MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

Phone: (360) 725-7000
www.insurance.wa.gov

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OFFICE OF
INSURANCE COMMISSIONER

HEARINGS UNIT
Fax (360) 664-2782

Hearings Unit, OIC
Patricia D. Petersen
Chief Presiding Officer

Patricia D. Petersen
Chief Presiding Officer
(360) 725-7105

Kelly Cairns
Paralegal
(360) 725-7002
KellyC@oic.wa.gov

BEFORE THE STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In the Matter of the Acquisition of Control of: **SOUNDPATH HEALTH, INC., a for-profit Washington domestic health care service contractor** By: **COLLABHEALTH PLAN SERVICES INC., a for-profit Colorado corporation.**	**DOCKET NO. 13-0039** **FINAL ORDER APPROVING ACQUISITION OF CONTROL**

TO: Timothy E. Gorman, Vice President
Legal Transactions/Senior Counsel
Catholic Health Initiatives
198 Inverness Drive West
Englewood, Colorado 80112

Robert B. Sullivan, Esq.
Polsinelli Shughart PC
700 West 47th Street, Suite 1000
Kansas City, MO 64112-1802

Christine Tomcala, CEO
Soundpath Health, Inc.
32129 Weyerhaeuser Way S., Suite 201
Federal Way, WA 98001

Timothy J. Parker, Esq.
Carney Badley Spellman, P.S.
701 Fifth Avenue, Suite 3600
Seattle, WA 98104

COPY TO: Mike Kreidler, Insurance Commissioner
Deborah McCurley, Acting Chief Deputy Insurance Commissioner
James T. Odiorne, Deputy Commissioner, Company Supervision Div.
Ronald J. Pastuch, Holding Company Manager, Company Supervision Div.
Carol Sureau, Deputy Commissioner, Legal Affairs Division
Kate Reynolds, Staff Attorney, Legal Affairs Division
Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

INTRODUCTION

Pursuant to Chapter 48.04 RCW, Chapter 34.05 RCW, RCW 48.31C.030, and Chapter 284-18A WAC, and after notice to interested parties and persons (see notice detailed below), the above-entitled matter came on regularly for hearing before the undersigned commencing at 10:00 a.m. Pacific Standard time on Friday, March 1, 2013, in the Office of the Insurance Commissioner, 5000 Capitol Blvd., Tumwater, Washington 98501. All persons to be affected by the above-entitled matter were given the right to be present at such hearing during the presentation of testimony, and had reasonable opportunity to inspect all documentary evidence, to examine witnesses and present oral and written statements. The Office of the Insurance Commissioner ("Commissioner") was represented by Kate Reynolds, Esq., Staff Attorney in the Legal Affairs Division. Ronald J. Pastuch, Holding Company Manager, Company Supervision Division, testified for the Commissioner's Office. CollabHealth Plan Services, Inc. ("CollabHealth" or "Applicant") was represented by Robert B. Sullivan, Esq. of Polsinelli Shughart PC, Kansas City, Missouri. Testifying on behalf of the Applicant were Mark F. Bjornson, Chief Executive Officer of CollabHealth and Juan R. Serrano, Chairman of the Board of Directors of CollabHealth. Soundpath Health, Inc. ("Soundpath") was represented by Timothy J. Parker, Esq. of Carney Badley Spellman, P.S., Seattle Washington, and testifying on its behalf was Christine Tomcala, Chief Executive Officer of Soundpath.

NATURE OF PROCEEDING

On October 19, 2012, CollabHealth Plan Services, Inc. ("CollabHealth" or "Applicant") filed a Form A Statement Regarding the Acquisition of Control of a Domestic Insurer with the Commissioner ("Form A Application"). In said Form A Application, CollabHealth requests approval of its proposed acquisition of Soundpath Health, Inc. ("Soundpath") requesting approval of its proposed acquisition of Soundpath. This proposed acquisition requires the approval of the Washington State Insurance Commissioner ("OIC"), who has delegated to the undersigned the responsibility to conduct all proceedings herein and to make the final decision without the input of the OIC except that which is entered into evidence in the adjudicative proceeding herein.

Documents filed with the Applicants' Form A Application, supplemental documents filed herein including all orders and communications of the undersigned to the parties and all written communications to and from the OIC and the parties, were made available to the public at http://www.insurance.wa.gov/laws-rules/administrative-hearings/judicial-proceedings/s-t/ and remain available to the public, upon request made to the undersigned, in the hearing file or at the above website. These documents include, among other documents: 1) Stock Purchase Agreement dated October 18, 2012, Stock Purchase Agreement Amendment dated October 31, 2012, and Second Amendment to Stock Purchase Agreement dated February 26, 2013; 2) Class R Preferred Stock Purchase Agreement dated October 18, 2012, and First Amendment to Class R Preferred Stock Purchase Agreement dated February 26, 2013; 3) Asset Purchase Agreement dated October 18, 2012 and First Amendment to Asset Purchase Agreement dated February 26, 2013; 4) Pre- and Post-Closing Organizational Charts of Catholic Health Initiatives, CollabHealth and Soundpath; 5) List of Directors and Executive Officers of CollabHealth, CollabHealth Managed Solutions, Inc., and Soundpath (post-acquisition) and biographical information for same; 6) Promissory Note, Stock Pledge and Security Agreement between NPN and CollabHealth; 7) Employee Lease Agreement between Soundpath and CollabHealth; 8) Opening Balance Sheets for CollabHealth and CollabHealth Managed Solutions, Inc.; 9) 2013 First Quarter Financial Statement for Catholic Health Initiatives; 10) Financial Statements of Catholic Health Initiatives for calendar years 2006-2012; 11) a three-year financial forecast for Soundpath; and 12) current market and market share information of Soundpath. Included also are 13) the Insurance Commissioner's October 30, 2012 letter requesting further information to supplement the Applicant's Application originally filed on October 19, 2012; 14) CollabHealth's letters dated November 21, 2012 and December 21, 2012, transmitting supplemental information; and 15) CollabHealth's Memorandum dated December 21, 2012 requesting confidential treatment of many of these documents (which was ultimately withdrawn). The documents specified above, and others also included in the Form A Application and all other communications between the Applicant and the OIC, and between the Applicant, Soundpath, the OIC and the undersigned, are published at the referenced website, are included in the hearing file, have been and will remain available to the public, and were entered into evidence in this proceeding.

Pursuant to RCW 48.31C.030(5), the Commissioner shall approve an acquisition of a domestic health carrier unless, after a public hearing thereon, it is found: 1) that after the change

of control, the domestic carrier would not be able to satisfy the requirements for registration as a health carrier; and 2) the antitrust section of the office of the Attorney General and any federal antitrust enforcement agency has chosen not to undertake a review of the proposed acquisition and the commissioner pursuant to his or her own review finds that there is substantial evidence that the effect of the acquisition may substantially lessen competition or tend to create a monopoly in the health coverage business; 3) the financial condition of an acquiring party is such as might jeopardize the financial stability of the health carrier, or prejudice the interest of its subscribers; 4) the plans or proposals that the acquiring party has to liquidate the health carrier, sell its assets, consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to subscribers of the health carrier and not in the public interest; 5) the competence, experience, and integrity of those persons who would control the operation of the health carrier are such that it would not be in the interest of subscribers of the health carrier and of the public to permit the merger or other acquisition of control; 6) or the acquisition is likely to be hazardous or prejudicial to the insurance-buying public. The adjudicative proceeding herein, therefore, in part included consideration of evidence related to these issues.

FINDINGS OF FACT

Having considered the written and oral evidence presented at the adjudicative proceeding, and the documents filed herein, including the Applicant's application for approval of its proposed acquisition ("Form A Application") which was entered into evidence as Ex. 1; the exhibits attached to the Form A Application; the supplements and amendments to the Form A Application and supplemental information filed as required by the Insurance Commissioner or the undersigned; written communications from counsel, the entire hearing record including the arguments of the parties, the undersigned finds as follows:

1. The OIC has duly and properly appointed the undersigned to conduct all activities prior to, during and following the adjudicative proceeding in this matter and to make the final decision herein without input from the OIC, any OIC staff member, or any other individuals having knowledge of this matter. Further, the adjudicative proceeding was duly and properly convened and all substantive and procedural requirements under the laws of the State of Washington have been satisfied.

2. **CollabHealth Plan Services, Inc., the proposed buyer.** The Applicant is CollabHealth Plan Services, Inc. ("CollabHealth" or "Applicant"), a Colorado for-profit corporation which was formed on October 17, 2012 for the purpose of facilitating the acquisition of Soundpath Health, Inc. CollabHealth's ultimate parent company is Catholic Health Initiatives ("CHI"), which was formed on July 1, 1996 and is a nationwide Catholic sponsored non-profit organization which, briefly, 1) owns one captive property and casualty insurer formed in 1997 that provides property and casualty insurance to CHI (First Initiatives Insurance, Ltd.); 2) is the largest shareholder of one Nebraska domiciled property and casualty insurer formed in 1985 (Preferred Professional Insurance Company) which provides medical liability insurance; and 3) owns and operates one captive management company which provides bookkeeping, financial reporting and insurance consulting to First Initiatives Insurance, Ltd.

and other third party captives (Captive Management Initiatives). [Ex. 1, November 21, 2012 letter to OIC from CollabHealth, Attachment 2.] CHI has never owned any health insurers, health care service contractors such as Soundpath Health, Inc., or any health maintenance organizations. [Ex. 1, Form A Application.]

3. **Soundpath Health Plan, Inc., the proposed seller.** Soundpath Health, Inc. ("Soundpath") is a for-profit Washington domiciled health care service contractor which is currently owned 59% by Northwest Physicians Network of Washington, LLC ("NPN") and 41% by Physicians of Southwest Washington, LLC ("PSW"), both Washington domestic limited liability companies which are owned by physicians. Soundpath, which was formerly known as Puget Sound Health Partners, holds a Washington Certificate of Registration, issued by the Washington State Insurance Commissioner in 2007 (amended in 2011 to reflect the name change), authorizing it to operate as a health care service contractor in Washington state as defined in Chapter 48.44 RCW. Its statutory home office and main administrative office is located in Federal Way, Washington. Soundpath offers Medicare Advantage Plans through its contract with the Center for Medicare and Medicaid Services. As of September 2012, Soundpath had close to 17,000 members enrolled, and had written over $108 million in health premiums. Soundpath experienced a net operating loss and decline in surplus in 2011. [Ex. 1, Soundpath 2012 3rd quarter financial statement.]

Terms of Proposed Acquisition

4. **Stock Purchase Agreement for Class A Shares.** The Applicant seeks to acquire control of Soundpath by purchasing 309,400 Class A Shares (34% of total shares of Soundpath) from NPN and 196,500 Class A Shares (22% of total shares of Soundpath) from PSW, for a total of 56% of the issued and outstanding Class A Shares of Soundpath, for a total purchase price of $12,102,563.20. [Form A Application, Ex. 1, Stock Purchase Agreement for Class A Shares executed by the parties October 18, 2012.] NPN and PSW will retain the balance of the shares which they currently own. At the closing of the transaction, NPN and PSW will each place a portion of the proceeds from such sale into separate security reserve accounts that will be controlled jointly with Soundpath. It is anticipated that such amounts in the security reserve accounts will be sufficient to satisfy fully those incurred but not reported claims arising from NPN's or PSW's respective capitated Soundpath provider contracts as of the closing date. Pursuant to such provider agreements, NPN and PSW will maintain funds in these respective security reserve accounts equal to the IBNR Reserves on an ongoing basis and the funds in the security reserve accounts will be maintained and disbursed as set forth in the security reserve amendment to such provider agreements.

5. **Class R Preferred Stock Purchase Agreement.** Soundpath and CollabHealth have also entered into a Class R Preferred Stock Purchase Agreement ("Class R Agreement") [Form A Application, Ex. 19, Class R Preferred Stock Purchase Agreement.] The Insurance Commissioner has already issued a solicitation permit to Soundpath allowing it to issue these Class R Preferred Shares contingent upon the undersigned's approval of this proposed acquisition. [Ex. 1, Insurance Commissioner's solicitation permit dated February 6, 2013.] As of the closing date, Soundpath will authorize and issue a new class of preferred shares,

"Class R Shares," which will be sold only to CollabHealth, for an amount intended to meet Soundpath's reserves as required by law but not to exceed an amount equal to $12,500,000 less the amount paid for certain assets of Soundpath. Soundpath, CollabHealth, NPN and PSW have all agreed that the proceeds from the sale of the Class R Shares will be maintained as reserves and not used for working capital or for any other purpose. Soundpath will not withdraw the Class R Share Reserves until such time as Soundpath has withdrawn all other funds in its reserves. At such times as determined by the Board of Directors of Soundpath, Soundpath will pay directly all interest or investment income generated by such reserves to CollabHealth with any necessary prior approval of the Insurance Commissioner, with certain exceptions. Over the seven years following the closing date, Soundpath is expected to build its own needed reserves through operations and, unless otherwise consented to by CollabHealth, redeem all of the issued and outstanding Class R Shares at face value with any necessary prior approval of the Insurance Commissioner. No dividends shall be distributed to Class A shareholders until all class R Shares are redeemed and the Class R Shares shall have preferential rights with respect to the Class A shares in the event of a sale, merger or dissolution of Soundpath.

6. **Asset Purchase Agreement.** Finally, CollabHealth and Soundpath have entered into an Asset Purchase Agreement. [Form A Application, Ex. 20, Asset Purchase Agreement.] Under the terms of this Agreement, on the closing date CollabHealth will purchase all of Soundpath's assets that are related to Soundpath's insurance administration capabilities, which are assets related to processes, workforce in place, intellectual property, rights under personal property leases, real property leases, software, etc., not including Soundpath's Washington health care service contractor's license, cash, cash equivalents, reserves, fixed income investments, capital and surplus, provider contracts and other such contracts related to the delivery of insurance products. The purchase price for these assets is approximately $415,800, based on a fair market value assessment, and the proceeds will be maintained by Soundpath as reserves to meet Soundpath's required reserves.

7. **Total Consideration to be Paid.** The total amount to be paid by CollabHealth to Soundpath in consideration for this acquisition – i.e., the purchase of the Class A Shares for approximately $12,102,563.20; the purchase of the Class R Preferred Shares in an amount not to exceed $12,085,000; and approximately $415,800 for the Purchased Assets – will be paid from internal funds owned by CollabHealth. No part of the purchase price will come from funds borrowed for the purpose of the acquisition. [Ex. 1, Form A Application.]

Result of Proposed Acquisition.

8. Should this proposed acquisition be approved, upon consummation of the acquisition, CollabHealth will own the controlling interest, 56%, of all of Soundpath's Class A stock, and NPN and PSW will continue to own the remainder. Further, CollabHealth will own Soundpath's newly issued Class R Preferred Stock, as well as its Purchased Assets as defined above. The parties intend that Soundpath will continue to operate under its own name and Washington domestic health care contractor's license. Collabhealth advises that it believes it is in the best interests of Soundpath to maintain its focus on Medicare Advantage plans

although Soundpath is authorized to offer many other health coverage plans as well. Collabhealth believes that the transactions contemplated by the three purchase agreements in this proposed acquisition will significantly strengthen Soundpath and will allow Soundpath to meet and maintain the capital reserves and surplus required under the Washington Insurance Code. [Form A Application, Ex. 25, Soundpath financial projections.] With regard to management of Soundpath, the Treasurer and Secretary will be replaced but the Chief Executive Officer will remain. Collabhealth will have the right to appoint the majority of the Board of Directors of Soundpath, and as of the closing date CollabHealth will appoint at least five members to the Board and PSW and NPN will collectively appoint four members to the Board. The NPN and PSW appointees will be allocated based on their proportional ownership of Soundpath. [Form A Application, Ex. 24, list of all proposed officers and directors of Soundpath as well as biographical affidavits.]

9. After the closing, CollabHealth will provide all administrative services for Soundpath, including care management, claims adjudication, customer service and premium collection. [Form A Application, Ex. 10, Administrative Services Agreement.] Care management services are currently provided to Soundpath by NPN and claim services are provided by PSW. For a limited time after the closing, CollabHealth will provide these services through NPN and PSW but then these responsibilities will be handled by CollabHealth staff. Other than care management and claims adjudication services, as of the date of closing, CollabHealth will handle all other services [Form A Application, Ex. 10, Sched. A, list of services] through individuals currently employed by Soundpath, leasing their services through an Employee Lease Agreement with Soundpath [Form A Application, Ex. 28, Employee Lease Agreement] and ultimately CollabHealth advises that these employees will eventually be hired by Collabhealth. [Form A Application, p.8.] Finally, CollabHealth states that it has no plans for Soundpath to declare an extraordinary dividend, liquidate Soundpath, sell its assets to or merge it with any person or to make any other material change in its business operations, corporate structure or management. Finally, more details concerning the corporate structure of these entities before and after this proposed acquisition – including revised provider agreements with NPN, PSW and Franciscan Health System, an Amended and Restated Shareholder Agreement, Soundpath's Amended and Restated Articles of Incorporation and Amended and Restated Bylaws which have been revised in anticipation of approval of this proposed merger , and non-competition agreements and other documents - can be found in the exhibits to the Stock Purchase Agreement. [Ex. 1, Stock Purchase Agreement, attachments 2-18.]

Findings Specifically Related to Statutory Criteria

10. CollabHealth has filed current (pre-acquisition) and post-acquisition organizational charts which set forth the identities and interrelationships among CHI, CollabHealth, Soundpath and their organizational affiliates. [Form A Application, Ex. 23.]

11. The Form A Application filed by the Applicant, CollabHealth, along with the amendments and supplements thereto, were submitted in the form required by, and contain the information required by, the Insurance Commissioner and applicable statutes. [Live and Written

Testimony of Ronald J. Pastuch, Holding Company Manager, Company Supervision Division, Office of Insurance Commissioner.]

12. After the acquisition of control by the Applicant, Soundpath would still be able to satisfy the requirements for registration as a Washington health care service contractor. [Live and Written Testimony of Pastuch; Live and Written Testimony of Mark F. Bjornson, CEO of CollabHealth; Live and Written Testimony of Juan R. Serrano, Chairman of Board of Directors of CollabHealth; Live and Written Testimony of Christine Tomcala, CEO of Soundpath.]

13. There is no evidence to conclude that the effect of the acquisition of control by the Applicant would not be to lessen competition in the state or tend to create a monopoly in the health coverage business. [Live and Written Testimony of Pastuch; Live and Written Testimony of Bjornson; Live and Written Testimony of Serrano; Live and Written Testimony of Tomcala.]

14. The financial condition of the Applicant is not such as might, after completion of the acquisition, jeopardize the financial stability of Soundpath or prejudice the interests of its subscribers. [Form A Application; Live and Written Testimony of Pastuch; Live and Written Testimony of Bjornson; Live and Written Testimony of Serrano; Live and Written Testimony of Tomcala.]

15. There currently are no plans to declare an extraordinary dividend, to liquidate, to sell the assets, consolidate or merge with any other person or persons or to make any other material changes in the business or corporate structure or management of Soundpath that are unfair or unreasonable to CollabHealth's subscribers and not in the public interest. [Form A Application; Live and Written Testimony of Pastuch; Live and Written Testimony of Bjornson; Live and Written Testimony of Serrano; Live and Written Testimony of Tomcala.]

16. It cannot be found that the competence, experience and integrity of those persons who would control the operation of CollabHealth after the acquisition are such that it would not be in the interest of the subscribers of CollabHealth, or of the public, to ratify such acquisitions. [Live and Written Testimony of Pastuch; Live and Written Testimony of Bjornson; Live and Written Testimony of Serrano; Live and Written Testimony of Tomcala.]

17. It is unlikely that the acquisition is hazardous or prejudicial to the insurance-buying public. [Form A Application; Live and Written Testimony of Pastuch; Live and Written Testimony of Bjornson; Live and Written Testimony of Serrano; Live and Written Testimony of Tomcala.]

18. CollabHealth confirms that all rights and privileges currently held by the individuals and groups which are covered under Soundpath health plans will be honored and preserved by CollabHealth and Soundpath after Closing. [Live Testimony of Pastuch; Live Testimony of Bjornson; Live Testimony of Serrano; Live Testimony of Tomcala.]

19. Based on its analysis of the proposed acquisition in light of the statutory standards described above, the Insurance Commissioner's staff recommends approval of the proposed acquisition

at issue in this hearing and under the terms contemplated herein. [Live and Written Testimony of Pastuch.]

20. The Insurance Commissioner published the undersigned's detailed Notice of Hearing to consider approval of this proposed acquisition in its entirety on the Insurance Commissioner's website commencing on February 14, 2013. This Notice remained on the Commissioner's website continuously from February 14, 2013 through the date of the hearing. [Live and Written Testimony of Pastuch.] The Notice advised all interested parties and the public that any individual or entity is permitted to submit comments on, or objections to, the proposed acquisitions to the undersigned up until 9:00 a.m. Pacific Standard Time on Friday, March 1, 2013, by fax, U.S. mail, or personal delivery or e-mail. All interested parties and the public were also advised therein that they would be given the opportunity to present evidence at hearing and to examine and cross-examine witnesses and offer oral and written arguments, and in connection therewith to conduct discovery proceedings. No such communications were received by the Applicant, the Insurance Commissioner or the undersigned. [Live and Written Testimony of Pastuch; Live and Written Testimony of Bjornson; Live and Written Testimony of Serrano.] Soundpath received two comments concerning whether the benefits under their Soundpath health plans would remain the same and those were addressed in the affirmative by Soundpath. [Live and written testimony of Tomcala.] In addition, the Insurance Commissioner published a news article about the hearing to consider this proposed acquisition on his website commencing on February 14, 2013.

21. Based upon the evidence of the detailed content of the Notice of Hearing, the Insurance Commissioner's news article and the dates through which both were published, it is here found that reasonable notice of the hearing was provided to the public and that no reasonable, relevant objection to this proposed acquisition exists.

22. Ronald J. Pastuch, Holding Company Manager in the Company Supervision Division of the Office of Insurance Commissioner, testified on behalf of the Insurance Commissioner and also submitted his Written Declaration of Pastuch. Mr. Pastuch presented his testimony in a clear, detailed and credible manner and exhibited no apparent biases.

23. Mark F. Bjornson, who has been Chief Executive Officer and a member of the Board of Directors of CollabHealth since its formation on October 17, 2012, testified on behalf of CollabHealth. Mr. Bjornson also submitted a written Pre-Filed Testimony of Mark F. Bjornson. Mr. Bjornson presented his testimony in a clear, detailed and credible manner and exhibited no apparent biases. Mr. Bjornson will be Chairman of the Board of Directors of Soundpath should this proposed acquisition be approved.

24. Juan R. Serrano, who has been Chairman of the Board of Directors of CollabHealth since its formation on October 17, 2012; is the CEO as well as a member of the Board of Directors of CollabHealth's immediate parent company CollaabHealth Managed Solutions, Inc. apparently since its formation on October 17, 2012; and who has been employed by Catholic Health Initiatives since August 2010 and is currently its National Vice President of Payer

Strategy & Operations, testified on behalf of CollabHealth. Mr. Serrano also submitted a written Pre-Filed Testimony of Juan R. Serrano. Mr. Serrano presented his testimony in a clear, detailed and credible manner and exhibited no apparent biases. Should this proposed acquisition be approved, Mr. Serrano will exercise oversight over the operations of Soundpath by virtue of his positions with CollabHealth and as the CEO of CollabHealth Managed Solutions, Inc.

25. Christine Tomcala, who began as Chief Operating Officer of Soundpath in June 2010 and has been Chief Executive Officer of Soundpath since August 2011, testified on behalf of Soundpath, and also submitted a written Prefiled Testimony of Christine Tomcala. Ms. Tomcala presented her testimony in a clear, detailed and credible manner and exhibited no apparent biases. Should this proposed acquisition be approved, Ms. Tomcala will remain in her capacity as Chief Executive Officer of Soundpath.

26. Based upon the above Findings of Facts, it is here found that there exists no basis for denial of the request by CollabHealth Plan Services, Inc. for approval of its proposed acquisition of control of Soundpath Health, Inc. Therefore it is reasonable that such acquisition and change of control be approved upon the terms contemplated herein.

CONCLUSIONS OF LAW

1. Pursuant to Title 48 RCW and specifically RCW 48.31C, the Washington State Insurance Commissioner has jurisdiction over the proposed acquisition of control of Soundpath which is the subject of this hearing. Further, the undersigned has been properly delegated the authority to conduct the proceeding in this matter, to review and consider all documents and evidence presented, and to make the final determination herein without communication or other input from the Insurance Commissioner or any individual with knowledge of the facts of this matter. Based upon the above Findings of Facts, the undersigned makes the following Conclusions of Law:

2. CollabHealth properly filed its Form A Application, along with the amendments and supplements to that Form A Application and information and materials provided in response to additional questions from the Insurance Commissioner, in the form required by, and containing the information required by the Insurance Commissioner and applicable statutes. These filings are deemed to be complete.

3. CollabHealth's acquisition of control of Soundpath would allow Soundpath to continue to satisfy the requirements of a health care service contractor as contemplated by RCW 48.31C.030(5)(a)(i).

4. It cannot be concluded that after the change of control that there is substantial evidence that the effect of this proposed acquisition may substantially lessen competition or tend to create a monopoly in the health coverage business.

5. The financial condition of CollabHealth is not such as might, after completion of the proposed acquisition of control, jeopardize the financial stability of Soundpath or prejudice the interests of it subscribers as contemplated by RCW 48.31C.030(5)(a)(ii)(C)(I).

6. CollabHealth has no current plans to declare an extraordinary dividend, to liquidate, or to sell the assets, consolidate or merge with any other person or persons or to make any other material changes to the business or corporate structure or management of Soundpath that are unfair or unreasonable to Soundpath subscribers, or not in the public interest, as contemplated by RCW 48.31C.030(5)(a)(ii)(C)(II).

7. It cannot be found that the competence, experience and integrity of those persons who will control the operation of Soundpath after the proposed acquisition are such that would not be in the interest of subscribers of Soundpath or of the public, as contemplated by RCW 48.31C.030(5)(a)(ii)(C)(III).

8. CollabHealth's acquisition of Soundpath, upon the terms contemplated herein, is not likely to be hazardous or prejudicial to the insurance-buying public, as contemplated by RCW 48.31C.030(5)(a)(ii)(C)(IV).

9. Reasonable notice of this proposed acquisition was provided to the public, and no reasonable, relevant objections exist.

10. Based upon the evidence presented, the above Findings of Facts, and the above Conclusions of Law, it is hereby concluded that the provisions of the Insurance Code of the State of Washington, Chapter 48.31C RCW and specifically RCW 48.31C.030 have been met and therefore CollabHealth's Form A Application, which requests approval of its proposed acquisition of Soundpath upon the terms contemplated therein, should be granted.

ORDER

Based upon the Findings of Fact and Conclusions of Law, to the effect that the statutory criteria for approval of CollabHealth's proposed acquisition of Soundpath have been met, and to the effect that approval of CollabHealth's proposed acquisition should be granted,

IT IS HEREBY ORDERED that the Form A Application of CollabHealth Plan Services, Inc. for approval of its proposed acquisition of control of Soundpath Health, Inc., a Washington domestic health care service contractor, upon the terms included into evidence in the proceeding, is **HEREBY GRANTED.** On March 1, 2013, following the adjudicative proceeding in this matter, the undersigned orally granted approval of this proposed acquisition and that Oral Order became effective, with the same effect as this written Final Order, on March 1, 2013. This written Final Order confirms that earlier Oral Order.

THIS ORDER IS ENTERED this 5th day of March, 2013, at Tumwater, Washington, and confirms that Oral Order entered by the undersigned on March 1, 2013, at Tumwater,

Washington, pursuant to Title 48 RCW, and specifically RCW 48.31C.030, Title 34 RCW, and regulations applicable thereto.

PATRICIA D. PETERSEN
Chief Presiding Officer

Pursuant to RCW 34.05.461(3), the parties are advised that they may seek reconsideration of this order by filing a request for reconsideration under RCW 34.05.470 with the undersigned within 10 days of the date of service (date of mailing) of this order. Further, the parties are advised that, pursuant to RCW 34.05.514 and 34.05.542, this order may be appealed to Superior Court by, within 30 days after date of service (date of mailing) of this order, 1) filing a petition in the Superior Court, at the petitioner's option, for (a) Thurston County or (b) the county of the petitioner's residence or principal place of business; and 2) delivery of a copy of the petition to the Office of the Insurance Commissioner; and 3) depositing copies of the petition upon all other parties of record and the Office of the Attorney General.

Declaration of Mailing

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery through normal office mailing custom, a true copy of this document to the following people at their addresses listed above: Timothy E. Gorman, Robert B. Sullivan, Esq., Christine Tomcala, Timothy J. Parker, Esq., Mike Kreidler, Deborah McCurley, Carol Sureau, Esq., Kate Reynolds, Esq., James T. Odiorne and Ronald J. Pastuch.

DATED this 6th day of March 2013.

KELLY A. CAIRNS