

Health Care Market Oversight

Transaction 024

Elevance-CD&R

30-Day Review Summary Report

August 1, 2024



About this Report

This report summarizes analyses and findings from Oregon Health Authority’s preliminary review of the proposed material change transaction of Elevance and CD&R. It accompanies the Findings of Fact, Conclusions of Law, and Final Order (“Preliminary Review Order”) issued by Oregon Health Authority on August 1, 2024. For legal requirements related to the proposed transaction, please reference the [order](#).

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact us by email at hcmo.info@oha.oregon.gov or by phone at 503-945-6161. We accept all relay calls.

If you have any questions about this report or would like to request more information, please contact hcmo.info@oha.oregon.gov.

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Executive Summary

The [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals to make sure they do not harm people and communities in Oregon. After completing a review, the Oregon Health Authority (OHA) issues a decision about whether a business deal, or transaction, involving a health care company should proceed.

Proposed Transaction

On June 28, 2024, OHA confirmed receipt of a [Notice of Material Change Transaction](#) from Elevance Health, Inc. (“Elevance”) and Clayton, Dubilier & Rice (“CD&R”). Elevance and CD&R plan to form a joint venture that combines primary care businesses from each entity under a single holding company. The joint venture will have multiple phases that ultimately combine the CD&R portfolio companies Apree Health and Millenium Physician Group with Elevance’s Carelon Health. Eventually, Elevance expects to fully own the holding company.

OHA’s Review

OHA completed a preliminary review of the proposed transaction. During the review, OHA assessed the likely impact of the transaction across four domains: cost, access, quality, and equity. OHA held a public comment period and received no public comment submissions.

Key Findings



Cost

The proposed transaction is unlikely to affect costs because it is unlikely to result in meaningful changes to the Entities’ market shares or consolidation in primary service areas. The joint venture is unlikely to affect prices for services.



Access

The proposed transaction does not include changes to health services. Oregon locations will continue to provide the same types of services to patients in the same geographic regions.



Quality

The transaction is unlikely to affect the quality of health care in Oregon. Oregon locations will continue to provide the same types of health care services to individuals in the same geographic regions.



Equity

The proposed transaction is unlikely to affect health equity in Oregon, as the joint venture is unlikely to affect the types of services offered at locations in Oregon, the staff who treat patients, or patients’ ability to access services.

Conclusions and Decision

OHA approved the transaction with conditions on August 1, 2024. Approval conditions require the Entities to:

- Notify OHA if there are changes to the Agreement prior to the closing of the first phase of the transaction or during subsequent phases
- Notify OHA if there are changes in ownership interests, including the expected impact of any changes
- File a Notice of Material Change Transaction for each new phase of the multi-step transaction

See the [order](#) for more information about approval conditions.

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

Introduction

In 2021, the Oregon Legislature passed [House Bill 2362](#), giving the Oregon Health Authority (OHA) the responsibility to review and decide whether some transactions involving health care entities should proceed. In March 2022, OHA launched the Health Care Market Oversight program (HCMO). This program reviews proposed health care transactions such as mergers, acquisitions, and affiliations to ensure they support statewide goals related to cost, equity, access, and quality.

The HCMO program is governed by [Oregon Revised Statute 415.500 et seq.](#) and [Oregon Administrative Rules 409-070-0000 through -0085](#).

In the authorizing statute, the Oregon Legislature specified what types of proposed transactions are subject to review and the criteria OHA must use when analyzing a given proposed transaction. The Oregon Legislature also authorized OHA to decide the outcome of a proposed transaction. After analyzing a given proposed transaction, OHA may approve, approve with conditions, or reject it.

The Health Care Market Oversight program fits within OHA's broader mission of ensuring all people and communities can achieve optimum physical, mental, and social well-being through partnerships, prevention, and access to quality, affordable health care.

Proposed Transaction

On June 28, 2024, OHA confirmed receipt of a Notice of Material Change Transaction (“notice”) from Elevance Health, Inc. (“Elevance”) and Clayton, Dubilier & Rice (“CD&R”) (Elevance and CD&R are collectively referred to herein as “Entities”). The Entities have agreed to form a joint venture that combines primary care businesses from each entity under a single holding company, Augusta Topco Holdings, Inc. (“Holdings”). The joint venture will combine the CD&R portfolio companies Truth Holdings Topco, Inc. dba Apree Health (“Apree”) and Millenium Physician Group (“MPG”) with Elevance’s Carelon Management Services, Inc. (“Carelon Health”). Eventually, Elevance expects to fully own all of Holdings.¹

OHA reviewed the notice and determined, based on the facts in the notice, that the transaction is subject to review. The Entities party to the transaction meet the revenue thresholds specified in [OAR 409-070-0015\(1\)](#) and the proposed transaction is otherwise covered by the program in accordance with [OAR 409-070-0010](#). After receipt of the complete notice, OHA began a preliminary review of the proposed transaction. Preliminary reviews must be completed within 30 days of OHA’s confirmation of receipt of a complete notice, unless extended in accordance with applicable statutes and administrative rules. This report describes the transaction, OHA’s approach to the review, its findings, and OHA’s conclusions based on these findings.

Parties to the Transaction

Elevance

Elevance, formerly known as Anthem, Inc., is a public, for-profit company incorporated in Indiana and licensed to conduct insurance operations in all 50 states, the District of Columbia, and Puerto Rico.² Elevance is one of the largest health insurers in the United States in terms of medical membership and offers health insurance plans and health care services nationwide.³ Elevance companies serve more than 100 million consumers through their insurance plans and multiple business subsidiaries.⁴ Elevance offers individual, employer group, Medicaid, and Medicare Advantage health insurance plans through their subsidiaries, and also provides other services including claims processing, stop loss insurance, provider network access, medical management, care management, wellness programs, actuarial services, and other administrative services.⁵

Elevance, through its subsidiaries, offers pharmacy services through CarelonRX, and other healthcare related services as Carelon Insights, Carelon Health, and Carelon Behavioral Health. Elevance stated that it does not offer health insurance plans in Oregon, however, some individuals living in Oregon have coverage through Elevance plans offered in other states.⁶ Elevance markets itself under three main companies:

- Anthem Insurance Companies, doing business as Anthem Blue Cross Blue Shield (“Anthem BCBS”). Anthem BCBS is the independent licensee of Blue Cross Blue Shield (“BCBS”) plans in 14 states in the US. It does not offer BCBS plans in Oregon. Anthem covers around 11,500 people in Oregon with self-insured and commercial plans.⁷
- Wellpoint Life & Health Insurance Company, formerly known as Amerigroup Insurance Company or Unicare (“Wellpoint”). Wellpoint offers Medicaid, Medicare, and Commercial insurance plans. It does not offer insurance plans in Oregon and serves fewer than 100 people in Oregon with self-insured and Medicare supplemental plans.⁸
- Carelon is a healthcare services business that collectively refers to all healthcare-related brands including Carelon Health. Carelon offers behavioral health services, medical

benefits management, operations and technology services, pharmacy, research, and care delivery.

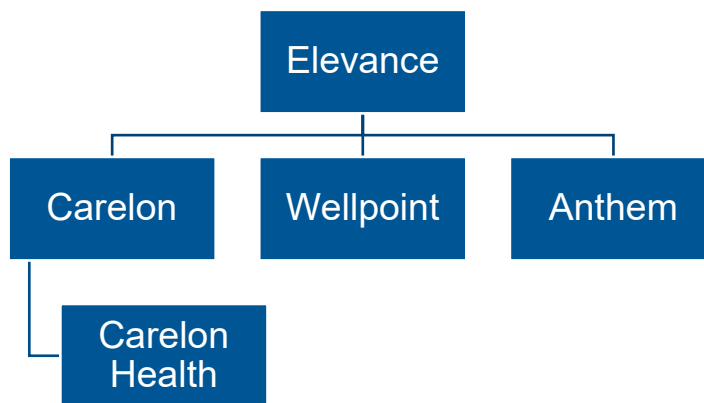
As part of this transaction, Elevance is contributing the assets of Carelon Health to the joint venture with CD&R. Carelon Health offers advanced primary care and palliative care, as well as primary care management services.⁹

Governance and Organizational Structure

As of publication of this report, Elevance is owned by its shareholders and governed by an 11-member board of directors.¹⁰ According to the Elevance website, the board’s responsibility is as follows:¹¹

The primary responsibility of the Board is to further our long-term success, in line with the Board’s fiduciary duty to our shareholders. Within this framework, the Board also considers the interests of other constituents such as our consumers, the communities we serve, our associates and the environment around us.

The simplified organizational structure of Elevance and Carelon Health is below.¹² Elevance is the parent company of Carelon Health.



Mergers & Acquisitions

Elevance has pursued multiple mergers and acquisitions in the past five years. Since 2023, Elevance has sought to acquire several pharmacy service providers, including plans to acquire [Kroger Specialty Pharmacy](#). Prior to that, Elevance acquired Paragon Healthcare and Bioplus. See the table below for transactions announced in recent years.

Company	Description	Date
Kroger Specialty Pharmacy Holdings, Inc. ¹³	Specialty Pharmacy	Announced March 2024
Paragon Healthcare, Inc. ¹⁴	Infusion services	Closed March 2024
Bioplus Parent, LLC ¹⁵	Specialty pharmacy	Closed February 2023
Blue Cross Blue Shield Louisiana ¹⁶	Health plan	Announced January 2023; paused February 2024 ¹⁷
Integra Managed Care ¹⁸	Long term care plan	Closed May 2022
MMM Healthcare ¹⁹	Medicare Advantage plan	Closed June 2021

Company	Description	Date
myNEXUS ²⁰	Home-based nursing management	Closed April 2021

Operations in Oregon

Elevance does not offer BCBS health plans, Medicaid, or Medicare Advantage plans in Oregon. Some Elevance employer customers based in areas where Elevance offers plans have employees who reside in Oregon and are covered by Elevance. Elevance earned Medicare Advantage cost of care revenue in Oregon, although they did not offer Medicare Advantage plans in Oregon.²¹ Elevance also earned stop loss insurance premium revenue in Oregon in 2023, but no longer offers stop loss coverage in Oregon.²² Elevance offers other services to Oregon residents, although none of these services are part of this transaction. These services include:

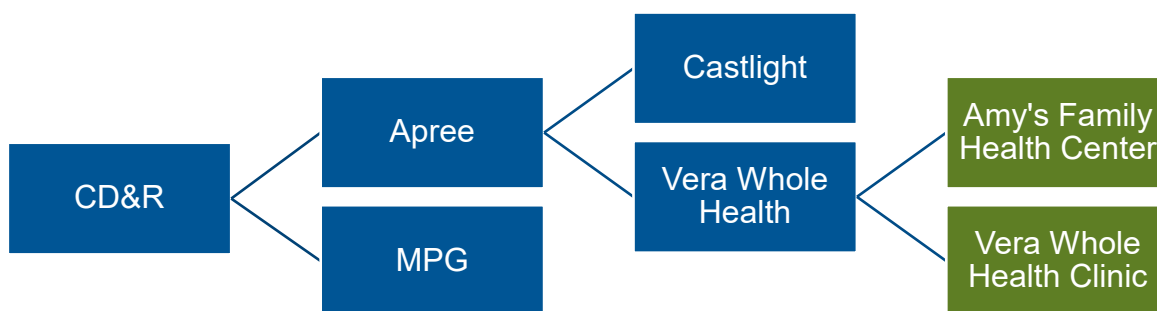
- Employee assistance programs and health plan behavioral health products through the Elevance subsidiary Carelon
- Specialty pharmacy through the Elevance subsidiary BioPlus, which operates as part of CarelonRx.
- Palliative care services revenue through the Elevance subsidiary Aspire Health, which Elevance acquired in 2018.²³

CD&R

CD&R is a private equity firm based in New York, founded in 1978. The firm invests in businesses that span a broad range of industries, including industrial, health care, consumer, technology and financial services. As of July 2024, CD&R has 10 companies in their healthcare investment portfolio (see Portfolio Companies section below).²⁴ These companies offer a wide range of services including physician group management services (Agilon Health), primary care (MPG), wound care clinics (Healogics), and durable medical equipment (Drive Devilbiss Healthcare). CD&R is contributing MPG and Apree to the joint venture.

Organizational structure

The following simplified organizational chart shows the relationships between CD&R portfolio entities involved in the proposed transaction.



Portfolio Companies

CD&R is currently invested in the following health care and health care adjacent entities:^{25,26}

Company	Description	Investment year
Agilon Health	A value based primary care health care technology and partnership model for primary care physicians managing senior patients' health.	2016
Apree	Data-driven health care solutions to employers and health plans including navigation tools, advocacy, and an advanced primary care model. Apree subsidiaries include Vera Whole Health and Castlight.	2021
Aster Insights	Oncology-focused health informatics company.	2021
Carestream Dental	Provides dental digital product lines and services, including imaging equipment, software, and practice management solutions.	2017
Drive DeVilbiss Healthcare	Manufactures medical products.	2017
Gentiva	Hospice provider in the United States, operating 360 hospice sites. Gentiva operates two hospice locations in Oregon. ²⁷	2022
Inizio	Provider of specialty services that help health and life science companies commercialize new therapies and support the life cycle of drug innovation.	2020
MPG	An independent physician group and management services organization with more than 600 care teams located throughout Florida, Texas, and North Carolina	2021
Sharp	A pharmaceutical packaging, clinical trial supply services & small-scale sterile manufacturing servicing clients in the US, UK, Belgium, and the Netherlands.	2021
Healogics	Provides advanced wound care services with almost 600 Wound Care Centers. Healogics operates six wound care clinics in Oregon. ²⁸	2014

Operations Involved in the Joint Venture

MPG is a management services organization that provides non-clinical management and administrative support services to independent physician groups. They support more than 600 care teams throughout Florida, Texas and North Carolina. MPG is owned by CD&R. Currently, MPG does not operate in Oregon.

Apree provides data-driven health care solutions to employers and health plans including navigation tools, advocacy, and an advanced primary care model. Apree was formed in 2022 when Vera Whole Health acquired Castlight Health, Inc. (“Castlight”).

Vera Whole Health WA is a Washington professional corporation that operates primary care clinics in 10 states. Vera Whole Health WA is supported by Vera Whole Health, Inc. (“Vera Whole Health”) a management services organization that provides non-clinical management and administrative support to their Vera Whole Health WA’s clinics. Vera Whole Health WA owns two employer-sponsored health clinics in Oregon, described in the table below.

Clinic	Location	Description
Amy's Family Health Center	White City, Oregon	Employer-sponsored clinic that serves Amy's Kitchen employees and dependents. Provides primary care, behavioral health, and other clinical services.
Vera Whole Health Clinic	Downtown Portland	Multi-employer sponsored facility that services eligible employees and their dependents. Provides primary care, behavioral health, and other clinical services.

Transaction Terms

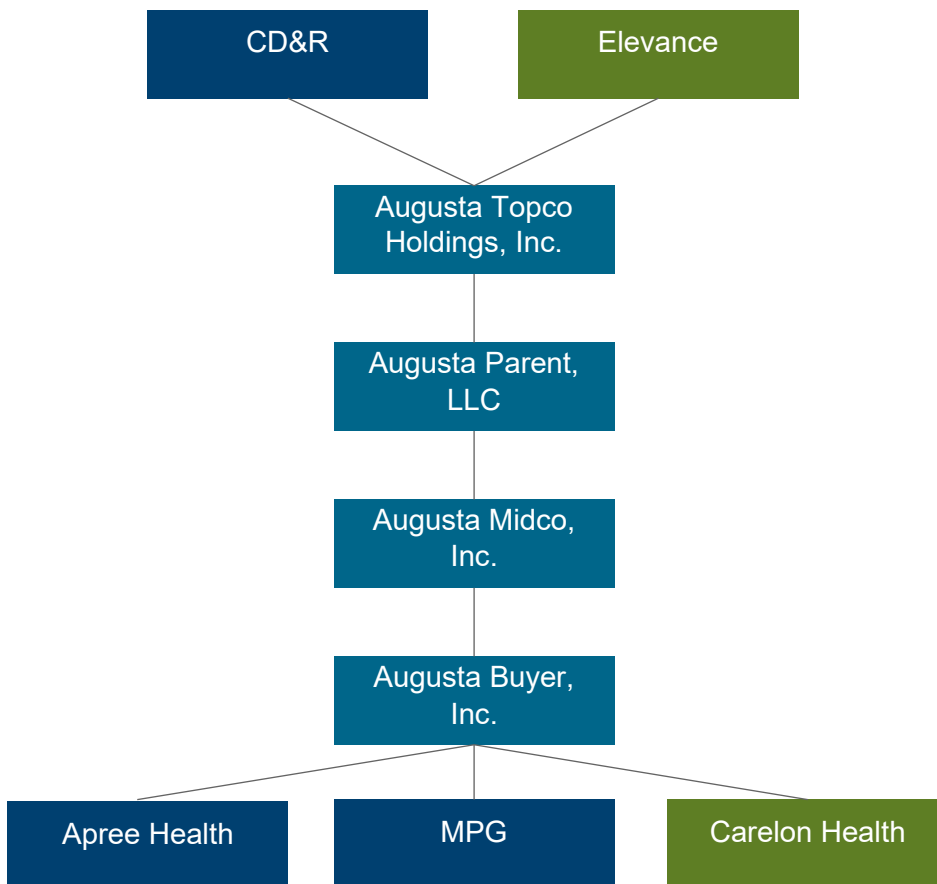
Elevance and CD&R are proposing to form a joint venture that will combine a portion of their primary care businesses. The Entities have stated that the purpose of the transaction is to “accelerate innovation in primary care, enhance the healthcare experience, and improve health outcomes.”²⁹

The joint venture will include Elevance’s Carelon Health and CD&R portfolio companies Apree and MPG. Elevance will contribute cash, Carelon Health assets, and an existing equity investment in Apree. CD&R will contribute MPG and Apree assets.³⁰

A **joint venture** is a collaboration between two or more entities to combine their resources to achieve a common purpose. Joint ventures may exist solely for the purpose of a single transaction or project. Generally, business partners in a joint venture pool resources and share in any risks or rewards.

Post-Transaction Plans

The Entities have stated that they have no plans to change locations or services offered in Oregon. Elevance and CD&R have formed multiple entities solely for the transaction to manage assets and incremental investments in the joint venture.³¹ The diagram below shows the post-transaction structure for the joint venture.



The proposed transaction involves multiple phases or incremental investments to bring together assets under the joint venture.³² Initially, Elevance will have a minority ownership stake, though Elevance intends to ultimately fully own the joint venture.³³

Private Equity in Health Care

CD&R is a private equity firm that is involved in this transaction. This section is about private equity investments in health care in the United States. This is included for context of this transaction and understanding what is happening in the U.S. health care system regarding private equity.

What is a Private Equity Firm?

Private equity firms are investment management firms that operate investment funds on behalf of investors. A private equity fund pools money from various investors and uses those funds to invest in companies that are not publicly traded.

The goal of a private equity firm is to generate profits for investors by expanding companies (often through acquisitions of smaller companies), decreasing company costs (such as staffing and supply costs), increasing company revenues (by increasing service volume or steering consumers to higher cost services) and then reselling the company to other investors at a profit.³⁴ Private equity investors may include the owners of pension funds, sovereign wealth funds, university endowments or high-net-worth individuals. Private equity firms sometimes acquire companies with loans that the acquired company must repay (so-called “leveraged buyouts”). Generally, private equity firms can be either passive or active investors, in that they either depend on existing management to grow and generate funds or they provide operational support to management to help grow and generate funds.

Private Equity in Value Based Care

Private equity has increasingly invested in businesses focusing on Value-Based Care (VBC). VBC is a payment model that pays providers, including physicians and hospitals, based on patient health outcomes.³⁵ The goal of VBC payments is to contain the costs of health care services, while improving the health of patients. This payment model has become increasingly popular. The Centers for Medicare and Medicaid (CMS) is the biggest payer of medical claims in the United States and has largely adopted Value-Based Care payments as the primary payment method for many types of healthcare services. Because CMS is moving many payments and contracts to VBC payments, VBC contracts are increasing for physicians and hospitals.³⁶

From 2019-2021, private investment in VBC companies quadrupled.³⁷ VBC companies are attractive for private equity investors because of the growth in VBC adoption among healthcare providers and guaranteed revenue for health care providers. Additionally, implementing VBC systems in healthcare is difficult and requires technological, operational, and clinical expertise to successfully implement.³⁸ Private equity firms can invest in both physician practices and VBC technology companies to facilitate the transition to VBC. Many new VBC systems can be consolidated and run the risk of gaining monopolistic market share, which can drive up healthcare services prices.³⁹

Health insurers are also increasingly investing in VBC companies and primary care as well. Insurers are motivated to invest in these businesses because there is financial incentive to align payers and providers.⁴⁰ This alignment can generate higher profits for insurers. Many experts believe the growing use of VBC payments from CMS is driving the shift toward integrated payers and providers. This is because VBC payments require providers to focus on health outcomes. Primary care is seen as a way to reduce costs through preventive care or early intervention in order to improve health outcomes, which meets the VBC goals.⁴¹ Companies that can reduce

costs and get VBC payments will be more profitable. When health outcomes are improved, payers receive the payments from their VBC⁴²

Elevance, which plans to eventually take full control of this joint venture, is rapidly trying to expand its health care services businesses, which includes VBC companies, to be competitive with large companies like UnitedHealthcare.^{43 44}

Findings & Potential Impacts

OHA compiled available data and information to understand and examine the potential impacts of the transaction across four domains: access, cost, quality, and equity. To assess the potential impacts of the proposed transaction on Oregon residents' equitable access to affordable care, OHA considered the following:

- Transaction terms
- Market characteristics
- Statements made by the Entities
- Publicly available data, research, and reports

Service Area

OHA calculated service areas for the two Vera Whole Health clinics using surrounding zip codes. The maps below show the service areas for each clinic.



Market Share & Consolidation

The two Vera Whole Health clinics operating in Oregon have relatively small shares of the primary care market in their service areas. Amy's Family Health Center and Vera Whole Health Clinic serve less than 4% and less than 2% of commercially insured primary care patients in their respective service areas. The proposed transaction is unlikely to result in changes to Entities' market share or significant increases in consolidation in the primary service areas.

Access

The proposed transaction does not include any changes to access to health services. The two Vera Whole Health WA clinics will continue to operate, providing the same types of services in the same geographic areas. The other affected entities – Carelon Health and MPG – do not operate in Oregon; therefore, the proposed transaction is not anticipated to have any impacts on access to services provided by those entities in Oregon.

Cost

The proposed transaction is unlikely to affect health care costs in Oregon due to the minimal presence of affected entities in the state. The two clinics in Oregon have small market shares and no consolidation is occurring in Oregon. The clinics are employer-sponsored, and this transaction is unlikely to affect patient paid amounts or negotiated prices with insurers.

In the notice, the Entities stated:⁴⁵

Elevance Health anticipates a significant opportunity to realize efficiencies and reduce patient costs by developing a comprehensive solution for health plan members that delivers better patient experiences that are affordable to health plans and employer partners...

...Although the transaction has a minimal impact on Oregon, these benefits are anticipated to positively affect Oregon residents who are patients of two primary care clinics supported by Apree, doing business as Amy's Family Health Center Medford and Vera Whole Health Clinic Portland.

OHA's may assess whether the transaction has resulted in lower patient costs during its one-year, two-year, and five-year follow-up reviews.

Quality

In the notice, the Entities stated:⁴⁶

Elevance Health expects that the transaction will allow [companies included in the joint venture] to overall offer more comprehensive care for members and will also help improve health outcomes for Oregon state residents...

...Integration planning is ongoing, but the parties expect these benefits to apply to Oregon residents who are patients of the two primary care clinics supported by Apree, doing business as Amy's Family Health Center Medford and Vera Whole Health Clinic Portland, which are expected to continue to provide these services in the same geographic areas after closing.

The Entities did not provide specific information about benefits to Oregon residents or specific services that will be expanded. As such, and since the clinics will continue to provide the same services in the same geographic areas, the proposed transaction is unlikely to impact the quality of health care.

Equity

In the notice, the Entities stated:⁴⁷

By combining Apree, MPG, and Carelon Health into Holdings, Elevance Health expects that the transaction will continue to broaden access to primary care, including to medically underserved populations...

The Entities have not identified specific medically underserved or complex populations that may benefit from additional services. The Entities did identify current existing practices at Elevance Health that support health equity, including access to language services, culturally competent providers, commitment to maintaining a diverse workforce, and integrating clinical, social and demographic data.⁴⁸ They did not, however, share specific plans for how these practices would be applied to clinics in Oregon.

The proposed transaction is unlikely to result in changes to the types of services offered in Oregon or patients' ability to access those services. The proposed transaction is therefore unlikely to have an impact on health equity in the state.

Conclusions

Based on preliminary review findings, **OHA approved the proposed transaction with conditions on August 1, 2024.** See [Findings of Fact, Conclusions of Law, and Final Order in the Matter of Proposed Material Change Transaction of Elevance Health and CD&R](#).

OHA approved this transaction, per ORS 415.501(6)(b), subject to the following conditions:

- a. Entities shall not modify the terms of the Master Transaction Agreement and Plan of Merger, dated April 12, 2024 (“Agreement”) prior to completing the first phase of the multi-step transaction without the prior consent of OHA. If any modification to the Agreement is proposed, it shall be presented to OHA not later than fifteen (15) days before the scheduled closing of the first phase of the transaction.
- b. Following completion of the first phase of the multi-step transaction, Entities shall provide written notification to OHA of any changes to the Agreement that materially changes subsequent phases of the multi-step transaction.
- c. For a period of seven (7) years, or until July 31, 2031, Entities shall provide written notification to OHA of any changes in ownership interests in the joint venture. Such notification shall include, at minimum:
 - i. A description of changes,
 - ii. Effective date of changes,
 - iii. Any and all expected impact of changes on costs of health care for consumers and payers, access to health care services, quality of health care, and health equity in Oregon.
- d. The Entities shall file a Notice of Material Change Transaction for each new phase of the proposed multi-step transaction, as outlined in the Agreement, that is subject to OHA review.

Approval Criteria

The approval criteria are specified in administrative rules for the Health Care Market Oversight Program and are consistent with Oregon law. Below is a summary of the main reasons, based on the findings described in this report, why OHA considers the criterion satisfied.

Comprehensive review of the material change transaction is not warranted given the size and effects of the transaction.

CD&R portfolio companies operate two clinics in Oregon, each of which has a small market share. Other entities that will be included in the joint venture do not have locations in Oregon. Elevance companies do not offer health plans or have physical clinical locations in Oregon. Elevance companies provide some services remotely, pay for services for out-of-state patients, or serve Oregon residents who have coverage in other states, but these services account for insignificant market share. The proposed transaction does not include any changes to existing services.

Post-Transaction Monitoring

As required by statute, OHA will conduct follow-up analyses one, two, and five years after the transaction is complete. OHA’s monitoring will assess the Entities’ compliance with conditions and whether the Entities keep the commitments included in the notice. More broadly, OHA will monitor changes to cost, quality, access and equity, and may also assess other measures relevant to each domain.

As part of the required monitoring activities, OHA may request additional information from the Entities. OHA will publicly publish findings and conclusions from follow-up analyses.

Acronyms & Glossary

Acronyms & Abbreviations

BCBS	Blue Cross Blue Shield
CD&R	Clayton, Dubilier & Rice
HCMO	Health Care Market Oversight
LLC	Limited Liability Corporation
MPG	Millenium Physician Group
OHA	Oregon Health Authority
OHP	Oregon Health Plan
ORS	Oregon Revised Statute
PC	Professional Corporation
PE	Private Equity
PSA	Primary Service Area
VBC	Value Based Care

Glossary

Competition: A situation in a market in which firms or sellers independently strive to attract buyers for their products or services by varying prices, product characteristics, promotion strategies, and distribution channels.

Concentration: A measure of the degree of competition in the market; highly concentrated markets are generally characterized by a smaller number of firms and higher market shares for individual firms.

Consolidation: The combination of two or business units or companies into a single, larger organization. Consolidation may occur through a merger, acquisition, joint venture, affiliation agreement, etc.

Health equity: OHA defines health equity as follows:

Oregon will have established a health system that creates health equity when all people can reach their full health potential and well-being and are not disadvantaged by their race, ethnicity, language, disability, age, gender, gender identity, sexual orientation, social class, intersections among these communities or identities, or other socially determined circumstances. Achieving health equity requires the ongoing collaboration of all regions and sectors of the state, including tribal governments to address:

- The equitable distribution or redistribution of resources and power; and
- Recognizing, reconciling, and rectifying historical and contemporary injustices.

OHA's Review

OHA performed a preliminary review of the transaction to assess its potential impact on Oregon's health care delivery system. The review explored impacts in four areas (domains): cost, access, quality, and equity. OHA's analysis followed the guidelines and methods set out in the [HCMO Analytic Framework](#) published January 31, 2022.⁴⁹ The framework is grounded in the goals, standards and criteria for transaction review and approval outlined in OAR 409-070-0000 through OAR 409-070-0085.

Background Research and Literature Review

OHA conducted background research on the entities involved in the transaction to understand more about the proposed transaction, the entities involved, including published documents. OHA consulted publicly available sources, including press releases and media reports; disclosure and other documents available from business filings with the Secretary of State in Oregon and other states; and entity websites.

Public Input

OHA solicited public comments on the proposed transaction during the preliminary review by posting information to the [Transaction Notices and Reviews](#) page of the HCMO website to request public input and emailing subscribers to HCMO program updates to inform them about the opportunity to provide comment. OHA received no public comments related to this review.

Analysis

OHA's analysis assessed the current state of the entities involved in the transaction, related industry trends, and the likely impact of the proposed transaction on the delivery of primary care services in Oregon. The table below describes the types of analysis OHA typically performs in each domain.

Domain	Analysis
Cost	Analyses in the cost domain explore how the transaction may affect the prices consumers and payers (e.g., insurers, employers, and governments) pay for services in Oregon. Spending for services may be affected by the degree of competition between providers offering similar services within a service area.
Access	Analyses under the access domain explore how the transaction may affect the range of services available in the market, types of providers and provider-patient ratios, characteristics of the patient population, and any barriers to access, including transportation burdens and limitations by insurance type. Consolidation and change of ownership in the health care market can impact the range and type of services offered in the service area. Changes in population demographics can alter demand for some services and shifts in the labor market can impact availability of specific provider types, potentially affecting the financial viability and profitability of offering certain health care services in a region.

Domain	Analysis
Quality	<p>Analyses in the quality domain explore how the transaction may affect patient outcomes and the experience of care. Consolidations and ownership changes in health care can impact clinical practice, including staffing ratios, time spent or number of visits with patients, timeliness of care, and the patient's experience of care, all of which can have adverse effects on patient outcomes. Analyses in the quality domain consider current indicators of quality and assess potential impacts of the transaction on quality of care.</p>
Equity	<p>Analyses in the equity domain explore how the transaction may affect the Entity's ability to assess for and equitably meet the needs of the population it serves. Consolidations and ownership changes in health care can disproportionately impact availability of health services for populations who already experience health inequities, including people of color, low-income families, and residents of rural areas. Equity-focused analysis considers the Entities' ability to serve a patient population that is representative of the community in which they operate. OHA also looks for evidence that the Entity is actively identifying and addressing inequities in access to or quality of care across their patient population.</p>

References

¹ Donlan, Andrew. After Partnership With CD&R, Elevance Health Continues To Bet On Its Provider Services Arm. Home Health Care News. Apr 18, 2024. Available at: <https://homehealthcarenews.com/2024/04/after-partnership-with-cdr-elevance-health-continues-to-bet-on-its-provider-services-arm/>

² Elevance Health Press Release. Anthem Inc. Shareholders Approve Corporate Rebranding to New Name, Elevance Health, Inc. <https://www.elevancehealth.com/newsroom/anthem-inc-shareholders-approve-corporate-rebranding-new-name>

³ Elevance Health, Inc. SEC Form 10-Q for the Quarterly Period ending June 30, 2024. Available at: <https://www.sec.gov/Archives/edgar/data/1156039/000115603924000104/elv-20240630.htm>

⁴ Elevance Health website. Who We Are. Available at: <https://www.elevancehealth.com/who-we-are>

⁵ Elevance Health, Inc. SEC Form 10-K for 2023. Page 3. Available at: <https://www.sec.gov/ix?doc=/Archives/edgar/data/1156039/000115603924000015/elv-20231231.htm>

⁶ Appendix A: Elevance Health, Inc. and Clayton, Dubilier & Rice, LLC's Complete Answers to HCMO Notice of Material Change Form. Response 4. Available at: <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/024-Elevance-CDR-Appendix-A-Answers-to-HCMO-Notice.pdf>

⁷ Oregon Department of Consumer and Business Services. Health Enrollment Quarterly Report. Mar 31, 2024. Available at: <https://dfr.oregon.gov/business/reg/reports-data/annual-health-insurance-report/Documents/quarterly/quarterly-enrollment-report-20240331.xlsx>

⁸ Oregon Department of Consumer and Business Services, Health Enrollment Quarterly Report, Mar 31, 2024. Available at: <https://dfr.oregon.gov/business/reg/reports-data/annual-health-insurance-report/Documents/quarterly/quarterly-enrollment-report-20240331.xlsx>

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