



DEPARTMENT OF COMMERCE AND INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

IN RE: Proposed Acquisition of)
Provider Partners Health Plan of Missouri,)
Inc., and PPHP-MO HoldCo, LLC)
)
By)
)
Rifkin PPHP-MO Holdings, LLC;)
PPHP HoldCo, LLC; Rifkin PPHP Holdings)
LLC; Rifkin Managed Care Holdings, LLC;)
and Scott M. Rifkin, M.D.)

Case No. 2307070764F

APPROVAL ORDER

Based on the competent and substantial evidence in the administrative record before me, I, Chlora Lindley-Myers, Director of the Missouri Department of Commerce and Insurance (“Director” of the “Department”), determine that there is no need for additional proceedings or a formal hearing on this matter and hereby issue the following findings of fact, conclusions of law, and order approving the proposed acquisition in this case as follows:

FINDINGS OF FACT

1. On June 29, 2023, Rifkin PPHP-MO Holdings, LLC (Rifkin MO Holdings”), a Maryland limited liability company (“LLC”), submitted a Form A Statement, including exhibits thereto, to the Department seeking approval of a transaction involving Provider Partners Health Plan of Missouri, Inc. (“Domestic Insurer”), a Missouri corporation licensed in Missouri as a health maintenance organization pursuant to the provisions of Chapter 354.¹ Domestic Insurer is a wholly owned subsidiary of PPHP-MO HoldCo, LLC (“PPHP-MO HoldCo”), a Missouri LLC.

2. On July 20, 2023, the Department’s Division of Insurance Company Regulation (“Division”) sent Rifkin MO Holdings an initial letter advising Rifkin MO Holdings, among other things, that the Form A Statement needed to be amended to include additional parties as Applicants.

3. On August 7, 2023, Rifkin MO Holdings; PPHP HoldCo, LLC (“PPHP HoldCo”), a Delaware LLC; Rifkin PPHP Holdings, LLC, a Maryland LLC; Rifkin Managed Care Holdings, LLC, a Maryland LLC and Scott M. Rifkin, M.D. (“Rifkin”) (collectively, “Applicants”) submitted an Amended Form A Statement (“Form A”), including exhibits thereto.

4. On August 15, 2023, Applicants submitted an explanation why they believe the proposed acquisition is exempt from the Form E filing requirements as provided for in § 382.095.2.

¹ All references to the Missouri statutes are to the Revised Statutes of Missouri 2016 (RSMo 2016) unless otherwise stated.

5. According to the Form A, Applicants propose to acquire control over Domestic Insurer through a Membership Interest Purchase Agreement (“Purchase Agreement”) entered into among Rifkin MO Holdings; Missouri ISNP, LLC (“MissouriISNP”), a Missouri LLC; and PPHP-MO HoldCo, whereby the existing owners of PPHP-MO HoldCo would restructure their respective ownership interests in PPHP-MO HoldCo and, by extension, their indirect ownership interests in Domestic Insurer.

6. Currently, Rifkin MO Holdings owns a 20% membership interest in PPHP-MO HoldCo and thus an indirect 20% ownership interest in Domestic Insurer.

7. Currently, MissouriISNP owns an 80% membership interest in PPHP-MO HoldCo and thus an 80% indirect ownership interest in Domestic Insurer.

8. Following the proposed restructuring, Rifkin MO Holdings would purchase an additional 10,000,000 membership interest units of PPHP-MO HoldCo increasing Rifkin MO Holdings’ membership interest in PPHP-MO HoldCo from the 20% membership interest to a 60% membership interest. As a result, Rifkin MO Holdings would also increase its ownership interest in Domestic Insurer to a 60% indirect ownership interest.

9. At the same time, MissouriISNP’s membership interest in PPHP-MO HoldCo would be reduced to a 40% membership interest, and MissouriISNP’s indirect ownership interest in Domestic Insurer would also be reduced to 40%.

10. Currently, Rifkin MO Holdings has the right to appoint two of the five members of Domestic Insurer’s Board of Directors (“Board”), and MissouriISNP appoints the remaining three Board members.

11. Following the proposed transaction, Rifkin MO Holdings would have the right to appoint three of the five Board members, and MissouriISNP would have the right to appoint the remaining two.

12. Rifkin MO Holdings is a wholly owned subsidiary of PPHP HoldCo, LLC (“PPHP HoldCo”), a Delaware LLC. Rifkin PPHP Holdings, LLC owns a controlling interest in PPHP HoldCo. Rifkin Managed Care Holdings, LLC owns a controlling interest in Rifkin PPHP Holdings, LLC. Rifkin Managed Care Holdings, LLC is wholly owned by Rifkin.

13. The proposed purchase price for the acquisition of the 10,000,000 additional ownership interests in PPHP-MO HoldCo is \$3,000,000. On December 30, 2022, Rifkin MO Holdings loaned PPHP-MO HoldCo \$2,000,000, which amount PPHP-MO HoldCo used to fund the statutory, risk-based capital requirements of Domestic Insurer prior to year-end 2022. At closing, the existing \$2,000,000 loan would be considered an advance on the purchase price, and all issued and outstanding notes held by Rifkin MO Holdings evidencing the loan would be contributed by Rifkin MO Holdings to PPHP-MO HoldCo. The balance of the \$3,000,000 purchase price would be paid to PPHP-MO HoldCo in cash, and up to \$1,000,000 of the purchase price might be distributed to MissouriISNP as a return of capital.

14. The source of the funds for the purchase price to be paid at closing would be a cash contribution to Rifkin MO Holdings from PPHP HoldCo payable from cash on hand.

15. The Director has exercised her discretion and deemed the Form A filed as that term is used in §§ 382.060 and 382.095.

16. Division staff have determined that the Applicants have sufficient capital or access to sufficient capital to complete the transaction in a manner that will not be financially hazardous to the Applicants or Domestic Insurer and its policyholders.

17. The Applicants have no present plans for the Domestic Insurer to declare an extraordinary dividend, to liquidate the Domestic Insurer, to sell any of the assets of the Domestic Insurer (other than in the ordinary course of business), or to merge the Domestic Insurer with any other person or persons.

18. Division staff conducted an independent analysis of Applicants' claim that the proposed acquisition set out in the Form A is exempt from the requirement to file a Form E and have confirmed that the transaction is exempt pursuant to § 382.095.2.

19. The proposed acquisition of a controlling interest in Domestic Insurer by the Applicants will not substantially lessen competition or tend to create a monopoly in the business of insurance in Missouri.

CONCLUSIONS OF LAW

20. Section 382.040.1 provides:

No person other than the issuer shall commence a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, he or she would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer unless, at the time the offer, request, or invitation is commenced or the agreement is entered into, or prior to the acquisition of the securities if no offer or agreement is involved, he or she has filed with the director and has

sent to the insurer a statement containing the information required by section 382.050 and the offer, request, invitation, agreement or acquisition has been approved by the director in the manner prescribed by sections 382.010 to 382.300.

21. Section 382.060 provides, in relevant part, that “[t]he director shall approve any merger or other acquisition of control referred to in § 382.040 unless after a public hearing the director” finds certain adverse conditions or consequences related to a merger or acquisition.

22. After a review of the Form A, all the Exhibits and the additional information submitted by Applicants as outlined above, pursuant to § 382.060, the Director fails to find that:

- a. after the proposed acquisition, the Domestic Insurer would not be able to satisfy the requirements for issuance of a license to write the line or lines of insurance for which it is presently licensed;
- b. the effect of the acquisition would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein;
- c. the financial condition of the Applicants is such as might jeopardize the financial stability of the Domestic Insurer or prejudice the interests of its policyholders;
- d. any plans or proposals by the Applicants to liquidate the Domestic Insurer, sell any of its assets, consolidate or merge it with any other person, or make any other material change in the business or corporate structure or management of the Domestic Insurer are unfair and unreasonable to its policyholders and contrary to the public interest;
- e. the competence, experience, or integrity of the persons who would control or manage the Domestic Insurer post-acquisition are such that it would be contrary to the interest of policyholders and the general public to permit the acquisition; or
- f. the acquisition is likely to be hazardous or prejudicial to the insurance-buying public.

ORDER

23. Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby Ordered that the proposed acquisition of a controlling interest in the Domestic Insurer by Applicants, Rifkin MO Holdings, LLC; PPHP HoldCo, LLC; Rifkin PPHP Holdings, LLC; Rifkin Managed Care Holdings, LLC; and Scott M. Rifkin, M.D. as set out in the August 7, 2023, Amended Form A Statement, is approved with the following condition:

- a. The acquisition contemplated in the Purchase Agreement by and among Rifkin PPHP-MO Holdings, LLC; MissouriISNP, LLC; and PPHP-MO HoldCo, LLC shall be subject to, and conditioned on, the closing of the acquisition.

SO ORDERED.

WITNESS MY HAND THIS 25th DAY OF October, 2023.



Chlora Lindley Myers

**CHLORA LINDLEY-MYERS
DIRECTOR**

APPROVED FOR ENTRY AND EXECUTION:



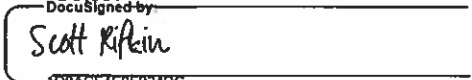
John F. Rehagen
Director, Division of Insurance Company Regulation
Missouri Department of Commerce and Insurance



Rifkin PPHP-MO Holdings, LLC
By: Bruce R Grindrod
Title: CEO



PPHP HoldCo, LLC
By: Bruce R Grindrod
Title: CEO

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Rifkin PPHP Holdings, LLC.
By: Scott Rifkin
Title:

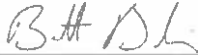
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Rifkin Managed Care Holdings, LLC.
By: Scott Rifkin
Title:

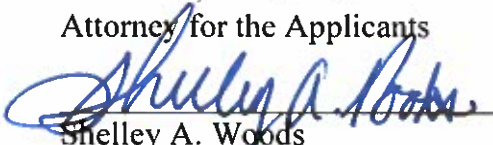
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Scott M. Rifkin, M.D.

RESPECTFULLY SUBMITTED:



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