

Public Comments Received After OHA Determined an Emergency Exemption for 018 Optum & The Corvallis Clinic

This document includes written public comments related to the review of transaction 018 Optum & The Corvallis Clinic by Oregon Health Authority (OHA) under the [Health Care Market Oversight](#) program. OHA received written public comment via email to hcmo.info@oha.oregon.gov. Comments are presented below in the order received and may include typos or misspellings. Personal contact information for individuals has been removed.

OHA expresses no views on the substance of these comments, and their publication does not constitute an endorsement by OHA of the views expressed.

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Public Comments

1. Subject: The Corvallis Clinic emergency exemption request for Optum/UHC buyout

Received 3/13/24

I believe there is another public commentary period to consider the emergency exemption request so I am providing additional input in OPPOSITION TO THE EXEMPTION.

I read all the public comments from the previous round of inquiry and wanted to provide some insight based on my professional experience as a local mental health clinician with employees.

Insurance reimbursements are a formidable payment scheme that are individualized across all healthcare-related insurance companies. They reimburse at different rates based on provider and/or facility contracts so revenue is often variable and unpredictable. For the most part, only providers earn money from the insurance companies so support staff, administrative staff, supplies, and other facility costs are typically paid through the reimbursements to providers. That means all salaries, benefits, rents, loan payments, taxes, and other operational costs are deducted from a limited pot of money controlled by insurance companies and the diligence with which they choose to reimburse for the services rendered. That means, insurance companies have approximately 30 days to pay for the services already provided to patients while the actual costs accumulate on a daily basis. Insurance companies also have the opportunity to suspend, deny, or recuperate payments indefinitely with written notice, which is not uncommon for larger companies like Optum/UHC.

This is why lower reimbursements through some federal and commercial lines of business have such a detrimental impact on the operational functionality of individual providers and facilities. It's why many providers don't accept those insurance plans because the business aspect of healthcare becomes unsustainable very quickly. It's also why the absence of timely reimbursements can

cause a cascading effect on business viability, as seen by the recent disruption in clearinghouse services through Change Healthcare.

If a healthcare business wants more money in a fixed system that benefits insurance companies, it must cut the detrimental impact of high operational costs. This includes reducing or eliminating the types of services offered or insurance plans accepted, decreasing salaries and benefits, requiring support staff to do the jobs of multiple people, mandating administrative staff to manage offices and clinics with severely limited resources, and forcing providers to work faster (10-15 minute appointments) and serve a disproportionate number of active patients (sometimes more than 1,200), all within a healthcare system that now experiences low morale, toxic work environments, and dwindling support. People are not widgets to be moved wherever the public or private sector sees fit for whatever pay they deem necessary to run an unsustainable business model. COVID severely exhausted the workforce, both mentally and physically, and people are stressed beyond their capacity despite the reported return to normalcy. Recent inflation trends have also increased all costs to unprecedented levels and healthcare providers and facilities are not immune to these external pressures as they directly impact the operational costs of every single line item.

As stated before, Optum/UHC is part of the problem, not the solution. Having said that, Oregon passed Measure 111 in 2022 to establish healthcare as a fundamental right in the state's constitution. It's supposed to guarantee access to cost-effective, appropriate, and affordable healthcare. Oregon, put your money where your mouth is!! Corvallis Clinic, along with most of the healthcare infrastructure in Oregon, needs you to survive. Once healthcare professionals decide to get out of the business, they are not likely to come back.

Desiree Colonica

Corvallis, OR

2. Subject: Public Comment - 018 Optum and The Corvallis Clinic

Received 3/14/24

Do not approve Optum to acquire the Corvallis Clinic. Recently, a request was filed by the Corvallis Clinic for an emergency exemption to the oversight process. (OPB Article) The reason for the exemption in the filing was "because of the clinic's lack of stability from a cash perspective."

Optum owns Change Healthcare (which helps process claim payments) and has been the victim of cyber attack. Optum is in large part responsible for the Corvallis Clinic's cash flow problems, because of their inability to restore their systems. It appears that Optum is using the cash flow issue that they are responsible for, as justification for the emergency exemption, which is shameful.

Do not approve the emergency exemption and do not approve the acquisition.

Randy Reyes

3. Subject: Public Comment on Optum – Corvallis Clinic Emergency Exemption Approval

Received 3/14/24

As proponents of the Health Care Market Oversight program and supporters of its success, we write to share our concern about the Oregon Health Authority's decision to allow the Optum – Corvallis Clinic acquisition to proceed under an emergency exemption request. The potential negative impact this will have on the HCMO program, and on our members' healthcare in the form of higher prices and reduced services, is troubling.

Optum and Corvallis Clinic originally applied through the traditional HCMO process, meaning that while there may have been financial concerns on the Clinic's part, there was not an emergency. As you know, the application prompted an unprecedented amount of public comment and concern.

To have an emergency suddenly appear after the parties summarily rejected OHA's initial proposed conditions designed to protect patients breeds distrust in the HCMO program. We fear it sends a message to patients and communities that the process can be circumvented and that valid public concerns and state recommendations can be ignored. We are troubled by the precedent this sets for current and future applications to HCMO, and for the stability of the program itself.

In addition, we recognize that some redaction of confidential information is understandable and necessary, but the amount of information withheld in this particular case makes the outcome difficult to swallow. We are most troubled by the fact that there has been no formal disclosure of whether the financial situation faced by the Clinic was made intolerable by the weeks-long outage of Change Healthcare. If so, there is an inherent conflict given that Change is owned by Optum.

This deal will completely and forever change the healthcare landscape in one of Oregon's largest cities. It deserved to be put through the full community review process it was entitled to under the law. Sadly, it will be the hard-working people and patients of the Corvallis Clinic that will bear the highest cost of these actions.

Our only hope is that if the parties to the transaction are truly interested in what is best for Oregon patients, they will accept the valid and reasonable initial terms proposed by the Agency.

SEIU Local 49, March 14, 2024

4. Subject: Re: United Health Care and Optum in Eugene OR

Received 3/15/24

Since I sent this, my PCP has left OMG and my husband and I are now without a primary care doctor. Eugene has more old people than doctors who will take new patients, so this is stressful and another effect of the sale of medical offices to private equity which has no duty to patients, only to shareholders.

When I sent you my original email you claimed no responsibility for the sale of OMG to Optum since it went through before your program launched. But, OHA just approved the sale of Corvallis

Clinic to Optum, that sale being made necessary as emergent because of a data breach suffered by another of United Health Care's arms, causing a bottleneck in payment from insurance to doctors which UHC is exploiting to suck up more doctors' offices to bleed of their value and ruin for their patients.

Why did you authorize this sale? Poor Corvallis. Unrestrained capitalism is killing any pretense that even the middle class has access to health care in this country.

This is a great shame.

Judith Nakhnikian

About HCMO

The Health Care Market Oversight program reviews proposed health care business deals to make sure they support statewide goals related to cost, equity, access, and quality. For more info, you can connect with HCMO staff:



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