

June 28, 2024

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VIA E-MAIL
HIGHLY CONFIDENTIAL

Sarah Bartelmann
Health Care Market Oversight Program Manager
Oregon Health Authority
421 SW Oak Street
Portland, OR 97204
sarah.e.bartelmann@oha.oregon.gov

Re: Elevance Health, Inc./CD&R – Responses to Supplemental Information Requests Issued to Elevance Health on June 21, 2024

Dear Ms. Bartelmann,

We write with responses to supplemental information requests issued by the Oregon Health Authority (“OHA”) to Elevance Health, Inc. (“Elevance Health”) on June 21, 2024.

RFI #1: Describe the negotiation or transaction process that resulted in the entities entering into an agreement. Include a description of:

- a. How the entities were identified (e.g. did one party approach the other, did one party engage in a bid/auction process, etc.)**
- b. Any due diligence performed by any of the parties to the transaction. Provide any products, reports, or analyses resulting from due diligence processes.**

Response:

- a. The parties were familiar with each other prior to exploring this potential joint venture. Elevance Health has been a minority investor of apree since 2021. Organically Clayton, Dubilier & Rice, LLC (“Clayton, Dubilier & Rice, LLC” and together with its applicable affiliates, “CD&R”) and Elevance Health explored a partnership to improve quality and lower cost through value-based care that resulted in the proposed joint-venture, and they did not engage in a bid or auction process.
- b. CD&R conducted customary diligence with respect to assets being contributed by Elevance Health to the joint venture (the CareMore/Carelon Health assets), and not with respect to its controlled portfolio companies (apree and MPG). CD&R engaged a third party to assist with its diligence as is reflected in the non-public, confidential Report submitted as

Confidential Appendix ElevanceCD&R-Transaction024-0001 - ElevanceCD&R-Transaction024-0025.

Elevance Health conducted customary due diligence with respect to assets being contributed by CD&R to the joint venture: apree and MPG. MPG does not operate in Oregon. Elevance Health is providing a non-public, confidential apree due diligence report as ELV-CD&R-ORHCMO-024-00000001 - ELV-CD&R-ORHCMO-024-00000015.

RFI #2: Describe all prior mergers, acquisitions, and joint ventures that closed in the last 10 years prior to filing this notice of material change transaction involving any entities party to the current transaction, the same or similar services, and health care entities. For each previous transaction, include:

- a. Legal names of all entities party to the transaction
- b. Type of transaction
- c. Description of the transaction
- d. Date the transaction closed

Elevance Health Response:

Elevance Health does not have any prior mergers, acquisitions, or joint ventures that closed in the last 10 years involving the same or similar services to apree with locations in Oregon.

CD&R Response:

In the last 10 years, CD&R has invested, and remains invested in the following health care provider entities in Oregon.

1. Healogics¹

a. Legal names of all entities party to the transaction: CD&R, [REDACTED] and Healogics Holding Corp. (“Healogics”)

b. Type of transaction: Acquisition of control and subsequently minority investment.

c. Description of the transaction: In 2014, CD&R acquired control of Healogics from Metalmark Capital and Scale Venture Partners. The transaction was valued at approximately \$910 million. In May 2021, CD&R became a minority owner when CD&R, Partners Group, and Northwestern Mutual, invested \$75 million of common equity, and Marathon Asset Management invested over \$165 million in new preferred stock. Healogics is a provider of advanced wound care services. Healogics and its affiliated companies manage nearly 600 Wound Care Centers®

¹ Website: [Wound Care Experts | Advanced Wound Care Centers | Healogics](#)

through a connected network of centers, partner hospitals, academic medical centers, patients, and families. Healogics provides wound care at 6 locations in Oregon.

d. Date the transaction closed: 2014

2. Vera Whole Health (apree health)²

a. Legal names of all entities party to the transaction: CD&R, [REDACTED] Vera Whole Health, Inc. (“Vera Whole Health”), and [REDACTED].

b. Type of transaction: Acquisition of control.

c. Description of the transaction: CD&R acquired a majority stake in Vera Whole Health, valuing Vera Whole Health at \$400 million. Vera Whole Health, included under the apree health umbrella, provides non-clinical management and administrative services to two clinics in Oregon.

d. Date the transaction closed: 2021

3. Gentiva³

a. Legal names of all entities party to the transaction: CD&R, CD&R Falcon Holdings, L.P., KAH Hospice Company Inc., Gentiva Health Services, Inc., [REDACTED] and Humana Inc.

b. Type of transaction: Partnership- acquisition of majority interest

c. Description of the transaction: CD&R acquired a majority interest in the Hospice and Personal Care divisions of Humana’s Kindred at Home subsidiary (“KAH Hospice”). This transaction reflected an enterprise valuation of \$3.4 billion. Gentiva Health Services (fka Kindred at Home Hospice) is a hospice provider in the United States. It currently operates over 360 hospice sites, several palliative care sites, and 50 personal care sites across the country. Gentiva operates 2 hospices in Oregon.

d. Date the transaction closed: 2022

RFI #3: Provide a list of all Elevance Health’s business entities currently licensed to operate in Oregon. This request both expands the information requested for providers on the NPI list and requests information for any and all business entities operating in Oregon not otherwise provided on the NPI list. For each business entity, provide the following:

a. Legal name and d/b/a name

² Website: [Advanced Primary Care & Technology | apree health](#)

³ As filed with the Oregon Health Authority in Transaction 002: Falcon Hospice, Clayton, Dubilier & Rice acquired control of two hospice care facilities in Oregon. Website: [Hospice, palliative and personal care by Gentiva \(gentivahs.com\)](#)

- b. Ownership type (corporation, partnership, limited liability, corporation, etc.)
- c. License type
- d. Licensing board or agency
- e. License number
- f. Date licensed
- g. Physical address
- h. Federal Tax ID

Elevance Health Response:

	Anthem Insurance Companies, Inc.	Wellpoint Insurance Company	Wellpoint Life and Health Insurance Company
(a) Legal Name, and any DBA Name	Anthem Insurance Companies, Inc. DBA Anthem Insurance Company	Wellpoint Insurance Company	Wellpoint Life and Health Insurance Company
(b) Organization Type (Corporation, Partnership, LLC, etc.)	Corporation	Corporation	Corporation
(c) License Type	Property / Casualty (Excluding Workers' Compensation) / Health Insurance	Health Insurance	Life / Health Insurance
(d) Licensing Agency or Board	State of Oregon Department of Consumer and Business Services	State of Oregon Department of Consumer and Business Services	State of Oregon Department of Consumer and Business Services
(e) License Number⁴	Certificate No. 2963		Certificate No. 2290

⁴ Certificate number also is the State Based System (SBS) Number for Oregon available at www.statebasedsystems.com. See also <https://dfr.oregon.gov/business/licensing/insurance/pages/helpful-hints.aspx>.

		Certificate No. 505159671	
(f) Date Licensed	Sept. 16, 1994 (amended Mar. 28, 1996)	Aug. 10, 2018 (amended Aug. 9, 2023)	Aug. 15, 1980 (amended Sept. 11, 2023)
(g) Physical Address	220 Virginia Ave. IN0202-B560, Indianapolis, IN 46204	2505 N. Hwy 360 Ste 300, Grand Prairie, TX 75050	220 Virginia Ave. IN0202-B560, Indianapolis, IN 46204
(h) Federal Tax ID Number	35-0781558	45-2485907	52-0913817

As described in Appendix A of the Notice, Elevance Health does not currently have any physical operations within the state of Oregon. Elevance Health currently has three regulated insurance subsidiaries licensed to conduct business within Oregon, but none offered services in Oregon in 2023. These companies are Anthem Insurance Companies, Inc., WellPoint Life & Health Insurance Company, and WellPoint Insurance Company f/k/a Amerigroup Insurance Company.

The Parties designate the Confidential Information as exempt from public disclosure pursuant to Or. Rev. Stat. § 192.345(2) and all other applicable federal and state laws. Accordingly, we request that such material be kept confidential and not be disclosed to any person who is not an employee of the Oregon Health Authority (“OHA”). We further request that should any person (including any other government employee or agency) who is not an employee of OHA request an opportunity to inspect or copy any of the enclosures or any material relating to the Confidential Information contained in the Supplemental Response, we be immediately notified of such request, be furnished with a copy of all written materials pertaining to it (including the request itself and any determination with respect to it) and be given sufficient advance notice of any intended release of materials relating to the Confidential Information described in the Supplemental Response by OHA, so that the Parties may, if deemed necessary or appropriate, pursue any remedies available.

Best regards,



George Paul