

Appendix A

Elevance Health, Inc. and Clayton, Dubilier & Rice, LLC's Complete Answers to HCMO Notice of Material Change Form

3. What is the proposed effective date of the material change transaction?

The material change reported herein (the “Proposed Material Change Transaction”) is subject to customary closing conditions, including regulatory approval. The parties will close the Proposed Material Change Transaction upon the satisfaction of all closing conditions, including receipt of all necessary regulatory approvals, which is expected in the second half of 2024. Additional details regarding the transaction structure are available in response to Question 6.

4. Briefly describe the applicant completing this notice. Describe the notifying applicant’s business (including business lines or segments), ownership type (corporation, partnership, limited liability corporation, etc.), governance and operational structure (including ownership of or by a health care entity), annual revenues, and geographic areas of operation. For health care entities, also include provider type (hospital, physician group, etc.), facilities owned or operated, service lines, number of staff, geographic service area(s), and capacity or patients served in Oregon (e.g., number of licensed beds, number of patients, quantity of services provided annually). Include the mailing address, website(s), and Federal Tax ID(s) of the applicant.

Elevance Health, Inc. Overview

Elevance Health, Inc. (“Elevance Health”) is a publicly traded corporation and the holding company for the Elevance Health family of companies, with subsidiaries licensed to conduct insurance operations in all 50 states, the District of Columbia, and Puerto Rico.¹ Elevance Health’s affiliated health plans are independent licensees of the Blue Cross and Blue Shield Association (“BCBSA”), an association of independent health benefit plans, serving members as the Blue Cross licensee for California and as the Blue Cross and Blue Shield (“BCBS”) licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (in the New York City metropolitan area and upstate New York), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.), and Wisconsin.² Elevance Health’s total 2023 revenues were \$171.3 billion.

Through its subsidiaries, Elevance Health offers health insurance plans to Individual, Employer Group, Medicaid, and Medicare segments, and provides a broad array of managed care services to fee-based customers, including claims processing, stop loss insurance, provider network access,

¹ Elevance Health, Inc. 2023 10-K at page 3, <https://www.sec.gov/ix?doc=/Archives/edgar/data/1156039/000115603924000015/elv-20231231.htm>.

² Elevance Health, Inc. 2023 10-K at page 3, <https://www.sec.gov/ix?doc=/Archives/edgar/data/1156039/000115603924000015/elv-20231231.htm>.

medical management, care management, wellness programs, actuarial services, and other administrative services, as well as offering services to the federal government.³

Elevance Health is owned by its shareholders and governed by a board of directors. Additional information about Elevance Health's governance and management structure is available in its public filings with the U.S. Securities and Exchange Commission and on its website, <https://www.elevancehealth.com/>. Elevance Health's tax ID is 35-2145715. Its mailing address is 220 Virginia Avenue, Indianapolis, IN 46204.

Elevance Health's Limited Presence in Oregon

In Oregon, Elevance Health does not provide health plan services to companies as the BCBS licensee, nor does it sell commercial health insurance services in Oregon.⁴ Elevance Health also does not offer Medicaid or Medicare services in Oregon.

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.

Because Elevance Health is not the BCBS licensee in Oregon and otherwise does not offer any regulated insurance products in Oregon, its presence in Oregon is limited. Some Elevance Health employer customers based in one of the 14 states or areas where an Elevance Health subsidiary is the BCBS licensee include covered employees who reside in Oregon and are covered by Elevance Health's subsidiaries' self-insured or fully-insured insurance plans or services based and sold outside of Oregon. At the end of 2023, Elevance Health through its subsidiaries covered approximately [REDACTED] individuals in Oregon for medical benefits and approximately [REDACTED] individuals in Oregon for pharmacy benefits, although these figures are not exclusive. Because revenues related to these members are based on each specific employer's contract or other self-insured or fully-insured health insurance contract issued outside of the state of Oregon, Elevance Health is unable to reasonably estimate revenues generated from these individuals on a per member basis. Rates, administrative costs, and other fees can vary greatly based on the services covered in any given plan.

Services Available to Oregon Residents

Through its subsidiaries, Elevance Health offers other services to Oregon residents. None of these services available to Oregon residents are part of this transaction scope. The services are (1) Medicare Advantage cost of care revenue, (2) employee assistance program and health plan behavioral revenue, (3) insured Oregon stop loss revenue, (4) specialty pharmacy revenue through Elevance Health's subsidiary, BioPlus, and (5) palliative care services revenue through an Elevance Health subsidiary, Aspire (described further below). For Elevance Health's 2023 fiscal year, the total combined revenues from categories (1)-(3) were only approximately [REDACTED], category (4) was only approximately [REDACTED] and category (5) was only approximately [REDACTED].

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

⁴ Regence BlueCross BlueShield of Oregon—not affiliated with Elevance Health and not an Elevance Health entity—is an independent BCBS licensee and the only BCBSA member licensed to sell products and services under the Blue Cross Blue Shield name in Oregon. See BCBS Companies and Licensees, <https://www.bcbs.com/bcbs-companies-and-licensees>.

██████████. As described below, this includes approximately ██████████ in stop loss revenue from an entity no longer owned by Elevance Health.

- Medicare Advantage Cost of Care: In 2023, Elevance Health earned approximately ██████████ in Medicare Advantage cost of care revenues in Oregon. Elevance Health does not have a contract with the Centers for Medicare & Medicaid Services to offer Medicare Advantage in Oregon, but believes that this revenue is likely incidental to its Medicare Advantage revenue offered in other states.
- Employee Assistance Programs and Health Plan Behavioral Health: In 2023, Elevance Health had a revenue of approximately ██████████ in Oregon from employee assistance programs and health plan behavioral health products through Elevance Health’s Carelon Behavioral Health business covering approximately ██████████ individuals living in Oregon. These services are offered directly to employer customers or as part of Elevance Health’s health insurance coverage as an optional benefit for covered employees.
- Insured Oregon Stop Loss: In 2023, Elevance Health earned approximately ██████████ of stop loss insurance premium revenue in Oregon. These revenues were generated by Anthem Life Insurance Company, which was sold to StanCorp Financial Group (a/k/a “The Standard”) in April 2024. Elevance Health is no longer offering stop loss premiums in Oregon.
- Specialty Pharmacy/Infusion: Elevance Health offers specialty pharmacy services in Oregon via its BioPlus subsidiary. BioPlus does not have any physical locations or employees in Oregon. In the state of Oregon specifically, in 2023, BioPlus had total sales of approximately ██████████ from a total of ██████████ scripts, and served ██████████ patients. Elevance Health also has a non-resident pharmacy license in the state of Oregon via its Paragon subsidiary, but ██████████. A list of BioPlus and Paragon’s NPIs is attached with this filing as **Appendix B**.
- Palliative Care Services: Elevance Health’s Aspire (Carelon Medical Partners, PC d/b/a Aspire Health Medical Partners, PC) (“Aspire”) has an NPI number (1124443403) that covers 37 states, including Oregon, for palliative care services.⁵ Palliative care services provide support and attention between doctor’s appointments to address physical, emotional, nutritional, spiritual, and social needs. Palliative care services can be initiated at any stage of illness.⁶ Aspire offers specialized in-person or virtual care services in nearly all 50 states either in a patient’s home or through telehealth with a phone or video call.⁷ In Oregon, Aspire offers telehealth palliative care services. Aspire has ██████████ nurse practitioner in the Portland, Oregon area who provides in-home palliative care visits. In 2023, the ██████████ nurse practitioner in Oregon had ██████████ patients. 2023 revenues attributed to palliative care services provided in Oregon are estimated to be approximately ██████████. The Carelon Medical Partners’ NPI is included in **Appendix B**.

⁵ Beginning January 1, 2024, Aspire began using its new name, Carelon Health. *See* Carelon Health Palliative Care, <https://www.carelonhealth.com/palliative-care>. Carelon Health also has a separate NPI for palliative care services in Texas.

⁶ *See* Carelon Health Palliative Care, <https://www.carelonhealth.com/palliative-care>.

⁷ *See id*; *see also* Carelon Health Palliative Care Patients, <https://www.carelonhealth.com/patients/palliative-care>.

Elevance Health also had revenue in 2023 from individuals covered by Regence BlueCross BlueShield of Oregon who utilize the BlueCard network in a state or area where an Elevance Health subsidiary is the BCBS licensee (or Blue Cross licensee in California). BlueCard allows subscribers of one BCBS licensee to receive medical care across the country (e.g., if that member is traveling) through another BCBS licensee’s provider network.⁸ In 2023, these revenues were [REDACTED].

Other Elevance Health Offerings and Services

Through its subsidiaries, Elevance Health provides specialty services both to customers of Elevance Health’s subsidiary health plans and also to unaffiliated health plans, including pharmacy services, dental, vision, and supplemental health insurance benefits, as well as integrated health services.⁹ Some of these services are or could be available to customers in Oregon.

Elevance Health’s CarelonRx, Inc. (“CarelonRx”) subsidiary markets and offers pharmacy services, including pharmacy benefit management (“PBM”) services, to Elevance Health affiliated health plan customers, as well as to external customers outside of the health plans that Elevance Health owns.¹⁰

CarelonRx offers PBM services, which include formulary management, pharmacy networks, a prescription drug database, member services, and mail order capabilities. Within the PBM segment, CarelonRx is a relatively small player compared to large players like CVS Health (Caremark), Express Scripts (Cigna), and Optum Rx (United Health) who processed nearly 80% of all equivalent prescription claims in 2023.¹¹

Carelon Management Services, Inc. (“Carelon Health”) is an indirect, wholly owned subsidiary of Elevance that is incorporated in California and holds certain subsidiaries ultimately held by Elevance. Additional information about Carelon Management Services, Inc. is available on its website, <https://www.carelon.com/>. Carelon Management Services, Inc.’s tax ID number is 20-2076421. Its mailing address is 220 Virginia Avenue, Indianapolis, IN 46204.

Various subsidiaries of Elevance Health, such as Carelon Insights and Carelon Health, also offer other healthcare related services. Some of these services potentially are or could be available to individuals living in Oregon through their employer’s insurance plan. But as discussed above, Elevance Health is not the BCBS licensee in Oregon and otherwise does not offer any regulated insurance products or Medicaid or Medicare services in Oregon, so any specialty services would be part of an insurance plan issued outside of Oregon.

⁸ Elevance Health, Inc. 2023 10-K at pages 6–7, <https://www.sec.gov/ix?doc=/Archives/edgar/data/1156039/000115603924000015/elv-20231231.htm>.

⁹ Elevance Health, Inc. 2023 10-K at page 3, <https://www.sec.gov/ix?doc=/Archives/edgar/data/1156039/000115603924000015/elv-20231231.htm>.

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

¹¹ “The Top Pharmacy Benefit Managers of 2023: Market Share and Trends for the Biggest Companies—And What’s Ahead,” DRUG CHANNELS (Apr. 9, 2024), <https://www.drugchannels.net/2024/04/the-top-pharmacy-benefit-managers-of.html#:~:text=Three%20is%20still%20the%20magic,Rx%20business%20of%20UnitedHealth%20Group>

5. Describe all other entities involved in the proposed transaction. For each entity, describe the entity’s business (including business lines or segments), ownership type (corporation, partnership, limited liability corporation, etc.), governance an operational structure (including ownership of or by a health care entity), annual revenues, and geographic areas of operation. For health care entities, also include provider type (hospital, physician group, etc.), facilities owned or operated, service lines, number of staff, geographic service area(s), and capacity or patients served in Oregon (e.g., number of licensed beds, number of patients, quantity of services provided annually). Include the mailing address, website(s), and Federal Tax ID(s) of entities involved in the proposed transaction. Limit the response to 500 words per entity described.

The two Oregon primary care clinics subject to this transaction are doing business as Amy’s Family Health Center Medford and Vera Whole Health Clinic Portland and are both owned and operated by Vera Whole Health WA, PC, a Washington professional corporation (federal tax ID: [REDACTED]; mailing address: 1201 Second Ave., Suite 1400, Seattle, WA 98101; website: <https://www.verawholehealth.com/>).

Amy’s Family Health Center Medford: Amy’s Family Health Center Medford is an employer-sponsored facility located within the greater Medford area on-site at Amy’s Kitchen’s plant, which exclusively serves eligible Amy’s Kitchen employees and their dependents. This clinic provides primary care services, integrated behavioral health services, health coaching, limited waived on-site lab testing, and related clinical services. The current number of staff includes [REDACTED] Nurse Practitioners, [REDACTED] Medical Assistants, [REDACTED] Health Coach, and [REDACTED] Practice Manager. This clinic served, on average, [REDACTED] patients annually over the last three years with average annual revenues of [REDACTED] over the last three years.

The clinic mailing address is 393 W Antelope Rd., White City, OR 97503. (See, www.verahomehealth.com/locations). The clinic’s NPI is included in **Appendix B**.

Vera Whole Health Clinic Portland: Vera Whole Health Clinic Portland is a multi-employer, off-site sponsored facility located within the Portland area, which exclusively serves eligible customer employees and their dependents. This clinic provides primary care services, integrated behavioral health services, health coaching, limited waived on-site lab testing, and related clinical services out of a leased facility. The current number of staff includes [REDACTED] Nurse Practitioner, [REDACTED] Medical Assistant, [REDACTED] Health Coach, [REDACTED] Behavioral Health Clinician, and [REDACTED] Practice Manager. This clinic served, on average, just [REDACTED] patients annually over the last three years with average annual revenues of only [REDACTED] over the last three years.

The clinic mailing address is 400 SW 6th Ave., Suite 501, Portland, OR 97204. (See www.verawholehealth.com/locations). The clinic’s NPIs are included in **Appendix B**.

By way of background, Vera Whole Health WA, PC: Vera Whole Health WA, PC is an apree health-supported practice owned by Marla McLaughlin, MD. Vera Whole Health, Inc. is a management services organization providing non-clinical management and administrative support services to Vera Whole Health WA, PC. Vera Whole Health, Inc. is a Delaware corporation (federal tax ID: [REDACTED]; mailing address: 1201 Second Ave., Suite 1400, Seattle, WA 98101; website: <https://www.verawholehealth.com/>). Vera Whole Health, Inc. is owned by Truth Holdings Midco, Inc., a Delaware corporation (federal tax ID: [REDACTED]; mailing address: 1201 Second Ave., Suite 1400, Seattle, WA 98101), which is owned by Truth Holdings Topco, Inc.

(federal tax ID: [REDACTED]; mailing address: 1201 Second Ave., Suite 1400, Seattle, WA 98101; website: <https://apreehealth.com>).

Truth Holdings Topco, Inc.: Truth Holdings Topco, Inc. operates under the name “apree health.” apree health (website: <https://apreehealth.com>) was formed in 2022 upon the acquisition of Castlight Health, Inc. (website: <https://www.castlighthealth.com>) by Vera Whole Health, Inc. apree health provides data-driven health care solutions to employers and health plans including navigation tools, advocacy, and an advanced primary care model. apree health is owned by [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Clayton, Dubilier & Rice, LLC (federal tax ID: [REDACTED]; mailing address: c/o Clayton, Dubilier & Rice, LLC, 375 Park Avenue, 18th Floor, New York, NY 10152; website: <https://www.cdr-inc.com>) (“Clayton, Dubilier & Rice, LLC” and together with its applicable affiliates, “CD&R”) [REDACTED]

[REDACTED]

[REDACTED] website: <https://www.cdr-inc.com>). We will collectively refer herein to these funds, investment vehicles and management entities as the “CD&R entities.” The CD&R entities are not “health care entities” as defined under OAR 409-70(15) (other than potentially pursuant to subsection (g) of such definition).




CD&R is a private equity firm founded in New York in 1978 that invests, in the United States and abroad, in companies in the business services, consumer/retail, financial services, healthcare, industrials, and technology sectors, often crafting partnerships with sellers who retain ongoing ownership. CD&R has 38 portfolio companies with a total global revenue in 2023 of approximately \$110 billion.¹²

¹² Data based on CD&R standard reporting accounting for controlled portfolio companies as of December 31, 2023.

CD&R is currently invested in the following health care and health care adjacent entities:¹³

No.	Company	Description	Website
1	agilon health	agilon health partners with physicians to provide high-quality, value-based healthcare across 17 communities in eight states including Texas, Hawaii, Ohio, Pennsylvania, Connecticut, New York, North Carolina, and Michigan. Providing care to more than 280,000 senior patients through a network of 1,600+ primary care physicians. [REDACTED]	Primary Care Transformation with VBC (agilonhealth.com)
2	apree health	apree health (fka Vera/Castlight) provides data-driven health care solutions to employers and health plans including navigation tools, advocacy, and an advanced primary care model. Apree provides non-clinical management services to 2 OR clinics as further described above in Item 5.	Advanced Primary Care & Technology apree health
3	Aster Insights	Aster Insights (fka M2Gen) is an oncology-focused health informatics solutions company that leverages clinical and molecular data to accelerate the discovery, development, and delivery of personalized therapies. [REDACTED]	Aster Insights Oncology Insights
4	Carestream Dental	Aster Carestream Dental provides industry-leading dental digital product lines and services, including imaging equipment, CAD/CAM systems, software, and practice management solutions, for dental and oral health professionals. [REDACTED]	Discover Carestream Dental Home United States
5	Drive DeVilbiss Healthcare	Drive DeVilbiss Healthcare manufactures a complete line of medical products, including mobility products, sleep and respiratory products, beds, bariatric products, wheelchairs, sleep surfaces and pressure	Drive DeVilbiss Healthcare Home Page for Consumers (drivemedical.com)

¹³ Description of CD&R investment portfolio available at: [Investments | Clayton Dubilier & Rice, LLC \(cdr-inc.com\)](http://investments.cdr-inc.com).

No.	Company	Description	Website
		prevention products, self-assist products, power operated wheelchairs, rehabilitation products, patient room equipment, personal care products, and electrotherapy devices. 	
6	Gentiva	Gentiva Health Services (fka Kindred at Home Hospice) is an 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 OR. ¹⁴	Hospice, palliative and personal care by Gentiva (gentivahs.com)
7	Inizio	Inizio is a provider of specialty services that help health and life science companies commercialize new therapies and support the life cycle of drug innovation. 	Inizio Health and Life Science Solutions
8	Millennium Physician Group	Millennium Physician Group (“MPG”) is a comprehensive independent physician group with more than 600 care teams located throughout Florida, Texas and North Carolina. MPG does not operate in OR.	Home - Millennium Physician Group
9	Sharp	Sharp is a leader in pharmaceutical packaging, clinical trial supply services & small-scale sterile manufacturing servicing clients in the US, UK, Belgium, and the Netherlands. 	Contract Pharmaceutical Services Sharp (sharpervices.com)
10	Healogics	Healogics is a provider of advanced wound care services. Healogics and its affiliated companies manage nearly 600 Wound Care Centers® through a connected network of centers, partner hospitals, academic medical centers, patients, and families.	Wound Care Experts Advanced Wound Care Centers Healogics

¹⁴ As filed with the Oregon Health Authority in Transaction 002: Falcon Hospice, Clayton, Dubilier & Rice acquired control of two hospice care facilities in Oregon.

No.	Company	Description	Website
		[REDACTED]	

Marine Topco, LLC: Marine Topco, LLC, a Delaware limited liability company (federal tax ID: [REDACTED]; mailing address: 6321 Daniels Parkway, Ste. 200, Fort Myers, FL 33912; website: <https://millenniumphysician.com>) operating as Millennium Physician Group (“MPG”). MPG is a management services organization providing non-clinical management and administrative support services to independent physician group(s) with more than 600 care teams located throughout Florida, Texas, and North Carolina (website: <https://millenniumphysician.com>). **MPG does not operate in Oregon.** The majority investor in Marine Topco, LLC is [REDACTED] [REDACTED] affiliated with funds or investment vehicles managed by CD&R.

Other Entities Formed Solely for the Transaction:

Augusta Topco Holdings, L.P.: Augusta Topco Holdings, L.P. (“Holdings”), a Delaware limited partnership (federal tax ID: [REDACTED]), was formed on April 4, 2024 for the purposes of effecting the transaction, [REDACTED].

Holdings has not conducted any activities other than those incidental to its formation and the matters contemplated by the Master Transaction Agreement and Plan of Merger executed on April 12, 2024 (the “Agreement”). [REDACTED]

[REDACTED]. The general partner and limited partner investor of Holdings are entities affiliated with funds or investment vehicles managed by CD&R.

Augusta Parent, LLC: Augusta Parent, LLC (“Parent”) a Delaware limited liability company (federal tax ID: [REDACTED]; mailing address: c/o Clayton, Dubilier & Rice, LLC, 375 Park Avenue, 18th Floor, New York, NY 10152) was formed on April 4, 2024 for the purposes of effecting the Proposed Transaction and is a direct, wholly owned subsidiary of Holdings. Parent has not conducted any activities other than those incidental to its formation and the matters contemplated by the Agreement.

Augusta Midco, Inc.: Augusta Midco, Inc., a Delaware corporation (“Midco”) (federal tax ID: [REDACTED]; mailing address: c/o Clayton, Dubilier & Rice, LLC, 375 Park Avenue, 18th Floor, New York, NY 10152) was formed on April 4, 2024 for the purposes of effecting the Proposed Transaction and is a direct, wholly owned subsidiary of Parent. Midco has not conducted any activities other than those incidental to its formation and the matters contemplated by the Agreement.

Augusta Buyer, Inc.: Augusta Buyer, Inc. a Delaware corporation (“Buyer”) (federal tax ID: [REDACTED]; mailing address: c/o Clayton, Dubilier & Rice, LLC, 375 Park Avenue, 18th Floor, New York, NY 10152) was formed on April 4, 2024 for the purposes of effecting the Proposed

Transaction and following the closing of the Proposed Transactions, holding MPG and its subsidiaries, apree and its subsidiaries, and Carelon Management Services, Inc. (“Carelon Health”) and its subsidiaries. Buyer is a direct, wholly owned subsidiary of Midco. Buyer has not conducted any activities other than those incidental to its formation and the matters contemplated by the Agreement.

6. Briefly describe the nature and objectives of the proposed material change transaction, including any changes in ownership, governance, or operational structure, any exchange of funds between the parties (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of health care services).

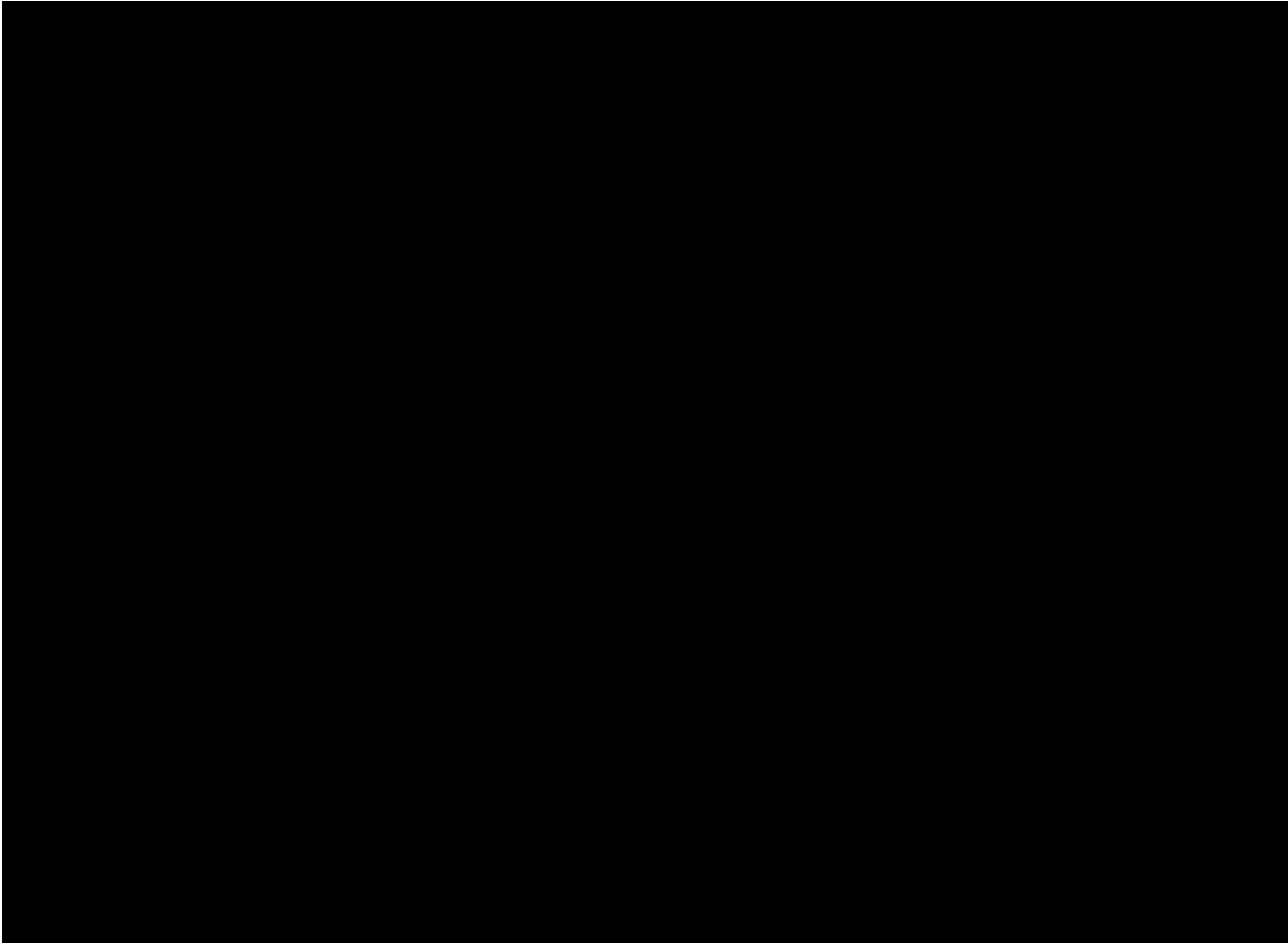
This Proposed Material Change Transaction reports Elevance Health’s investment in a joint venture, which will result in control in excess of the 25% thresholds in Or. Rev. Stat. §§ 415.500 et seq. and implementing regulations (Or. Admin. R. § 409-070-0000 – 409-070-0085). Pursuant to the Agreement, Elevance Health and CD&R have agreed to form a joint venture with the purpose of accelerating innovation in primary care delivery, enhancing the health care experience, and improving health outcomes.¹⁵ The Proposed Material Change Transaction will be effected as part of a multi-step transaction under the Agreement (described below).

This joint venture will bring together certain care delivery and enablement assets of Elevance Health’s Carelon Health and CD&R portfolio companies, apree health and MPG.¹⁶ **Neither Carelon Health nor MPG operate in Oregon.** A copy of the Agreement is attached as **Confidential Appendix C.**

- In the first phase, [REDACTED], Elevance Health [REDACTED] [REDACTED], which is the Proposed Material Change Transaction reported herein.
- [REDACTED], as part of the second phase, Elevance Health [REDACTED] [REDACTED].
- Finally [REDACTED] [REDACTED].

¹⁵ Elevance Health and Clayton, Dubilier & Rice Sign Agreement to Launch Strategic Partnership to Advance Primary Care Delivery (Apr. 15, 2024), <https://www.cdr-inc.com/news/press-release/elevance-health-and-clayton-dubilier-rice-sign-agreement-launch-strategic>.

¹⁶ Elevance Health and Clayton, Dubilier & Rice Sign Agreement to Launch Strategic Partnership to Advance Primary Care Delivery (Apr. 15, 2024), <https://www.cdr-inc.com/news/press-release/elevance-health-and-clayton-dubilier-rice-sign-agreement-launch-strategic>.



The joint venture will create a holistic, payor-agnostic, advanced primary-care delivery business serving consumers in several states. The parties expect that patients across the country will have access to integrated care teams, personalized navigation, expanded digital access, and specialized services for higher need populations.¹⁷ Additionally, the parties anticipate that employers will have an even stronger care provider service that delivers affordability and superior experiences for their employees, including dedicated primary care capacity integrated with clinical and benefits navigation.¹⁸

Elevance Health attaches with this filing a corporate organizational chart dated as of May 31, 2024 as **Appendix D**. Elevance Health and CD&R attach with this filing a simplified, transaction structure chart as **Confidential Appendix E**.

7. Briefly describe any anticipated operational or management changes resulting from the transaction, including changes in health care services offered, staffing changes, new investments or other initiatives, implementation of new policies and procedures, and

¹⁷ Elevance Health and Clayton, Dubilier & Rice Sign Agreement to Launch Strategic Partnership to Advance Primary Care Delivery (Apr. 15, 2024), <https://www.cdr-inc.com/news/press-release/elevance-health-and-clayton-dubilier-rice-sign-agreement-launch-strategic>.

¹⁸ Elevance Health and Clayton, Dubilier & Rice Sign Agreement to Launch Strategic Partnership to Advance Primary Care Delivery (Apr. 15, 2024), <https://www.cdr-inc.com/news/press-release/elevance-health-and-clayton-dubilier-rice-sign-agreement-launch-strategic>.

organizational structure changes. Include a description of the transaction’s impact on the financial stability of any entity involved in the transaction.

The parties do not expect the transaction to result in any changes to the health care services offered by Carelon Health, MPG, or apree, nor any changes to the staffing of providers, including nurses and doctors, and employees in Oregon. The parties expect the two primary care clinics supported by apree, doing business as Amy’s Family Health Center Medford and Vera Whole Health Clinic Portland, to continue to provide the same services in the same geographic areas after closing. The parties do not anticipate that the transaction will result in any changes to policies and procedures or impact the financial stability of the two primary clinics supported by apree in Oregon. The parties do not have any immediate plans for new investments or initiatives in Oregon, but integration planning is ongoing.

Integrating three assets within a cohesive operating model will require a new governance structure. Initially, Holdings’ board of directors will consist of [REDACTED]

After the time when Elevance Health [REDACTED]

Holdings’ leadership team will include [REDACTED]. A leadership council [REDACTED].

8. Describe the expected impact – increase, decrease, or no change – of the proposed transaction on access to affordable health care in Oregon.

The parties do not expect the transaction to lead to any change in access for MPG and Carelon Health in Oregon, as neither of those entities operates in Oregon.

Integration planning is ongoing, but Elevance Health anticipates that the transaction will lead to improvements in apree’s primary-care delivery which will subsequently improve access to affordable health care products sold in Oregon. As described above, the parties expect the transaction and the combination of the parties’ resources and expertise to increase access, affordability, and quality of health care services for apree’s patients, including patients in Oregon. The transaction is expected to result in additional provider resources by increasing access to high-performing providers and adding primary care providers in areas where there are unmet needs.

Beyond these anticipated improvements from the transaction, there are no immediate plans in Oregon to increase the number of providers operating in Oregon, expand or open new locations in Oregon, or provide new services in Oregon. However, integration planning is ongoing to identify areas of unmet need and identify opportunities in the future. Until closing, the parties continue to operate as business as usual. In addition, the improved platform will offer an integrated model that is designed to help reduce health care costs by providing care management/coordination and health IT solutions.

9. Explain how, if at all, the proposed transaction will:

- a. improve health outcomes for residents of this state.**

Elevance Health, MPG, and apree have a strong focus on improving patient experience and outcomes. Elevance Health expects that the transaction will allow Holdings to overall offer more comprehensive care for members and will also help improve health outcomes for Oregon state residents. Holdings proposes to offer solutions for administrative tasks (e.g., non-clinical tasks such as documentation and contracting) and to financially reward providers for managing patients effectively. The parties also expect that the transaction will expand access to integrated care teams, personalized navigation, digital access, and specialized services for higher need populations and will help health plans deliver higher quality and more affordable health care services. Elevance Health's partnership with CD&R aligns with Elevance Health's efforts and investments to improve quality and affordability as well as to simplify the consumer experience through technological innovation. The partnership offers unique strengths that together provide an opportunity to improve individuals' health and wellbeing, while helping care providers deliver higher quality care.

The transaction is also expected to accelerate improvements in quality of care and patient experience. This includes empowering physicians to deliver high-quality and more personalized care and providing health IT and administrative solutions. 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. These clinics are the only presence that Carelon Health, MPG, and apree currently have in Oregon. Indeed, the transaction is expected to expand access to quality health care services in Oregon, which will increase health outcomes and competition.

b. the public good by reducing the growth in patient costs. (If the transaction will not reduce the growth in patient costs, explain why the proposed transaction is in the best interest of the public.)

Elevance Health, MPG, and apree prioritize the provision of patient-focused services and make efforts to provide lower costs for patients and payers. 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. Holdings' primary-care delivery business will be situated to influence the cost, quality, and experience of health plans and to improve long-term, value-based care penetration and member growth. Elevance Health further expects that Holdings will give providers more options for autonomy and will support value-based care goals. This transition to value-based-care models should reduce patient costs as compared to fee-for-service models, by establishing a structure that can allow more providers to take on the higher risks of value-based-care. Holdings is anticipating decreasing patient costs while improving quality and maintaining provider independence.

As described above, the transaction and the combination of the parties' resources and expertise are expected to increase access, affordability, and quality of health care services for apree's patients, including patients in Oregon. The transaction is expected to result in additional provider resources by increasing access to high-performing providers and adding primary care providers in areas where there are unmet needs. In addition, the new platform will use an integrated model that is designed to help reduce health care costs by providing care management/coordination and health IT solutions.

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. These clinics are the only presence that Carelon Health, MPG, and apree currently have in Oregon.

c. benefit the public good by increasing access to services for medically underserved populations.

Elevance Health is focused on increasing access to health care services in the populations that Elevance Health serves. As primary and specialty care enablement continues to grow, the transaction will help Elevance Health to deliver greater access for medically underserved and complex populations to primary care. 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.

d. benefit the public good by rectifying historical and contemporary factors contributing to health inequities or access to services.

Elevance Health is focused on increasing access to health care services and has received the National Committee for Quality Assurance’s (“NCQA”) Health Equity Plus accreditation.¹⁹ The NCQA accreditation means that Elevance Health’s network of health care professionals have the capacity to meet members’ diverse needs: Members can speak and be understood in the language of their choice when seeking care from health professionals or interacting with Elevance Health associates, and members can receive treatment and services from culturally competent providers. It also means that Elevance Health is dedicated to hiring, retaining, promoting, and attracting diverse staff.²⁰ Separately, Elevance Health also integrates clinical, social, and demographics data to support whole health analytics to drive meaningful improvement and reduce health disparities.²¹

By combining apree, MPG, and Carelon Health into Holdings, Elevance Health expects that the transaction will continue to broaden this access, helping to rectify health inequities that may exist in those communities. The transaction will build a payor-agnostic, advanced primary care and physician enablement business serving consumers across commercial, Medicare, and Medicaid health plans. As described above, the parties expect that the transaction and the combination of the parties’ resources and expertise will increase access, affordability, and quality of health care services for patients, including patients in Oregon.

Integration planning is ongoing, but the transaction is expected to result in additional provider resources in Oregon over time by increasing access to high-performing providers and adding primary care providers in areas where there are unmet needs.

10. Will the proposed transaction result in a decrease in competition? If no, please explain. If yes, describe any anticompetitive effects that may result from the proposed transaction.

¹⁹ The Real Benefits of Achieving NCQA Health Equity Accreditation (Apr. 19, 2024), <https://www.elevancehealth.com/our-approach-to-health/health-equity/benefits-of-ncqa-health-equity-accreditation>.

²⁰ “Advancing Health Equity at Elevance Health – A Review of Approach and Capabilities,” BUS. FOR SOC. RESP. (Mar. 2024) at page 14, https://s202.q4cdn.com/665319960/files/doc_financials/2024/ar/elevance-health-health-equity-assessment-report-2024.pdf.

²¹ “Advancing Health Equity at Elevance Health – A Review of Approach and Capabilities,” BUS. FOR SOC. RESP. (Mar. 2024) at page 10, https://s202.q4cdn.com/665319960/files/doc_financials/2024/ar/elevance-health-health-equity-assessment-report-2024.pdf.

The transaction will not decrease competition. Geographically, the parties do not overlap in Oregon. Of the relevant transaction entities, only apree has any presence in Oregon, namely two primary care clinics, doing business as Amy's Family Health Center Medford and Vera Whole Health Clinic Portland. MPG and Carelon Health are not present in Oregon. Indeed, the transaction is expected to expand access to quality health care services in Oregon and increase competition.

11. Indicate the date and nature of any applications, forms, notices, or other materials you have submitted regarding the proposed material change to any other state or federal agency. Indicate the date and nature of any other applications, forms, notices, or other materials provided to other state for federal agencies relative to the proposed material change, including but not limited to the Oregon Department of Consumer and Business Services, Oregon Public Health Division, Oregon Department of Justice, U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application), Federal Trade Commission, and U.S. Department of Justice.

There are no other filings for the Proposed Material Change Transaction reported herein.

As discussed above for clarity, other regulatory filings are separately required for other phases of the transaction.