



FILED

AUG 16 2022

INSURANCE REGULATION
Docketed by: ke

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 298769-22-CO

Application for Indirect Acquisition of
OSCAR MANAGED CARE OF SOUTH FLORIDA, INC.
by FCHN HOLY CROSS HOLDCO, LLC

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by FCHN HOLY CROSS HOLDCO, LLC (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of an application for the indirect acquisition of OSCAR MANAGED CARE OF SOUTH FLORIDA, INC. (“OMCSF”), pursuant to Sections 628.461 and 641.255, Florida Statutes (“Application”). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the granting of approval by the OFFICE for the proposed indirect acquisition of OMCSF, pursuant to the requirements of the Florida Insurance Code.
3. OMCSF is a licensed Health Maintenance Organization domiciled in the state of Florida and is subject to the jurisdiction and regulation of the OFFICE, pursuant to Part I of Chapter 641, Florida Statutes.

4. OMCSF is 100% owned by OSCAR SOUTH FLORIDA HOLDCO, LLC (“OSFH”), a Delaware limited liability company. OSCAR HEALTH, INC. (“OHI”), and APPLICANT each hold 50% of the equity stock of OSFH, with OHI holding 100% of OSFH’s voting stock. OHI, a New York headquartered corporation, is publicly traded on the New York Stock Exchange under the symbol “OSCR”. APPLICANT is 50% owned by FLORIDA COMMUNITY HEALTH NETWORK CORPORATION (“FCHNC”) and 50% owned by HOLY CROSS HOSPITAL, INC. (“HCHI”). FCHNC, a non-profit corporation, is wholly owned by Memorial Foundation, Inc. (“Memorial”), a Florida non-profit corporation. HCHI, a Florida non-profit corporation, is wholly owned by Trinity Health Corporation (“Trinity”), an Indiana non-profit corporation.

5. APPLICANT is a Florida-domiciled limited liability company.

6. APPLICANT has provided with its Application a copy of the Unit Purchase Agreement (“Purchase Agreement”) dated November 1, 2021, between OHI and APPLICANT. Pursuant to the Purchase Agreement, APPLICANT will acquire 50% of the voting stock of OSFH by converting their current non-voting equity interests into voting equity interests, resulting in an indirect acquisition of OMCSF (“Transaction”).

7. The OFFICE has on file Disclaimer of Control Affidavits (“Affidavits”) from Memorial dated February 7, 2022, FCHNC dated April 21, 2022, Trinity dated April 26, 2022, and HCHI dated May 2, 2022 regarding their ownership interest in APPLICANT and OMCSF. These Affidavits certify that no person associated with Memorial, FCHNC, Trinity, nor HCHI does or will exercise any control, directly or indirectly, over the activities of APPLICANT, or any entity owned or controlled by APPLICANT and licensed by the OFFICE except those specific individuals designated in the Affidavits to exercise control. Further, other than those designated,

no person associated with Memorial, FCHNC, Trinity, nor HCHI will attempt to exercise any control, either directly or indirectly, over the activities of APPLICANT or any licensee, without the advance written consent of the OFFICE.

8. APPLICANT has represented that immediately after the Transaction closes it will appoint board members to OMCSF and OSFH. Within 10 days of the Transaction closing APPLICANT agrees to provide the OFFICE with revised Management Information Forms for OMCSF and OSFH reflecting these new appointments. APPLICANT additionally agrees to provide within 60 days any background information for the new appointments that has not been previously provided to the OFFICE.

9. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT, OHI, FCHNC, HCHI, OSFH, or OMCSF shall remove or cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of OMCSF without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

10. APPLICANT agrees to notify the OFFICE of any amendments to the Purchase Agreement and to file such amendments with the OFFICE within 5 business days of the change.

11. OMCSF shall, no later than 15 days after the month in which the Transaction occurs, file an update to their Holding Company Registration Statement, as required by Section 628.801, Florida Statutes, and Rule 690-143.046, Florida Administrative Code.

12. Notwithstanding other applicable surplus requirements, APPLICANT agrees that OMCSF will remain in compliance with the Risk Based Capital requirements described in Section 624.4085, Florida Statutes.

13. APPLICANT, OHI, and OMCSF will cooperate with financial and market conduct examinations conducted by the OFFICE, and make their accounts, records, documents, files, information, assets, and matters in their possession or control freely available to the OFFICE, its examiners, or its investigators, in accordance with Sections 624.318 and 641.27, Florida Statutes.

14. OMCSF shall be required at all times to maintain capital and surplus as required by Sections 641.19(19) and 641.225, Florida Statutes. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF agree that failure to maintain compliance at all times with the capital and surplus requirement would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as it deems appropriate upon the Certificate of Authority of OMCSF without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

15. APPLICANT and OHI will make all necessary funds available to OMCSF to maintain compliance with surplus requirements.

16. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF represent there are no present plans or proposals to make substantive changes to the Plan of Operations of OMCSF. Prior written approval must be secured from the OFFICE before any material deviation from said Plan of Operations.

17. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF represent that there are no present plans or proposals to make any substantive changes to OMCSF, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions in the

ordinary course of business), merging or consolidating it with any person or persons, or making any other major change in its business operations, management, or corporate structure.

18. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF represents that there are no agreements, written or oral, related to the Application or Transaction that have not been provided to the OFFICE.

19. APPLICANT acknowledges that any amounts due to OMCSF from a Management Service Organization as part of a risk sharing arrangement are considered as non-admitted assets when determining compliance with solvency requirements under the Florida Insurance Code.

20. APPLICANT and OMCSF shall not enter into any reinsurance or brokerage agreement, whether affiliated or not, that requires the approval from the reinsurer or broker regarding any potential sale of OMCSF.

21. APPLICANT and OMCSF shall notify the OFFICE within 10 business days of any breach, non-performance, or default of any servicing agreement with affiliates or third-party vendors providing services directly or indirectly to OMCSF that could result in or cause a material adverse change in the financial condition, business, performance, operations, or property of OMCSF.

22. Any material changes to the information submitted in the Application filing shall be reported to the OFFICE for its review prior to the closing date. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF acknowledge that if the OFFICE determines that any of these reported changes would have a material negative impact to the financial condition or operation of OMCSF, the OFFICE may rescind its approval as granted in the Consent Order by written notice to APPLICANT or OMCSF.

23. Within 10 business days after the Transaction is completed, APPLICANT shall submit, or cause to be submitted, to the OFFICE final executed closing documents and final copies of all related agreements. Further, APPLICANT, OHI, FCHNC, HCHI, OSFH, or OMCSF shall notify the OFFICE within 3 business days of a final determination that the Transaction will not occur.

24. All parties to this Consent Order acknowledge that completion of the Transaction is subject to obtaining any other required regulatory or governmental approvals and that this Consent Order shall be deemed null and void if the Transaction is not completed within 60 days of the execution of this Consent Order. Accordingly, if APPLICANT fails to receive any other required approvals or the Transaction is not completed timely, the provisions of this Consent Order shall terminate automatically and have no effect.

25. Any prior orders, consent orders, or corrective action plans that OMCSF has entered into with the OFFICE prior to the execution of this Consent Order shall apply and remain in full force and effect for OMCSF, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

26. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF affirm that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with the Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of OMCSF. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto,

are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

27. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

28. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF affirm that all requirements set forth herein are material to the issuance of this Consent Order.

29. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

30. Each party to this action shall bear its own costs and fees.

31. APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon OMCSF's Certificate of Authority in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

32. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the notarized signatures of the authorized representatives of APPLICANT, OHI, FCHNC, HCHI, OSFH, and OMCSF.

WHEREFORE, subject to the terms and conditions set forth above, the Application for the indirect acquisition of OSCAR MANAGED CARE OF SOUTH FLORIDA, INC., by FCHN HOLY CROSS HOLDCO, LLC, pursuant to Sections 628.461 and 641.255, Florida Statutes, is APPROVED.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 16th day of August, 2022.



David Altmaier

David Altmaier, Commissioner
Office of Insurance Regulation

By execution hereof, FCHN HOLY CROSS HOLDCO, LLC, consents to entry of this Consent Order, agrees without reservation to the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind FCHN HOLY CROSS HOLDCO, LLC, to the terms and conditions of this Consent Order.

FCHN HOLY CROSS HOLDCO, LLC

By: Paul Sallwasser

Print Name: Paul Sallwasser

Title: Authorized Manager

Date: 8/12/22

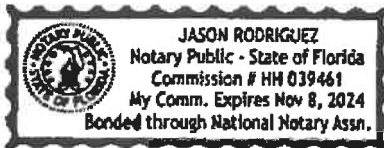
[Corporate Seal]
(NO CORPORATE SEAL AVAILABLE)

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 12 day of August 2022, by Paul Sallwasser
(name of person)

as Authorized Manager for FCHN Holy Cross Holdco, LLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Jason Rodriguez
(Signature of the Notary)

Jason Rodriguez
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires NOVEMBER 8, 2024

By execution hereof, FLORIDA COMMUNITY HEALTH NETWORK CORP., consents to entry of this Consent Order, agrees without reservation to the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind FLORIDA COMMUNITY HEALTH NETWORK CORP., to the terms and conditions of this Consent Order.

FLORIDA COMMUNITY HEALTH NETWORK CORP.

By: Paul Sallwasser

Print Name: Paul Sallwasser

Title: CEO

Date: 8/12/22

[Corporate Seal]

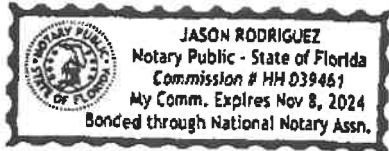
(NO CORPORATE SEAL AVAILABLE)

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 12 day of August 2022, by PAUL SALLWASSER
(name of person)

as CEO for FLORIDA COMMUNITY HEALTH NETWORK CORP.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Jason Rodriguez
(Signature of the Notary)
JASON RODRIGUEZ
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires NOVEMBER 8, 2024

By execution hereof, HOLY CROSS HOSPITAL, INC., consents to entry of this Consent Order, agrees without reservation to the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind HOLY CROSS HOSPITAL, INC., to the terms and conditions of this Consent Order.

no
corporate
Seal
Available
[Corporate Seal]

HOLY CROSS HOSPITAL, INC.

By: [Signature]

Print Name: Mark Doyle

Title: CEO

Date: August 11, 2022

STATE OF Florida

COUNTY OF Broward

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 11 day of August 2022, by Mark Doyle
(name of person)

as Officer for Holy Cross Hospital, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Maryann Reyes-Cairo
Notary Public
State of Florida
Comm# HH158878
Expires 7/29/2025

[Signature]
(Signature of the Notary)

Maryann Reyes - Cairo
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires July 29, 2025

By execution hereof, OSCAR MANAGED CARE OF SOUTH FLORIDA, INC., consents to entry of this Consent Order, agrees without reservation to the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind OSCAR MANAGED CARE OF SOUTH FLORIDA, INC., to the terms and conditions of this Consent Order.

OSCAR MANAGED CARE OF SOUTH FLORIDA, INC.

By: DocuSigned by:
Alessandra Quane

Print Name: Alessandra Quane

[Corporate Seal]

Title: President

NO CORPORATE SEAL

Date: 8/15/2022

STATE OF New Jersey

COUNTY OF Essex

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 15th day of August 2022, by Alessandra Quane
(name of person)

as officer for Oscar Managed Care of South Florida, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

DocuSigned by:
Jessica de Lyon
3F954D02B003441

(Signature of the Notary)



Jessica de Lyon

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced N/A

My Commission Expires 11/10/2025

By execution hereof, OSCAR HEALTH, INC., consents to entry of this Consent Order, agrees without reservation to the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind OSCAR HEALTH, INC., to the terms and conditions of this Consent Order.

OSCAR HEALTH, INC.

By: ^{DocuSigned by:} Alessandra Quane

Print Name: Alessandra Quane

[Corporate Seal]

Title: Chief Insurance Officer

NO CORPORATE SEAL

Date: 8/15/2022

STATE OF New Jersey

COUNTY OF Essex

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 15th day of August 2022, by Alessandra Quane
(name of person)

as officer for Oscar Health, Inc.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

^{DocuSigned by:} Jessica de Lyon

(Signature of the Notary)



Jessica de Lyon

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced N/A

My Commission Expires 11/10/2025

By execution hereof, OSCAR SOUTH FLORIDA HOLDCO, LLC, consents to entry of this Consent Order, agrees without reservation to the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind OSCAR SOUTH FLORIDA HOLDCO, LLC, to the terms and conditions of this Consent Order.

OSCAR SOUTH FLORIDA HOLDCO, LLC

By:  _____

Print Name: Alessandra Quane

[Corporate Seal]

Title: President

NO CORPORATE SEAL


Date: 8/15/2022

STATE OF New Jersey

COUNTY OF Essex

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 15th day of August 2022, by Alessandra Quane
(name of person)

as officer for Oscar South Florida HoldCo, LLC.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

 _____
3F954902B093441...

(Signature of the Notary)



Jessica de Lyon

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced N/A

My Commission Expires 11/10/2025

COPIES FURNISHED TO:

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