HEALTH CARE
AUTHORITY

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PUBLIC NOTICE OF PROPOSED HEALTH CARE FACILITY TRANSACTION

Pursuant to New Mexico Health Care Consolidation Oversight Act, NMSA 1978 § 24A-9-1 et seq., the New Mexico Health Care Authority (HCA) Division of Health Improvement (DHI) provides notice of the following proposed transaction:

- Proposed Transaction Number: 2026-03
- Facility Name: ClearSky Rehabilitation Hospital
- Parties Involved:
  - ClearSky Health Acquisition LLC
  - Blue Wolf Capital Partners LLC
- Type of Transaction: Change of Ownership: This is a change of ownership related to a multistate acquisition.
- Date HCA Received Completed Transaction: August 10, 2026
- Date by which HCA will render its Decision: December 8, 2026

The HCA invites public comment during the review period. A public forum will be held to gather feedback (date to be announced). Members of the public may submit comments by:

- Phone: Call (505) 476-9093 (select Option 3 for public comment)
- Email: hca-dhi-public-comment@hca.nm.gov
- Mail:
  Health Care Authority Division of Health Improvement
  P.O. Box H
  Santa Fe, New Mexico 87504

During the 120-day review period, the HCA will evaluate the proposed transaction based on the eight factors described in the Act:

1. Impact on quality, access, and cost of health care services.
2. Effect on public health and patient safety.
3. Financial stability and viability of the resulting entity.
4. Implications for Medicaid and insured populations.
5. Existing and proposed staffing levels.
6. Community benefits and obligations.
7. Market concentration and competition.
8. Any other factors deemed relevant by the Authority.

At the conclusion of the review, the HCA will issue a written decision on the proposed transaction, which will be one of the following outcomes: Approved, Approved with conditions, or Disapproved. The HCA will notify the parties in writing and post the decision on its website.

Proposed transaction summary:

The hospital currently operates 37 licensed rehabilitation beds at its facility located in Rio Rancho, New Mexico and serves patients from across the state. The proposed transaction will not affect the direct ownership of the Hospital. The proposed transaction will consolidate indirect ownership and ultimate control of the Hospital with an affiliate of an existing indirect owner. The transaction will not any effect on the Hospital's license and is not intended to effect operations, management, employees, patient costs, or patient care. In addition, the hospital is currently undergoing construction to expand its licensed bed capacity from 37 to 47 rehabilitation beds effective January 2027 to enable the hospital to serve more patients in the Albuquerque/Rio Rancho region.

List of Parties and business addresses

BW ClearSky Aggregator, L.P.
3 World Trade Center, 65th
Floor, New York, NY 10007

BW ClearSky Blocker
Aggregator, L.P.
Acquiring Party (affiliate of the
existing owner, Blue Wolf)
3 World Trade Center, 65th
Floor, New York, NY 10007

Peloton Equity, LLC
66 Field Point Road, 2nd Floor,
Greenwich, CT 06830

Peloton ClearSky LLC
66 Field Point Road, 2nd Floor,
Greenwich, CT 06830

Peloton Equity II LP
66 Field Point Road, 2nd Floor,
Greenwich, CT 06830

BW ClearSky AIV IV Indirect
Feeder, LP
One Liberty Plaza, 52nd Floor,
New York, NY 10006

BW ClearSky AIV IV, LP
One Liberty Plaza, 52nd Floor,
New York, NY 10006

Leavitt Equity Partners II, LP
299 South Main Street, Suite
2300, Salt Lake City, UT 84111

ClearSky Employee Holdings-
A, LLC
One Liberty Plaza, 52nd Floor,
New York, NY 10006

ClearSky Employee Holdings-
B, LLC
One Liberty Plaza, 52nd Floor,
New York, NY 10006
ClearSky Health Holdings LLC
5600 Wyoming Blvd NE, Suite
225, Albuquerque, NM 87109

ClearSky Health
5600 Wyoming Blvd NE, Suite
225, Albuquerque, NM 87109

ClearSky Health Acquisition
LLC
5600 Wyoming Blvd NE, Suite
225, Albuquerque, NM 87109

ClearSky Rehabilitation
Hospital of Rio Rancho, LLC
Licensed Hospital
2401 Westside Blvd. SE, Rio
Rancho, NM 87124

Statement describing the proposed transaction, the goals of the proposed transaction and how the proposed transaction will affect health care services in New Mexico:

The proposed transaction, which only impacts the indirect owners of ClearSky Rehabilitation Hospital of Rio Rancho (the "Hospital") four levels above the Hospital, will have no adverse effect on health care services in New Mexico, and there are no plans to reduce, eliminate, or diminish health care services as part of this transaction. The goal of the proposed transaction is to consolidate the indirect ownership of the Hospital, which is currently held by five unaffiliated owners at the great-grandparent entity level, into a single majority owner through Blue Wolf Buyers, an affiliate of an existing indirect owner of the Hospital.

The proposed transaction does not introduce any new owners at the direct or operational level of the Hospital, but instead streamlines the existing indirect ownership structure by consolidating control within an entity already familiar with the Hospital's operations and clinical programs.

The proposed transaction should not impact the Hospital's existing patients, its payor agreements, service line, or employees. The Hospital will continue to offer the same high-quality rehabilitation care for patients in the Albuquerque/Rio Rancho community, specifically, as follows:

- There is no intended reduction of patient care or the quality of care as a result of this transaction. The Hospital has achieved excellent outcomes - ranking in the top 10% of Inpatient Rehabilitation Facilities nationally by Netsmart Technologies, Inc., which is the administrator and steward of the nation's largest database for rehabilitation outcomes. The Hospital will continue to operate under its existing care policies and procedures, and staffing plan so that this high quality of care remains in place. Additionally, the Hospital expects its Disease-Specific Stroke Rehabilitation certification from the Joint Commission in August 2026. Further, the Hospital is adding 10 beds with an expected completion in January 2027, and this bed increase will create 10 additional clinical jobs.
- The proposed transaction should not impact or increase patient costs. The Hospital will continue to operate under its existing payor agreements and chargemaster without modification. As required by the CMS Hospital Price Transparency Rule,[1] the Hospital publicly discloses its gross charges, discounted cash prices, payer-specific negotiated charges, and de-identified minimum and maximum negotiated charges for all items and services, which are available on the Hospital's website[2], and the proposed transaction will have no effect on this pricing structure.
- The proposed transaction does not increase barriers to entry in the health care market. This transaction will not impact competition or create barriers to entry into the health care market. The proposed transaction occurs four levels above the Hospital and only consolidates indirect ownership of the Hospital within an affiliate of an existing owner, so

it does not alter the competitive landscape, introduce new market participants, or otherwise affect competition in the health care market in the Albuquerque/Rio Rancho region or New Mexico.

- The proposed transaction should not impact the Hospital's employees, or the employees' wages, benefits, and working conditions. The proposed transaction should not impact the Hospital's employees or result in any changes to staffing levels, employee compensation structures, or working conditions as it will have no effect on the Hospital's day-to-day operations. ClearSky currently employs a total of 156 employees in New Mexico, including 127 employees at the Hospital and 29 at its corporate office in Albuquerque, all of whom the Hospital intends to remain employed following the completion of the proposed transaction. Separately, the Hospital is hiring 10 new clinical positions in January 2027 to support its 10-inpatient bed increase.

The geographic service area affected by the proposed transaction:

The proposed transaction does not affect the geographic service area served by Clearsky Rehabilitation Hospital of Rio Rancho (the "Hospital"). The Hospital is located at 2401 Westside Boulevard Southeast in Rio Rancho, New Mexico, and primarily serves patients in the Albuquerque/Rio Rancho metropolitan area, primarily within Sandoval and Bernalillo Counties. The proposed transaction occurs entirely four levels above the Hospital and solely consolidates indirect ownership and control of the Hospital within an affiliate of an existing owner. The Hospital's physical location, service delivery, and patient population will remain entirely unchanged, and this transaction will have no adverse impact on patients or New Mexico residents.

Description of the groups or individuals likely to be affected by the transaction:

The proposed transaction is not expected to adversely impact any group or individuals. The relevant stakeholders in the Hospital's service area are as follows:

- Patients: Patients currently receiving or seeking inpatient rehabilitation services in the Albuquerque/Rio Rancho area will be unaffected by this transaction since the Hospital will continue to operate without interruption under its existing management, staffing, and clinical policies. Additionally, the Hospital will maintain its existing payor agreements after the transaction. In 2025, the Hospital had 468 Medicaid patient days. The Hospital expects its Medicaid population and overall patient mix to remain unaffected, as the proposed transaction has no bearing on the Hospital's payor agreements, admissions practices, or clinical operations.

Patients in the region will benefit from the Hospital's 10 inpatient bed increase with an expected completion in January 2027 and the addition of disease-specific Stroke Rehabilitation certification from the Joint Commission in August 2026, both of which will meaningfully increase access to specialized rehabilitation care in the community.

- The Community: The broader Albuquerque/Rio Rancho community will benefit from the continued and expanded operation of the Hospital. Rather than diminishing community access to inpatient rehabilitation services, the proposed transaction consolidates indirect ownership and control of the Hospital within an affiliate of an existing owner — Blue Wolf Buyers — which has been a part of the ownership group that has supported the Hospital's growth and its recognition as one of the top 10% of inpatient rehabilitation facilities in the nation by Netsmart Technologies, Inc., the administrator and steward of the nation's largest database for rehabilitation outcomes. The community will further benefit from the Hospital's planned 10-inpatient bed expansion and the addition of Stroke Rehabilitation certification from the Joint Commission, both of which will increase access to specialized rehabilitation care in the region.

- Hospital Employees and Clinical Staff: The Hospital's employees and clinical staff should be unaffected by the proposed transaction since it will not impact the day-to-day operations of the Hospital or result in any changes to staffing levels, employee compensation structures, or benefits. ClearSky currently employs a total of 156 employees in New Mexico, including 127 employees at the Hospital and 29 at its corporate office in Albuquerque, all of whom will remain employed following the completion of the proposed transaction. In January 2027, the Hospital will add 10 clinical positions to support its 10 inpatient bed increase.
- Payers and Charges for Services: The Hospital's payors and contracted rates should remain unchanged as a result of the proposed transaction since the Hospital will continue to operate under its existing payor agreements and chargemaster without modification. Consistent with the CMS Hospital Price Transparency Rule,[1] the Hospital publicly discloses its gross charges, discounted cash prices, payer-specific negotiated charges, and de-identified

Summary of the health care services currently provided by any of the parties and any health care services that will be added, reduced or eliminated, including an explanation of why any services will be reduced or eliminated in the service area in which they are currently provided:

ClearSky Rehabilitation Hospital of Rio Rancho (the "Hospital") is a licensed inpatient rehabilitation facility located in Rio Rancho, New Mexico. The Hospital provides specialized, intensive inpatient rehabilitation services to patients recovering from serious illness, injury, or surgery, including but not limited to:

- Stroke rehabilitation
- Orthopedic rehabilitation (joint replacement, fractures)
- Neurological rehabilitation (traumatic brain injury, spinal cord injury, multiple sclerosis,
- Parkinson's disease)
- Cardiac and pulmonary rehabilitation
- Amputation rehabilitation
- Other complex medical rehabilitation conditions

The Hospital serves a broad patient population, including Medicaid beneficiaries. In 2025, the Hospital had 468 Medicaid inpatient days. The Hospital is committed to maintaining access to its specialized rehabilitation services for all patients, and the proposed transaction will have no effect on the Hospital's service lines, staffing ratios, or day-to-day operations. The Hospital provides care that is effective, efficient, timely, and patient-centered. And the Hospital is committed to continuing to provide this exceptional, specialized rehabilitation to patients so they can maximize their recoveries and return to their homes and the activities that they enjoy.

The proposed transaction is not intended to result in a reduction or elimination of any health care services currently provided by the Hospital. The proposed transaction only consolidates indirect ownership and control of the Hospital within Blue Wolf Buyers, an affiliate of an existing indirect owner, four levels above the Hospital, and has no bearing on the Hospital's operations, service lines, or patient care capabilities. To the contrary, the Hospital is actively expanding its services and capacity, as described below.
Services to be Added:

- A 10-bed inpatient expansion is currently permitted and under development with estimated completion in January 2027. This expansion will meaningfully increase the Hospital's capacity to serve patients requiring inpatient rehabilitation in the Albuquerque/Rio Rancho area. This bed increase will result in an additional 10 clinical positions.
- The Hospital is actively pursuing disease-specific certification in Stroke Rehabilitation

from the Joint Commission, with completion of that certification expected in August 2026. This certification will formally recognize and enhance the Hospital's already existing stroke rehabilitation program.

Services to be Reduced or Eliminated:

None. No health care services currently provided by the Hospital are intended to be reduced or eliminated as a result of the proposed transaction. The Hospital will continue to provide the full scope of its current inpatient rehabilitation services without interruption or diminishment

Not applicable. No health care services currently provided by the Hospital are intended to be reduced or eliminated as a result of the proposed transaction. The Hospital will continue to provide the full scope of its current inpatient rehabilitation services without interruption or diminishment to provide specialized, intensive inpatient rehabilitation services to patients recovering from serious illness, injury, or surgery, including:

- Stroke rehabilitation
- Orthopedic rehabilitation (joint replacement, fractures)
- Neurological rehabilitation (traumatic brain injury, spinal cord injury, multiple sclerosis, Parkinson's disease)
- Cardiac and pulmonary rehabilitation
- Amputation rehabilitation
- Other complex medical rehabilitation conditions