

**BEFORE THE STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER**

In the Matter of

The Form A and Form E Applications for the  
Proposed Acquisition of Control of:

**WellCare Health Insurance Company of  
Washington, Inc. and WellCare of  
Washington, Inc.**

By

**Centene Corporation,**

**Applicant.**

Docket No. 19-0250

**FILED**

2019 JUL 31 P 12:31

**FINAL ORDER APPROVING  
ACQUISITION OF CONTROL**  
HEARINGS UNIT  
OFFICE OF THE INSURANCE COMMISSIONER

**TO:** Todd E. Freed, Esq.  
Skadden, Arps, Slate, Meagher & Flom LLP  
Four Times Square  
New York, New York 10036

Jeffrey L. Gingold, Esq.  
Gingold Law Firm PLLC  
400 Harborview Drive SE, Suite 237  
Bainbridge Island, Washington 98110

Ashlee M. Knuckey, Esq.  
Timothy S. Farber, Esq.  
Locke Lord LLP  
111 South Wacker Drive  
Chicago, Illinois 60606

Keith H. Williamson, Esq.  
Centene Corporation  
7700 Forsyth Blvd.  
St. Louis, Missouri 63105

Anat Hakim, Esq.  
Rachelle Sico, Esq.  
WellCare Health Plans, Inc.  
WellCare Health Insurance Company of Washington, Inc.  
WellCare of Washington, Inc.  
8735 Henderson Road

Tampa, Florida 33634

**AND TO:** Mike Kreidler, Insurance Commissioner  
Ronald Pastuch, Holding Company Manager, Company Supervision  
Ellen Range, Insurance Enforcement Specialist, Legal Affairs Division  
Office of the Insurance Commissioner  
P.O. Box 40255  
Olympia, Washington 98504-0255

### **BACKGROUND**

Pursuant to RCW 48.04.010, RCW 48.31B.015, RCW 48.31B.020 and RCW 34.05.434, a public hearing was held on the above-captioned matter before the undersigned. On Tuesday, July 30, 2019 at 9:00 a.m. Pacific Time, the public hearing commenced in the Washington State Office of the Insurance Commissioner (the "OIC"), 5000 Capitol Blvd., Tumwater, Washington 98501. All parties in the instant matter, and all members of the public, were given the right to be present at such hearing, either in person or by telephone. Exclusive of documents and information deemed confidential and sealed or redacted pursuant to the Notice of Hearing and Order Regarding Confidentiality issued in this matter on July 10, 2019 (the "Notice of Hearing" or "Confidentiality Order"), the parties and all members of the public had reasonable opportunity to inspect all documentary evidence, examine witnesses, and present oral and written statements expressing any support or concerns about this proposed acquisition.

Ellen Range, Insurance Enforcement Specialist in the OIC's Legal Affairs Division, represented the OIC. Todd E. Freed, Esq. of Skadden, Arps, Slate, Meagher & Flom LLP and Jeffrey Gingold, Esq. of Gingold Law Firm PLLC represented Centene Corporation ("Centene" or "Applicant"). Ashlee M. Knuckey, Esq. and Sky Emison, Esq. of Locke Lord LLP represented WellCare Health Plans, Inc. ("WellCare"), WellCare Health Insurance Company of Washington, Inc. and WellCare of Washington, Inc. (together with WellCare Health Insurance Company of Washington, Inc., the "Domestic Insurers").

At the hearing, Ronald J. Pastuch, Holding Company Manager in the OIC's Company Supervision Division, testified for the OIC. Christopher A. Koster, Senior Vice President, Corporate Services, at Centene, testified on behalf of the Applicant. Karen M. Johnson, Regional President of Medicare West Region at WellCare, testified on behalf of the Domestic Insurers.

Pursuant to RCW 48.02.100 and WAC 284-02-070(2)(d)(i), the Washington State Insurance Commissioner ("Commissioner") delegated to Presiding Officer Julia Eisentrout authority to handle all preliminary activities in this adjudicative proceeding prior to the hearing, to preside over the hearing, and to the undersigned the authority to enter a final order whether to approve or disapprove the proposed acquisition in the instant matter based on the entire hearing record and all pleadings and documents on file in this matter.

On May 1, 2019, Applicant filed with the OIC a Form A Statement regarding the Acquisition of Control of or Merger with a Domestic Insurer and attached exhibits ("Form A"), requesting approval of the Applicant's proposed acquisition of control of WellCare Health Insurance

FINAL ORDER APPROVING ACQUISITION OF CONTROL

Docket No. 19-0250

Page 2

Company of Washington, Inc. and WellCare of Washington, Inc. by the Applicant. Each of the Domestic Insurers is currently an indirect, wholly owned subsidiary of WellCare, a publicly traded Delaware corporation.

The proposed acquisition of the Domestic Insurers is part of a broader merger transaction (the "Merger Transaction") governed by the terms and conditions set forth in an Agreement and Plan of Merger, dated as of March 26, 2019 (the "Merger Agreement"), by and among the Applicant, WellCare, Wellington Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of Centene ("Merger Sub I"), and Wellington Merger Sub II, Inc., a Delaware corporation and wholly owned subsidiary of Centene ("Merger Sub II" and, together with Merger Sub I, the "Merger Subs"). The Merger Agreement is attached as Exhibit A to the Form A.

Centene proposes to acquire control of the Domestic Insurers through the Merger Transaction, pursuant to the terms and conditions of the Merger Agreement. The Merger Transaction will be accomplished by a two-step process. First, subject to the terms and conditions set forth in the Merger Agreement, Merger Sub I will be merged with and into WellCare (the "First Merger"), with WellCare surviving the First Merger as a wholly owned subsidiary of Centene (the "Surviving Corporation"). Immediately after the First Merger, the Surviving Corporation will be merged with and into Merger Sub II (the "Second Merger"), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of Centene. Effective upon the consummation of the Second Merger, the name of the Final Surviving Corporation will be "WellCare Health Plans, Inc." Following the consummation of the Merger Transaction, Centene will directly own 100% of the issued and outstanding shares of capital stock of WellCare, and will thereby indirectly own 100% of the issued and outstanding shares of capital stock of each of the Domestic Insurers.

The Applicant's Form A, and all supplemental documents filed therewith, including orders and written communications to and from the OIC and the OIC Hearings Unit to the parties, were made available to the public at <https://www.insurance.wa.gov/hearings/wellcare-health-insurance-company-washington-inc-and-wellcare-washington-inc-acquisition> (with the exception of limited documents, or portions thereof, which were deemed to be confidential, and either redacted or sealed pursuant to the Confidentiality Order), remained available to the public through the date of the hearing, and shall remain available to the public on the OIC's foregoing website and also by request to the OIC Hearings Unit for copies of those documents and materials. The documents specified above, and all other documents, information and materials that the Applicant was required by statute, or by later request of the OIC or the OIC Hearings Unit, to submit and which were reviewed by the OIC in issuing its recommendation to the undersigned in testimony at hearing, and by the OIC Hearings Unit in issuing the final order herein, are included in the hearing file, were entered into evidence in this proceeding, and, as stated above, have been and will remain available to the public.

Also entered into evidence in this proceeding was the Applicant's confidential Pre-Acquisition Notification Form Regarding the Potential Competitive Impact of a Proposed Merger or Acquisition by a Non-Domiciliary Insurer Doing Business in this State or by a Domestic Insurer and Change No. 1 thereto (as amended, "Form E"). Pursuant to the Confidentiality Order, the Form E shall remain confidential and exempt from disclosure.

**THE OVERARCHING LEGAL STANDARD GOVERNING  
THE OIC'S REVIEW OF BOTH THE FORM A AND FORM E**

Pursuant to RCW 48.31B.015(4)(a), the OIC shall approve Centene's acquisition of control of the Domestic Insurers (or the Form A) unless, after a public hearing thereon, the OIC concludes that:

(i) After the change of control, the domestic insurer referred to in subsection (1) of this section would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(ii) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein. In applying the competitive standard in this subsection (4)(a)(ii):

(A) The informational requirements of RCW 48.31B.020(3)(a) and the standards of RCW 48.31B.020(4)(b) apply;

(B) The merger or other acquisition may not be disapproved if the commissioner finds that any of the situations meeting the criteria provided by RCW 48.31B.020(4)(c) exist; and

(C) The commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

(iii) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(iv) The plans or proposals which the acquiring party has to liquidate the insurer, 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 policyholders of the insurer and not in the public interest;

(v) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

(vi) The acquisition is likely to be hazardous or prejudicial to the insurance-buying public.

Pursuant to RCW 48.31B.020(4)(a), the Commissioner may enter an order requiring an involved insurer to cease and desist from doing business in Washington with respect to the line or lines of insurance involved in the violation or denying the application of an acquired or acquiring insurer for a license to do business in Washington if there is substantial evidence that the effect of the acquisition may substantially lessen competition in a line of insurance in Washington or tends to create a monopoly therein, or if the insurer fails to file adequate information in compliance with

RCW 48.31B.020(3). In determining whether the Merger Transaction violates this competitive standard, the Commissioner shall consider the criteria in RCW 48.31B.020(4)(b). However, RCW 48.31B.020(4)(c) requires the Commissioner not enter an order requiring an involved insurer to cease and desist from doing business in Washington with respect to the line or lines of insurance involved in the violation or denying the application of an acquired or acquiring insurer for a license to do business in Washington if: (1) the Merger Transaction will yield substantial economies of scale or economies in resource that cannot be feasibly achieved in any other way, and the public benefits that would arise from the economies exceed the public benefits that would arise from not lessening competition; or (2) the Merger Transaction will substantially increase the availability of insurance, and the public benefits of the increase exceed the public benefits that would arise from not lessening competition.

At the public hearing in this matter, Presiding Officer Julia Eisentrout received evidence related to the statutory considerations above.

### **FINDINGS OF FACT**

Having considered the oral and written evidence presented at the public hearing on this matter and the documents on file herein, including the Form A, all contracts, information and materials submitted with the Form A and subsequent to the filing of the Form A at the request of the OIC and/or the OIC Hearings Unit; the Applicant's Form E; all written communications between the Applicant, WellCare, the Domestic Insurers, the OIC and the OIC Hearings Unit; and the complete hearing record, including written and oral testimony and argument of the parties and the OIC, the undersigned finds as follows:

1. The Commissioner has duly and properly delegated to the undersigned the authority to conduct all activities related to this adjudicative proceeding which occurred prior to the public hearing herein, to preside over the public hearing, and to enter the final order whether to approve or disapprove the Merger Transaction. The hearing was duly and properly convened and all substantive and procedural requirements under the laws of the State of Washington have been satisfied.

2. Centene, a Fortune 100 company, is a diversified, multi-national healthcare enterprise that provides a portfolio of services to government-sponsored and commercial healthcare programs, focusing on under-insured and uninsured individuals. Centene is one of the largest providers of Medicaid, Medicare Advantage and other government-sponsored and commercial programs in the country, serving more than 14 million members in 29 states while maintaining a local, decentralized approach. Centene's stock is publicly traded on the NYSE under the ticker symbol "CNC."

3. WellCare is a managed care company, headquartered in Tampa, Florida, and focuses primarily on providing government-sponsored managed care services to families, children, seniors and individuals with complex medical needs primarily through Medicaid, Medicare Advantage and Medicare Prescription Drug Plans, as well as individuals in the Health Insurance Marketplace. As of December 31, 2018, WellCare served approximately 5.5 million members nationwide. WellCare's stock is publicly traded on the NYSE under the ticker symbol "WCG."

4. WellCare Health Insurance Company of Washington, Inc. is an insurance company domiciled in Washington. WellCare of Washington, Inc. is a health maintenance organization domiciled in Washington. Each of the Domestic Insurers is a direct, wholly owned subsidiary of The WellCare Management Group, Inc., a New York corporation, which is, in turn, a direct, wholly owned subsidiary of WCG Health Management, Inc., a Delaware corporation, which is, in turn, a direct, wholly owned subsidiary of WellCare.

5. Both of the Domestic Insurers are recently licensed in the State of Washington and have not yet commenced business operations. However, both have recently been approved by the Centers for Medicare & Medicaid Services ("CMS") to provide Medicare Advantage plans for the 2020 plan year. In addition, WellCare of Washington, Inc. has been approved by CMS to provide dual-eligible special needs plans (or "D-SNP") for the 2020 plan year.

6. Pursuant to the Merger Agreement, the Applicant proposes to acquire the Domestic Insurers through its acquisition of WellCare (to be consummated through a series of mergers), as described above under "Background."

7. If the Merger Transaction is completed, each outstanding share of WellCare's common stock will (subject to certain restrictions) be converted into the right to receive 3.38 shares of Centene's common stock and \$120 in cash, without interest (the "Merger Consideration"). The Merger Transaction is valued at approximately \$17.3 billion, based on the closing stock prices as of March 26, 2019. The actual value to the WellCare stockholders will depend upon the closing stock prices at the time the Merger Transaction is completed.

8. Following consummation of the Merger Transaction, existing stockholders of Centene will own approximately 71% of the combined company and existing stockholders of WellCare will own approximately 29% of the combined company based on closing stock prices and outstanding shares of Centene's common stock and WellCare's common stock as of March 26, 2019.

9. The respective boards of directors of each of Centene and WellCare have unanimously approved the Merger Agreement. On June 24, 2019, the respective stockholders of Centene and WellCare approved the transactions contemplated by the Merger Agreement. Specifically, Centene's stockholders approved the issuance of Centene common stock in connection with the Merger Transaction, with over 99% of the shares that voted at the special meeting voting in favor, and WellCare's stockholders approved the adoption of the Merger Agreement, with over 99% of the shares that voted at the special meeting voting in favor.

10. Through the Merger Transaction, the capital stock of each of the Domestic Insurers is not being transferred or otherwise directly acquired by Centene. Instead, WellCare, the current indirect holder of all capital stock of each of the Domestic Insurers, will undergo a series of mergers, as described above under "Background." As a result of

the Merger Transaction, WellCare will become a direct, wholly-owned subsidiary of Centene.

11. On May 1, 2019, Centene submitted the Form A and original Form E to the OIC via overnight courier. On May 2, 2019, the OIC received the Applicant's Form A and original Form E.

12. On May 9, 2019, the Insurance Commissioner requested a hearing to request a determination as to the Merger Transaction by the Presiding Officer.

13. On May 14, 2019, the Insurance Commissioner posted a public notice of filing on the Insurance Commissioner's website concerning the Merger Transaction. The public notice included the Case Management Order, Docket No. 19-0250, dated May 14, 2019, that included acknowledgement of receipt of the Form A filing, adjudicative hearing requirements on the Form A, standards by which the Form A is analyzed, and notice for intervenors in the adjudicative proceeding, standard governing confidentiality, sealing, and redaction of records, where to file service of pleadings and other papers, and instructions for request of accommodation for persons needing assistance during the proceeding.

14. On June 21, 2019, the Applicant submitted Change No. 1 to the original Form E dated May 1, 2019.

15. On June 28, 2019, each of Centene and the Domestic Insurers filed a Joint Submission on Confidentiality Issues, jointly requesting confidential treatment with respect to certain categories of information in and related to the Form A and Form E.

16. On June 28, 2019, the parties each filed Case Status Reports which reported the case status and noted that no issues remain outstanding with regard to the Merger Transaction.

17. On July 3, 2019, pursuant to the Case Management Order, Docket No. 19-0250, the Presiding Officer for the Insurance Commissioner held a telephonic status conference to receive an update as to the status of the Insurance Commissioner's review of the Forms A and E filings. Following the status conference, the parties agreed with the Presiding Officer to hold an adjudicative hearing on July 30, 2019, at 9:00 a.m. at the Insurance Commissioner's office in Tumwater, Washington.

18. On July 10, 2019, the Presiding Officer issued the Notice of Hearing and Order Regarding Confidentiality and Amended Case Management Order.

19. On July 11, 2019, and in accordance with RCW 48.31B.015(4)(b), the Applicant provided notice of the public hearing to the Domestic Insurers and WellCare, more than seven days prior to the public hearing.

20. Following the Merger Transaction, WellCare Health Insurance Company of Washington, Inc. will be able to satisfy the requirements for issuance of a license as an

insurance company and WellCare of Washington, Inc. will be able to satisfy the requirements for issuance of a license as a health maintenance organization. According to RCW 48.05.340, WellCare Health Insurance Company of Washington, Inc.'s minimum required capital and surplus is \$4 million. According to RCW 48.46.235, WellCare of Washington, Inc.'s minimum required net worth is \$3 million. According to their respective qualifying examination reports issued April 17, 2019, each of the Domestic Insurers met the required minimum capital and surplus (net worth). The Domestic Insurers currently meet the minimum capital and surplus (net worth) requirement under RCW 48.05.340 and RCW 48.46.235.

21. The effect of the Merger Transaction would not lessen competition in insurance or tend to create a monopoly in the State of Washington.

22. None of the subsidiaries of Centene or of WellCare licensed to write direct written premium in Washington wrote such direct premium in the same lines of business in the past five years. Therefore, the immediate result of the Merger Transaction with respect to market share in Washington will not exceed the exemptions set forth in RCW 48.31B.020(2)(b)(iv) for any line of insurance business in Washington.

23. The OIC reviewed a market analysis report involving the Merger Transaction and found no competitive standard issues. The OIC concluded that there is no evidence that competition in Washington would be adversely affected or the acquisition would create a concentration of current subscribers in the health care market.

24. Each of Centene and WellCare has filed a pre-merger notification statement under the federal Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, relating to the Merger Transaction with the United States Department of Justice and, to date, is awaiting clearance.

25. The financial condition of the Applicant will not jeopardize the financial stability of the Domestic Insurers or prejudice the interests of their respective policyholders. As of the year ended December 31, 2018, the Applicant had net admitted assets of approximately \$10.1 billion and total surplus of approximately \$4.2 billion on a statutory accounting basis. As of the year ended December 31, 2018, the Applicant and its subsidiaries had consolidated total assets of approximately \$30.9 billion and consolidated total stockholders' equity of approximately \$11.0 billion on a GAAP basis. As demonstrated by the historical consolidated financial statements of the Applicant filed with the Form A Statement, the Applicant's financial condition and resources will strengthen the financial stability of WellCare's subsidiaries, including the Domestic Insurers, and will enhance the interests of the Domestic Insurers' respective policyholders.

26. The Applicant has no current plans or proposals to liquidate the Domestic Insurers, to sell their assets or to consolidate or merge them with any person or to make any other material change in their respective business operations, corporate structure or management.



27. WellCare Health Insurance Company of Washington, Inc. currently has five directors and six executive officers, and WellCare of Washington, Inc. currently has three directors and six executive officers. The Applicant does not have any present plans to change the existing directors and executive officers of the Domestic Insurers. If the Applicant proposes to make changes in the future, they would be communicated to the OIC as appropriate and as required by law and would be effected in compliance with all applicable statutory and regulatory requirements.

28. The Applicant currently has nine members on its board of directors. Immediately after the closing of the Merger Transaction, it is anticipated that Centene's board will be comprised of eleven members. In the Merger Agreement, Centene has agreed to take all actions necessary to (i) cause two individuals, jointly selected by Centene and WellCare, currently serving on the WellCare board of directors, to be appointed as members of the Centene board of directors and (ii) appoint one such director to the nominating and governance committee of the Centene board of directors. These two individuals have not yet been identified.

29. In addition, Kenneth A. Burdick, the current Chief Executive Officer of WellCare, and Drew Asher, the current Chief Financial Officer of WellCare, will join the Centene senior management team in new positions created as a result of the Merger Transaction. Both Mr. Burdick and Mr. Asher will be Executive Vice Presidents at Centene. Mr. Burdick will oversee the Markets and Products component of the combined business, which include Markets, Products (Medicaid, Marketplace, Medicare, LTSS and Duals), and Marketing/Brand. Mr. Asher will oversee some of the Specialty Services lines of business of the combined business, which include Envolve Benefit Options, PeopleCare and Pharmacy Solutions.

30. The competence, experience and integrity of those persons who would control the operation of the Domestic Insurers after the closing of the Merger Transaction are not such that it would not be in the interest of the respective policyholders of the Domestic Insurers, or of the public, to approve the Merger Transaction.

31. There are no grounds upon which to find that the Merger Transaction would be hazardous or prejudicial to the insurance-buying public.

32. The Applicant, WellCare, and the Domestic Insurers have submitted all necessary documents to the OIC in connection with the proposed acquisition of control of the Domestic Insurers (*i.e.*, the Merger Transaction).

33. The OIC's Company Supervision Division ("Company Supervision") is satisfied with the necessary documents meeting the statutory requirements for an acquisition according to RCW 48.31B.015. Company Supervision has recommended to the undersigned that the acquisition of the Domestic Insurers by the Applicant be approved as required by the standards set forth under RCW 48.31B.015.

34. The OIC requires that notice of the Merger Transaction be given to the public via the Internet (on the OIC's website). Notice of the Merger Transaction was

given to the public via the Internet (on the Insurance Commissioner's website) initially on May 14, 2019, with Case Management Order, Docket No. 19-0250. No person filed a petition to participate as intervenors in the proceedings on or before June 3, 2019. On July 11, 2019, the OIC posted an electronic notice on the OIC's website concerning the Merger Transaction and information about the OIC's public hearing process. Such notice included information regarding the hearing, via the Notice of Hearing dated July 10, 2019, and announcement posted on the website. The notice remained posted on the website from the date of posting through the date of the hearing. The Insurance Commissioner also sent an electronic notice to 1,108 recipients through the GovDelivery system.

35. The Notice of Hearing informed and advised all interested persons the hearing would be a public proceeding commencing at 9:00 a.m. Pacific Time on Tuesday, July 30, 2019, in the Office of the Insurance Commissioner, 5000 Capitol Blvd., Tumwater, Washington 98501. The Notice of Hearing Call-In Information issued on July 11, 2019 stated that interested persons may listen to the hearing by telephone by dialing 1-855-929-3239, followed by access code 806 178 308.

36. No communications were received from outside parties by the Applicant, WellCare, the Domestic Insurers, or the OIC concerning the proposed acquisition of control of the Domestic Insurers.

37. Ronald J. Pastuch, Holding Company Manager, Company Supervision, testified on behalf of the OIC as to whether the Merger Transaction met the legal requirements contained in RCW 48.31B.015 and RCW 48.31B.020, and also submitted his written Declaration. Mr. Pastuch presented his testimony in a clear, detailed, and credible manner, and exhibited no apparent biases.

38. Christopher A. Koster, Senior Vice President, Corporate Services at Centene, testified on behalf of the Applicant as to whether the Merger Transaction met the legal requirements contained in RCW 48.31B.015 and RCW 48.31B.020, and also submitted his written Affidavit. Mr. Koster presented his testimony in a clear, detailed, and credible manner, and exhibited no apparent biases.

39. Karen M. Johnson, Regional President of Medicare West Region at WellCare, testified on behalf of the Domestic Insurers as to whether the Merger Transaction met the legal requirements contained in RCW 48.31B.015, and also submitted her written Affidavit. Ms. Johnson presented her testimony in a clear, detailed, and credible manner, and exhibited no apparent biases.

### **CONCLUSIONS OF LAW**

Pursuant to RCW Title 48, and specifically RCW Chapter 48.31B, the OIC has jurisdiction over the Merger Transaction, which was the subject of the adjudicative proceeding herein. Further, the Commissioner has properly delegated to the undersigned the authority to conduct all activities relative to the adjudicative proceeding in this matter, to review and consider all documents and evidence filed and request supplemental information as appropriate, to preside

over the public hearing herein, and to issue the final order in this matter. Having considered all of the evidence and testimony presented herein, including all information and material presented by the parties and the OIC, and the entire hearing file, based upon the above Findings of Fact the undersigned hereby makes the following Conclusions of Law:

1. The Applicant properly filed its Form A, along with the exhibits and supplemental materials filed with and subsequent to the Form A, in a form required by and containing the information required by the OIC and the applicable provisions of RCW Chapter 48.31B, and specifically RCW 48.31B.015 and RCW 48.31B.020. In addition, the Applicant properly filed its Form E. Therefore, I conclude that the necessary filings, Form A and Form E, are complete.

2. Based upon the evidence of the content of the Notice of Hearing and the date it was published, reasonable notice of the public hearing in this matter was given.

3. Per RCW 48.31B.015(4)(a)(i), following the Merger Transaction, WellCare Health Insurance Company of Washington, Inc. will be able to satisfy the requirements for issuance of a license as an insurance company and WellCare of Washington, Inc. will be able to satisfy the requirements for issuance of a license as a health maintenance organization.

4. Per RCW 48.31B.015(4)(a)(ii) and RCW 48.31B.020(4)(a), the Merger Transaction will not substantially lessen competition or tend to create a monopoly in the insurance industry in the state of Washington.

5. Pursuant to RCW 48.31B.020(2)(b)(iv)(B), there is no prima facie indication of a potential violation of competitive standards, and the Applicant's acquisition of the Domestic Insurers will not substantially lessen competition or tend to create a monopoly in Washington for these lines of business.

6. Per RCW 48.31B.015(4)(a)(iii), the financial condition of the Applicant does not jeopardize the financial stability of the Domestic Insurers or prejudice the interests of their respective policyholders.

7. Per RCW 48.31B.015(4)(a)(iv), the Applicant has no present plans or proposals to liquidate the Domestic Insurers, to sell their assets or to consolidate or merge them with any person or to make any other material change in their respective business operations, corporate structure or management that are unfair or unreasonable to their respective policyholders and not in the public interest.

8. Per RCW 48.31B.015(4)(a)(v), the competence, experience, and integrity of those persons who would control the operation of the Domestic Insurers following the closing of the Merger Transaction are not such that it would not be in the interest of policyholders of the Domestic Insurers or of the public to permit the Merger Transaction.

9. Per RCW 48.31B.015(4)(a)(vi), the Applicant's acquisition of the Domestic Insurers is not likely to be hazardous or prejudicial to the insurance-buying public, as contemplated by RCW 48.31B.015(4)(a)(vi).

10. Reasonable notice of this proposed acquisition of control (*i.e.*, the Merger Transaction) was given to the public as contemplated by RCW Chapters 34.05 and 48.31B, and no reasonable or relevant objections exist for denying the Applicant's request for approval of the Form A and Form E, and the Merger Transaction.

11. The provisions of the Insurance Code of the State of Washington, and specifically RCW Chapter 48.31B and, in particular RCW 48.31B.015 and RCW 48.31B.020, governing approval of the proposed acquisition of control of the Domestic Insurers, have been met so as to support the approval of the Merger Transaction. Further, pursuant to the above Findings of Fact and Conclusions of Law, there is insufficient basis for denial of the Merger Transaction. For these reasons, the Applicant's proposed acquisition of control of the Domestic Insurers and WellCare, under the terms and conditions described above and as filed in this matter, should be granted.

### **ORDER**

On the basis of the foregoing Findings of Fact and Conclusions of Law, to the effect that the statutory criteria for approval of the Merger Transaction have been met, and that there are not sufficient bases for denial of approval of Applicant Centene Corporation's proposed acquisition of control of WellCare Health Insurance Company of Washington, Inc. and WellCare of Washington, Inc. and Applicant Centene Corporation's proposed acquisition of control of WellCare Health Plans, Inc., to the effect that approval of Applicant Centene Corporation's proposed acquisition of control of WellCare Health Insurance Company of Washington, Inc., WellCare of Washington, Inc. and WellCare Health Plans, Inc. upon the terms and conditions filed herein, should be granted. NOW THEREFORE;

**IT IS HEREBY ORDERED** that the Application of Centene Corporation for the Commissioner's approval of its acquisition of control of WellCare Health Insurance Company of Washington, Inc. and WellCare of Washington, Inc. (Form A), and the Application of Centene Corporation for the Commissioner's approval of its acquisition of control of WellCare Health Plans, Inc. (Form E), pursuant to the terms of an Agreement and Plan of Merger dated March 26, 2019 and other documents filed herein which are all included in evidence in this proceeding, is **HEREBY APPROVED effective this 30<sup>th</sup> day of July, 2019.**

This Order is entered pursuant to RCW Title 48, and specifically RCW 48.31B.015, RCW 48.31B.020 and RCW 48.04.010; and RCW Title 34, and specifically RCW Chapter 34.05, and regulations applicable thereto.

**THIS ORDER IS ENTERED** at Tumwater, Washington, this 31<sup>st</sup> day of July, 2019, and is effective as of the same date.

  
\_\_\_\_\_  
Presiding Officer

CERTIFICATE OF SERVICE

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be filed and served the foregoing Final Order Approving Acquisition of Control on the following people at their addresses listed below per electronic service agreements:

**TO:**            *Centene Corporation:*

Chris Koster, Senior VP,  
Corporate Services  
[Christopher.A.Koster@centene.com](mailto:Christopher.A.Koster@centene.com)

Keith H. Williamson, Esq.  
[kwilliamson@centene.com](mailto:kwilliamson@centene.com)

Todd E. Freed, Esq.  
Cheryl Bunevich, Esq.  
Skadden, Arps, Slate,  
Meagher & Flom LLP  
[Todd.freed@skaaden.com](mailto:Todd.freed@skaaden.com)  
[cheryl.bunevich@skadden.com](mailto:cheryl.bunevich@skadden.com)

Jeffrey L. Gingold, Esq.  
Gingold Law Firm, PLLC  
400 Harborview Drive SE  
[gingoldJ@gingoldlaw.com](mailto:gingoldJ@gingoldlaw.com)

*Office of the Insurance Commissioner:*

Mike Kreidler,  
Insurance Commissioner  
[MikeK@oic.wa.gov](mailto:MikeK@oic.wa.gov)

AnnaLisa Gellermann,  
Chief Deputy Insurance  
Commissioner  
[AnnaLisaG@oic.wa.gov](mailto:AnnaLisaG@oic.wa.gov)

*WellCare Health Plans, Inc.:*

Anat Hakim, Executive VP,  
General Counsel & Secretary  
[anat.hakim@wellcare.com](mailto:anat.hakim@wellcare.com)

Rachelle Sico, Esq.  
[rachelle.sico@wellcare.com](mailto:rachelle.sico@wellcare.com)

Ashlee Knuckey, Esq.  
Timothy Farber, Esq.  
Locke Lord LLC  
[AKnuckey@lockelord.com](mailto:AKnuckey@lockelord.com)  
[TFarber@lockelord.com](mailto:TFarber@lockelord.com)

Sarkis Jebejian, Esq.  
Michael Brueck, Esq.  
Keri Schick Norton, Esq.  
Kirkland & Ellis LLP  
[Sarkis.jebejian@kirkland.com](mailto:Sarkis.jebejian@kirkland.com)  
[Michael.brueck@kirkland.com](mailto:Michael.brueck@kirkland.com)  
[Keri.schicknorton@kirkland.com](mailto:Keri.schicknorton@kirkland.com)

*OIC Company Supervision:*

Doug Hartz  
Deputy Commissioner  
[DougH@oic.wa.gov](mailto:DougH@oic.wa.gov)

Ronald Pastuch,  
Holding Company Manager  
[RonP@oic.wa.gov](mailto:RonP@oic.wa.gov)

*OIC Legal Affairs Division:*

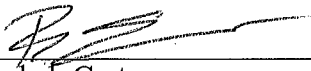
Toni Hood,  
Deputy Commissioner  
[ToniH@oic.wa.gov](mailto:ToniH@oic.wa.gov)

Mike Mince,  
Operations Manager  
[MikeM@oic.wa.gov](mailto:MikeM@oic.wa.gov)

Darryl Colman,  
Attorney Manager  
[DarrylC@oic.wa.gov](mailto:DarrylC@oic.wa.gov)

Ellen Range, Esq.,  
Insurance Enforcement Specialist  
[EllenR@oic.wa.gov](mailto:EllenR@oic.wa.gov)

Dated this 31<sup>st</sup> day of July, 2019, in Tumwater, Washington.

  
\_\_\_\_\_  
Rebekah Carter  
Paralegal, Hearings Unit