

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

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Date Mailed: October 30, 2023

**STATE OF OREGON  
OREGON HEALTH AUTHORITY  
HEALTH POLICY AND ANALYTICS DIVISION**

In the Matter of the Proposed )  
Material Change Transaction of Envision ) Proposed Findings of Fact, Conclusions of  
Healthcare Corporation ) Law, and Order  
)  
) Transaction ID: 015

This Order resolves the Notice of Material Change Transaction (the “Notice”) filed by Envision Healthcare Corporation (“Envision”) on or about October 18, 2023, with respect to its voluntary Chapter 11 petition filed in the U.S. Bankruptcy Court for the Southern District of Texas (Bankruptcy Court), *In re: Envision Healthcare Corp.* Docket No. 4:23-bk-90342 (Bankr. S.D. Tex. May 15, 2023). There are five ambulatory surgery centers (“ASCs”) involved in this transaction that are located in Oregon and are indirect subsidiaries of Envision: The Salem OR Ophthalmology ASC, LLC; Doctors Park Surgery Center, LLC; Cascade Endoscopy Center, LLC; Bend Surgery Center, LLC; and South Portland Surgical Center, LLC. (Envision and the five ASCs are sometimes referred to collectively as the “Entities.”) The Entities filed the Notice with the Oregon Health Authority (“OHA”) under the Health Care Market Oversight Program pursuant to Oregon Revised Statutes (ORS) 415.500 through 415.900 and Oregon Administrative Rules (OAR) 409-070-0000 through 409-070-0085.

On October 19, 2023, OHA confirmed receipt of a complete Notice of Material Change Transaction in compliance with OAR 409-070-0030 and 0045. Pursuant to ORS 415.501(5) and OAR 409-070-0055, OHA timely conducted a preliminary review of the proposed transaction. OHA’s review analyzed the potential impact of the transaction in four domains: cost, access, quality, and equity. The analysis followed guidelines and methods set out in the Health Care Market Oversight Analytic Framework (see <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/OHA-HCMO-Analytic-Framework-FINAL.pdf>), which is grounded in the goals, standards, and criteria for transaction review and approval outlined in OAR 409-070-0000 through OAR 409-070-0085. OHA’s analysis will be posted to the HCMO website at <https://www.oregon.gov/oha/HPA/HP/Pages/HCMO-transaction-notices-and-reviews.aspx>. A public comment period was open from October 19, 2023 through October 27, 2023. OHA received no public comments.

Now, therefore, upon due consideration of the circumstances, including the Notice of Material Change Transaction, documentation filed in support of the Notice of Material Change Transaction, databases maintained by OHA, websites of the Entities, press reports, academic research articles, and other publicly available reports, OHA enters the following Proposed Findings of Fact, Conclusions of Law, and Order.

## FINDINGS OF FACT

### OHA FINDS that:

1. On or about October 12, 2023, Envision filed the Notice with OHA.
2. On or about October 17, 2023, OHA notified Envision that the Notice was incomplete, provided guidance about submission requirements, and requested additional information.
3. On or about October 18, 2023, Envision filed a revised Notice with OHA.
4. On or about October 19, 2023, OHA notified Envision that it received all requested information and confirmed receipt of a complete Notice. OHA commenced the preliminary review pursuant to OAR 409-070-0055 and communicated that the review would be completed on or before November 20, 2023.
5. OHA held a public comment period from October 19, 2023, through October 27, 2023, and received no public comments.
6. Envision is a Delaware corporation headquartered in Nashville, Tennessee. Envision is a management services provider for certain entities that deliver physician and advanced practice provider services.
7. Envision Physician Services, a Delaware limited liability company, operates as a division of Envision, and is a national multispecialty medical group and healthcare management team comprised of physicians and advanced practice providers.
8. AmSurg Holdco, LLC, a Delaware limited liability company, (“AmSurg”), is a wholly owned subsidiary of Envision and holds direct or indirect ownership in more than 250 surgery centers in 41 states and the District of Columbia.
9. AmSurg, LLC, a Tennessee limited liability company, is a wholly owned subsidiary of AmSurg.
10. AmSurg Holdings, LLC, a Tennessee limited liability company and wholly owned subsidiary of AmSurg, LLC, is a majority owner of the five Oregon-licensed ASCs.
  - a. The Salem OR Ophthalmology ASC, LLC is an ASC operating in Salem, Oregon. This entity provides approximately 6,000 patient visits annually and employs 22 staff.
  - b. Doctors Park Surgery Center, LLC is an ASC operating in Bend, Oregon. This entity provides approximately 3,000 patient visits annually and employs 17 staff.
  - c. Cascade Endoscopy Center, LLC is an ASC operating in Springfield, Oregon. This entity provides approximately 2,000 patient visits annually and employs 17 staff.

- d. Bend Surgery Center, LLC is an ASC operating in Bend, Oregon. This entity provides approximately 15,000 patient visits annually and employs 158 staff.
  - e. South Portland Surgical Center, LLC is an ASC operating in Tualatin, Oregon. This entity provides approximately 3,000 patient visits annually and employs 31 staff.
11. On May 15, 2023, Envision and certain of its wholly owned subsidiaries filed for relief under Chapter 11 of the United States Bankruptcy Code.
  12. Pursuant to the Plans of Reorganization, as confirmed by the Bankruptcy Court on October 11, 2023, following emergence from the Chapter 11 proceedings, Envision and AmSurg will separate into two stand-alone entities. Ambulatory TopCo, LLC, a newly formed Delaware limited liability company, will become the new upstream, indirect owner of the five Oregon-licensed ASCs. AmSurg; AmSurg, LLC; and AmSurg Holdings, LLC will become subsidiaries of Ambulatory TopCo, LLC.
  13. The Entities have represented to OHA that the restructuring will have no impact on the operational structure or the governance of the ASCs in Oregon. All management arrangements held by the ASCs will stay the same and there will be no changes to the scope of services offered or to the types of insurance accepted by the ASCs in Oregon.
  14. The Entities maintain that the transaction will not result in any changes to existing payor arrangements.
  15. The Entities have represented to OHA that the transaction is not expected to change the policies or procedures of any of the ASCs in Oregon.

#### **CONCLUSIONS OF LAW**

1. The Notice is supported by the required documentation and meets the requirements of the Health Care Market Oversight Program rules for approval with respect to acquisitions of health care Entities pursuant to ORS 415.500 through 415.900 and Oregon Administrative Rules (OAR) 409-070-0000 through 409-070-0085.
2. OHA finds that:
  - a. The transaction is not likely to substantially alter the delivery of health care in Oregon.
    - i. The Chapter 11 restructuring will create a new parent company, Ambulatory TopCo, LLC, over each of the following corporate subsidiaries: 1) AmSurg HoldCo, LLC, 2) AmSurg, LLC, and 3) AmSurg Holdings, LLC. AmSurg Holdings, LLC has majority ownership of the five Oregon-licensed ASCs. The addition of Ambulatory TopCo, LLC, a parent company four or five corporate levels above the five Oregon-licensed ASCs is not likely to substantially alter the delivery of health care among the ASCs in Oregon. The transaction is unlikely to result in any changes in

operations or management. The five ASCs will continue to provide the same types and amounts of medical services to individuals in the same geographic region. The proposed transaction is also unlikely to impact the types of insurance – commercial, Medicare, and the Oregon Health Plan – that the ASCs accept. No consolidation is occurring, and the addition of a new parent company is unlikely to affect the negotiated prices the Oregon ASCs receive from payers like health insurance companies.

### **ORDER AND CONDITIONS**

Based on the foregoing Findings of Fact and Conclusions of Law it is hereby ORDERED that:

1. The transaction is hereby APPROVED upon the basis of the information contained in the Notice of Material Change Transaction to date.
2. The Entities shall notify OHA within one (1) business day following completion of the Transaction by email to [hcmo.info@oha.oregon.gov](mailto:hcmo.info@oha.oregon.gov).

This Order will be posted to the Health Care Market Oversight Program website at <https://www.oregon.gov/oha/HPA/HP/Pages/health-care-market-oversight.aspx>.

Per OAR 409-070-0080, OHA may require the Entities to provide any information, reports, analyses, and documentation needed to monitor and assess the impact of the Transaction.

### **NOTICE OF RIGHT TO REQUEST A HEARING**

You are entitled to a hearing as provided by the Administrative Procedures Act (chapter 183, Oregon Revised Statutes), ORS 415.019, and OAR 409-070-0075. You are entitled to be represented by an attorney at the hearing. Legal aid organizations may be able to assist a party with limited resources. The Oregon Health Authority will be represented by an Assistant Attorney General from the Oregon Department of Justice.

To request a contested case hearing, your request must be in writing and must be received within fifteen (15) days from the date this Order was personally served, mailed, or electronically transmitted to you, based on the date at the top of this document.

A request sent by U.S. mail is “received” on the date it is postmarked. Your request may also be emailed. Your request should be sent to:

[hcmo.info@oha.oregon.gov](mailto:hcmo.info@oha.oregon.gov)

or

Health Care Market Oversight Program  
421 SW Oak St  
Suite 850  
Portland, OR 97204

If you submit a request for a contested case hearing, you will be notified of the time place of the hearing. Information on the hearing process will be provided to you in accordance with ORS 183.413(2). Any hearing will be conducted by an administrative law judge from the Office of Administrative Hearings, assigned as required by ORS 183.635.

If you fail to request a hearing within the time allowed, if you request a hearing and subsequently withdraw your request for a hearing, if you request a hearing and fail to appear for the hearing, or if a hearing is scheduled and you later notify OHA that you will not appear at the specified time and place, you will have waived your right to a hearing, and this proposed order will become a final order by default. If OHA issues a final order by default, it designates its file on this matter, including all materials that you have submitted relating to this matter, as the record in this case for purposes of proving a prima facie case.

Dated this 30<sup>th</sup> day of October, 2023



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Sarah Bartelmann, MPH  
Health Care Market Oversight Program  
Manager  
Oregon Health Authority

**NOTICE TO ACTIVE DUTY SERVICEMEMBERS.** Active-duty service members have a right to stay these proceedings under the federal service members Civil Relief Act. For more information contact the Oregon State Bar at 00-452-8260, the Oregon Military Department at 503-584-3571, or the nearest United States Armed Forces Legal Assistance Office through <http://legalassistance.law.af.mil>. The Oregon Military Department does not have a toll-free telephone number.