

Gilardi, Mary Sue - OCI

From: Hinkel, Richard - OCI
Sent: Thursday, January 24, 2019 8:11 AM
To: Mancusi-Ungaro, Michael - OCI
Subject: FW: Trilogy Health Insurance Update

Importance: High

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From: Glenn Reinhardt [mailto:greinhardt@trilogycare.com]
Sent: Friday, January 18, 2019 3:11 PM
To: Hinkel, Richard - OCI; Malm, Amy J - OCI; Krueger, James A - OCI
Subject: Trilogy Health Insurance Update
Importance: High

I tried to contact each of you via phone today, but was unsuccessful. Based on your voicemail, it appears you might be out for a few days so I thought it would be best to send this email.

On January 17, 2019, a Stock Purchase Agreement was executed between Trilogy Health Holdings, LLC (THH) and My Choice Family Care, Inc (My Choice) whereby My Choice will purchase 100% of the issued and outstanding shares of Trilogy Health Insurance, Inc. (THI) from THH. This transaction is obviously subject to OCI review and approval. I anticipate the Form A filing to be completed within 7 to 10 days.

For THI this is a change of ownership / change of control, but not a significant change in operations for THI. Over time there will be some personnel additions/changes, but the significant activities performed today by Scas Management Group and Independent Physicians Network will continue on indefinitely under existing contracts. One of the attractions for My Choice was the long term contractual relationship THI has with SMG and IPN. There is no change to the provider network. There is no change to the members.

My Choice and Trilogy have both reached out to our respective contacts within DHS. It is my understanding from My Choice their DHS contact was pleased with the news of this transaction. Trilogy's DHS contact was also very helpful and was pleased this was a stock transaction (vs a member acquisition) having virtually no impact on our Medicaid members. Given My Choice's current family care activities, the acquisition of a standalone Medicaid HMO is a great fit and opportunity. The Trilogy Health Insurance entity, name and daily operations will live on and continue to serve the Medicaid population under My Choice ownership.

As of today, January 18th, there has been no internal or external announcement of this pending transaction. All parties will be informing internally on Tuesday, January 22nd. And I also anticipate My Choice having a press release on January 24th or 25th.

Please contact me if you have any immediate questions. Otherwise, as stated above, I anticipate the Form A filing will be submitted soon.

Thanks
Glenn

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