

# Do you need to file notice with OHCA?

Note: This flow chart has been developed for regulations effective August 22, 2024. See 22 CCR 97431 *et seq.* for official language.

## Are you a health care entity?

Are you a:

- Payer,
- Provider (unless you are a physician organization with less than 25 physicians),
- Fully integrated delivery system,
- Pharmacy benefit manager,
- A parent, affiliate, or subsidiary that acts in California on behalf of a payer, **and** controls, governs, or is financially responsible for the health care entity or is subject to the control, governance, or financial control of the health care entity **or** in the case of a subsidiary, are a subsidiary acting on behalf of another subsidiary.

Are you a health care entity?

Yes

No

## Are you a party to, or a subject of, a transaction?

Is the transaction (including a merger, acquisition, affiliation, and/or agreement) one that:

- Impacts the provision of health care services in California  
AND
- Involves a transfer (including a sale, lease, exchange, option, encumbrance, conveyance, or disposition) of assets  
OR
- Transfers control, responsibility, or governance of the assets or operations, in whole or in part, of any health care entity to one or more entities  
OR
- Will result in the transfer (including a sale, lease, exchange, option, encumbrance, conveyance, or disposition) of your assets, control, responsibility, governance, or operations, in whole or in part to one or more entities.

Are you a party to, or a subject of, a transaction?

Yes

No

## Do you meet a threshold?

1. Do you have annual revenue of at least \$25 million OR own or control California assets of at least \$25 million?

OR

2. Do you have annual revenue of at least \$10 million OR own or control California assets of at least \$10 million

AND

The transaction involves any health care entity that satisfies 1 OR any entity that owns or controls a health care entity that satisfies 1?

OR

3. Are you a provider or fully integrated delivery system that provides health care services in a designated primary care health professional shortage area in California?

Do you meet one or more thresholds?

Yes

No

## Is the transaction a material change?

- The proposed fair market value of the transaction is \$25 million or more and the transaction concerns the provision of health care services.
- The transaction is more likely than not to increase annual California-derived revenue of any health care entity that is a party to, or a subject of, the transaction by either \$10 million or more or 20% or more of annual California-derived revenue at normal or stabilized levels of utilization or operation.
- The transaction involves the sale, transfer, lease, exchange, option, encumbrance, or other disposition of 25% or more of the total California assets of the submitter(s).
- The transaction involves a transfer of control, responsibility, or governance, in whole or in part, of the submitter.
- The transaction will result in an entity contracting with payers on behalf of consolidated or combined providers and is more likely than not to increase the annual California-derived revenue of any provider that is a party to, or a subject of, the transaction by either \$10 million or more or 20% or more of annual California-derived revenue at normal or stabilized levels of utilization or operation.
- The transaction involves the formation of a new health care entity, affiliation, partnership, joint venture, or parent corporation for the provision of health care services in California that is projected to have at least \$25 million in annual California-derived revenue at normal or stabilized levels of utilization or operation, or transfer of control of California assets related to the provision of health care services valued at \$25 million or more.
- The transaction is part of a series of related transactions for the same or related health care services occurring over the past ten years involving the same health care entities or entities affiliated with the same entities. The proposed transaction and its related transactions will constitute a single transaction for purposes of determining the revenue thresholds and asset and control circumstances.
- The transaction involves the acquisition of a health care entity by another entity and the acquiring entity has consummated a similar transaction(s), in the last ten years, with a health care entity that provides the same or related health care services. The proposed transaction and its related transactions will constitute a single transaction for purposes of determining the revenue thresholds and asset and control circumstances.

Is the transaction a material change?

Yes

No

## Is the transaction exempt?

You can be exempted from filing if your:

- Transaction is in the usual and regular course of business of the health care entity, meaning those that are typical in the day-to-day operations of the health care entity.
- Transaction is one in which the health care entity directly, or indirectly through one or more intermediaries, already controls, is controlled by, or is under common control with, all parties to the transaction, such as a corporate restructuring.
- Transaction is subject to review by the Director of the Department of Managed Health Care, Insurance Commissioner, or Attorney General.
- Transaction involves a county purchasing, acquiring, or taking control, responsibility, or governance of an entity to ensure continued access in that county.

Is the transaction exempt?

No

Yes

Do not need to file

You need to file notice with OHCA.