

EXECUTIVE SUMMARY

033 Pennant –Signature Medford 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, 029 Signature-Pennant Tigard, 030 Signature-Pennant Lincoln City, 031 Signature-Pennant Bend, 032 Signature-Pennant Eugene/Albany). In this transaction, Willow Creek Healthcare, LLC (“Willow Creek”), owned by Pennant, plans to purchase the assets of Signature’s two locations in Medford, Avamere Home Health Care, LLC (“AHHC”) and Signature Hospice Medford, LLC (“Signature Hospice Medford”).

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

OHA has concerns about price/cost increases resulting from the transaction. The vast majority of the entities’ revenue come from Medicare Advantage plans and Original Medicare, which to some degree limits any price/cost effects from the proposed transaction. Patients of Pennant’s Riverside Home Health with Medicare Advantage coverage face relatively higher out-of-pocket costs.

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Access

OHA has concerns about access to care as a result of the transaction. The proposed transaction is not expected to change the level of services available to the community or the types of services offered to patients. However, the proposed transaction could result in disruptions in care for current patients or access issues for future patients based on their insurance type or plan.



Quality

OHA has concerns about the entities steering patients to certain agencies. Statements made by the entities, if adhered to, would mitigate these concerns.



Equity

OHA has concerns about equity for this transaction. Given the market share Pennant would acquire, it will be critically important that individuals with Medicaid coverage can continue to access home health and hospice services.

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.