STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION

BEFORE THE DIRECTOR
OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of the Proposed Reorganization of the insurance company holding company system of Trillium Community Health Plan, Inc.	Order of Exemption Case No. INS-FR 17-11-001

INTRODUCTION

By an email dated October 23, 2017, Trillium Community Health Plan, Inc., (Trillium), filed a notification with the Oregon Department of Consumer and Business Services, Division of Financial Regulation that articles of dissolution were filed with the Oregon Secretary of State on August 23, 2017 for Lane Individual Practice Association, Inc. (LIPA) and for Independent Professional Services, LLC (IPS). LIPA and IPS are wholly owned by Agate Resources, Inc. (Agate). LIPA owns 60% of Trillium and the dissolution of LIPA will transfer that ownership to Agate. The remaining 40% ownership in Trillium is held by Agate and the dissolution of LIPA will result in Trillium being wholly owned by Agate. Trillium is requesting exemption from ORS 732.521(1) under the provisions of ORS 732.521(2).

FINDINGS OF FACT

(1) Trillium was incorporated in Oregon on February 14, 2006, as a for-profit corporation that received its Certificate of Authority as a health care service contractor on April 18, 2006. Trillium is a subsidiary of Agate Resources, Inc. ("Agate") and LIPA, which own 40% and 60% of its issued and outstanding common stock, respectively.

(2) Trillium was authorized to operate as a Coordinated Care Organization ("CCO") under a contract entered into with the Oregon Health Authority ("OHA") on August 12, 2012 (with renewal contracts and amendment, the "CCO Contract").

(3) Agate is an Oregon corporation formed on December 12, 2003. Agate provides administrative services and leases employees and buildings for Trillium and LIPA. Agate owns 40% of Trillium's issued and outstanding shares of common stock. Agate wholly owns LIPA. Agate is a wholly owned subsidiary of the Centene Corporation (Centene). The Director of DCBS approved the acquisition of control of Agate by Centene through Findings of Fact, Conclusions of Law and Order In the Matter of the Proposed Plan of Acquisition of Control of Trillium Community Health Plan, Inc., Eugene, Oregon, by Centene Corporation, St. Louis, Missouri, Case No. 15-04-022.

(4) LIPA is an Oregon corporation formed on January 29, 1996, that owns 60% of Trillium's issued and outstanding shares of common stock. LIPA is a wholly owned subsidiary of Agate.

(5) IPS is an Oregon limited liability company formed on December 26, 1995. IPS is a wholly owned subsidiary of Agate.

(6) Centene is a publically traded diversified, multi-line healthcare enterprise that provides programs and services to government-sponsored healthcare programs, focusing on under-insured and uninsured individuals. Centene subsidiaries offer healthcare services in several states, including California, Washington, Florida, Illinois, Massachusetts, Ohio, Oregon, and Texas. Centene is a Delaware corporation. Its common stock is publicly traded on the NYSE under the ticker symbol "CNC."

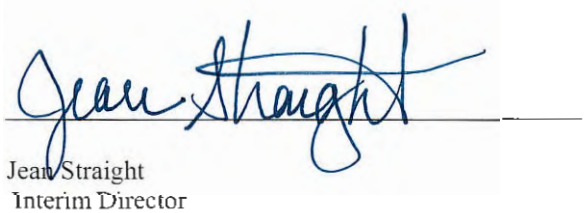
CONCLUSION OF LAW

The proposed Reorganization does not constitute a change of control and is not a transaction contemplated within the purpose of ORS 732.521(1). Upon dissolution of LIPA and IPS, Trillium will still remain 100% owned by Agate. Agate will remain 100% owned by Centene. Trillium will remain 100% controlled, and indirectly owned by Centene. The proposed Reorganization thereby meets the requirements for exemption from the provisions of ORS 732.521(1) pursuant to ORS 732.521(2)(b).

ORDER

Based on the foregoing findings of fact and for good cause appearing, it is hereby ordered that an exemption from the provisions of ORS 732.521(1), pursuant to ORS 732.521(2)(b), be granted regarding the proposed Reorganization of the holding company system of Trillium Community Health Plan, Inc.

Issued this 12 day of December 2017.



Jean Straight
Interim Director
Oregon Department of Consumer and Business Services