



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

July 23, 2019

Via email (Cheryl.Bunevich@skadden.com)

Cheryl Bunevich, Esq.
Skadden, Arps, Slate, Meagher & Flom, LLP
Four Times Square
New York, NY 10036

**Re: Proposed Acquisition of Control of WellCare Health Insurance of Connecticut, Inc. and WellCare of Connecticut, Inc. by Centene Corporation
Docket # EX 19-48**

Dear Attorney Bunevich:

The Connecticut Insurance Department (“Department”) has completed its review of your letter with exhibits dated June 20, 2019 concerning the proposed acquisition referenced above which was in response to the Department's letter to you of June 6, 2019. We thank you for the completeness of your responses and have a few additional items for which we are requesting information or clarification, as set forth below, to complete the filing. Please provide in hard copy and on a thumb drive amended and restated clean and black lined versions of the Form A rather than standalone amendments which should include any new exhibits resulting from the amendments and restatements. You should also reflect any amendments to the Application resulting from any discussions with the Department which you may have subsequent to this letter being issued.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

1. Concerning response 2.1 of your letter of June 20, 2019, the Department agrees to your request to permit Centene to remain as the sole applicant on the Form A.
2. Please describe the current PBM structure with Centene. In addition, provide comments regarding your June 20, 2019 response in which you stated that the PBM WellCare engages with is CVS and that no changes to this relationship are anticipated. As you are aware, WellCare recently acquired Meridian which added a PBM platform to their organization. Why would the post-Centene Group contemplate keeping CVS as WellCare's PMB?

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

1. This is notification that the Department still has not received the third-party verifications required for the biographical affidavits for the officers and directors of each of the Domestic Insurers on a post-acquisition basis as mentioned in your June 20, 2019

letter.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

1. In response 4.1 of your letter of June 20, 2019, please clarify whether the following passage, specifically the reference to "Centene" is correct or should be edited: "(i) shares of Centene common stock with a value of approximately \$9.4 billion."
2. Provide a copy of the Initial Lenders Fee Letter as identified on page B-5 of the Senior Bridge Facility (Annex B to the Commitment Letter). Specifically, the Department would like to review the definition of "Demand Failure Event".

ITEM 5. FUTURE PLANS OF INSURER

1. As a result of your due diligence review of WellCare, please describe material ERM changes contemplated. Please include contemplated changes regarding processes around WellCare's Star Ratings.
2. Concerning bullets two and three within response 5.10 of your letter of June 20, 2019, please provide additional information specific to Connecticut and Connecticut members.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

1. Provide the Applicant's Financial Statement for the Quarter ended June 30, 2019, as well as the Form 10-Q, when available.

ITEM 14. OTHER INFORMATION

1. Please include in your Amended and Restated Form A the financial strength ratings of the insurers in the Centene Group from applicable rating agencies.

We look forward to receiving this information at your earliest opportunity. If you feel it beneficial, we are agreeable to meeting by phone or in person to discuss this letter or your proposed responses. Please be aware that further information may be requested as we continue to review and evaluate your submissions therefore we recommend that you provide detailed and complete responses to avoid our having to seek further information which may delay the process.

If you have any questions, or would like to discuss, please let me know.

Sincerely,



Jared T. Kosky
Counsel, Connecticut Insurance Department

cc: Kathy Belfi, CID
Lynn Reed, CID
Elizabeth Retersdorf, Day Pitney LLP