



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tony Evers, Governor
Mark V. Afable, Commissioner

Wisconsin.gov

December 20, 2019

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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Lisa Gingerich, Partner
Michael Best & Friedrich LLP
100 East Wisconsin Avenue, Suite 3300
Milwaukee, Wisconsin 53202

Re: Case No. 19-C43349

Dear Ms. Gingerich:

Enclosed is a copy of the Proposed Decision, including findings of fact and conclusions of law.

In accordance with s. 227.46 (2), Wis. Stat., the Commissioner of Insurance is providing an opportunity for you to submit any written objections and arguments that you may have regarding the Proposed Decision, findings of fact, or conclusions of law. Each objection and argument should be brief and include the reasons and authorities for it. If you wish to make objections and arguments, send them in writing to Mark V. Afable, Commissioner of Insurance, State of Wisconsin, P. O. Box 7873, Madison, Wisconsin 53707-7873, within 30 days after the date of this letter.

When the Final Decision is issued, any appeal to circuit court for review must be served on the Commissioner of Insurance, 125 South Webster Street, Madison, Wisconsin 53703.

If you have any questions concerning any of the foregoing, you may contact me at (608) 261-8562.

Sincerely,

Amy J. Malm
Hearing Examiner

Enclosure

cc: Kevin J. Collins (via e-mail only)

In the matter of the Plan for the Mergers of Care Wisconsin First, Inc.
with and into My Choice Family Care, Inc. and of Trilogy Health
Insurance, Inc. with and into Care Wisconsin Health Plan, Inc.
by My Choice Family Care, Inc.,

PROPOSED DECISION

Case No. 19-C43349

Petitioner.

Amy J. Malm, Hearing Examiner, Presiding

APPEARANCES

For the Office of the
Commissioner of Insurance:

Michael A. Mancusi-Ungaro, Insurance Financial
Examiner – Advanced (Licensing)
Richard B. Wicka, Chief Legal Counsel
Richard Hinkel, Insurance Financial Examiner - Chief

125 South Webster Street
Madison, Wisconsin 53703

For the Petitioner:

Lisa Gingrich, Esq.
Michael Best & Friedrich LLP
100 East Wisconsin Ave
Suite 3300
Milwaukee, WI 53202

Maria Ledger, Chief Executive Officer
Kevin J. Collins, General Counsel & Chief Compliance Officer
Betsy Van Heesch, Chief Operating Officer
James Hodson, Chief Financial Officer
My Choice Family Care, Inc.
Trilogy Health Insurance, Inc.
10201 West Innovation Drive
Suite 100
Wauwatosa, WI 53226

Other appearances:

Joshua J. Kindkeppel, Esq.
Pines Bach LLP
122 W. Washington Ave.
Suite 900
Madison, WI 53703

Amy Ackermann, Interim Chief Executive Officer
Angela Seidl, VP, Quality and Regulatory/Compliance Officer
Karen Hitchcock, Chief Operating Officer
Gary Priem, Chief Financial Officer (present by phone)
Care Wisconsin First, Inc.
Care Wisconsin Health Plan, Inc.
1617 Sherman Avenue
Madison, WI 53704

PRELIMINARY

Pursuant to a Notice of Hearing dated November 11, 2019, a hearing was held on or about 10:45 a.m. on December 2, 2019, to determine whether the Petitioner's application for approval of the plan for the mergers of Care Wisconsin First, Inc. with and into My Choice Family Care, Inc. and of Trilogy Health Insurance, Inc. with and into Care Wisconsin Health Plan, Inc. should be granted. Based on the record, the Hearing Examiner makes the following:

PROPOSED FINDINGS OF FACT

(1) My Choice Family Care, Inc., 10201 West Innovation Drive, Suite 100, Wauwatosa, Wisconsin 53226 (the Petitioner) is a non-stock non-profit corporation organized and domiciled in Wisconsin and holds a permit as a care management organization.

(2) Care Wisconsin First, Inc., 1617 Sherman Avenue, Madison, Wisconsin 53704-5930, is a non-stock non-profit corporation organized and domiciled in Wisconsin and holds a permit as a care management organization.

(3) Care Wisconsin Health Plan, Inc., 1617 Sherman Avenue, Madison, Wisconsin 53704-5930, is a non-stock non-profit health maintenance organization organized and domiciled in Wisconsin.

(4) Trilogy Health Insurance, Inc., 18000 West Sarah Lane, Suite 310, Brookfield, Wisconsin 53045-5842, is a for-profit stock insurance corporation licensed as a health maintenance organization and is organized and domiciled in Wisconsin.

(5) The Petitioner filed with the Office of the Commissioner of Insurance (Commissioner) an application for approval of the plan for the mergers of Care Wisconsin First, Inc. with and into My Choice Family Care, Inc. and of Trilogy Health Insurance, Inc. with and into Care Wisconsin Health Plan, Inc. (Plan for Mergers).

(6) The Petitioner was served with a Notice of Hearing.

(7) The Petitioner fulfilled the filing requirements of s. Ins 40.02, Wis. Adm. Code.

(8) The Plan for Mergers will not violate the law or be contrary to the interest of the respective enrollees of My Choice Family Care, Inc., Care Wisconsin First, Inc., Care Wisconsin Health Plan, Inc., and Trilogy Health Insurance, Inc.

(9) After the Plan for Mergers is consummated, My Choice Family Care, Inc. and Care Wisconsin Health Plan, Inc., as the surviving corporations, will each be able to satisfy the requirements for the issuance of the applicable permit or license to write the lines of insurance for which each is presently licensed.

(10) The effect of the Plan for Mergers will not be to create a monopoly or substantially to lessen competition in any type or line of insurance in Wisconsin.

(11) The financial condition of My Choice Family Care, Inc. and Trilogy Health Insurance, Inc. are unlikely to jeopardize the financial stability of any participating domestic care management organization or health maintenance organization, or to prejudice the interests of their respective enrollees.

(12) There are no plans or proposals as part of the Plan for Mergers to liquidate the surviving corporations, My Choice Family Care, Inc. and Care Wisconsin Health Plan, Inc., to sell their respective assets, or to consolidate or merge them with any person. The plans or proposals which the Petitioner has to make any other material change in the business or corporate structure or management of the surviving

corporations, My Choice Family Care, Inc. and Care Wisconsin Health Plan, Inc., are fair and reasonable to the respective enrollees of My Choice Family Care, Inc., Care Wisconsin First, Inc., Care Wisconsin Health Plan, Inc., and Trilogy Health Insurance, Inc. or in the public interest.

(13) The competence and integrity of the persons who will control the operation of the surviving corporations, My Choice Family Care, Inc. and Care Wisconsin Health Plan, Inc., are such that it will be in the interest of the respective enrollees of My Choice Family Care, Inc., Care Wisconsin First, Inc., Care Wisconsin Health Plan, Inc., and Trilogy Health Insurance, Inc. and the public to permit the Plan for Mergers.

PROPOSED CONCLUSION OF LAW

(14) The proposed findings of fact set forth above establish that the requirements of s. 611.72 and chs. 227, 617 and 648, Wis. Stat., and chs. Ins 40 and 57, Wis. Adm. Code, have been satisfied and approval of the Plan for Mergers should be granted.

PROPOSED ORDER

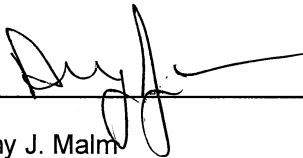
NOW, THEREFORE, based upon the findings of fact and conclusion of law, I hereby recommend that:

(15) The Petitioner's request for approval of the Plan for Mergers should be approved, subject to the following conditions subsequent:

- (a) Care Wisconsin Health Plan, Inc. shall consent to a stipulation and order issued by the Office of the Commissioner of Insurance under s. 601.41, Wis. Stat., which shall be in a form substantially similar to that provided in Exhibit 104 in the record of this proceeding, within ten (10) calendar days of the consummation of the proposed change in control.
- (b) My Choice Family Care, Inc. shall consent to a stipulation and order issued by the Office of the Commissioner of Insurance under s. 601.41, Wis. Stat. within ten (10) calendar days of the consummation of the proposed change in control.
- (c) My Choice Family Care, Inc. shall file the consent to jurisdiction required by s. 648.45 (3), Wis. Stat., and s. 57.25, Wis. Adm. Code, within ten (10) calendar days following consummation of the mergers.
- (d) Within ten (10) calendar days of the consummation of the proposed change in control, My Choice Family Care, Inc. shall file Amended and Restated Articles of Incorporation in the form provided as Exhibit 27 in the record of this proceeding. The effective date of these Amended and Restated Articles of Incorporation shall be deemed as the date of the consummation of the merger of Care Wisconsin First, Inc. with and into My Choice Family Care, Inc. and the date-stamp affixed to them by the Office of the Commissioner of Insurance shall reflect the date of the consummation of the proposed change in control.
- (e) Within ten (10) calendar days of the consummation of the proposed change in control, My Choice Family Care, Inc. file Amended and Restated Bylaws in the form provided as Exhibit 28 in the record of this proceeding. The effective date of these Amended and Restated Bylaws shall be deemed as the date of the consummation of the merger of Care Wisconsin First, Inc. with and into My Choice Family Care, Inc. and the date-stamp affixed to them by the Office of the Commissioner of Insurance shall reflect the date of the consummation of the proposed change in control.

- (f) Within ten (10) calendar days of the consummation of the proposed change in control, Care Wisconsin Health Plan, Inc. shall file Amended and Restated Articles of Incorporation in the form provided as Exhibit 29 in the record of this proceeding. The effective date of these Amended and Restated Articles of Incorporation shall be deemed as the date of the consummation of the merger of Trilogy Health Insurance, Inc. with and into Care Wisconsin Health Plan, Inc. and the date of their execution by the corporation's President and the date-stamp affixed to them by the Office of the Commissioner of Insurance shall reflect the date of the consummation of the proposed change in control.
- (g) Within ten (10) calendar days of the consummation of the proposed change in control, Care Wisconsin Health Plan, Inc. shall file Amended and Restated Bylaws in the form provided as Exhibit 30 in the record of this proceeding. The effective date of these Amended and Restated Bylaws shall be deemed as the date of the consummation of the merger of Trilogy Health Insurance, Inc. with and into Care Wisconsin Health Plan, Inc. and the date-stamp affixed to them by the Office of the Commissioner of Insurance shall reflect the date of the consummation of the proposed change in control.

Dated at Madison, Wisconsin, this 20th day of December, 2019.



Amy J. Malm
Hearing Examiner