

# Legacy Health

## Patient FAQs

### How will this impact my care?

- There will be no changes to the way you receive care today and our utmost priority is maintaining the highest standard of care for our patients.

### Why was the deal terminated?

- After careful consideration of the evolving operating environment, the organizations have determined that the best way to meet the needs of the communities they serve is to move forward as individual organizations.
- OHSU and Legacy will remain focused on each health system's individual strategic objectives, with the goal of remaining well-positioned to continue supporting their people, patients and communities.

### It's been over a year and a half since you announced this deal. Why terminate now?

- In August 2023, OHSU and Legacy announced their intent to combine and create an integrated health system. After careful consideration of the evolving operating environment, the organizations have determined that the best way to meet the needs of the communities they serve is to move forward as individual organizations.
- Since the organizations announced their intent to combine in 2023, the environment in which we operate has changed significantly. The organizations have determined that the best way to meet the needs of our communities is to move forward as individual organizations.

### Which party ultimately decided to terminate?

- Legacy and OHSU entered into a mutual agreement to terminate the transaction. After careful consideration of the evolving operating environment, the organizations have determined that the best way to meet the needs of the communities they serve is to move forward as individual organizations.



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## **You've previously indicated that Legacy needed this deal given its financial situation. Can Legacy survive on its own?**

- Yes. Like many health systems, Legacy faced significant financial challenges following the height of the COVID-19 pandemic – and we still face challenges today – but we have made progress to improve our financial position.
- Legacy has a strong balance sheet with 180+ days cash on hand which is a common financial metric and a measure of financial stability. Both rating agencies (S&P and Moody's) recently highlighted Legacy's financial stability and strong market position. Moreover, last year Legacy achieved \$157M in financial improvement and has achieved a similar improvement (~\$150M) in FY25.
- However, we still face challenges today. Priorities at the federal level are evolving and reimbursement is not keeping up with cost increases. This will require us to continue our work on financial containment measures and there is still much work to be done in order for us to reach financially sustainable performance. We have developed a solid and achievable improvement plan and we have built a system for continuous improvement.

## **Will Legacy pursue another deal? What kind of partner would Legacy look for?**

- Legacy has a clear path forward as an independent organization.
- At this time our priority is working with our people, our communities and our patients.
- We will continue to monitor the evolving healthcare landscape. In the future, the Legacy Board could decide to identify a strategic partner that is aligned with Legacy's not-for-profit and community-based mission.

## **What will happen to the new, independent and community-led Legacy Health Foundation that would have been created now that the deal is terminated?**

- The creation of an independent, community-led foundation was contingent on the transaction closing, so the termination of the deal means this will not occur. Legacy Health and its affiliated foundations will continue to operate as we do today.
- Additionally, we remain committed to engaging with our communities to identify ways we can partner on community programs and initiatives that advance our mutual goals of broadening access to care and achieving health equity for generations to come.



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- We are incredibly grateful for our partners and donors who will continue to help make our mission a reality.

## **What happens to Legacy's stake in PacificSource?**

- Legacy Health's 50% ownership interest in PacificSource will no longer be transferred to Legacy Health Foundation and will remain owned by Legacy Health. Legacy Health expects to continue to partner on population health as well as health care for our employees and shared patient population.

