Salmon Creek Medical Center, Randall Children’s Hospital at Legacy Emanuel, and Legacy Medical Group Clinics		

<u>Certified Nurse Assistant:</u>			
Trainee Type:	Students		
Clinic/Site Type:	Inpatient		
Average number of students per year who received training at the location:	<u>Calendar Year</u>	<u>Student</u>	
	2019	Program did not exist prior to 2023	
	2020		
	2021		
	2022		
	2023	170	
2024	60		
Specific Legacy Health location:	Legacy Emanuel Medical Center, Legacy Good Samaritan Medical Center, Legacy Meridian Park Medical Center		

<u>Medical Assistant:</u>			
Trainee Type:	Medical Assistant Students/Externs		
Clinic/Site Type:	Primary care and specialty clinics		
Average number of students per year who received training at the location:	<u>Calendar Year</u>	<u>Student</u>	
	2019	Data not available	
	2020	26	
	2021	34	
	2022	76	
	2023	58	
	2024	90	
Specific Legacy Health location:	Legacy Medical Group Clinics		

Paramedic/EMT:		
Trainee Type:	Paramedic/EMT Student Placements	
Clinic/Site Type:	Primary care and specialty clinics	
Average number of students per year who received training at the location:	<u>Legacy Fiscal Year*</u>	<u>Student</u>
	2020	140
	2021	None due to pandemic
	2022	50
	2023	262
	2024	267
	2025	730
Specific Legacy Health location:	Legacy Emanuel Medical Center, Legacy Good Samaritan Medical Center, Legacy Meridian Park Medical Center, Legacy Mount Hood Medical Center, Legacy Salmon Creek Medical Center, Legacy Silverton Medical Center	
*Legacy fiscal year is April 1 – March 31		

The parties are primarily focused on expanding training opportunities for nurses and physicians. However, Legacy Health also offers decentralized tech-level training programs. The data regarding tech-level training is fragmented and difficult to aggregate in the manner requested.

b) What additional training opportunities, if any, will result from the proposed transaction? Describe:

- i. the projected number of additional trainees and the type of trainee (e.g., medical student, resident, fellow, nurse, etc.);**
- ii. details of any new clinic/sites; and**
- iii. the specific Legacy location.**

Both OHSU and Legacy Health provide substantial training opportunities to support the education of Oregon’s next generation of health care providers. The System Combination Agreement articulates that a primary objective of OHSU and Legacy Health in pursuing the combination is to *“J. Enhance the current academic footprint of OHSU in order to (a) expand the education and training opportunities of future health care practitioners.”* This articulated goal arises from OHSU’s statutory mission, which would, if the transaction is approved, apply to the entire, integrated public university health system. As set forth in ORS 353.030 (3) – *“The university is designated to carry out the following public purposes and missions on behalf of the State of Oregon: (a) Provide high quality educational programs appropriate for a health and science university.”*

Further development and action planning is needed to accomplish these goals, but such planning must occur during operational integration when the organizations have a single mission, have a combined fiduciary responsibility, and can share data without restrictions. This work will happen after the transaction closes.

Finally, the Letter of Agreement Between Labor Partners and OHSU underscores the commitment to expanding training through its annual \$10 million commitment to education and training. The commitment funds education trusts offer education, training, and career advancement services to eligible union members. See “*Employment Conditions*” section of the Letter of Agreement. These investments will help provide education programs and services including apprenticeship programs, career pathways, job training, accelerated and customized classes, tuition support, and extended learning opportunities. OHSU expects this partnership and investment to increase training opportunities in the integrated public university health system for existing and new employees.

- c) Confirm whether the trainings listed in subsection a) will continue following closing of the proposed transaction. If not, provide a written narrative explaining what training programs will or will not continue post-closing.**

The integrated public university health system is deeply committed to maintaining and growing training opportunities. Given the overall demonstrated intent and direction in the Definitive Agreement, the statutory education mission, and the \$10 million annual investment in vocational training, the integrated system will increase overall training opportunities including the number, type and quality of opportunities. Work to operationalize these commitments cannot begin until operational integration, when the integrated entity has a single mission, combined fiduciary responsibility, and can share data without restrictions. This planning and operationalization will happen after the transaction closes. Importantly, specific clinical training slots and programs are subject to a variety of factors including clinic space, the workforce needs of the state, and the availability of faculty and preceptors with specific slots or programs, which necessarily change over time.

- d) Would the proposed transaction result in any increases in the number of graduates of training schools or certificate programs? If yes, provide a written narrative outlining such increases that includes specific numbers and timelines.**

In 2022, OHSU launched the 30-30-30 Initiative to increase graduates in key health care programs by 30% and diversify the student body by at least 30% by 2030. Achieving these goals hinges on expanding clinical training capacity, which is essential for the hands-on experience required by all OHSU students and trainees. However, clinical placements remain a significant challenge due to the demands on health system resources, including space, time, and preceptor availability. Legacy Health, a longstanding partner of OHSU, plays a crucial role in providing clinical experiences for students. By integrating operations and aligning clinical training strategies, the integrated system will grow capacity to support more trainees. In addition, the integration strengthens the health system, which will enable OHSU to increase class sizes and graduates. The integration is also needed to fulfill the 30-30-30 Initiative’s objectives. As described in the response to Question #4.c), specific program and site expansions, including numbers of graduates and timelines, will occur after closing.

- 5. Provide all records from November 6, 2019 through November 6, 2024, including any materials provided by outside advisors or consultants, that have been shared with or among the Legacy Board of Directors (“Legacy Board”), the OHSU Board of Directors (“OHSU Board”) or any other committees of OHSU or Legacy in connection with this proposed transaction, including the decision to enter into this proposed transaction. This should include all records including but not limited to documents,**

communications, analyses, presentations, reports, board minutes, agendas, emails, and financial projections not already shared with HCMO.

Please refer to bates OHSU_RFI#5_00000001 through OHSU_RFI#5_00001127 for non-privileged written materials from November 6, 2019, through November 6, 2024, shared with the OHSU Board in connection with the proposed transaction. This includes documents such as agendas, analyses, board minutes, board presentations, reports and/or projections, and communications among and with board members. Additional documents responsive to this Request may be found in the production of non-privileged email correspondences provided in OHSU_RFI_Vol001.

Please refer to bates OHSU_RFI#5_00001128 through OHSU_RFI#5_00001441 for non-privileged written materials from November 6, 2019, through November 6, 2024, shared with the Legacy Board in connection with the proposed transaction. Board minutes and materials are as approved by the Legacy Health Board through November 6, 2024. Additional responsive documents at bates OHSU_RFI#5_00001442 through OHSU_RFI#5_00003931 have been submitted separately by Legacy Health to OHA as those materials have not been fully shared with OHSU because they contain confidential and/or competitively sensitive information that cannot be shared prior to closing.

Legacy uses a dedicated board-management platform to distribute documents and records to board members. Legacy Board members use the platform to view agendas, board presentations, memorandums, and similar documents. Accordingly, Legacy Health has provided all materials from the board management platform related to this transaction.

The Legacy Board has a longstanding Strategic Collaborations Committee ("SCC"). The SCC also used this board-management platform. In early 2023, the SCC was reconstituted and began meeting bi-weekly for the purpose of evaluating potential strategic partners, including OHSU. Accordingly, virtually all the board-level communications regarding this transaction are reflected in the minutes and board presentations of the SCC.

Early on in the evaluation of the OHSU transaction, management received a small number of questions and requests for information from SCC members regarding this transaction via email. In March 2023, the SCC was advised that they should ask questions during SCC meetings, rather than over email, but otherwise should direct any questions that may arise between meetings to Legacy Health's legal and financial advisors so that they can be compiled and discussed in the next meeting. This discussion is reflected in the SCC minutes of April 26, 2023, provided at bates OHSU_RFI#5_00001239 and presentation on May 17, 2023, provided at bates OHSU_RFI#500001853. Accordingly, we identified a very limited number of emails from SCC members to management sent prior to March 2023, and queried Legacy Health's legal and financial advisors for any other board-level correspondence. The emailed questions from board members to management are quoted in board materials (see board presentation dated May 17, 2023). Otherwise, we believe that the documents provided from the portal reflect all records shared with the Legacy Board related to this transaction.

As is to be expected, the board minutes and materials include some information protected by attorney-client privilege. In the interest of transparency, OHSU and Legacy Health have redacted or withheld as little information as possible on the grounds that it is privileged.

However, there are redactions in certain documents, which in each case reflect or summarize legal advice provided by counsel to the board or board members.

6. **Provide all financial documents and analyses that pertain to the proposed transaction, including but not limited to:**
 - a) **Analyses by Goldman Sachs**
 - b) **Analyses by Grant Thornton**
 - c) **Any financial analyses conducted or requested by Legacy or OHSU.**

Please refer to bates OHSU_RFI#6_00000001 through OHSU_RFI#6_00000631 for non-privileged financial documents and analyses related to the proposed transaction, including analyses by Goldman Sachs and Grant Thornton. Additional documents responsive to this Request may be found in the documents provided in response to Question #5 and the production of non-privileged email correspondences provided in OHSU_RFI_Vol001.

Price or Consolidation Impacts

7. **Has OHSU engaged in all-or-nothing contracting (i.e. expressly or impliedly requiring a payer to maintain a contract with some or all affiliates of OHSU) in order to have a contract with OHSU or an affiliate of OHSU?**

OHSU does not require payers to maintain contracts with some or all affiliates of OHSU as a condition of contracting with OHSU or any other affiliate. In fact, OHSU holds separate contracts from Tuality Healthcare (d/b/a Hillsboro Medical Center) (“HMC”) and Portland Adventist Medical Center (“Adventist”) with many of the same payers. These payers sometimes contract with only one or two, but not all three, of the entities.

That said, a small number of health plans offer full risk-based plans with access to, and the cost of care managed in part, by the OHSU affiliates and other independent providers. Under these risk-based plans, the payers pay the same amount for care regardless of where it is provided, and OHSU and OHSU affiliates, together with other participating providers, manage the cost of care. These agreements are described in more detail below in response to Questions #8 and #9 below.

- a) **If yes, provide a copy of any and all contracts in effect at any time from November 6, 2019 to November 6, 2024.**

Please refer to bates OHSU_RFI#7(a)_00000001 through OHSU_RFI#7(a)_00000628 for the risk-based contracts referenced above and described in more detail in response to Question #8 below.

8. **Does OHSU currently, or has it ever, jointly negotiated payment rates for any service provided at OHSU Hillsboro Medical Center?**

OHSU does not jointly negotiate payment rates for services provided at HMC. HMC is the business name of Tuality Healthcare and, through its contracting entity, Tuality Health Plan

Services (“THPS”), HMC contracts directly with payers and is reimbursed for all services provided at HMC under those contracts.

As noted above though, OHSU and HMC both participate in five full-risk plans, including Adventist Health’s Employee Plan, under which the OHSU-affiliated entities, along with other independent providers in some cases, together assume the full-risk for managing the cost of patient care and have agreed to accept the same reimbursement rate from those payers regardless of where the care is delivered. Under these full-risk agreements, OHSU and HMC agree to accept the same payment rates and contract terms in a single contract.

For at least one of these full-risk contracts, OHSU, Adventist, and HMC signed the contract separately along with several other independent health systems, as listed in response to Question #8.c) below. Each of the independent providers, like each of the OHSU affiliates, agreed to accept the same reimbursement rate and the same contract terms in a single contract.

a) Specify if OHSU itself contracts with any payer for any services provided at OHSU Hillsboro Medical Center or whether OHSU Hillsboro Medical Center contracts directly with a payer for a service.

As described above, HMC, through THPS, contracts directly with payers for all services provided at HMC. HMC has separate contracts, separate rate schedules, and bills payers separately from OHSU except for the under the full-risk contracts described in 8.c).

HMC’s payer contracts, not OHSU’s, apply when OHSU practitioners provide services at HMC. OHSU and HMC have professional services agreements (“PSAs”) for situations where OHSU practitioners provide care at HMC. Under these PSAs, OHSU practitioners assign their billing rights to HMC for the services provided at HMC, and HMC bills payers for the services provided by the OHSU practitioner (i.e., HMC rates apply). HMC then separately pays OHSU for the fair value of the practitioner services provided to HMC under the PSA.

b) Specify if OHSU and OHSU Hillsboro Medical Center jointly hold any contract with any payer.

HMC/THPS and OHSU hold separate contracts with payers, including with many of the same payers. As described above though, OHSU, HMC, Adventist, and, in some cases, several other independent health systems, all participate in certain full-risk plans, including at least three Medicare Advantage plans for which they all participate through a single contract. All of these full-risk contracts are listed below in response to Question #8.c) and are included in the document production at bates OHSU_RFI#7(a)_00000001 through OHSU_RFI#7(a)_00000628.

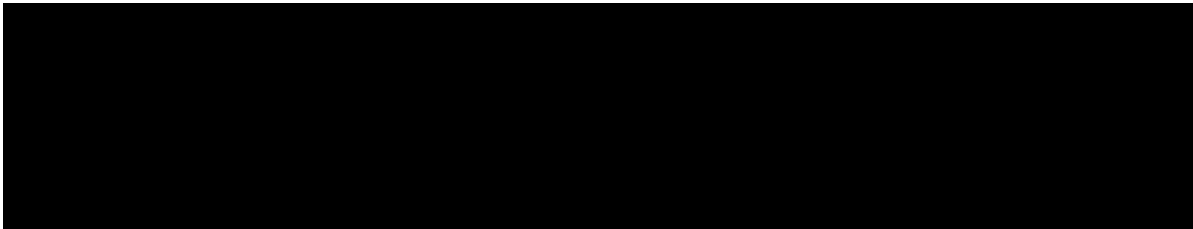
c) If yes to either of subsection a) or b), describe the services and list the parties to each contract.

The chart below lists the parties and type of plan for each of the five full-risk contracts described above. The contracts apply to general health care services the member received (e.g., inpatient, outpatient, and physician services).

Name of Plan	OHSU-Affiliated Signing Entities	Type of Plan
Adventist Health Employee Plan	Tuality Health Plan Services	Commercial
Moda	Adventist Health Oregon Health and Sciences University Tuality Health Plan Services (older contracts signed by Tuality Healthcare)	Commercial
PacificSource My Care	Oregon Health and Sciences University Adventist Health Portland Tuality Healthcare	Medicare Advantage
Humana	Tuality Health Plan Services	Medicare Advantage
Regence BCBS of Oregon	Tuality Health Plan Services (older contracts signed by Tuality Health Alliance)	Medicare Advantage

9. Has OHSU ever jointly negotiated payment rates for any service provided at an Adventist entity?

OHSU does not jointly negotiate payment rates for services provided at any Adventist entity with the exception of the full-risk contracts listed response to Question #8.c) above.



a) If so, describe the services for which joint negotiations occurred and list the parties to each contract and/or negotiation.

As described above in more detail in response to Question #8 above, OHSU and Adventist participate in five full-risk plans, including Adventist Health’s Employee Plan, under which OHSU and Adventist agree to accept the same payment rates and contract terms in a single contract. These agreements are listed in response to Question #8.c) and are included in the document production at bates OHSU_RFI#7(a)_00000001 through OHSU_RFI#7(a)_00000628.

10. Provide copies of all agreements currently in place between OHSU and OHSU Hillsboro Medical Center, OHSU and Adventist Health Portland, and OHSU and any other Adventist facility.

Agreements responsive to this question are included in the document production at bates OHSU_RFI#10_00000001 through OHSU_RFI#10_00002296.

11. Provide a comprehensive and detailed explanation of every role in which OHSU oversees the functions of another affiliated entity, or where OHSU, OHSU Hillsboro Medical Center, and Adventist Health Portland, or any combination thereof, operate as a single entity. In doing so, specifically state whether the entities share:

Portland Adventist Medical Center

In January 2018, OHSU and Adventist Health System/West entered into an agreement to manage the clinical enterprise in the Portland Metropolitan area. OHSU and Adventist remain separate entities and retain their own hospital licenses, assets and employees.

Adventist contracts with OHSU for electronic health record services; certain clinical services of OHSU employed and contracted providers; and certain other administrative and support services. [REDACTED]

The relevant contracts between OHSU and Adventist are included among the documents submitted in response to Question #10 above.

Tuality Healthcare (d/b/a Hillsboro Medical Center)

In February 2016, OHSU and HMC entered into a management agreement through which OHSU oversees the clinical enterprise of HMC. HMC remains a separate entity, owns its own assets, and remains the licensed operator of its facilities.

HMC also contracts with OHSU for technology and electronic health record services; select clinical service from OHSU employed and contracted providers; compliance consulting services; revenue cycle services; risk management services; and some other administrative and support services.

The relevant contracts between OHSU and HMC are included among the documents submitted in response to Question #10 above.

- a) human resources including, hiring, setting employee compensation, or negotiating with organized labor;**

Human resources activities are performed independently by each entity.

- b) physician or other provider compensation structures, including but not limited to establishing of base salary, administering bonus payments for productivity, quality, or any other reason;**

Provider compensation structures are determined independently by each entity.

- c) staff who negotiate or process contracts with payers;**

As discussed in response to Questions #8 and #9, OHSU, HMC, and Adventist generally maintain their own independent contracts with payers, other than certain risk-based

arrangements. OHSU staff negotiate those separate contracts on behalf of the entities, but only after close collaboration and input from HMC and Adventist.

d) policies regarding medical service provision, including clinical practice guidelines;

The entities do not have shared policies regarding medical service provisions. Policies regarding medical service provision are adopted independently by each entity.

e) staff who process health care claims or health care billing adjudication;

Adventist contracts with OHSU to manage the billing for professional Emergency Services claims for Adventist. Adventist processes all other health care claims and billing adjudication for all other patient care services at Adventist.

HMC contracts with OHSU for hospital and professional billing and coding and other revenue cycle services, including collections, and other customer services.

The relevant contracts are included among the documents submitted in response to Question #10 above.

f) electronic health record systems;

HMC and Adventist each contract separately with OHSU for their electronic health records systems.

The relevant contracts are included among the documents submitted in response to Question #10 above.

g) suppliers; and

HMC and Adventist generally maintain their own contracts with suppliers but can access certain OHSU supply contracts. Adventist accesses OHSU's supply contracts through separate contracts between it and the supplier.

HMC may elect to be a participating facility in connection with an OHSU contract with a supplier, though generally there is a separate contract between the supplier and HMC. OHSU may review HMC contracts with suppliers as part of a service contract where HMC contracts with OHSU to review and negotiate HMC's contracts.

h) referral processes or staff who process referrals.

HMC and Adventist do not share referral staff or processes with OHSU. The exception is that OHSU staff do receive and schedule referrals to HMC for the following specialty services: urology, neurology, neurosurgery, or gastrointestinal services.

12. Describe which affiliated, wholly owned, or partially owned entities of OHSU, if any, perform a similar task, function, or role as any affiliate or subsidiary of Legacy. Provide a table of OHSU’s and Legacy’s affiliated, wholly owned, or partially owned entities with a description of the overlapping task, function, or role.

- a) For each entity, include a statement regarding the entities’ plans for how the task, function, or role may change post-closing and if the overlapping entities would be combined in any way as a result of the proposed transaction.**
- b) If there are no plans to change or if the parties to the proposed transaction do not yet know if the overlapping task, function or role will change, state as much.**

The following table describes which affiliated, wholly owned, or partially owned entities of OHSU perform a similar task, function, or role as any affiliate or subsidiary of Legacy Health; a description of the overlapping task, function, or role; how the task, function, or role may change post-closing; and if the overlapping entities would be combined in any way as a result of the proposed transaction.

Overlapping Task, Function, or Role	OHSU Owned and Affiliated Entities	Legacy Owned and Affiliated Entities	Expected Changes Post-Closing
Provision of Health Care Services	Oregon Health and Science University (including entities with different assumed business names); Bridges Collaborative Care Clinic; OHSU SoundSource, LLC; OHSU Outpatient Clinical Services, LLC; University Andrology Lab, LLC; University Anesthesia Associates, LLC; Professional Medical Services, LLC; Pacific Northwest Renal Services, LLC; Portland Adventist Medical Center; Tuality Healthcare ¹	Legacy Emanuel Hospital & Health Center; Legacy Good Samaritan Hospital and Medical Center; Legacy Mount Hood Medical Center; Silverton Health; Legacy Visiting Nurse Association; Legacy Clinics, LLC; Legacy Connect, LLC; Legacy Health Partners, LLC; Legacy Laboratory Services, LLC; NW Hospital Partnership, Inc.; Option Care at Legacy, LLC	Operational integration will guide the integration of Legacy Health’s facilities and operations into OHSU. This cannot happen until after closing when the organizations have a single mission, have a combined fiduciary responsibility, and can share data without restrictions. To date, the Definitive Agreement identifies that the integrated public university health system will include two divisions, each including facilities owned by, operated by, or associated with OHSU or Legacy Health before closing: The Portland Division and the Regional and Ambulatory Division. These divisions are described in further detail in the HCMO Notice. The divisions will have co-equal status and be governed under a unified governance structure, with management of each division reporting to a single health system Chief Executive Officer. There are no plans to close or reduce the number and type of

¹ Portland Adventist Medical Center and Tuality Healthcare are not OHSU entities as reflected on HCMO Supplemental Materials B submitted with the HCMO Notice. These entities are contractually affiliated with OHSU.

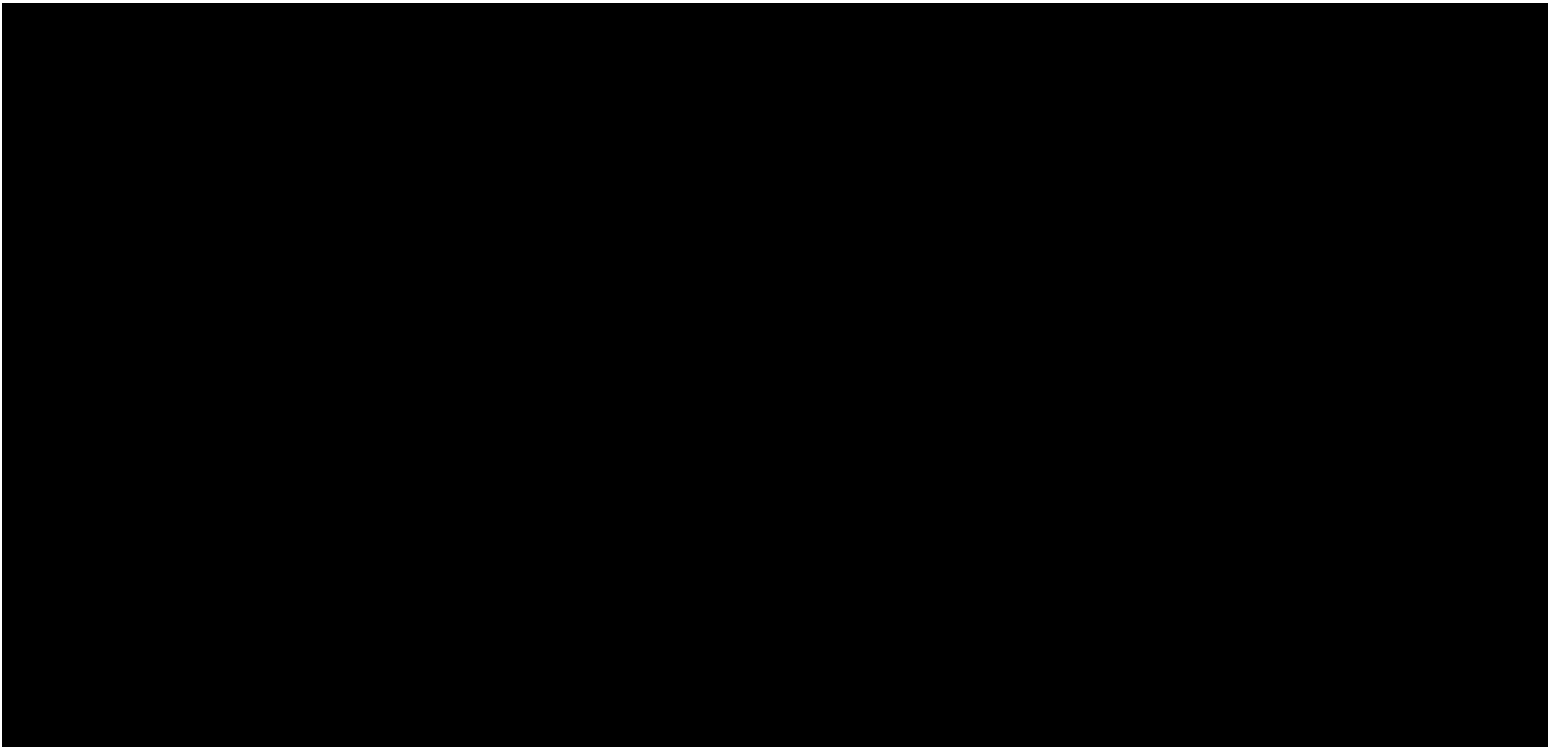
			health care service locations, and the listed entities will continue to serve the function of providing health care services. The integrated system will use Legacy Health facilities, particularly those underutilized today, to help alleviate patient wait times and capacity constraints.
Medical Transport	Life Flight Network, LLC	Life Flight Network, LLC	Both OHSU and Legacy Health have a membership interest in Life Flight Network, LLC. The parties do not yet know of any transaction-related change to the entity.
Fundraising / Charitable Purposes	Oregon Health and Science University Foundation (including entities with different assumed business names); Oregon Rural Health Initiative (“ORHI”)	Legacy Health Foundation; Good Samaritan Foundation; Randall Children’s Hospital Foundation; Silverton Health Foundation; Legacy Health Salmon Creek Hospital Foundation	As described in the HCMO Notice, at closing, the Legacy Health Foundation will be reconfigured as an independent nonprofit public benefit corporation and will provide grants and other investments restricted to promoting health equity and access. Post-closing, Legacy Health’s other foundations will continue to fundraise to support the associated Legacy facilities and operations. Please refer to the HCMO Notice for Legacy Health – Legacy Health Foundation – PacificSource for further information.
Relating to Certain Health Care Management or Oversight	OHSU-AH, LLC	NW Urgent Care Phase I; NW Urgent Care Phase II; Legacy / USP Surgery Centers, LLC	The parties do not yet know of any transaction-related change.
Relating to Provider Service Contracting with Payers	OHSU Health IDS; Tuality Health Plan Services	Legacy Health Partners	The parties do not yet know of any transaction-related change. Please refer to the HCMO Notice for commitments pertaining to Medicaid. OHSU is committed to prioritizing care for people who need it most, including ensuring more efficient coordination of care to improve health outcomes. The integrated public university health system will realize efficiencies specifically for people served by Medicaid by developing and deploying new and innovative strategies, in collaboration with partners, which are

			only possible as a result of the transaction.
Research	Oregon Health and Science University	Legacy Research Institute (LRI) at Legacy Emanuel Hospital & Health Center	The parties intend to expand research activities across more diverse populations and broaden access to clinical trials post-close. Operational integration will guide implementation of this expansion, and as described above operational integration cannot happen until after closing.

13. Describe any and all other mergers, acquisitions, corporate affiliations, clinical affiliations, contracting affiliations, partnerships, joint ventures or accountable care organizations OHSU considered in the past 5 years (from November 6, 2019 through November 6, 2024). List the entities involved and the timing.

As Oregon’s only public academic health center, OHSU’s statutorily mandated missions of health care, research, and education span the entire state. OHSU regularly reviews and considers potential partnerships to further this mission in the Portland area and across the state.

The following table describes the mergers, acquisitions, corporate affiliations, clinical affiliations, contracting affiliations, partnerships, joint ventures, or accountable care organizations OHSU considered in the period from November 6, 2019, through November 6, 2024; however, the listing of an arrangement should not be construed or interpreted as an arrangement that would be a Covered Transaction (as defined in OAR 409-070-0005). This table includes a description of the proposed relationship and the status of discussions.



The Foundation and Health Equity Impacts

14. Explain how much the new Legacy Health Foundation is expected to spend in grants and other investments in the first year of operation. In doing so, detail what annual spending commitments the Legacy Health Foundation will adhere to post-closing.

At closing, the Legacy Health Foundation will be reconfigured as an independent nonprofit public benefit corporation and will provide grants and other investments restricted to promoting health equity and access. Please see Question 6, Exhibit 3: Report about New Health Equity Foundation of the HCMO Notice for additional details about the Legacy Health Foundation (“Legacy Foundation”).

In its first year of operation post-closing, the Legacy Foundation will engage the community for input regarding topics such as health equity needs, community priorities, and expanded board composition to ultimately develop a strategic plan. The Legacy Foundation’s grant and investment spending will be driven by this strategic plan, which will be informed by community engagement and approved by the Legacy Foundation board, which will be reconstituted and expanded after closing. The post-closing Legacy Foundation board will determine spending amounts, and that determination will depend, among other things, on the amount of net cash that the Legacy Foundation receives as of the closing date, which is unknown at this time.

To realize its charitable vision, it is anticipated that the Legacy Foundation will actively spend down its funds by purposefully deploying them in the community. Data from 2023 indicates that private foundations distributed an average of 6.6% of their assets each year for charitable purposes. It is anticipated that the post-closing Legacy Foundation will deploy assets to the community at a rate above this average, but as described above, the post-closing Legacy

Foundation board will ultimately make the decision about the exact annual budget for grants and other investments. Additionally, as the Legacy Foundation is not required to exist in perpetuity, it will have flexibility to make spending and investment decisions that prioritize the maximization of community impact over the growth of the Legacy Foundation's total assets.

15. Will the new Legacy Health Foundation affect the structure, kinds of investments, or operations of the OHSU Foundation, Doernbecher Foundation or any other OHSU affiliated charitable entity?

The reconfigured Legacy Foundation will not affect the structure, kinds of investments, or operations of the Oregon Health & Science University Foundation ("OHSU Foundation"), into which the Doernbecher Children's Hospital Foundation was merged in 2020, or any other charitable entity affiliated with OHSU. Please see the response to Question #15.a) below for additional information about the structure and functions of the reconfigured Legacy Foundation as distinct from OHSU Foundation.

a) Provide a written narrative detailing whether the new Legacy Health Foundation will perform the same functions as, or differ from the OHSU Foundation, Doernbecher Foundation or any other OHSU affiliated charitable entity. In doing so, include details regarding all referenced charitable entities' roles and missions.

Post-closing, the Legacy Health Foundation will be a separate organization that is independent of Legacy Health, OHSU, and any OHSU-affiliated charitable entities.

OHSU Foundation secures private philanthropic support for the benefit of OHSU and Doernbecher Children's Hospital. OHSU Foundation, Randall Children's Hospital Foundation, Good Samaritan Foundation, Salmon Creek Hospital Foundation, and Silverton Health Foundation will remain intact at closing and for at least 2 years thereafter (unless otherwise mutually determined by the leaders of both OHSU Foundation and the applicable Legacy Health existing foundation), although OHSU and Legacy Health may evaluate their respective current models and philanthropic activity to determine opportunities for alignment and possible consolidation. The wishes of donors shall at all times be respected (e.g., donations made for the support of a particular legal entity, facility, or project will be used solely for such purpose) for assets donated to any of the foundations, including Legacy Health Foundation. The leaders of OHSU Foundation and Legacy Health existing foundations will work in good faith to ensure any post-closing operations and leadership transitions for the existing foundations support the mission of each of the existing foundations and minimize disruption to the work of the existing foundations.

The post-closing Legacy Foundation (yet to be named), on the other hand, will have a broader mission that is distinct from any hospital or payer. The post-closing Legacy Foundation will make grants and investments that best realize its charitable vision of addressing social determinants of health, regardless of whether such investments involve the traditional health care delivery system. The post-closing Legacy Foundation will make grants and otherwise spend down its total assets. The post-closing Legacy Foundation will focus on spending funds, not raising funds.

To the extent that, at closing, the post-closing Legacy Foundation holds donor-established funds that were restricted to the support of Legacy Health programs or operations, the post-closing Legacy Foundation may enter into an agreement with OHSU Foundation to help it invest and manage those restricted funds so they continue to be expended for the purposes they were established. Additionally, the post-closing Legacy Foundation may follow the process codified in Oregon's Uniform Prudent Management of Institutional Funds Act to transfer such restricted funds to OHSU Foundation.

- 16. Provide a written narrative explaining what will happen to each of the Legacy Foundations associated with a Legacy hospital post-closing. In doing so, include the following:**
- a) A description of the changes and a timeline for any planned changes to Legacy Foundations.**
 - b) A description of all changes to the Legacy Foundations' boards of trustees.**
 - c) Explain whether the new Legacy Health Foundation will oversee or share a corporate structure with any of the existing Legacy Foundations.**
 - d) Describe in detail how the new Legacy Health Foundation will be the same as or differ from the existing Legacy Foundations. Include details regarding the charitable entities' roles and missions.**

Legacy Health's "Hospital Foundations" are comprised of four nonprofit corporations: Good Samaritan Foundation, Randall Children's Hospital Foundation; Salmon Creek Health Foundation; and Silverton Health Foundation (the "Hospital Foundations"). The Hospital Foundations each exist for the benefit of specific Legacy Health entities or programs—for example, the Good Samaritan Foundation was established in 1969 to raise philanthropic support for the Good Samaritan Hospital and Medical Center.

The post-closing Legacy Foundation will be a separate organization that is independent of the Hospital Foundations and the integrated public university health system. The post-closing Legacy Foundation will not share a corporate structure or oversee any of the four Hospital Foundations, which will continue to exist in their current form and for their current purpose.

Identifying any changes with respect to the Hospital Foundations must occur during operational integration when the hospitals they support are aligned under one integrated health system. This cannot happen until after closing. Pursuant to the Definitive Agreement, the parties have committed that those Hospital Foundations will remain intact at closing and for at least 2 years thereafter (unless otherwise mutually determined by the leaders of both OHSU Foundation and the Hospital Foundations), although health system and foundation leaders may evaluate their respective current models and philanthropic activity to determine opportunities for alignment and possible consolidation, consistent with prevailing legal requirements. The wishes of donors will be respected (e.g., donations for the support of a particular legal entity, facility, or project will be used solely for such purpose) for assets donated to Legacy Health foundations, including Legacy Health Foundation.

At this time, there are no anticipated changes to the Hospital Foundations' respective boards. The leaders of Foundation and Hospital Foundations will work in good faith to ensure any post-

closing operations and leadership transitions for the existing foundations support the mission of each of existing foundation and minimize disruption to the work of the existing foundations.

The post-closing Legacy Foundation will make grants and investments that realize its charitable vision of addressing social determinants of health that affect individuals' health and wellbeing. The post-closing Legacy Foundation will make grants and otherwise spend down its total assets. The post-closing Legacy Foundation will focus on spending funds, not raising funds.

PacificSource

17. In relation to the current proposed transaction and the adjacent proposed transaction currently undergoing HCMO review, 038 Legacy-Legacy Foundation-PacificSource, provide a written narrative as to how and when OHSU intends to determine whether employees will continue to have the option of PacificSource health plans post-closing. In doing so, address the following:

a) What criteria will OHSU use to determine which health plans are included in employee benefits?

Under the Definitive Agreement, all employees will retain their benefits, including health insurance, at closing. Further, under the HCMO Notice Question 13 – Exhibit 1: Letter of Agreement Between Labor Partners and Oregon Health and Sciences University, OHSU has committed that, contingent on funding, *“the transaction will not result in a decrease from current wage rates, premium/differential rates, **or benefit contribution amounts or levels** for any former Legacy employee who is a member of one of the Labor Partners.”* (emphasis added, see Section 1 (a) of the Letter of Agreement).

Generally, OHSU conducts a Request for Proposals (“RFP”) to compare benefit offerings. In accordance with its collective bargaining agreements, OHSU has instituted an employee benefits council comprised of equal numbers of representatives of management and represented employees to recommend benefit plans. This process generally takes place on a schedule that allows OHSU employees to make health benefit decisions in October for benefits that are effective the following January. In making any plan determinations, OHSU will take into account the terms of any collective bargaining agreements between Legacy Health and its employees.

b) Which health plans are currently offered to OHSU employees?

OHSU employees are currently offered a number of different plan options depending on their role in the organization, where they live, and their date of employment. OHSU currently offers OHSU PPO, OHSU EPO, OHSU HDHP (all administered by Moda). Employees who live outside of Oregon and SW Washington have access to the Aetna Network administered by Moda. Kaiser Medical is available only to American Federation of State, County and Municipal Employees (“AFSCME”) hired before October 1, 1998, and Oregon Nurses Association (“ONA”) and unclassified administrative employees hired prior to January 1, 1998. Graduate Research employees and students are covered through PacificSource.

Questions about Exhibits

18. [CONFIDENTIAL] Regarding the document titled HCMO Notice Question 7 – Exhibit 1:

- a) **The document states, on bates label OHSU_Notice_00027, that one of Legacy’s transaction goals was to “increase access to services in medically underserved areas, and rectify factors contributing to a lack of health equity or access to services.” Identify which medically underserved area or areas this goal was focused on and describe how the proposed transaction will increase access to services in such medically underserved area(s).**

The Legacy Health Board developed the goals set forth in HCMO Notice Question 7, Exhibit 1 as a framework to evaluate any potential transaction partner. The Board recognized that different potential transaction partners may have different ways of achieving specific transaction goals. Accordingly, the Board intentionally did not focus on any one underserved area, nor did it identify specific ways that the transaction would achieve this goal. Instead, Legacy Health wanted to work collaboratively with any potential transaction partner to identify how the parties could best collaborate to better serve people who are underserved, in any area.

Nonetheless, in determining whether to proceed with the proposed transaction with OHSU, the Legacy Health Board did consider how this transaction would expand access to health care services within Legacy Health’s existing service area. See OHSU Notice – 00303 - 00304. For a description of how this transaction will increase access to services in this area, please see the response to HCMO Notice Question 15.c. In particular, the Notice discusses how the integration will increase access to quality health care services for all people, including medically underserved populations.

- b) **The document states, on bates label OHSU_Notice_00028, that another transaction goal is to “complete gaps in geographic footprint, becoming a more valuable, in-network provider.” Describe both the current gaps in the current geographic footprint that Legacy identified and how the proposed transaction will complete said gaps.**

Legacy Health’s footprint is concentrated in the Portland metro area. This has historically presented a challenge when contracting with regional payers who serve individuals, employer groups, and health carriers in multiple states and metropolitan statistical areas. As such, in establishing transaction goals, the Legacy Health Board wanted to pursue opportunities that would allow the system to serve a larger geographic footprint and be a value-based partner to regional payers and employers. However, as noted above, the Board recognized that different potential transaction partners may have different ways of achieving this goal, so did not target any specific service areas for expansion.

Moreover, this goal of increasing Legacy Health’s geographic footprint was just one part of a broader objective of enabling Legacy Health’s transition to value-based care. Ultimately, Legacy Health determined that the proposed OHSU transaction was the best way to achieve this broader transaction goal, even if it will not significantly expand Legacy Health’s geographic footprint. See OHSU_Notice_00305 – 00308.

c) The document states, on bates label OHSU_Notice_00028, that another transaction goal is to “engage independent providers.” Explain Legacy’s purpose and intention of this engagement and specify:

i. how the entities intend to achieve this goal, and

Legacy Health has large independent medical staffs, which consist of a blend of Legacy Health-employed and independent providers and a clinically integrated network (Legacy Health Partners). Legacy Health’s partnership with independent providers improves access to care, ensures quality, prevents duplication of services, and brings a diversity of best practices to Legacy Health. The independent providers affiliated with Legacy Health are crucial partners in overseeing the quality clinical care at the health system and providing needed services to patients in the community. The integrated public university health system will engage in meaningful discussions with independent providers about how best to interact and engage with this community going forward. The integrated system will continue to support the independent medical staff of employed and independent clinicians at Legacy Health facilities and clinically integrated networks.

ii. how the proposed transaction is necessary to achieve this goal.

Legacy Health’s clinically integrated network is an essential partner to deliver access to high quality care and value while managing to the State’s cost growth target. The transaction can support independent practices through greater access to education, research, enhanced data systems, and virtual connections to specialized care.

19. [CONFIDENTIAL] Regarding the document titled HCMO Notice Question 7 – Exhibit 3:

a) The document states, on bates label OHSU_Notice_00168, that “[t]here are opportunities to create clinical centers of excellence...”

i. Describe all clinical centers of excellence that currently exist both at OHSU and Legacy.

The term “clinical centers of excellence” does not have an objective definition. The lists below refer to service lines and programs that have a high level of accreditation and/or perform particularly well on national benchmarks.

OHSU’s accrediting body, Det Norske Veritas (DNV), has provided certifications for the following OHSU programs:

- Comprehensive Stroke Center / March 2022 - March 2025
- Cardiac Center of Excellence / April 2022 - April 2025
- Hip and Knee Replacement Program / December 2022 – December 2025

Other national organization designations of OHSU programs, include, but are not limited to:

- Adult Surgery Quality Verification Program (American College of Surgeons)
- Bariatric Surgery (American College of Surgeons; MBSAQIP)
- Cancer (American College of Surgeons: Commission on Cancer)
- Children’s Surgery Verification (American College of Surgeons)

- ECMO Program (Platinum Center of Excellence designated by Extracorporeal Membrane Oxygenation Life Saving Organization)
- Level 1 Adult Trauma Center (American College of Surgeons)
- Level 1 Pediatric Trauma Center (American College of Surgeons)
- PANDA (Commission on the Accreditation of Medical Transport Services)

In addition, the National Cancer Institute has designated the Knight Cancer Institute as a Comprehensive Cancer Center.

Below is a list of programs at Legacy Health that have received designation by a national body:

Legacy-wide/Multiple Hospitals or Clinics

- Legacy Cancer Institute (American College of Surgeons accredited Network Cancer Program)
- Legacy Primary Stroke Centers (DNV accredited: Legacy Good Samaritan Medical Center, Legacy Meridian Park Medical Center, Legacy Mount Hood Medical Center, Legacy Salmon Creek Medical Center)
- Legacy Breast Health Centers (American College of Radiology accredited: Legacy Emanuel Medical Center, Legacy Good Samaritan Medical Center, Legacy Meridian Park Medical Center, Legacy Mount Hood Medical Center, Legacy Salmon Creek Medical Center)

Legacy Emanuel Medical Center:

- Oregon Burn Center (American College of Surgeons accredited)
- Level 1 Trauma Center (American College of Surgeons accredited)
- Comprehensive Stroke Center (DNV accredited)
- Adult ECMO Program (Platinum Center of Excellence designated by Extracorporeal Membrane Oxygenation Life Saving Organization)

Legacy Good Samaritan Medical Center:

- Legacy Weight and Diabetes Institute (Bariatric Surgery Center of Excellence accredited)
- Rehabilitation Institute of Oregon (Commission on Accreditation of Rehabilitation Facilities accredited)

Legacy Randall Children's Hospital:

- Level 1 Pediatric Trauma (American College of Surgeons accredited)
- Level 1 Children's Surgery Program (American College of Surgeons accredited)
- Pediatric ECMO Program (Gold Center of Excellence designated by Extracorporeal Membrane Oxygenation Life Saving Organization)
- Children's Inpatient Rehabilitation Program (Commission on Accreditation of Rehabilitation Facilities accredited)
- Cares Northwest (National Children's Alliance accredited)

Legacy Mount Hood Medical Center:

- Robotic Surgery Center of Excellence (Surgical Review Center accredited)

- ii. **Provide all records including but not limited to documents, communications, analyses, presentations, reports, board minutes, agendas, and emails detailing the current need or opportunity for new clinical centers of excellence.**

No records pertaining to the current need or opportunity for new clinical centers of excellence could be located.

- iii. **Specify the types of clinics, services, or procedures that would be provided at these new clinical centers of excellence.**

OHSU and Legacy Health discussed many ideas about potential positive outcomes of integration, such as clinical centers of excellence, in early discussions. For information about goals of the integration, please refer to the Definitive Agreement and HCMO Notice. Specifically, HCMO Notice Question 15 - Exhibit 2: Summary of Accountability Goals and Measures includes a draft Measurement and Accountability Framework outlining goals of the integration as well as potential metrics across access, cost, equity, and quality areas. Further strategy development will be completed during operational integration work when the organizations have a combined mission.

- iv. **Describe the plans either Legacy or OHSU, or both, made regarding the creation of one or more new clinical centers of excellence as a result of the proposed transaction.**

The Parties are not aware of any plans made regarding the creation of one or more new clinical centers of excellence as a result of the proposed transaction.

- b) **The document reports, on bates label OHSU_Notice_00170, that Legacy's payer mix is 20% Medicaid, while OHSU's is 24% Medicaid.**

- i. **Explain whether the payer mix (e.g., Medicaid, Medicare, commercial) of either entity may change as a result of the proposed transaction. In doing so, provide a detailed explanation of how the payer mix may change.**

There are no plans to reduce access to patients covered by the Oregon Health Plan. In fact, the integrated system is committed to serving a combined Medicaid population that is the same or larger in scale and size as OHSU and Legacy Health individually serve today. OHSU and Legacy Health have publicly stated their commitment to continuing to serve those covered by Medicaid. The Definitive Agreement states a primary objective of OHSU and Legacy Health in pursuing a combination is to *"E. Maintain and improve health care access to underserved, vulnerable populations in urban, suburban, and rural locations."* As a result of this transaction, the integrated public university health system will be governed by OHSU's statutorily directed missions including in ORS 353.030(f), which includes in the public missions of the university that it will *"Continue a commitment to provide health care to the underserved patient population of Oregon."* Decisions for the integrated public university health system will be made under the direction of OHSU's publicly appointed Board of Directors tasked with fulfilling these statutorily directed missions.

Payer mix is not expected to change significantly. The integrated public university health system will remain committed to improving access to all people regardless of insurance coverage. The integrated entity anticipates a slightly increased Medicaid payer mix due to historical trends and expanded access goals that will include and benefit underserved populations.

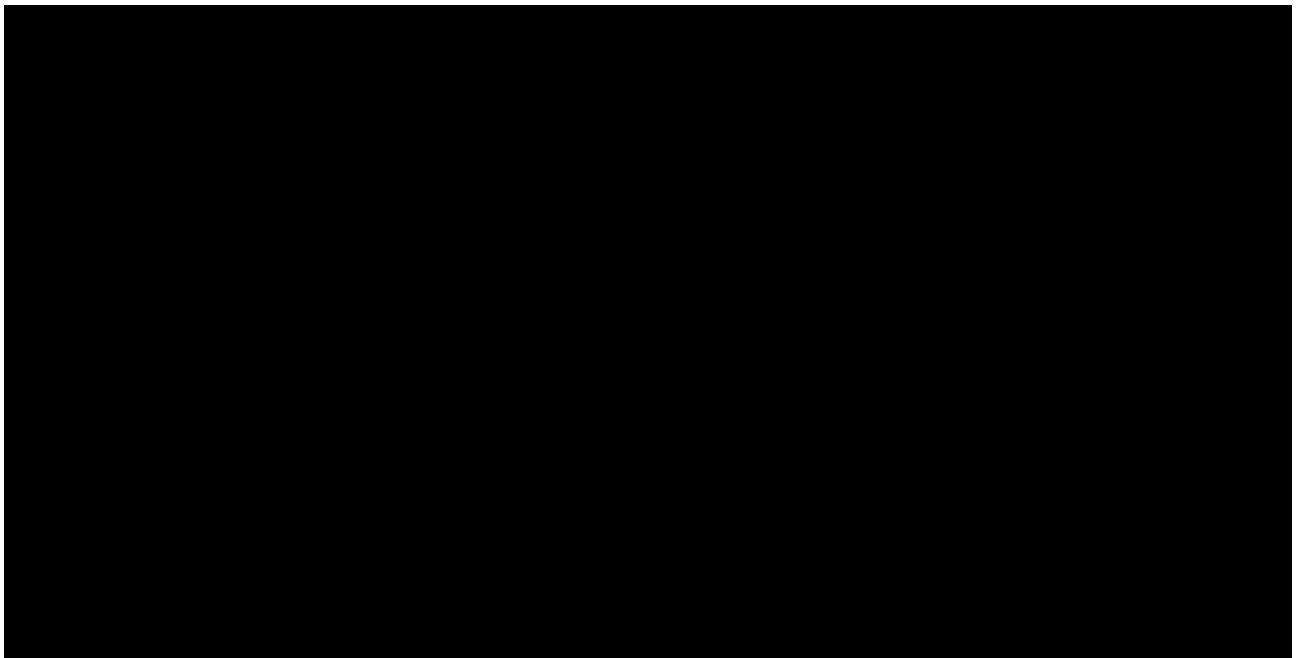
The existing Medicaid population served by Legacy Health and OHSU is expected to follow the state's Medicaid forecasts. The integrated system will continue to provide care to underserved people, including those covered by Medicaid.

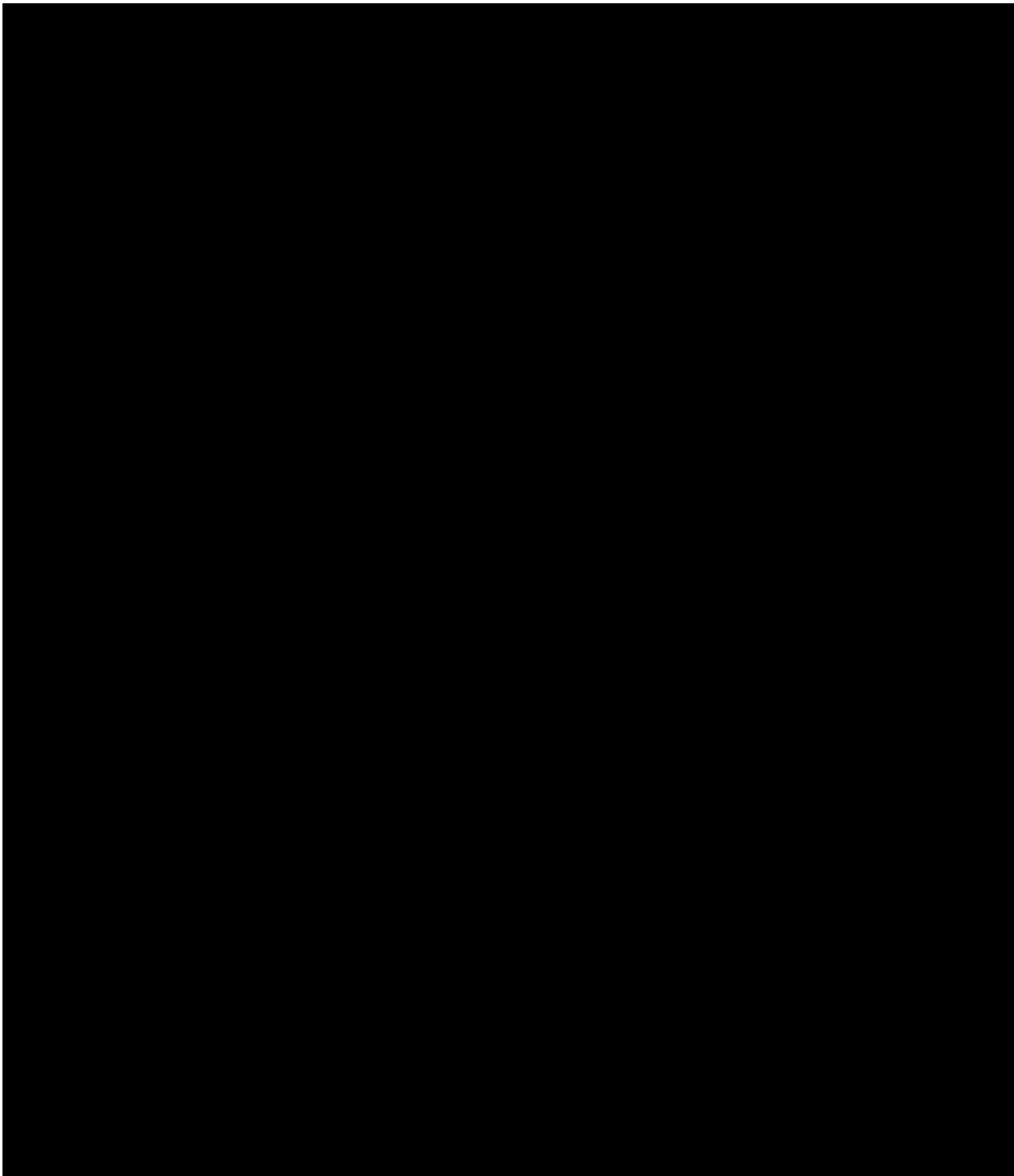
- ii. Provide all records including but not limited to documents, communications, analyses, presentations, reports, emails, and financial projections that include information related to the payer mix projections.**

No records related to payer mix projections could be identified. Relevant financial analyses are provided in response to Question 6.

- iii. Describe how, if at all, any projected change of payer mix relates to entities' statements about how the proposed transaction will increase access to health care services for medically underserved populations.**

There is no significant payer mix change projected for the integrated public university health system as a result of the transaction. Serving underserved populations, including people covered by Medicaid, is a core mission for both organizations today and will continue to be a core mission for the integrated public university health system as dictated by state statute and the Definitive Agreement. As described above and in OHSU's HCMO Notice, the integrated public university health system will undertake efforts to expand access and reduce wait times for services across the full spectrum of care. Because the parties do not anticipate a change in payer mix, these efforts will improve access to health care services for all populations, including people covered by Medicaid, who are traditionally medically underserved.





- b) The document states in a slide titled Major Assumptions: Growth, on bates label OHSU_Notice_00263, “Knight Cancer Institute doubles its scale relative to the rest of OHSU-site programs over 10 years, with 2x programmatic growth funded by philanthropy.” Please address and/or provide the following:**
 - i. All records and information that OHSU possesses indicating that its cancer services need to be doubled over the next 10 years.**

OHSU and the OHSU Knight Cancer Institute care deeply about treating the whole person. Oregonians need more cancer services now, and that need is only expected to grow in the future. A [2021 projection from the Centers for Disease Control and Prevention](#) found the number of adults entering the age groups at greatest risk for being diagnosed with cancer is increasing. That report utilized data from Surveillance, Epidemiology, and End Results (SEER) and the U.S. Census Bureau to project that by the year 2050, the total number of cancer incident cases will increase by almost 50% as a result of the growth and aging of the U.S. population. As a state with an aging population, Oregon is no exception. [The percentage of Oregonians age 65 and over in the year 2030 will be 18.25%](#), an increase from 12.8% in the year 2000. An [Oxford study](#) published earlier this year suggests the number of cancer survivors will grow from 18.1 million in 2022 to 26 million by 2040. Oregon needs to be prepared for the whole spectrum of cancer care and treatment. Being prepared and able to meet that need is critical for the entire state.

Please refer to the production of email correspondences in OHSU_RFI_Vol001 for information related to OHSU's cancer services.

ii. The historical, current and future projected unmet needs in cancer care for the region.

OHSU sees around 33,000 patients with cancer per year. Since 2015, the Knight Cancer Institute has seen an 18% increase in new patients for cancer treatment. That was nearly 6,500 new patients in 2023.

On average, the current wait time for a patient facing a new cancer diagnosis is 2 to 4 weeks, depending on the clinic, provider, and type of treatment needed. There is typically a two-week wait time for a new appointment and then a two-week delay to starting treatment. However, the actual wait time depends on having all the needed referral information in hand, such as pathology and imaging.

More than half of OHSU's cancer patients originate from outside the Portland Metro area. As the only National Cancer Institute-designated Comprehensive Cancer Center between Sacramento and Seattle, the OHSU Knight Cancer Institute is uniquely poised to provide complex multidisciplinary care for all Oregonians. However, space is not always available for patients who request to transfer to OHSU. Many patients seeking transfer to OHSU for oncology care are denied due to the lack of an available bed. Even among those patients initially accepted for oncology care, on average 9 patients per month do not end up transferring because a bed is not available. The monthly average wait time for a bed at OHSU oncology is 27 to 68 hours.

Between 2020 and 2022, a total of 13,747 new cancer cases were seen at OHSU hospitals and clinics. Of these,

- 20% were seen at OHSU's community hematology/oncology locations,
- 32% were residents of rural/frontier areas, and
- 29% lived more than 60 miles away from the cancer center.

For people with cancer, OHSU offers the most advanced services in the state. For example, OHSU is the only allogeneic transplant² program in the state, the only program that is delivering genetically modified T-cells, and among the top 20 cancer centers in the U.S. by number of bone marrow transplants, drawing patients from all over Oregon. OHSU leads in other complex cancer care areas where increased need for services is expected.

To accommodate the increasingly complex care needs in the state, OHSU has recognized the need to partner with hospitals across the state to provide more routine oncology care. Since routine care is increasing in complexity and given OHSU's statutory missions, OHSU has the responsibility to provide education, training, and support for all providers in the state. Partnerships with hospital systems in Coos Bay, Astoria, and the Dalles demonstrate how OHSU provides comprehensive, personalized care to help people across Oregon and SW Washington receive the treatment they need, while maintaining their quality of life.

Access to cancer care in rural communities continues to be challenging. Expanding telehealth services is one way to help this address this need, allowing patients to remain in their communities, as appropriate, with an emphasis on quality and safety.

Cancer care is rapidly evolving, and people need access to the latest research and treatments to survive and maintain quality of life. The OHSU Knight Cancer Institute has regional, national, and international research partnerships, offering patients local access to the latest advances and clinical trials. The Institute is involved with more than 400 clinical trials. In 2020, 470 Oregon residents from 28 counties consented to participate in clinical trial activities with the Knight Cancer Institute. OHSU grew from offering 212 trial opportunities to patients in 2015 to 379 opportunities in the calendar year 2023, nearly doubling what the health system could offer patients. Approximately 9% of OHSU's new patients each year enroll in clinical trials for new cancer treatments. To increase the ability to serve patients, OHSU needs to increase the number of trials available as opportunities.

iii. Describe the entities' plan for how OHSU will integrate the Knight Cancer Institute with the Legacy Cancer Institute.

Legacy Health and OHSU Knight Cancer Institute have a long-standing joint operating agreement for medical and radiation oncology services: the OHSU Knight-Legacy Health Cancer Collaborative ("Cancer Collaborative"). The Cancer Collaborative is an integrated community cancer program for radiation oncology, medical oncology, and infusion services, serving adult patients in Multnomah, Washington, Clackamas, Columbia and Clark counties. In Clark County, the Cancer Collaborative operates as a unique partnership between OHSU, Legacy Salmon Creek Medical Center, and The Vancouver Clinic, an independent multi-specialty physician group. This partnership closely integrates adult cancer treatment options for patients and ensures efficient utilization of health resources throughout the region. The Cancer Collaborative enables the Legacy Cancer Institute and the OHSU Knight Cancer Institute to provide the most advanced cancer care in multiple community locations, and to more effectively use collective resources.

² An allogeneic transplant is a medical procedure that replaces a patient's damaged or diseased bone marrow with healthy stem cells from a donor.

The integration model already exists for major cancer treatment modalities. In addition, Legacy Health and OHSU jointly formed the Northwest Marrow Transplant program and have long maintained a joint accreditation with the Foundation for Cellular Therapy. The integration will only strengthen these collaborations and help further the mutual goal to provide seamless patient care across the region. Further integration work must occur during operational integration when the organizations have a single mission statement, combined fiduciary responsibility, and can share data without restrictions. This work will happen after the transaction closes.

iv. Explain how the aforementioned integration and the provision of services to patients with cancer relates to OHSU's finances.

As outlined in responses to parts i-iii of this Question, OHSU is the state's only comprehensive cancer center and is providing care to meet the needs of people in Oregon. With support of the legislature, OHSU has invested in and prioritized expanding cancer care through the Cancer Collaborative to improve access to cancer care for patients. Through true integration, something only possible with this transaction, the integrated public university health system will be able to accelerate this effort through improved recruitment and retention, greater coordinated access to the full range of services required by cancer patients, data sharing, reducing administrative duplication, and holding a shared single statutory mission and fiduciary obligation.

Increasing access to cancer care is one component of a broad financial strategy needed to deliver the benefits for access, cost, equity, and quality outlined in OHSU's notice. Please see HCMO Notice Question 7 - Exhibit 4: Financial Projections for Transaction (as of January 2023) for additional information about the financial projections for the transaction, including as it relates to cancer care.

21. [CONFIDENTIAL] Regarding the document titled HCMO Notice Question 7 – Exhibit 6:

a) The document states, on bates label OHSU_Notice_00302, “[w]hile the term sheet includes goals of expanding access to underserved populations and providing high quality care at reasonable costs, it does not define terms of achieving these goals.”

i. Have any applicable terms of achieving the goals been defined by the entities since this document was completed?

There have been no additional terms for this goal outside of the Definitive Agreement and documents already provided.

The HCMO Notice includes specific goals and metrics that the integrated public university health system will prioritize, track, and be accountable for related to the goal of increasing “access to underserved populations and providing high quality care at reasonable costs.” In particular, please see HCMO Notice Question 15 – Exhibit 2 to the Notice, Summary of Accountability Goals and Measures, which includes a Measurement and Accountability Framework outlining the goals, potential metrics, and additional information. In response to this question, the parties are submitting materials that demonstrate the organizations' work to

develop the Measurement and Accountability Framework. These materials are draft work product documents developed during the process of creating the Framework and discuss access and cost as well as equity and quality. These documents and materials demonstrate that the entities have and will continue to explore opportunities to achieve this goal. At this time, the Framework provided in the OHSU Notice, which is the Parties' most final version of the goals and metrics, represents an effort to prioritize commitments to improve access as quickly as possible, enhance quality, and improve health equity while maintaining sustainable cost growth for people.

The last page of the Framework includes an Accountability Plan, committing the integrated system to:

- Identify accountable offices and officers for each goals,
- Retain an objective third party to review progress toward goals,
- Allow for review of the Framework annually to consider and implement changes to specific goals and metrics, and
- Report the status of the integration, including metrics and measurements, to the Governor of Oregon one, two, and five years after closing.

In addition, the Accountability Plan requires the OHSU Board of Directors to hear an annual report regarding the current status of the framework during a public meeting of the Board.

Further work toward these goals requires operational integration after closing, when the organizations have a single mission, have a combined fiduciary responsibility, and can fully share data.

ii. If yes, provide all records pertaining to the definition of terms.

As discussed in part i above, the terms have not changed. The parties have provided draft work product documents in response to this question that demonstrate the organizations' work to develop the Measurement and Accountability Framework. Please refer to bates OHSU_RFI#21(a)_00000001 through OHSU_RFI#21(a)_00000435.

iii. If no:

A. Describe both when and how these terms will be defined by the entities.

B. Describe how the entities seek to achieve this goal when the terms are not yet defined.

No further terms are expected. Additional work toward these goals requires operational integration, when the organizations have a single mission, have a combined fiduciary responsibility, and can share data without restrictions. This will occur after closing.

- b) The CONFIDENTIAL version of the document includes a redaction on bates OHSU_Notice_00321. Submit a version that is fully unredacted or provide an explanation as to why this section in particular is redacted on the CONFIDENTIAL non-public version of the document.**

The redacted portion of this document contains material that is protected by attorney-client privilege.

Questions about Other Entities

22. The Notice states that “OHSU will indirectly hold Legacy Health’s indirect membership interest in Health Share following this transaction.”

a) What is the exact percent interest in Health Share of Oregon that OHSU is acquiring from Legacy?

Health Share is a non-profit corporation with members. Health Share currently has 11 members, each a Founding Member. OHSU and Legacy Health are each Founding members per the Bylaws. As a nonprofit corporation, Health Share does not designate a percentage interest in Health Share, but each member has equal voting rights on certain actions set forth in the Bylaws.

b) What will OHSU’s total interest in Health Share of Oregon be post-transaction?

As noted above, OHSU’s interest in Health Share does not change post-transaction, albeit OHSU, as the member of Legacy Health, will indirectly hold Legacy Health’s membership interest in addition to OHSU’s own.

c) Describe how the acquisition of Legacy’s interest in Health Share of Oregon will change the governance of Health Share of Oregon, including any changes to OHSU’s voting power.

Legacy Health’s membership interest in Health Share will not be legally transferred to OHSU. Legacy Health, as a subsidiary of OHSU, will continue to maintain its membership in Health Share, albeit OHSU, as the member of Legacy Health will indirectly hold Legacy Health’s membership interest. As members, each of OHSU and Legacy Health will have a vote on certain matters put forth to a vote by members. As members, each of OHSU and Legacy Health appoint an individual to be on the Board of Directors. In addition to member appointed directors, eight additional directors are elected, as well as two recommended by the Community Advisory Council.

d) Provide all records including but not limited to documents, communications, analyses, presentations, reports, board minutes, agendas, and emails related to this transfer of the Health Share of Oregon interest from Legacy to OHSU.

OHSU is not aware of any records related to the transfer of the Health Share interest from Legacy Health to OHSU. As noted above, Legacy Health’s membership interest in Health Share will not be legally transferred to OHSU.

e) Provide copies of all contracts between PacificSource and Health Share of Oregon, and between Legacy and Health Share of Oregon.

Legacy Health does not have any direct contractual relationships with Health Share. The service contracts between Health Share and PacificSource are provided at bates OHSU_RFI#22(e)_00000001 through OHSU_RFI#22(e)_00000496.

i. Explain whether OHSU will assume all contracts currently held between Legacy and Health Share of Oregon post-closing.

As noted above, Legacy Health does not have any direct contractual relationships with Health Share. Legacy Health and PacificSource are fully committed to continue providing services to Health Share members under existing agreements without disruption.

23. Provide details as to why OHSU determined it did not want to acquire interest in PacificSource. In doing so:

Upon negotiation by the parties of the Capital Commitment and refinancing amounts related to the member substitution, OHSU did not feel it had the financial capacity to acquire Legacy's 50% interest in PacificSource, which would have come at an additional cost.

a) Provide all records including but not limited to documents, communications, analyses, presentations, reports, board minutes, agendas, emails, and financial projections about OHSU's decision to not acquire interest in PacificSource.

Please refer to bates OHSU_RFI#23(a)_00000001 through OHSU_RFI#23(a)_00000052 for non-privileged documents related to OHSU's decision not to acquire interest in PacificSource. Additional documents responsive to this Request may be found in the documents provided in response to Question #5 and in the production of non-privileged email correspondences provided in OHSU_RFI_Vol001.

24. Provide additional details as to all the functions of OHSU Project Co, LLC.

OHSU Project Co., LLC is comprised of OHSU and other non-affiliated health care providers and systems, referred to as members. OHSU Project Co., LLC purchases re-insurance on the commercial market for the benefit of its members. Each health care provider member is entitled to coverage equal to its percentage membership interest in the limited liability company.

a) How much interest does OHSU currently hold in OHSU Project Co, LLC? See discrepancy between OHSU_Notice_00554 and OHSU_Notice_00372.

OHSU's membership interest in OHSU Project Co, LLC currently is 37.4%.

b) Provide details as to how, and how often, the amount of membership interest changes.

The membership interest pertains to the payment of re-insurance premium changes based upon the annual claims experience of each member. This happens annually upon reconciliation of each member's claims experience in November.

- 25. Where does Managed HealthCare Northwest, Inc. fit in Legacy's overall organizational structure? It's listed as a direct affiliate on the submitted 2024 financial statement, bates label OHSU_Notice_01571, but not listed on the submitted organizational chart, bates label OHSU_Notice_00559.**

Managed Health Care Northwest, Inc. was dissolved effective March 31, 2024. As such, this entity appears on Legacy's financials for the fiscal year ending March 31, 2024, but is no longer in existence.

- 26. Provide a copy of any and all agreements between Legacy and Labcorp outlining the relationship between both entities.**

Please refer to bates OHSU_RFI#26_00000001 through OHSU_RFI#26_00000487 for non-privileged documents related to Legacy Health's contractual relationships with LabCorp.

- 27. Legacy's organizational chart, on bates label OHSU_Notice_00559, lists 50.1% interest in the Legacy/USP Surgery Centers LLC joint venture. This entity appears as a subsidiary of Tenet Healthcare Corporation (in 2020 and 2021) and also United Surgical Partners International, Inc. in past filings. United Surgical Partners International also lists Legacy Health as an affiliate in past filings.**

- a) Explain in detail the current relationship between Legacy and United Surgical Partners International, Inc, including any and all corporate parents and subsidiaries.**

Legacy and USP Portland, Inc. ("USP") formed a joint venture to acquire, develop and operate ambulatory surgery centers (ASCs). The parties currently operate two ASCs, which are located in NW Portland and East Portland. The joint venture maintains a joint board that is responsible for quality, access, patient satisfaction, and financial metrics. A USP affiliate manages the day-to-day operations of these facilities. Legacy also has board representation on each ASC's board.

- b) Explain the current relationship between Legacy and Tenet Healthcare Corporation, including any and all corporate parents and subsidiaries.**

The Legacy/USP Surgery Centers joint venture is the only relationship between Legacy and Tenet Healthcare Corporation.

- 28. Legacy currently partners with GoHealth, LLC. Explain in detail the relationship between Legacy and GoHealth, including any and all corporate parents and subsidiaries.**

Legacy and GoHealth formed a joint venture to develop and operate urgent care centers within Legacy Health's service area. Legacy and GoHealth operate these urgent care centers through two subsidiaries: Northwest Urgent Care Phase I, LLC, and Northwest Urgent Care Phase II, LLC. Legacy and GoHealth currently operate 5 urgent care centers in Washington and 12 in Oregon. The joint venture also offers telehealth visits in Oregon and Washington. GoHealth manages the majority of the day-to-day operations of the joint venture

pursuant to a management services agreement, while Legacy manages a subset of services and is responsible for all medical staffing.