STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of the Dissolution of Holding Company Of Health Net Health Plan of Oregon	Order of Exemption Case No. INS-FR 19-12-006

INTRODUCTION

By letter dated October 23, 2019, Centene Corporation ("Centene") filed a request for exemption from the provisions of Oregon Revised Statutes ("ORS") 732.523 pursuant to ORS 732.521(2) with regard to a proposed transaction ("Proposed Transaction") that will change the direct ownership of Health Net Health Plan of Oregon, Inc. ("HNOR") from QualMed, Inc. ("QualMed"), its immediate parent, to Health Net, LLC ("HealthNet"), the immediate parent of QualMed. Centene is presently the ultimate controlling person of HNOR. The Proposed Transaction will result in HNOR being directly and wholly-owned by HealthNet, but still under the ultimate control of Centene.

HNOR is an Oregon domiciled health care service contractor, authorized under ORS chapter 750 to transact health services in Oregon since 1989.

FACTS PROVIDED

HNOR is currently a direct, wholly owned subsidiary of QualMed. All of QualMed's stock is owned by HealthNet, whose sole owner is Centene. Centene is a Delaware domiciled for-profit corporation, and the ultimate controlling party of HNOR.

Through the Proposed Transaction, QualMed will be dissolved and HealthNet will be transferred 100% of the outstanding stock of HNOR from QualMed.

Centene is presently the ultimate controlling person of HNOR. Therefore, the dissolution of QualMed and transfer of HNOR stock to HealthNet will not have the purpose or effect of

changing or influencing the management or policies of HNOR, because HealthNet and Centene already control HNOR within the meaning of ORS Chapter 732, HNOR.

Centene has represented that there will be no proposed change to the current business plan of HNOR as a result of the Proposed Transaction.

CONCLUSION OF LAW

The Proposed Transaction will not have the effect of changing or influencing the control or ownership of a domestic insurer. The Proposed Transaction thereby meets the requirements for exemption from the provisions of ORS 732.523 pursuant to ORS 732.521(2).

ORDER

Based on the foregoing facts provided and conclusion of law, it is hereby ordered that the Proposed Transaction, under which HealthNet will be transferred all of the outstanding shares of HNOR held by QualMed is exempt from the provisions of ORS 732.523.

Issued this 18th day of December, 2019.

Andrew Stolfi
Administrator, Division of Financial Regulation
Department of Consumer and Business Services