

EXECUTIVE SUMMARY

029 Pennant –Signature Tigard/Salem Transaction Review

The [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals to make sure they support Oregon’s goals of health equity, lower costs, increased access, and better care. 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.

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Proposed Transaction

The Pennant Group, Inc. (“Pennant”), parent group of affiliated home health, hospice, and senior living companies, proposes to purchase assets of certain home health and hospice agencies owned by The Signature Group, LLC (“Signature”). This transaction is associated with five other OHA transaction reviews (028 Signature-Pennant NP2U, 030 Signature-Pennant Lincoln City, 031 Signature-Pennant Bend, 032 Signature-Pennant Eugene/Albany, 033 Signature-Pennant Medford). In this transaction Mount Hood Healthcare, LLC (“Mount Hood”), owned by Pennant, plans to purchase the assets of the Avamere Home Health Care, LLC (“AHHC”) agency, which is owned by Signature and located in Tigard.

OHA’s Review

OHA completed a 30-day 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. Upon request by OHA, Pennant and Signature (collectively, the “entities”), provided additional information on referral relationships between entities and corporate relationships of other entities that are not otherwise specified in the transaction documents. OHA held a public comment period and received no public comment submissions.

Key Findings



Cost

The proposed transaction is unlikely to affect cost because the vast majority of the entities’ revenue come from Medicare Advantage plans and Original Medicare.



Access

The home health agency is not expected to change the level of services available to the community or the types of services offered to patients. However, it will be important for patients receiving care

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to be able to 1) continue receiving care through the transaction and 2) receive referrals from Signature staff that allow for patient choice.



Quality

Both Pennant's and Signature's home health agencies in the region perform better than average in most quality metrics. However, both entities perform worse than the statewide average in patient satisfaction surveys. The proposed transaction is unlikely to worsen the quality of care.



Equity

The proposed transaction is unlikely to affect health equity, as long as the entities adhere to the representations and commitments they made in the notice.

Conclusions and Decision

OHA [approved the transaction with conditions](#) on October 14, 2024.

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.