

EXECUTIVE SUMMARY

035 St. Charles – The Center 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

On September 24, 2024, OHA accepted a complete [notice of material change transaction](#) describing plans for St. Charles Health System, Inc. (“St. Charles”) to buy The Neuromusculoskeletal Center of the Cascades, P.C. (“The Center”).

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 two public comments.

Key Findings



Cost

The Center currently possesses a dominant share of the market in terms of musculoskeletal services and providers. It will be important that St. Charles does not increase patients’ costs by imposing new facility fees for outpatient services rendered by The Center providers.



Access

It is unlikely that the proposed transaction will adversely affect access to services currently provided by The Center. However, given the dominant market share of the entities, it will be important that providers can decide the appropriate setting when treating a patient, and that providers can maintain relationships with other hospitals and facilities if they so desire. Additionally, the planned recruitment of additional providers will likely decrease patient wait times.



Quality

OHA does not have specific concerns about quality of care for this transaction. The proposed transaction is unlikely to adversely affect health care quality. Quality may increase for the region given that

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St. Charles currently performs better than The Center on metrics such as screening for fall risk and tobacco cessation and providing patients with electronic access to health information.



Equity

OHA does not have specific concerns about equity for this transaction. The proposed transaction is unlikely to worsen health equity and may increase the number of patients receiving charity care, which would reduce costs for patients who earn up to four times the federal poverty level.

Conclusions and Decision

OHA [approved the transaction with conditions](#) on October 24, 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.