

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF THE APPLICATION
FOR APPROVAL OF THE ACQUISITION
OF CONTROL OF QUALCHOICE HOLDINGS, INC.

AID NO. 2014-065

ORDER

A hearing was held at 1:00 p.m. on April 29, 2014, in the Hearing Room of the Arkansas Insurance Department in accordance with the provisions of Ark. Code Ann. § 23-69-142 and other pertinent provisions of the Arkansas Insurance Code, pursuant to a Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (the "Statement"), which included the requisite plan and agreement, dated April 8, 2014, filed by CollabHeath Plan Services, Inc. (the "Applicant") seeking approval of the acquisition QualChoice Holdings, Inc. QualChoice Holdings, Inc. is the ultimate parent company of two Arkansas domestic insurers, QCA Health Plan, Inc. and QualChoice Life and Health Insurance Company, Inc., and QCA Insurance Agency, LLC. The hearing was held before General Counsel and Deputy Commissioner William Lacy ("Hearing Officer") pursuant to his appointment by Commissioner Jay Bradford in accordance with Ark. Code Ann. § 23-61-103. The Arkansas Insurance Department (the "Department") was represented by Amanda Capps Rose, Associate Counsel, and Brenda Haggard, Manager of Financial Analysis. The Applicant was represented by Juan R. Serrano, Chairman of the Board of Directors of the Applicant, and by its attorneys, Robert B. Sullivan and Jeanie Botkin, with the law firm of Polsinelli, P.C., and through its corporate counsel, Linda DuPuis.

FINDINGS OF FACT

From the Statement, related filings, testimony of the witnesses and other evidence introduced at the hearing, including exhibits filed in connection with the Statement, reports and statements on file with the Department, representations of counsel and other matters and things considered, the Hearing Officer finds as follows:

1. The Statement and related filings were filed herein on April 9, 2014. The parties agree that the Commissioner has jurisdiction of the parties and the subject matter under the provisions of Ark. Code Ann. §§ 23-69-142 and other pertinent provisions of the Arkansas Insurance Code. The Notice of Hearing was given within the time and in the manner required by law and the parties consented to the holding of this hearing at this time and on this date.
2. The Applicant's ultimate parent company is Catholic Health Initiatives.
3. The Applicant will acquire control of QualChoice Holdings, Inc. pursuant to stock purchase transactions ("Agreements") with TriZetto Corporation, Arkansas Children's Hospital, St. Vincent Health System, and Tenet HealthSystem Medical, Inc.
4. The Agreements are not contrary to law.
5. The Agreements are not inequitable to the stockholders of any domestic insurer involved.
6. The Agreements would not substantially reduce the security of and service to be rendered to policyholders of the domestic insurers in this state or elsewhere.

CONCLUSIONS OF LAW

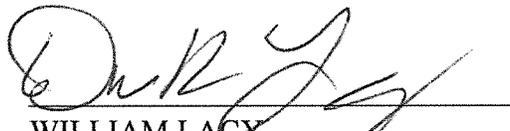
7. All filings, hearings and other procedures required by law or otherwise deemed

appropriate by the Hearing Officer have been duly completed by the Applicant and the Department.

8. None of the conditions specified in Ark. Code Ann. § 23-69-142 as preclusions for the approval of the Agreements exist.

RECOMMENDATIONS OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before him, the Hearing Officer recommends that the proposed acquisition of control of QualChoice Holdings, Inc. should be approved as provided in the Agreements, Statement and related filings, and as described in this Order.


WILLIAM LACY,
GENERAL COUNSEL/DEPUTY
COMMISSIONER,
and HEARING OFFICER

CERTIFICATION

I, Jay Bradford, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by William Lacy, General Counsel and Deputy Commissioner, and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendations in full and enter this Order.

THEREFORE, it is hereby ORDERED, based upon the above and foregoing Findings of Facts, Conclusions of Law and other matters, the Hearing Officer does hereby approve the proposed acquisition of QualChoice Holdings, Inc., pursuant to and subject to the terms and conditions of the Statement and related filings, the Findings of Facts and Conclusions of Law.

IT IS SO ORDERED THIS 29th DAY OF APRIL, 2014.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS