

Two Payers Aim to Boost Market Share in the West and Beyond with Merger

Executives from CareOregon and SCAN Health Group told Health Payer Specialist that they aim to become one of the biggest non-profit health plans in the country with future plans to expand on the West Coast and nationwide after their previously announced merger is completed.

By **Monica Link** | July 26, 2023



Cannon Beach, Ore./Photo: Getty

Regional health plans **CareOregon** and **SCAN Health Group** are making plans for expansion while waiting for regulatory approval on their previously announced merger. **Eric Hunter**, president and CEO of CareOregon and **Sachin Jain**, CEO of SCAN Health told Health Payer Specialist the two health insurers plan

to become one “mission driven” non-profit health plan placing patient needs ahead of profits.

The two executives said the consolidated organization’s aim under the **HealthRight Group** brand will be to take on the competition regionally in the west with future expansions planned in other regions across the country.

HRG’s main territories will include Oregon, California, Arizona, Texas and Nevada and will be competing for members against some of the biggest Top 20 payers in the country with ties in the regions they serve, including **Kaiser Permanente**, **Blue Cross of California** and **Elevance Health**.

Hunter said the merger will provide a positive disruption to the wider healthcare system where HRG operates. “Delivery streams are being ruled by larger national companies, they're not always the answer to the problem,” Hunter told Health Payer Specialist.

The merger combines about 550,000 members from the Beaver State’s CareOregon and 285,000 members from California-based SCAN Health.

Health equity is among its top concerns including opening up access to care and supporting underserved populations. Currently, CareOregon works with native tribal organizations to curate care on its government sponsored plans specific to recognized tribal groups.

Jain said the merger will not only focus on the patients that come to clinics for care but also a focus on home care delivery including geriatric care and even homeless services care, which are currently in operation under CareOregon’s label.



Eric Hunter, president and CEO, CareOregon

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The two organizations' first move after the merger was announced was to contribute funds towards canceling millions in medical debt for those struggling to pay in their core markets.

“The opportunities are really limitless to think about ways to serve people better and that's what we are really trying to do as a company, as both a payer and provider that will lead to better outcomes for the people,” Jain said.

While CareOregon and SCAN Health focus on the path forward in competing with larger payers, some regional insurers are struggling to survive. Philadelphia-based **Jefferson Health** is among those restructuring with a recent announcement that it is laying off 1% or 400 members of its staff.

The Alliance of Community Health Plans said smaller, regional payers need support, especially when they are competing against larger payers.



“Nonprofit regional plans are facing fierce headwinds from the deep pockets of publicly traded conglomerates,” a spokesperson for the organization told Health Payer Specialist. “We hope policymakers continue to support changes that enhance fair competition in all markets.”

Sachin Jain, CEO, SCAN Health Plan

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