

June 1, 2024

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

RE: Annual Report of Compliance for the conditions to the Affiliation Agreement (“Affiliation Agreement”) between Mid-Columbia Medical Center and Adventist Health System/West

Dear Ms. Bartelmann:

Pursuant to the Oregon Health Authority’s April 14, 2023, Findings of Fact, Conclusions of Law and Final Order (the “Order”), Adventist Health System/West (“AHSW”) and Mid-Columbia Medical Center, dba Adventist Health Columbia Gorge (“AHCG”) submit this report to the Oregon Health Authority Health care Market Oversight Program describing compliance with each condition set forth in the Order from the time the transaction closed until December 31, 2023 (“FY 2023”).

Condition 2(a)

Since the closing date of the Affiliation Agreement, the Entities have not modified the Affiliation Agreement during FY 2023.

Condition 2(b)

Since the closing date of the Affiliation Agreement, except for (i) routine accounting and financial management purposes typical of a consolidated health system or (ii) where services or supplies provided by AHSW to AHCG for AHCG’s benefit on the same terms and conditions to other AHSW affiliates, AHSW has not received the benefit of distributions or funding from AHCG.

Condition 2(c)

Since the closing date of the Affiliation Agreement, AHCG has continued to operate and maintain AHCG’s license as a general hospital pursuant to OAR 333-500-0032 and OAR 333-520-0000 through 120. AHCG has maintained the following services at or above service levels at the time of close:

- i). General medical, maternity, and surgical services;
- ii). An emergency department;
- iii). Dietary, laboratory, and radiology services;
- iv). An onsite pharmacy;
- v). A pharmacist on call 24/7 to staff the pharmacy;
- vi). On site 24/7 staffing for its laboratory and radiology services.

Condition 2(d)

Since the closing date of the Affiliation Agreement AHCG has operated and maintained AHCG facilities, services, and programs at or above service levels at the time of close. This includes the minimum essential healthcare services:

- i). obstetrics and gynecology;
- ii). behavioral health/psychiatric services;

- iii). family medicine/primary care services.

Condition 2(e)

Since the closing date of the Affiliation Agreement, AHCG maintained service levels and referral policies for the following services:

- i). reproductive health care services, including but not limited to induced abortion, birth control methods (including emergency contraception), sterilization, fertility services, and testing for pregnancy and sexually transmitted infections;
- ii). Gender-affirming care, including but not limited to counseling and hormone therapy; and
- iii). End of life services, including comfort care and lethal medication under Oregon's Death with Dignity Law

Condition 2(f)

Since the closing date of the Affiliation Agreement, AHCG has maintained its participation in all public health insurance programs in which AHCG was a participant at closing.

Condition 2(g)

Since the closing date of the Affiliation Agreement, AHCG restored medical oncology services at Celilo Cancer Center effective April 17, 2023.

Condition 2(h)

Since the closing date of the Affiliation Agreement, neither AHCG nor Adventist Health have significantly reduced, restricted, or terminated the facilities, services or programs contemplated by the conditions set forth in sections 2(c) through 2(g) of the Order.

Condition 2(i)

Since the closing date of the Affiliation Agreement, there has been no emergency caused by the unplanned departure that resulted in a significant temporary reduction, restriction, or termination of the facilities, services, or programs contemplated by section 2(c) through 2(g) of the Order.

Condition 2(j)

Since the closing date of the Affiliation Agreement, AHCG invested \$2.1 million on Urgent Capital Needs as defined in the Affiliation Agreement. The capital purchases included \$157K for regulatory findings that needed correction, replacement of surgical and diagnostic imaging equipment totaling \$1.8M, and Information Technology security needs of \$112K. Additionally, Adventist Health has agreed to invest \$5.3 million of capital towards the capital commitment agreed to under the Affiliation

Agreement. In addition to the capital agreed to or spent in 2023, Adventist Health has funded \$17.5M in Operating Cash Flow to sustain operations in 2023.

Condition 2(k)

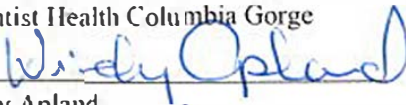
On May 6, 2024, Adventist Health and AHCG completed the Capital Investment Plan (the "Plan"). On May 6, 2024, AHCG and Adventist Health submitted a copy of the Plan to OHA. The Plan has not been modified since its submission to OHA.

Condition 2(l)

On May 6, 2024, Adventist Health and AHCG completed the Urgent Capital Needs Plan (the "Urgent Capital Plan"). On May 6, 2024, AHCG and Adventist Health submitted a copy of the Urgent Capital Plan to OHA.

I, Wendy Apland, hereby certify as the Finance Officer of Adventist Health Columbia Gorge, an Oregon nonprofit public benefit corporation; that this report is true, accurate and complete.

Adventist Health Columbia Gorge



Wendy Apland
Chief Financial Officer