



FILED

JUN 10 2024

INSURANCE REGULATION
Docketed by: ES

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 326600-24-CO

Application for the Indirect Acquisition of
AMERICAN HEALTH PLAN OF FLORIDA, INC.
by HOSPICE SYSTEMS, INC.

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by HOSPICE SYSTEMS, INC. (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”), of an application for the indirect acquisition of AMERICAN HEALTH PLAN OF FLORIDA, INC. (“AHPFL”), 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 AHPFL by APPLICANT, pursuant to the requirements of the Florida Insurance Code.
3. AHPFL 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. AHPFL is 100% owned by AMERICAN HEALTH HOLDINGS OF FLORIDA, LLC (“AHHFL”), a Tennessee limited liability company that is owned 85% by AMERICAN HEALTH HOLDINGS, LLC (“AHH”), a Tennessee limited liability company, and 15% by ELPIS, LLC (“ELPIS”), a Florida limited liability company. AHH is 90.5% owned by AMERICAN HEALTH COMPANIES, LLC (“AHC”), a Tennessee limited liability company, and 9.5% owned by HEALTHCARE INVESTORS, LLC, an Oklahoma limited liability company. Additional upstream ownership is as disclosed in the Application. AHHFL has an LLC Agreement with AHH and ELPIS.

5. APPLICANT is a Florida profit corporation that is a subsidiary of EMPATH HEALTH, INC. (“EHI”), a Florida not-for-profit corporation, which is controlled by EMPATH-STRATUM, INC. (“ES”), a Florida not-for-profit corporation.

6. APPLICANT has agreed to purchase approximately 35% of the membership interest of AHHFL pursuant to agreements between AHHFL, AHH, ELPIS, and APPLICANT and for a cash payment of \$2,000,000 United States Dollars, the details of which are as disclosed in the Application (“Transaction”).

7. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application, and who has not otherwise disclaimed control, is unacceptable under the Florida Insurance Code, APPLICANT, AHPFL, AHHFL, AHH, ELPIS, EHI, or ES shall 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, pursuant to Sections 120.569(2)(n) and 120.60(6),

Florida Statutes, and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of AHPFL without further proceedings.

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

9. APPLICANT and AHPFL 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.

10. AHPFL shall be required at all times to maintain capital and surplus as required by Sections 641.19(19) and 641.225, Florida Statutes. APPLICANT, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES 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 AHPFL without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

11. APPLICANT will make all necessary funds available to AHPFL to maintain compliance with surplus requirements.

12. AHPFL shall maintain at all times a ratio of premium and risk revenue to capital and surplus not greater than 10:1. APPLICANT, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES agree that AHPFL's failure to maintain compliance at all times with this writing ratio requirement would constitute an immediate serious danger to the public and that the OFFICE may immediately suspend, revoke, or take other administrative action as the OFFICE deems appropriate upon the

Certificate of Authority of AHPFL without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

13. APPLICANT, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES represent there are no present plans or proposals to make substantive changes to the Plan of Operations of AHPFL. Prior written approval must be secured from the OFFICE before any material deviation from said Plan of Operations.

14. APPLICANT, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES represent that, except as described in the Application, there are no present plans or proposals to make any substantive changes to AHPFL, 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.

15. AHPFL agrees that it will not permit any entity to act on its behalf, either directly or indirectly, as an Administrator, as defined in Section 626.88, Florida Statutes, unless that entity is licensed as an Administrator by the OFFICE.

16. AHPFL represents that it will enter into a management agreement (“Agreement”) with AMERICAN HEALTH MANAGEMENT SERVICES, LLC (“AHMS”), an affiliated party. The Agreement shall be submitted to the Office for review and approval, prior to its execution, and within 30 days of the execution of this consent order. AHPFL agrees that the Agreement will include a provision that any Administrator that AHMS contracts with will hold a Florida Certificate of Authority to operate as such no later than September 30, 2024. If this deadline is not met, AHPFL acknowledges that the OFFICE will rescind its approval to CENTERS FOR

MEDICARE & MEDICAID SERVICES (“CMS”) and may take other administrative action as appropriate.

17. APPLICANT, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES represent that, other than as referenced herein, there are no agreements, written or oral, related to the Application and Transaction that have not been provided to the OFFICE.

18. APPLICANT acknowledges that any amounts due to AHPFL 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.

19. APPLICANT and AHPFL 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 AHPFL.

20. APPLICANT and AHPFL 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 AHPFL that could result in or cause a material adverse change in the financial condition, business, performance, operations, or property of AHPFL.

21. Any material changes to the information submitted in the Application filing shall be reported to the OFFICE for its review prior to the completion of the Transaction. APPLICANT, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES acknowledge that if the OFFICE determines that any of these reported changes would have a material negative impact on the financial condition or operation of AHPFL, the OFFICE may rescind its approval as granted in the Consent Order by written notice to APPLICANT or AHPFL.

22. Within 10 business days after the Transaction is completed, APPLICANT shall submit, or cause to be submitted, to the OFFICE all documents evidencing completion of the Transaction not already provided to the OFFICE. Further, APPLICANT shall notify the OFFICE within 3 business days of a final determination that the Transaction will not occur.

23. All parties to this Consent Order acknowledge that completion of the Transaction is subject to obtaining any other requisite 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 requisite approvals or the Transaction is not completed timely, the provisions of this Consent Order shall terminate automatically and have no effect.

24. AHPFL shall, no later than 15 days after the month in which the Transaction occurs, file an update to its Holding Company Registration Statement, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

25. Any prior orders, consent orders, or corrective action plans that AHPFL has entered into with the OFFICE prior to the execution of this Consent Order shall apply and remain in full force and effect for AHPFL, 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, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES affirm and represent 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 AHPFL.

APPLICANT, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES 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, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES affirm that all requirements set forth herein are material to the issuance of this Consent Order.

29. APPLICANT, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES 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, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES 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, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES 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 AHPFL'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, AHPFL, AHHFL, AHH, ELPIS, EHI, and ES.

WHEREFORE, subject to the terms and conditions set forth above, the Application for the indirect acquisition of AMERICAN HEALTH PLAN OF FLORIDA, INC., by HOSPICE SYSTEMS, INC., 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 10th day of June, 2024.



A handwritten signature in blue ink, appearing to read "Michael Yaworsky". The signature is written in a cursive, flowing style.

Michael Yaworsky, Commissioner
Office of Insurance Regulation

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

EMPATH-STRATUM, INC.

By: Jonathan D. Fleece

Print Name: Jonathan D. Fleece

Title: President & CEO

Date: 5/8/24

STATE OF Florida
COUNTY OF Manatee

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 8th day of May 2024, by Jonathan Fleece
as President + CEO for Empath Health.
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)



Erin Carr
(Signature of the Notary)

Erin Carr
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced N/A

My Commission Expires: 9/20/2025

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

EMPATH HEALTH, INC.

By: *Jonathan D. Fleece*

Print Name: Jonathan D. Fleece

Title: President & CEO

Date: 5/8/24

STATE OF Florida
COUNTY OF Manatee

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this 8th day of May 2024, by Jonathan Fleece
as President + CEO for Empath Health.
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)



Erin Carr
(Signature of the Notary)

Erin Carr
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced N/A

My Commission Expires: 9/20/2024

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

AMERICAN HEALTH PLAN OF FLORIDA, INC.

By: Michael Bailey

Print Name: Michael Bailey

Title: CEO / President

Date: May 9, 2024

STATE OF Tennessee

COUNTY OF Williamson

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 9th day of May 2024, by Michael Bailey

as CEO / President for American Health Plan of Florida, Inc.

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)

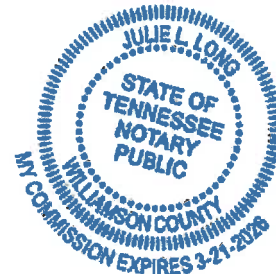
[Signature]
(Signature of the Notary)

Julie L. Long
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced N/A

My Commission Expires: My Commission Expires: March 21, 2026



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

AMERICAN HEALTH HOLDINGS OF FLORIDA, LLC

By: Michael Bailey

Print Name: Michael Bailey

Title: CEO / President

Date: May 9, 2024

STATE OF Tennessee

COUNTY OF Williamson

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 9 day of May 2024, by Michael Bailey

as CEO / President for American Health Holdings of Florida, LLC
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

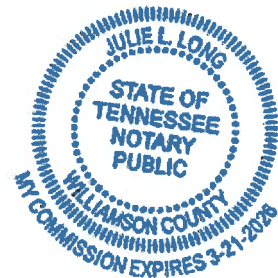
[Signature]
(Signature of the Notary)

Julie L. Long
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced NA

My Commission Expires: My Commission Expires March 21, 2026



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

AMERICAN HEALTH HOLDINGS, LLC

By: Michael Bailey

Print Name: Michael Bailey

Title: CEO / President

Date: May 9, 2024

STATE OF Tennessee

COUNTY OF Williamson

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 9th day of May 2024, by Michael Bailey

as CEO / President for American Health Holdings, LLC.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

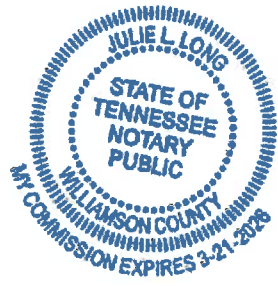
[Signature]
(Signature of the Notary)

Julie L. Long
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification

Type of Identification Produced N/A

My Commission Expires: My Commission Expires: March 21, 2026



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

ELPIS, LLC

By: Marilynn Gordon Wood

Print Name: Marilynn Gordon Wood

Title: Manager

Date: 06/06/2024

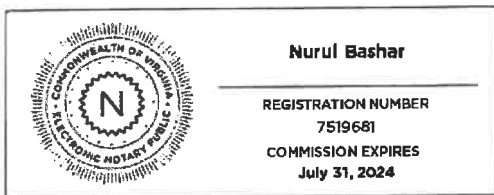
STATE OF Virginia

COUNTY OF Fairfax

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 6th day of June 2024, by Marilynn Gordon Wood

as Manager for ELPIS, LLC.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



Nurul Bashar
(Signature of the Notary)

Nurul Bashar
(Print, Type or Stamp Commissioned Name of Notary)

Notarized remotely online using communication technology via Proof.

Personally Known _____ OR Produced Identification

Type of Identification Produced FL Drivers license

My Commission Expires: 07/31/2024

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

HOSPICE SYSTEMS, INC.

By: [Signature]

Print Name: Jonathan D Fleece

Title: Pres & CEO

Date: 5/8/24

STATE OF Florida

COUNTY OF Manatee

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 8th day of May 2024, by Jonathan D. Fleece as President & CEO for Empath Health.
(type of authority; e.g., officer, trustee, attorney in fact) (company name)



[Signature]
(Signature of the Notary)

Alena Vasher
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification _____

Type of Identification Produced N/A

My Commission Expires: 01/31/2026

COPIES FURNISHED TO:

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