

Form A

**Statement Regarding the Acquisition of Control of
or Merger with a Domestic Insurer**

**Network Health Plan
and
Network Health Insurance Corporation**

by

ThedaCare, Inc.

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

Date: September 15, 2023

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

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For nearly 114 years, ThedaCare, Inc., a Wisconsin non-profit corporation (“ThedaCare”), has been committed to improving the health and well-being of the communities it serves in Northeast and Central Wisconsin. This comprehensive healthcare system delivers care to more than 650,000 residents in 17 counties and employs approximately 7,000 providers (largest employer in Northeast Wisconsin) and team members. ThedaCare has 180 points of care, including eight hospitals covering a nine-county service area. ThedaCare’s hospital in Neenah is the area’s only Level II Trauma Center and certified stroke center, which allows patients to receive critical acute care close to home. ThedaCare is the first in Wisconsin to be a Mayo Clinic Care Network Member, giving its specialist the ability to consult with Mayo Clinic experts on a patient’s care. As an organization committed to being a leader in Population Health, ThedaCare team members are dedicated to empowering people to live their unique, best lives. ThedaCare also partners with communities to understand needs, finding solutions together, and encouraging health awareness and action.

Froedtert Health, Inc., a Wisconsin non-profit corporation (“Froedtert”), is a Milwaukee, Wisconsin-based, integrated health care system providing a variety of health-related services, including hospitals and health centers, home care, laboratory, health insurance, employer health services and workplace clinics, and digital health solutions. Froedtert partners with the Medical College of Wisconsin (“MCW”) to form the Froedtert & MCW health network supporting a shared mission of patient care, innovation, medical research and education. The health network operates eastern Wisconsin’s only academic medical center and adult Level I Trauma Center at Froedtert Hospital, Milwaukee, an internationally recognized training and research center engaged in thousands of clinical trials and studies. The Froedtert & MCW health network, which includes 10 hospital locations, more than 2,100 physicians and more than 45 health centers and clinics, draws patients from throughout the Midwest and the nation. In Froedtert’s most recent fiscal year, three were more than 1.7 million outpatient visits to its facilities, inpatient admissions to its hospitals exceeded 58,000, and visits to its network physicians totaled more than 1.17 million.

ThedaCare and Froedtert know each other well through their existing quaternary partnership, which includes the Medical College of Wisconsin, to expand access to the most advanced levels of medicine and a joint venture to create two new health campuses in Oshkosh and Fond du Lac, Wisconsin. Now ThedaCare and Froedtert have entered into a Combination Agreement dated August 29, 2023 (the “Agreement”) under which the two organizations will further their current work together to close care gaps, recruit and retain talent, develop innovations to meet patient needs and advance their respective legacies of clinical excellence and community focus.

Together, ThedaCare and Froedtert will:

- **Help the people of Wisconsin live their unique, best lives**, providing better and more seamless access to comprehensive, high-quality care when people are sick or injured and serving as a true partner in health to help keep people well.
- **Be based in Wisconsin, led by people who live and work in Wisconsin** and governed by a parent board composed of current board members from both organizations including

two board members who serve on both the boards of the Medical College of Wisconsin and Froedtert Health concurrently.

- **Deliver real value and bring innovative solutions for the health care needs of its state and communities**, including addressing health equity, health disparities and more, with a clear commitment to urban, suburban and rural areas.
- **Honor and grow the strong legacies of clinical excellence and community commitment** that are the shared hallmarks of each organization. The trusted brand names of the existing organizations will continue.
- **Work in concert with its partners at the Medical College of Wisconsin** to bring together every aspect of care, including primary care, specialty care, the most advanced levels of care, clinical trials, graduate medical education and more.

Under the Agreement: (1) ThedaCare will appoint seven of the 18 directors of Froedtert; (2) Froedtert will appoint 11 of the 18 directors of Froedtert; and (3) Froedtert will change its name to Froedtert ThedaCare Health, Inc. (the post-closing Froedtert will be referred to as “Froedtert ThedaCare”) (with Froedtert ThedaCare becoming the sole corporate member of ThedaCare).

Froedtert currently owns a 50% corporate membership interest in Network Health, Inc. (“NHI”), with the remaining 50% being currently owned by Ministry Health Care, Inc. (“Ministry”), a wholly owned and controlled affiliate of Ascension Health. NHI is the sole corporate member of Network Health Insurance Corporation (“NHIC”) and is the sole shareholder of Network Health Plan (“NHP” and, together with NHIC, “Network Health”). By appointing seven of the 18 directors of Froedtert, ThedaCare will acquire “control” of Network Health as defined in Wis. Stat. § 600.03(13). Therefore, this Form A statement regarding the acquisition of control of or merger with a domestic insurer (including all exhibits, this “Form A”) seeks the approval of the Office of the Commissioner of Insurance of the State of Wisconsin (the “Office”) pursuant to Wis. Stat. §§ 611.72(2), 617.21(1) and related regulations, including Wis. Admin. Code § Ins 40.02, for the proposed acquisition of control (the “Proposed Acquisition”) of Network Health by ThedaCare.

ITEM 1. INSURER AND METHOD OF ACQUISITION

State the name and address of the domestic insurer to which this application relates and briefly describe how control is to be acquired.

This Form A relates to the Proposed Acquisition of Network Health Plan, a Wisconsin stock health maintenance organization insurance corporation, and Network Health Insurance Corporation, a Wisconsin non-stock insurance corporation. The address for both entities is 1570 Midway Place, Menasha WI 54952.

Froedtert is one of the ultimate controlling persons of Network Health. Under the Agreement, ThedaCare will appoint seven (7) of the eighteen (18) directors of Froedtert, and thus will acquire “control” over Network Health as defined in Wis. Stat. § 600.03(13). A true and correct copy of the Agreement with confidential information redacted is included as Exhibit

A. A true and correct copy of the Agreement without redactions is included as Confidential Exhibit 1.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

(a) State the name and address of the applicant seeking to acquire control over the insurer.

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Neenah, WI 54956

(b) If the applicant is not an individual, state the nature of its business operations for the past 5 years or for such lesser period as such person and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.

ThedaCare is a community-owned, non-profit health system consisting of eight hospitals and over 30 primary care clinics, consisting of over 200 primary care providers located in nine-counties in Northeast Wisconsin. ThedaCare also includes behavioral health services, laboratory services, home care, retirement living, skilled nursing services, and assisted living. ThedaCare is committed to improving the health and wellbeing of the communities it serves.

Together, ThedaCare and Froedtert will further their current work to close care gaps, recruit and retain talent, develop innovations to meet patient needs and advance their respective legacies of clinical excellence and community focus.

(c) Furnish a chart or listing clearly presenting the identities of the interrelationships among the applicant and all affiliates of the applicant. Indicate in such chart or listing the percentage of voting securities of each such person which is owned or controlled by the applicant or by any other such person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of such control. As to each person specified in such chart or listing indicate the type of organization (e.g., corporation, trust, partnership) and the state of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings and the date when commenced.

An organizational chart presenting the identities of and the interrelationships among Froedtert ThedaCare and its affiliates after the Proposed Acquisition is attached as Exhibit B, which shows the current organizational charts of ThedaCare and Froedtert. Following the consummation of the Proposed Acquisition, these charts will be combined, but with Froedtert renamed Froedtert ThedaCare Health, Inc. and ThedaCare a direct subsidiary of Froedtert ThedaCare Health, Inc.

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

On the biographical affidavit, include a third party background check and state the following with respect to (1) the applicant if the applicant is an individual or (2) all persons who are directors, executive officers or owners of 10% or more of the voting securities of the applicant if the applicant is not an individual.

(a) Name and business address;

(b) Present principal business activity, occupation or employment including position and office held and the name, principal business and address of any corporation or other organization in which such employment is carried on;

(c) Material occupations, positions, offices or employment during the last 5 years, giving the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on; if any such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency, indicate such fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection with the license or registration whether pending or concluded.

(d) Whether or not such person has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last 10 years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.

In late August, the ThedaCare and Froedtert Board of Directors approved the definitive Agreement that outlines the terms and commitments of the planned Froedtert ThedaCare health system originally announced in April. Both systems are continuing to work toward launching the Froedtert ThedaCare health system on January 1, 2024, pending customary pre-closing conditions, further Board approvals and regulatory approval.

Those board members and executive officers of Froedtert ThedaCare who have been designated to date are set forth in Exhibit C. ThedaCare and Froedtert will designate all directors and executive officers of Froedtert ThedaCare by the end of September, and ThedaCare will update Exhibit C with the full slate of directors and executive officers and provide the corresponding biographical affidavits at that time.

The information requested in (a) through (c) for each person named in Exhibit C is included in biographical affidavits included as Confidential Exhibit 2, or that ThedaCare will add to Confidential Exhibit 2 promptly after ThedaCare and Froedtert have designated all directors and executive officers of Froedtert ThedaCare. To the best of Froedtert's information and belief, no person listed in Exhibit C has ever been convicted in a criminal proceeding (excluding traffic violations not involving death or injury) during the last 10 years.

ThedaCare has no voting securities, so there are no owners of 10% or more of its voting securities; moreover, ThedaCare has no controlling person.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

(a) Describe the nature, source and amount of funds or other considerations used, or to be used, in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes and security arrangements relating thereto.

As noted in the introduction to this Form A, the Agreement is designed to further the current work of ThedaCare and Froedtert together to close care gaps, recruit and retain talent, develop innovations to meet patient needs and advance their respective legacies of clinical excellence and community focus. To effectuate this integration, Froedtert and ThedaCare will each appoint a share of the directors of Froedtert ThedaCare, and Froedtert ThedaCare will become the sole voting member of ThedaCare. There is no consideration for this transaction in the traditional sense; instead, the consideration for the transactions contemplated by the Agreement consists of ThedaCare's agreement that Froedtert become the sole corporate member of ThedaCare, with ThedaCare and Froedtert each foregoing their operation as separate, independent entities in return for the benefits of working together, all as more fully set forth in the Agreement. Thus, no part of the consideration is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of the Proposed Acquisition.

(b) Explain the criteria used in determining the nature and amount of such consideration.

The Agreement, including the nature and amount of the consideration, such as it is, and all related agreements, were determined by arm's-length negotiations between ThedaCare and Froedtert, and their respective legal and other advisors, after substantial due diligence, and are consistent with their respective statuses as non-profit, tax-exempt organizations.

ITEM 5. APPLICANT'S FUTURE PLANS FOR THE INSURER

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate the insurer, to sell the insurer's assets to or merge it with any person or persons or to make any other material change in its business operations or corporate structure or management.

(a) General

Except as may arise in the ordinary course of business, ThedaCare has no present plans or proposals to cause Network Health to declare an extraordinary dividend, to liquidate Network Health, to sell Network Health's assets to or merge it with any person or persons, or to make any other material change in its business operations or corporate structure or management. Thus, for example, ThedaCare has no plans or proposals to change the directors and executive officers of NHI or Network Health, as set forth in Exhibit D, following the consummation of the Proposed Acquisition, or to change Network Health's registered agent. Biographical affidavits for each person named in Exhibit D, to be included as Confidential Exhibit 3, will be provided to the Office under separate cover by Network Health.

(b) Affiliate Agreements

ThedaCare and Network Health are currently party to: (i) that certain ACO Agreement entered into by and between NHIC and ThedaCare ACO, LLC, by and on behalf of itself and its affiliates as of January 1, 2022, under which ThedaCare provides health care services to Network Health's Medicare Advantage enrollees; and (ii) that certain Agreement entered into as of June 1, 2019, as amended by that certain Amendment No. 1 entered into as of August 1, 2020, under which Network Health makes certain aligned incentive payments, in addition to payment of a claim, to ThedaCare in accordance with the terms and conditions of such agreement. To the extent required, ThedaCare requests the Office's permission for these agreements pursuant to Wis. Stat. § 617.21 and related regulations, including Wis. Admin. Code § 40.04(2)(d).

ThedaCare and Network Health are currently negotiating a provider agreement under which ThedaCare will provide health care services to Network Health's commercial enrollees. Either ThedaCare or Network Health will submit that agreement to the Office once it is finalized.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

State the number of shares of the insurer's voting securities which the applicant, its affiliates and any person listed in Item 3 plan to acquire; and the terms of the offer, request, invitation, agreement or acquisition; and a statement as to the method by which the fairness of the proposal was arrived at.

Neither ThedaCare, nor its affiliates, nor any person listed in Item 3 has any present plans to acquire, directly or indirectly, any voting securities of NHP or any membership interest in NHIC. As stated in the introduction to this Form A, ThedaCare will acquire control over Network Health by appointing 7 of the 18 directors of Froedtert. NHI currently holds all of the voting securities of NHP and is the sole member of NHIC, and would continue to hold such securities and sole membership if ThedaCare appoints 7 of the 18 directors of Froedtert.

See Item 2(b) of this Form A for a statement as to the method by which the parties arrived at the fairness of the proposal.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates or any person listed in Item 3.

Neither ThedaCare, nor its affiliates, nor any person listed in Item 3 has any beneficial ownership or the right to acquire beneficial ownership, directly or indirectly, of any shares of the voting securities of NHP or any membership interest in NHIC.

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

Give a full description of any contracts, arrangements or understandings with respect to any voting security of the insurer in which the applicant, its affiliates or any person listed in Item

3 is involved, 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. Such description shall identify the persons with whom the contracts, arrangements or understandings have been entered into.

Neither ThedaCare, nor its affiliates, nor any person listed in Item 3 has any contracts, arrangements or understandings, directly or indirectly, with respect to any voting securities of NHP or any membership interest in NHIC, other than the Agreement. As stated in the introduction to this Form A, ThedaCare will arguably acquire control over Network Health by appointing 7 of the 18 directors of Froedtert pursuant to the Agreement (which, along with this Form A, sets forth all contracts, arrangements or understandings with respect to control of Network Health in which ThedaCare, its affiliates or any person listed in Item 3 is involved).

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement. Include in the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any shares so purchased are hypothecated.

Neither ThedaCare, nor its affiliates, nor any person listed in Item 3 has purchased, directly or indirectly, any voting securities of NHP or any membership interest in NHIC during the 12 calendar months preceding the filing of this Form A.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this statement.

There were no recommendations by ThedaCare, its affiliates, or any person listed in Item 3 to purchase, directly or indirectly, any voting securities of NHP or any membership interest in NHIC during the 12 calendar months preceding the filing of this Form A other than in connection with the Agreement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Describe the terms of any agreement, contract or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

None.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

(a) Pursuant to s. 601.42, Stat., financial statements, exhibits, and three-year financial projections of the insurer(s) to be acquired shall be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.

Three-year pro forma financial projections for Network Health to be included as Confidential Exhibit 4 will be provided to the Office under separate cover by Network Health, without review by ThedaCare, to protect the confidentiality of such information.

The following exhibits are attached to this Form A:

<u>Exhibit</u>	<u>Description</u>
A	Combination Agreement (Redacted)
B	Organizational Chart of ThedaCare and Froedtert
C	Proposed Directors and Executive Officers of Froedtert ThedaCare
D	Directors and Executive Officers of Network Health
E	Audited financial statements of ThedaCare for the years 2018 to 2022
F	Audited financial statements of Froedtert for the years 2018 to 2022

The following exhibits are being submitted in a confidential supplement to this Form A:

<u>Exhibit</u>	<u>Description</u>
1	Combination Agreement (Unredacted)
2	Biographical Affidavits for Directors and Executive Officers of Froedtert ThedaCare
3	Biographical Affidavits for Directors and Executive Officers of NHI and Network Health
4	Three Year Financial Projections for Network Health

(b) The financial statements shall include the annual financial statements of the persons identified in Item 2(c) for the preceding 5 fiscal years (or for such lesser period as such applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of such person's last fiscal year, if the information is available. The statements may be prepared either on an individual basis or, unless the commissioner otherwise requires, on a consolidated basis if consolidated statements are prepared in the usual course of business.

The annual financial statements of the applicant shall be accompanied by the certificate of an independent public accountant to the effect that such statements present fairly the financial position of the applicant and the results of its operations for the person's last fiscal year, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer

which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the annual statement of the person filed with the insurance department of the person's state of domicile and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.

The audited financial statements of ThedaCare for the years 2018 to 2022 are attached as Exhibit E. Additionally, the audited financial statements of Froedtert for the years 2018 to 2022 are attached as Exhibit F.

(c) File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory or management contracts concerning the insurer, annual reports to the stockholders of the insurer and the applicant for the last 2 fiscal years, and any additional documents or papers required by form A or ss. Ins 40.11 and 40.13, Wis. Adm. Code.

(i) There are no tender offers for, requests or invitations for, tenders of, exchange offers for, or agreements to acquire, directly or indirectly, any voting securities of NHP or any membership interest in NHIC.

(ii) There are no proposed employment, consultation, advisory or management contracts concerning Network Health beyond any such contracts already in existence.

(iii) Neither ThedaCare nor Network Health has annual reports to stockholders. They also have no other annual reports.

(iv) There are no additional documents or papers required by the Form A or Wis. Admin. Code §§ Ins 40.11 or 40.13.

(v) Pre-Acquisition Notification and Competitive Standard. The Proposed Acquisition is exempt from the pre-acquisition notification and competitive standards of Wis. Admin. Code § Ins 40.025 pursuant to § Ins 40.025(2)(d)2. ThedaCare has no affiliate that is an insurer. Therefore, ThedaCare acquiring “control” over Network Health in the Proposed Acquisition will not increase any market share, and ThedaCare respectfully requests that the Office determine that the § Ins 40.025(2)(d)2. exemption is satisfied. The Proposed Acquisition may also satisfy one or both of the remaining exemptions in § Ins. 40.025(2)(d), and ThedaCare reserves the right to present such information, if necessary.

(vi) Grounds for Approval. Although not directly applicable to NHIC, as grounds for approval of the Proposed Acquisition as described in this Form A, ThedaCare states that the plan for such acquisition would not violate the law or be contrary to the interests of the insureds of any participating domestic insurer (and there is no participating nondomestic insurer) and that:

- (1) Following the consummation of the Proposed Acquisition, Network Health would 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;

- (2) The effect of the consummation of the Proposed Acquisition would not be to create a monopoly or substantially to lessen competition in insurance in Wisconsin;
- (3) The financial condition of ThedaCare is not likely to jeopardize the financial stability of Network Health, or prejudice the interests of its Wisconsin policyholders;
- (4) ThedaCare has no plans or proposals to liquidate Network Health, sell its assets, or merge it with any person or make any other material change in its business or corporate structure or management; and
- (5) The competence and integrity of those persons who would control the operation of Network Health are such that it would be in the interest of the policyholders of Network Health and of the public to permit the consummation of the Proposed Acquisition.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

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 in which acquisition of control occurs.

ThedaCare 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 in which acquisition of control occurs and annually thereafter for so long as control exists. ThedaCare acknowledges that ThedaCare and all subsidiaries within its control in the insurance holding company system will provide information to the commissioner upon request as necessary to evaluate enterprise risk to Network Health.


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ITEM 14. SIGNATURE AND CERTIFICATION

Signature

Pursuant to the requirements of Wis. Admin. Code ch. Ins 40, the Applicant has caused this application to be duly signed on its behalf in the city of Neenah and state of Wisconsin on the 15th day of September, 2023.

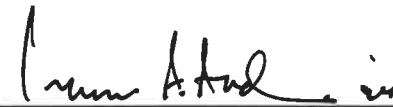
THEDACARE, INC.

By: 
Name: Imran Andrabi, MD
Title: President & Chief Executive Officer

Attest: 
Name: Bonnie Brill
Title: Sr. Executive Assistant

Certification

The undersigned deposes and says that deponent has duly executed the attached application dated September 15, 2023 for and on behalf of ThedaCare, Inc., that deponent is the President & Chief Executive Officer of such company, and that deponent is authorized to execute and file such instrument. Deponent further says that deponent is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of deponent's knowledge, information and belief.


Imran Andrabi, MD

Subscribed and sworn to this
15th day of September, 2023.


Notary public
My commission expires on: 7/25/27

