

Attachment A
QHPC Form A Filing

See attached.

FORM A

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR MERGER WITH A
DOMESTIC INSURER**

Filed with the Office of the Commissioner of Insurance,
State of Wisconsin

QUARTZ HEALTH PLAN CORPORATION

By

BELLIN GUNDERSEN HEALTH SYSTEM, INC.

Date: January 13, 2023

Name, title, address, and telephone number of individual to whom notices and correspondence concerning
this statement should be addressed:

Daniel J. Lilly, CPA, JD
Gundersen Health System, Inc.
1900 South Avenue, Mail Stop FS6-004
La Crosse, WI 54601
608-775-4615

With copies to:

Peggy Barlett
Husch Blackwell LLP
33 E Main St, Suite 300
Madison, WI 53703
608-234-6018

Christine Senty, JD
Quartz Benefits
2650 Novation Parkway
Fitchburg, WI 53713
608-471-4802

ITEM 1. INSURER AND METHOD OF ACQUISITION

(a) Domestic Insurer

The name of the domestic insurer to which this application (this “Form A”) relates is Quartz Health Plan Corporation (“QHPC” or “Domestic Insurer”), whose registered business address is 2650 Novation Parkway, Fitchburg, WI 53713. QHPC currently has four members: Gundersen Lutheran Health System, Inc., a Wisconsin nonstock corporation (“Gundersen”), Iowa Health System d/b/a UnityPoint Health, an Iowa non-profit corporation (“UPH”), University Health Care, Inc., a Wisconsin nonstock corporation (“UHC”), and Aurora Health Care, Inc., a Wisconsin nonstock corporation (“AHC”). As of the date hereof, the percentage of voting equity interests and total equity interests in QHPC (collectively, the “Equity Interests”) are held by the following entities and in the following amounts:

Entity	Voting Equity Interests	Total Equity Interests
Gundersen	16.424%	31.819%
UPH	14.312%	11.505%
UHC	49.264%	40.321%
AHC	20.000%	16.355%
Total:	100%	100%

The Equity Interests described above constitute all of the equity interests of QHPC currently outstanding. QHPC is the sole member of Quartz Health Plan MN Corporation, a Minnesota corporation.

(b) Method of Acquisition

The acquiring party for purposes of this Form A is Bellin Gundersen Health System, Inc. (“BGHS” or “Applicant”). As of the closing (“Closing”) of the transactions contemplated by that certain Combination Agreement dated as of July 29, 2022 by and between Gundersen and Bellin Health Systems, Inc. (“Bellin”), as amended by that certain First Amendment to Combination Agreement dated November 30, 2022 (the “Agreement”), the Applicant intends to acquire control of QHPC by becoming the sole member of Gundersen (the “Acquisition”). A copy of the Agreement will be made available to the Commissioner of Insurance in the State of Wisconsin (the “OCI”) under separate cover.

Pursuant to the Agreement, Gundersen and Bellin caused the incorporation of BGHS to serve as the sole member of each of Gundersen and Bellin as of the Closing. As a result, subject to the approval of this Form A by the OCI, the Applicant will indirectly assume certain responsibilities related to QHPC via Applicant’s sole membership in Gundersen. The Equity Interests held by Gundersen immediately prior to the Closing will continue to be held by Gundersen immediately following the Closing.

The specific terms and conditions governing the Agreement are outlined therein. Certain material terms of the Agreement that are relevant to the Acquisition are summarized as follows:

- Gundersen and Bellin are combining into one integrated health system that will become a national leader in population health management by strengthening the parties’ collective

capabilities to improve health & well-being and reducing total cost of care for those the parties serve by (i) maintaining the parties' commitment to their respective communities and local governance, (ii) increasing the number of people with access to the parties' services, (iii) expanding the parties' provider breadth and capabilities, (iv) addressing social determinants of health, (v) partnering with others across all sectors, and (vi) creating a powerful brand around enhancing consumer choice.

- On September 26, 2022, Gundersen and Bellin caused the formation of BGHS to serve as the sole member of each of Gundersen and Bellin as of Closing. A copy of the bylaws of BGHS dated effective as of December 1, 2022 ("Bylaws of BGHS") will be made available to the OCI under separate cover.
- At Closing, each of Gundersen and Bellin amended and restated each entity's articles of incorporation and bylaws to provide that BGHS is each entity's sole member.
- The Agreement contains representations and warranties by Gundersen and Bellin and imposes certain covenants on the parties, in each case that are either customary for combinations of this nature or otherwise suitable for this particular transaction.
- The Closing was subject to closing conditions that are either customary for combinations of this nature or otherwise suitable for this particular transaction including without limitation, accuracy at the Closing of certain representations and warranties made by Gundersen and Bellin, compliance with pre-closing covenants, the absence of any Material Adverse Effect (as that term is defined in the Agreement), the receipt of certain material third-party consents, and the delivery of certain closing documents.

Pursuant to that certain Stipulation and Order dated December 1, 2022 by and between the OCI and BGHS, the parties thereto agreed (i) to allow the Closing to occur as of December 1, 2022 and (ii) for Applicant to submit this Form A regarding the transaction within forty-five (45) days of the Closing.

This statement is submitted for the purpose of obtaining the approval of the Commissioner pursuant to the applicable provisions of the Wisconsin Statutes and the Wisconsin Administrative Code.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) The Applicant

The name and address of the Applicant is as follows:

Bellin Gundersen Health System, Inc.
c/o Gundersen Lutheran Health System, Inc.
1900 South Avenue
La Crosse, WI 54601

(b) The Applicant's Business Operations

The Applicant is a newly formed Wisconsin not-for-profit corporation formed in connection with the combination of Gundersen and Bellin to serve as the sole member of each of Gundersen and Bellin. No person or persons possess any rights to control the business or operations of the

Applicant. The Applicant is governed by a board of directors (the “**Board of Directors**”), which consists of nineteen (19) individual directors. The Board of Directors is comprised of eight (8) voting directors initially designated by Gundersen, eight (8) voting directors initially designated by Bellin, and three (3) non-voting ex officio directors, including the Chief Executive Officer of BGHS, who also serves as the Chief Executive Officer of each of Gundersen and Bellin; the Executive Vice President and Northern Region President of BGHS, who also serves as the President of Bellin; and the Southern Region President of BGHS, who also serves as the President of Gundersen.

The Applicant will have no active business other than serving as the corporate member of both Gundersen and Bellin. After Closing, Gundersen and Bellin will continue to own their respective assets (including, for Gundersen, the Equity Interests held by Gundersen), operate their existing health care facilities, and employ their existing physicians and other health care clinicians.

(c) Organization Chart

The chart attached hereto as Exhibit 2(c) shows the identities of, and inter-relationships among, the Applicant and all affiliates of the Applicant as of date of Closing. Exhibit 2(c) indicates the percentage of ownership interests, type of organizations, and state or other jurisdiction of domicile of each entity that is owned or controlled by the Applicant or by any such entity. There are no court proceedings involving a reorganization or liquidation pending with respect to any such entity.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

- **Identity of Officers, Directors, and Owners**

BGHS Directors

Name	Title
John Dykema	Northern Counties Director
Barb Gilling	Northern Counties Director
Terry Fulwiler	Northern Counties Director
Susan Finco	Northern Counties Director
Karl Schmidt	Northern Counties Director
Saied Assef, MD	Northern Counties Physician Director
Sherri Hoyman, DO	Northern Counties Physician Director
James Rider, MD	Northern Counties Physician Director
Jerry Arndt	Southern Counties Director
Dan Florness	Southern Counties Director
John Lyche	Southern Counties Director
Rick Radcliffe	Southern Counties Director
Tita Yutuc	Southern Counties Director
Chris Eberlein, MD	Southern Counties Physician Director
Ezana Azene, MD	Southern Counties Physician Director
Robyn Borge, MD	Southern Counties Physician Director
Scott Rathgaber, MD, <i>ex officio</i>	Chief Executive Officer
Chris Woleske, JD, <i>ex officio</i>	Executive Vice President and Northern Region President
Heather Schimmers, MBA, <i>ex officio</i>	Southern Region President

BGHS Officers

Name	Title
Scott Rathgaber, MD	Chief Executive Officer
Chris Woleske, JD	Executive Vice President and Northern Region President
Heather Schimmers, MBA	Southern Region President
Jerry Oetzel	Chief Financial Officer; Treasurer
Mike Dolan, MD	Co-Chief Clinical Officer
Cynthia Lasecki, MD	Co-Chief Clinical Officer
Lisa Harton	Chief Quality Officer
Praveen Chopra	Chief Digital and Information Officer
Andrea Werner	Chief Population Health Officer
Bill Farrell	Chief Innovation and Strategy Officer
Daniel Lilly, CPA, JD	Secretary

- **Biographical Affidavits and Authority for Release of Information**

Biographical Affidavits and completed releases for the individuals identified above, as required by the OCI, will be made available to the OCI under separate cover.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Nature of Consideration

No cash consideration is to be paid by any of BGHS, Gundersen, or Bellin pursuant to the Agreement. The consideration for the transactions contemplated by the Agreement consists of each of Gundersen's and Bellin's agreement that BGHS serve as the sole member of each of Gundersen and Bellin, and other agreements and covenants set forth in the Agreement with respect to the governance and operations of BGHS, Gundersen, and Bellin.

(b) Determination of Consideration

The terms of the Agreement are the result of arm's length negotiations between the parties. Gundersen and Bellin were represented by independent legal advisors in the negotiations between the parties.

ITEM 5. APPLICANT'S FUTURE PLANS FOR THE INSURER

Except as described in this Form A, the Applicant has no current plans or proposals to vote or take any action with respect to the Equity Interests held by Gundersen to cause QHPC to declare an extraordinary dividend, to liquidate QHPC, to sell any of QHPC's assets, to merge QHPC with any person or persons, or to make any other material change in QHPC's business operations, corporate structure or management. The parties do not currently contemplate changes in the officers or directors of QHPC as a result of the Agreement; all current QHPC officers and directors will continue to serve in their present roles with respect to QHPC as of Closing and the approval of this Form A.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

As a result of the Acquisition, the Applicant will indirectly acquire 16.424% of the voting equity interests and 31.819% of the total equity interests in QHPC. All of the terms and conditions set forth in the Agreement were arrived at through arm's length negotiations between Bellin and Gundersen.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as set forth in the Agreement and this Form A, neither the Applicant nor any of their respective affiliates or any of the persons listed in Item 3 has a beneficial interest in, or the right to acquire a beneficial interest in, the voting securities of QHPC.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

The Agreement and the Bylaws of BGHS reflect the current agreement among BGHS, Gundersen, and Bellin related to the Acquisition.

In its capacity as a member of QHPC, Gundersen is a party to a Third Amended and Restated Members Agreement dated February 10, 2022 by and among QHPC and its members (the "A&R Members Agreement"). The A&R Members Agreement imposes certain duties and obligations on Gundersen as a member of QHPC. The Agreement will not result in any changes to the A&R Members Agreement. Gundersen will remain bound by the terms of the A&R Members Agreement, and the Applicant will, solely by virtue of its control of Gundersen, be bound by the same.

Except for the Agreement, the Bylaws of BGHS, and the A&R Members Agreement, there are no contracts, arrangements or understandings directly or indirectly related to any voting securities of QHPC to which the Applicant, their respective affiliates, or any person listed in Item 3 is a party, including, but not limited to: transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no direct or indirect purchases of any voting securities of QHPC by the Applicant, their respective affiliates or any person listed in Item 3 during the twelve (12) calendar months preceding the filing of this Form A.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Except for the Agreement, neither the Applicant, their respective affiliates nor any person listed in Item 3, or to the knowledge of the Applicant, any other person based upon interviews or at the suggestion of the Applicant, their respective affiliates or any person listed in Item 3, has made any recommendations to others to acquire any shares of the voting securities or membership interests of QHPC during the twelve (12) calendar months preceding the filing of this Form A.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

There are no agreements, contracts, or understandings with any broker-dealer as to solicitation of voting securities of QHPC for tender.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

Because the Applicant is a newly formed entity, it has neither audited nor unaudited financial statements. Applicant’s only business will be serving as the sole member of Gundersen and Bellin. Prior to the Agreement, Gundersen and Bellin prepared its own financial statements. Accordingly, Applicant has provided Gundersen’s and Bellin’s financial statements as described below.

Financial Statements	Exhibit
Gundersen’s Audited Financial Statements for the Calendar Years Ending December 31, 2017 to December 31, 2021	12-A
Gundersen’s Unaudited Financial Statements for the nine (9) months ending September 30, 2022	12-B
Bellin’s Audited Financial Statements for the Fiscal Years Ending September 30, 2018 to September 30, 2022	12-C

Three-year financial projections for QHPC reflecting the pro forma impact of the Agreement, as required by Section 601.42, Wis. Stat., are attached to this Form A as Exhibit 12-D.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

Per electronic correspondence with the OCI, Applicant agrees to provide, to the best of its knowledge and belief, the information required by form F within fifteen (15) days after the end of the month of approval of this Form A.

ITEM 14. SIGNATURE AND CERTIFICATION

Pursuant to the requirements of ch. Ins 40, Wis. Adm. Code, Bellin Gundersen Health System, Inc. has caused this application to be duly signed on its behalf in the city of ~~La Crosse~~ Green Bay and state of Wisconsin on this 9th day of January, 2023.

Bellin Gundersen Health System, Inc.

Attest:

By: *Scott W. Rathgaber, MD*
 Scott W. Rathgaber, MD

Laura W. Wisniewski

Its: Chief Executive Officer

Name: *Laura Wisniewski*

Certification

The undersigned deposes and says that he has duly executed the attached application dated January 13, 2023, for and on behalf of Bellin Gundersen Health System, Inc., and that he is the Authorized Representative of such company and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information, and belief.

Scott W. Rathgaber, MD
 (Signature)
Scott W. Rathgaber, MD
 (Printed Name)



State of Wisconsin)
) ss
 County of *Brown*)

The foregoing instrument was acknowledged before me this *9th* day of *January*, 2023.

Peter Vandenhouten
 (Signature)
Peter Vandenhouten
 (Printed Name)

LIST OF EXHIBITS

Exhibit 2(c):	Organization Chart of Bellin Gundersen Health System, Inc. (as of the Closing)
Exhibit 12:	Financial Statements of the Applicant
Exhibit 12-A	Gundersen's Previous Five (5) Fiscal Years Audited Financial Statements
Exhibit 12-B	Gundersen's Unaudited Q3 2022 Financial Statement
Exhibit 12-C	Bellin's Previous Five (5) Fiscal Years Audited Financial Statements
Exhibit 12-D	Three-Year Financial Projections