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August 15, 2017

**BY REGULAR AND CERTIFIED MAIL,
RETURN RECEIPT REQUESTED**

Katy Coba
Chief Operating Officer and DAS Director
State of Oregon – Dept. of Administrative Services
155 Cottage St., NE U20
Salem, OR 97301-3966

Subject: NEWCO Oregon, Inc. (NEWCO)/Oregon Health Authority

Dear Ms. Coba:

This office represents NEWCO Oregon, Inc. a wholly owned subsidiary of Universal Health Services, Inc. (UHS), dba Willamette Valley Behavioral Health in connection with its application to the Oregon Health Authority, Public Health Division, for authority, pursuant to a Certificate of Need, to construct and operate a 100-bed, free-standing psychiatric hospital to be located at 9500 SW Day Road in Wilsonville, Oregon.

On July 6, 2017, Jere High, ND, administrator, on behalf of the Oregon Health Authority, issued its letter formally denying NEWCO's application.

The purpose of this letter is to provide the State of Oregon, Oregon Health Authority, through the Oregon Department of Administrative Services, Formal Notice of NEWCO's intent to pursue formal claims against the State and the Agency for engaging with and/or permitting incumbent firms to exploit the market and thwart and/or delay entry by new competitors including, but not limited to NEWCO; and for creating unnecessary and/or artificial barriers to the entry and expansion of health care facilities, unnecessarily and artificially limiting the availability of in-patient psychiatric hospital facilities, promoting anti-competitive collusion between hospital monopolies, facilitating anti-competitive agreements, limiting consumer choice, and otherwise denying Oregon consumers the benefit of an effective remedy for these and other violations.



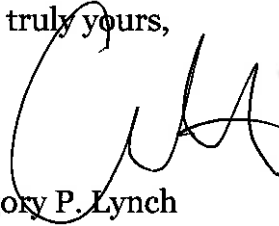
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The Oregon Legislature has declared as Policy that hospital costs should be contained through improved competition between hospitals. What the Oregon Health Authority has done in response to NEWCO's application under the guise of Certificate of Need, is violative of said Policy, and has caused NEWCO to incur substantial damages which will, when suit is filed, be formally asserted and quantified.

Please direct all future communication regarding this claim to this office.

Thank you for your courtesies.

Very truly yours,

A handwritten signature in black ink, appearing to read 'G. Lynch', written over the text 'Very truly yours,'.

Gregory P. Lynch

cc: Shannon O'Fallon, Dept. of Justice