

November 10, 2016

Tony Melaragno, MD  
Vice President  
Behavioral Health and Oncology  
Legacy Health System  
919 N.W. Lovejoy St.  
Portland, OR 97209

Re: Request for Affected Party Status, NEWCO Oregon, Inc. (CN #675)

Dear Dr. Melaragno:

Thank you for your letter dated November 4, 2016 requesting affected party status for Legacy Health (Legacy) and detailing why it has a public interest in the outcome of the Division's proceeding in relation to the above-referenced Certificate of Need ("CN") application. In evaluating your request for affected party status we have considered whether Legacy has demonstrated a public interest that could reasonably be affected by the outcome of this proceeding; whether that interest is within the scope of the Division's jurisdiction and within the scope of the proceeding and the extent to which this interest will be represented by existing parties. Based upon that evaluation, the Division has determined that Legacy has demonstrated that it has a public interest in the outcome of the Division's decision on this CN application; that interest is within the scope of the Division's jurisdiction and within the scope of the proceeding; and that existing parties to this proceeding cannot adequately represent that interest. Consequently, your request for affected party status is granted.

You have demonstrated a public interest in the outcome of the Division's proceeding. Legacy Health is a nonprofit, locally owned organization based in Portland, Oregon. It serves the Portland metro area, including Wilsonville and surrounding communities in the Mid-Willamette Valley. It provides a full range of inpatient and outpatient services including behavioral health services for patients of all ages. It serves nearly 45 inpatients with a behavioral health diagnosis a day. The majority of these patients are Medicaid or self-pay. Its outpatient census exceeds dozens per day. It is also a partner in the development of the Unity Center for Behavioral Health (Unity) that is scheduled to open early next year. Through a groundbreaking collaboration between Adventist Health, Kaiser Permanente, Legacy Health and Oregon Health & Science University, Unity has set a goal of providing care for all those in need through a combination of emergency, inpatient and outpatient services. The inpatient program will include 102 inpatient beds (22 child and adolescent and 80 adult). Unity will provide a dedicated psychiatric emergency room to reduce ED boarding which it believes will also reduce the number of people who need to be admitted to inpatient beds for acute mental

health needs. In addition, when Unity opens in early 2017, there will be a gain of six inpatient beds for adolescents.

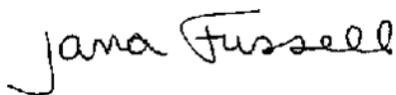
Existing parties to this proceeding cannot adequately represent the public interest represented by Legacy. The formal participants in this proceeding to-date are: The decision-maker, the Division; the applicant, NEWCO Oregon Inc.; and four affected parties, Tuality Healthcare, NAMI Oregon, Disability Rights Oregon and SEIU Locals 49 and 53. Your organization is directly affected by whether or not the CN under consideration is granted and, if it is granted, what if any conditions of approval are imposed. You are the only affected party that provides behavioral health services for patients of all ages and is a partner in Unity.

The Oregon Legislative Assembly has found that the achievement of reasonable access to quality health care at a reasonable cost is a priority of the State of Oregon and has identified a number of problems that prevent this priority from being attained. Please see ORS 442.025. Under ORS 442.315, the CN Program is charged with determining whether new hospitals, such as the new psychiatric facility proposed by NEWCO Oregon, Inc. are needed. Consequently, the interest advanced by Legacy is within the scope of the Division's jurisdiction and the proceeding under discussion.

Under OAR 333-570-0070(5), an affected party may request an informal hearing within 10 days after the Division serves its proposed decision regarding the application. An applicant or any affected person may request reconsideration of the Division's final decision pursuant to ORS Chapter 183 relating to a contested case. Please see ORS 442.315. As an affected party you will receive copies of all significant correspondence related to this application. The Division will hold a public meeting on this application on November 17, 2016 and I will be contacting you about your participation in that meeting.

Please let me know if you have any question or concerns regarding this letter.

Sincerely,

A handwritten signature in cursive script that reads "Jana Fussell".

Jana Fussell  
Certificate of Need Coordinator

cc: Frank Fox, Consultant for NEWCO Oregon, Inc.  
Ron Escarda, Fairfax Behavioral Health System  
Steve Robison, Oregon Public Health Division  
Dana Selover, Oregon Public Health Division  
Manuel Berman, Tuality Healthcare  
Chris Bouneff, NAMI Oregon  
Bob Joondeph, DRO  
Meg Niemi, President, SEIU Local 49