

FILED

2013 FEB 27 P 12: 02

Hearings Unit, DIC
Patrick D. Peterson
Chief Hearing Officer

OFFICE OF THE INSURANCE COMMISSIONER
STATE OF WASHINGTON

In the Matter of the Proposed Acquisition
of Control of:

SOUNDPATH HEALTH, INC., a
Washington Health Care Service Contractor

by

COLLABHEALTH PLAN SERVICES,
INC., a Colorado corporation.

OIC No. 13-0039

OPENING STATEMENT OFFERED
ON BEHALF OF SOUNDPATH
HEALTH, INC.

I. INTRODUCTION

My name is Timothy J. Parker. I am a lawyer admitted to practice in the State of Washington. I represent Soundpath Health, Inc. – a domestic healthcare service contractor with a valid certificate of registration issued under Chapter 48.44, RCW.

Soundpath joins with CollabHealth Plan Services in seeking approval of the acquisition of control of Soundpath pursuant to the Stock Purchase Agreement on terms set forth in the Form A and exhibits.

II. EVIDENCE

The evidence will include the Form A filed with the Washington Office of the Insurance Commissioner on October 19, 2012, including the supplemental information

OPENING STATEMENT OFFERED ON
BEHALF OF SOUNDPATH HEALTH,
INC. – 1

CARNEY
BADLEY
SPELLMAN

LAW OFFICES
A PROFESSIONAL SERVICE CORPORATION
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010
T (206) 622-8020
F (206) 467-8215

ORIGINAL

provided to the OIC ("Form A"), as well as testimony from representatives of the Office of the Insurance Commissioner, Collabhealth and Soundpath. The parties anticipate the evidence will establish the following.

The referenced Form A filed with the Office of the Insurance Commissioner, including the supplemental information provided to the Commissioner, included information required by Chapter 48.31C RCW and WAC 284-18A. Specifically, the Form A identified the applicant and fully described the proposed transaction. The Office of Insurance Commissioner carefully reviewed the Form A and determined that it is a complete filing within the meaning of RCW 48.31C.030 and all other legal requirements. In the course of its review, the OIC posed certain questions to the applicant. Specifically, the OIC investigated the applicants' financial strength, plans for operating Soundpath after the proposed acquisition and management team. Following receipt of all requested information, OIC Company Supervision was satisfied that the transaction is in the best interest of Washington consumers and general public and that no basis for disapproval was present.

Thereafter, the OIC and the parties requested this public hearing. In your capacity as the Commissioner's delegated hearing officer, you requested additional information from the Applicant and Soundpath relating to litigation and regulatory actions. That information was provided.

The Office of the Insurance Commissioner caused reasonable notice of the proposed transaction to be provided to the public. As of this date, no objections to the transactions have been received by the Office of the Insurance Commissioner or the parties.

OPENING STATEMENT OFFERED ON
BEHALF OF SOUNDPATH HEALTH,
INC. - 2

CARNEY
BADLEY
SPELLMAN

LAW OFFICES
A PROFESSIONAL SERVICE CORPORATION
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010
T (206) 622-8020
F (206) 467-8215

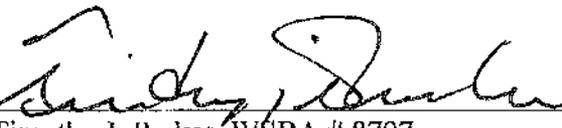
RCW 48.31C.030(5) guides this hearing and provides that the Commissioner shall approve a health carrier acquisition of control unless, after public hearing, the Commissioner finds that one or more of the six criteria identified in RCW 48.31C.030(5)(a) exists. The evidence will establish that none of these criteria exists and that approval of the transaction is in the public interest.

III. CONCLUSION

Soundpath appreciates the diligence and efficiency that the Office of the Insurance Commissioner Company Supervision Department and the Office of the Insurance Commissioner Chief Hearing Officer have given this matter. We are now prepared to offer testimony in support of the above and to answer any questions posed by the Chief Hearing Officer.

DATED this 25 day of February, 2013.

CARNEY BADLEY SPELLMAN, P.S.

By 
Timothy J. Parker, WSBA # 8797
Attorney for Soundpath Health, Inc.

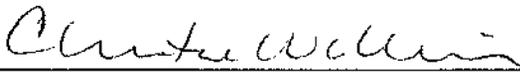
CERTIFICATE OF SERVICE

I, Christine Williams, under oath hereby declare as follows: I am an employee at Carney Badley Spellman, P.S., over the age of 18 years, and not a party to nor interested in this action. On February 26, 2013, I caused to be delivered in the manner indicated a copy of the foregoing document on the following parties:

<p><u>ORIGINAL TO:</u> Patricia Petersen Chief Hearing Officer Office of Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501 <i>Via email and messenger</i></p>	<p><u>COPIES TO:</u> Kathryn N. Reynolds Office of the Insurance Commissioner P.O. Box 40255 Olympia, WA 98504-0255 <i>Via email and messenger</i></p> <p>Ronald J. Pastuch Holding Company Manager Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501 <i>Via email and messenger</i></p> <p>Robert B. Sullivan Poisinelli Shughart 700 W 47th Street, Suite 1000 Kansas City, MO 64112 <i>Via email and U.S. mail</i></p>
---	---

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THE FOREGOING IS TRUE AND CORRECT.

DATED this 26 day of February, 2013.


Christine Williams, Legal Assistant

FILED

2013 FEB 27 P 12:02

Hearings Unit, DIC
Patricia D. Peterson
Chief Hearing Officer

OFFICE OF THE INSURANCE COMMISSIONER
STATE OF WASHINGTON

In the Matter of the Proposed Acquisition
of Control of:

SOUNDPATH HEALTH, INC., a
Washington Health Care Service Contractor

by

COLLABHEALTH PLAN SERVICES,
INC., a Colorado corporation.

OIC No. 13-0039

CLOSING STATEMENT OF
SOUNDPATH HEALTH, INC.

Thank you for this opportunity to address the relevant legal and factual issues in this proceeding.

The statutory criteria addressing the acquisition of control of health carriers in the state of Washington are set forth in RCW 48.31C.030(5) and are recited in the Notice of Hearing dated February 14, 2013, issued in this matter. Generally speaking, those criteria address whether an acquisition of control of a Washington health carrier will have a negative effect on the surviving entity's finances or management and whether the proposed acquisition of control would have a negative effect on policyholders, the insurance-buying public or the public interest. Those purposes are achieved by requiring analysis of the proposed transaction according to six statutory standards.

CLOSING STATEMENT OF
SOUNDPATH HEALTH, INC. - 1

CARNEY
BADLEY
SPELLMAN

LAW OFFICES
A PROFESSIONAL SERVICE CORPORATION
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010
T (206) 622-8020
F (206) 467-8215

ORIGINAL

You have heard testimony from the Chief Executive Officer of Soundpath – Christine Tomcala. Ms. Tomcala has an impressive history in health carrier operations and management – including the Medicare Advantage market served by Soundpath. She is ultimately responsible for the operation and financial management of Soundpath and is knowledgeable concerning all relevant aspects of the company’s finances, operations and future plans.

Ms. Tomcala’s testimony addressed each of the six criteria in RCW 48.3C.030(5). She and the CollabHealth Plan Services, Inc. witnesses have given credible and informed testimony supporting the conclusion that none of the statutory bases for disapproval is present. Ms. Tomcala has also testified that Soundpath has received no objections or expressions of concern from Medicare Advantage enrollees, regulators or members of the public about the proposed acquisition of control.

To similar effect, Mr. Pastuch testified on behalf of the Commissioner that his and his fellow employees’ diligent review of the proposed acquisition of control has identified no reason to believe that the acquisition of control would have a negative effect on any interested party or the public at large – quite to the contrary. He has testified credibly that none of the statutory bases for disapproval was found to exist.

On behalf of Soundpath I extend my appreciation to Mr. Pastuch and the other persons in the Company Supervision Department of the Washington Office of the Insurance Commissioner for the diligence and courtesy they have demonstrated in reviewing the proposed transaction.

I also want to extend the company’s thanks to the hearing officer and Ms. Cairns for expeditiously reviewing this matter so that the transaction can be closed promptly and

CLOSING STATEMENT OF
SOUNDPATH HEALTH, INC. – 2

CARNEY
BADLEY
SPELLMAN

LAW OFFICES
A PROFESSIONAL SERVICE CORPORATION
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010
T (206) 622-8020
F (206) 467-8215

without inconvenience or disruption in the delivery of Medicare health services to Washington state residents.

Soundpath joins with CollabHealth and the OIC in respectfully requesting an oral and written order approving the acquisition of control pursuant to RCW 48.31C.030.

DATED this 25 day of February, 2013.

CARNEY BADLEY SPELLMAN, P.S.

By 
Timothy J. Parker, WSBA # 8797
Attorney for Soundpath Health, Inc.

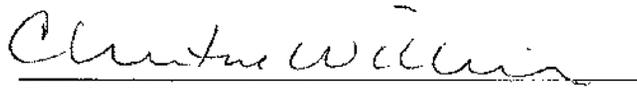
CERTIFICATE OF SERVICE

I, Christine Williams, under oath hereby declare as follows: I am an employee at Carney Badley Spellman, P.S., over the age of 18 years, and not a party to nor interested in this action. On February 26, 2013, I caused to be delivered in the manner indicated a copy of the foregoing document on the following parties:

<p><u>ORIGINAL TO:</u> Patricia Petersen Chief Hearing Officer Office of Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501 <i>Via email and messenger</i></p>	<p><u>COPIES TO:</u> Kathryn N. Reynolds Office of the Insurance Commissioner P.O. Box 40255 Olympia, WA 98504-0255 <i>Via email and messenger</i></p> <p>Ronald J. Pastuch Holding Company Manager Office of the Insurance Commissioner 5000 Capitol Boulevard Tumwater, WA 98501 <i>Via email and messenger</i></p> <p>Robert B. Sullivan Polsinelli Shughart 700 W 47th Street, Suite 1000 Kansas City, MO 64112 <i>Via email and U.S. mail</i></p>
---	---

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THE FOREGOING IS TRUE AND CORRECT.

DATED this 26th day of February, 2013.


Christine Williams, Legal Assistant