



December 15, 2017

Mayor Ted Wheeler
City of Portland
1221 SW 4th Avenue, Room 340
Portland, OR 97204

Multnomah County
Deborah Kafoury, Chair
501 SE Hawthorne Blvd., Suite 600
Portland, OR 97214

John Asher, Rapid Response Coordinator
Oregon Dislocated Worker Unit
Oregon HECC – Office of Workforce Investments
875 Union Street NE
Salem, OR 97311

WARN NO.
2225

Re: WARN Act Notice for FamilyCare Health

Dear Sirs and Madame:

This notice is being provided pursuant to the Worker Adjustment and Retraining Notification Act ("WARN"), 29 U.S.C. § 2102, et seq., which requires employers to give official notice to certain government units or officials of a pending layoff that triggers WARN. FamilyCare Health (FamilyCare) was unable to provide notice sooner because of an unforeseeable business circumstance. Specifically, FamilyCare's Board of Directors met the evening of December 14, 2017 and decided that it cannot sign the 2018 version of its Coordinated Care Organization (CCO) contract with the Oregon Health Authority due to inadequate reimbursement rates. Rates offered by the Oregon Health Authority to FamilyCare have been the lowest in the state for three consecutive years and have resulted in significant and unsustainable losses. Because the CCO contract represents over 90% of FamilyCare's business, the company will not be able to continue to operate in 2018 without a CCO contract. Negotiations are continuing with the Oregon Health Authority to avert the layoffs and business closure. However, there are no assurances from the Oregon Health Authority that these negotiations will be successful.

As a result, FamilyCare Health expects to conduct a layoff which may lead to a plant closure at **825 NE Multnomah, Suite 1400, Portland, Oregon 97232**. Notice is hereby given that an expected layoff will occur on or about January 5, 2018 or during the 14-day period beginning on that date. This employment action will likely result in the termination of employment of up to 250 regular employees on January 5, 2018 and the



remainder of the company's 72 employees at a future date yet to be determined. FamilyCare is still in the process of evaluating its needs and is not presently able to determine whether additional terminations will occur in connection with this action within a 90-day period. This employment action is expected to be permanent.

This notice is based on the best information available to us as of the date of this letter. If we receive additional information we will notify you. You may contact the following FamilyCare Health official for further information:

Paige Jackson
Vice President, Human Resources
825 NE Multnomah, Suite 1400
Portland, Oregon 97232
Telephone: 503-471-2111

A list of the affected positions along with the number of affected employees in each job category is attached. The affected employees and individuals are not members of a collective bargaining unit and, accordingly, do not have bumping rights.

Respectfully yours,



Jeff Heatherington LHD (Hon)
President and CEO

Attachment

Job Classifications

Title	Numbers
Analytics	8
Appeals & Grievance	5
Care Management	42
Claims	11
Communications	6
Compliance	6
Contracts	2
Corporate	5
Credentialing	7
Education & Development	3
Enrollment	10
Facilities	5
Finance	15
Human Resources	7
Information Technology	34
Integrated Services	3
Medicare	6
Member Services	45
Pharmacy	7
Population Health	9
Provider Services	34
Quality	6
Referral & Authorizations	18
Utilization Management	28