

November 25, 2024

Dear Oregon Health Authority,

As concerned employees, patients and community members in Oregon and SW Washington, we believe OHSU's proposed acquisition of Legacy Health could negatively impact patients by increasing prices, worsening access, and eliminating choice of care in people's local communities. This will be the largest transaction in Oregon's history and may result in one entity holding a significant portion of the inpatient market share. It is well known that consolidation among health systems contributes to rising costs of care due to decreased competition.

Former Oregon Governor John Kitzhaber shared his concerns in a recent blog post: [Is the proposed acquisition of Legacy Health by OHSU in the best interest of Oregonians?](#) He raises a concern for the transaction that we share: *"There has been no clear articulation of why this transaction will be in the public interest—not only in the interest of Oregon consumers, but also in terms of addressing the larger challenges facing Oregon's health care system: the escalating cost of premiums and deductibles, the lack of access to behavioral health, and the crisis in primary care."*

The impact on fair market competition is a concern for any consolidation, and this topic is not evaluated in depth within the [Health Care Market Oversight \(HCMO\) application](#). When asked whether the transaction will result in decreased competition, the response describes how OHSU is entitled to antitrust exemptions because they are a *"governmental entity performing governmental functions and exercising governmental powers."* A follow up question calls for a mitigation plan to address anticompetitive effects. The application states, *"the very nature and mandate of OHSU protects against, and mitigates, any potential 'anticompetitive effects.'"* The mandate referred to is Oregon Revised Statutes maintained by the State Legislature.

Instead of providing thoughtful answers demonstrating an intention to prevent avoidable harms for the communities served, the application repeats state law. Many answers repeat themselves, and we are reminded that OHSU is a public, governmental and state entity over 40 times. The message it sends disregards the people most impacted by the transaction, especially those delivering and receiving care. Patients may lose choice in where they receive care as an outcome of integrating the two health systems. If OHSU's state designation can be used to justify these decisions, who is held accountable for understanding the impacts and preventing harm?

Assurance of governmental oversight is not a substitute for critical thinking and communication. The application goes on to say that the benefits of the transaction “*greatly outweigh any theoretical loss of competition*” and “*far outweigh the potential harms so HCMO should approve the transaction without delay.*” There is no description of the potential harms acknowledged or a plan to address anticompetitive effects such as increasing prices and worsening access to care. It is concerning that harm was mentioned in the same sentence as a request to approve the transaction without delay.

The HCMO application lacks information and avoids responsibility in key areas of concern. In addition to the topic of competition, the application asks for any anticipated negative effects of the transaction and how the entities will seek to mitigate negative impacts. The response is none, because the “*effects of the transaction will be mitigated by OHSU’s status as a public entity.*” It then describes how the legislature and public records process works, which is confusing, because this application was written as a requirement by the state. Why not explain in simple terms, with examples, how the entities will work together to assess and mitigate negative impacts?

This transaction will forever shape the future of our communities, and the people who make up those communities deserve to be inspired by the message.

Oregonians have a right to understand both positive and negative impacts. Simply becoming a larger organization will not lower costs or make it easier or faster for patients to access the care they need. OHSU and Legacy Health already collaborate in many ways to benefit our communities. By remaining competitors, these health systems can better ensure that the people they serve stay central to their unique missions.

Thank you for your consideration of our concerns. Our perspective is shaped by input from employees, learners and physicians from both OHSU and Legacy Health. We will continue following the story of this transaction at www.unrepresentedemployees.com.

Sincerely,

The Unrepresented Employees