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FILED
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Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE

STATE OF IDAHO

In the Matter of:

ARCADIAN HEALTH PLAN, INC.
NAIC No. 12151

Application for Admission

Docket No. 18-3320-17

**STIPULATION AND ORDER
CONCERNING CERTIFICATE OF
AUTHORITY**

STIPULATION

WHEREAS, Arcadian Health Plan, Inc., a corporation organized under the laws of and domiciled in the State of Washington, NAIC No. 12151 (“Arcadian”), submitted an application for admission to the Idaho Department of Insurance (the “Department”); and

WHEREAS, following the review of the application submitted by Arcadian, the Department had concerns with the financial performance achieved by Arcadian over the past five (5) years; and

WHEREAS, based on a subsequent influx of additional funding from Humana Incorporated (“Humana”), the parent company of Arcadian, and such further commitments described herein, the Department concluded that a certificate of authority may be issued to

Arcadian pursuant to Idaho Code § 41-308, permitting Arcadian to operate as a managed care organization pursuant to chapter 39, title 41, of the Idaho Code, provided that Arcadian agrees to certain conditions associated with its operation in the state of Idaho; and

WHEREAS, the parties agree that the following stipulation is in the best interest of Arcadian, the Department, and the Idaho consumer.

NOW, THEREFORE, Arcadian and the Department hereby stipulate and agree as follows:

1. In addition to the statutory deposit of One Million Dollars (\$1,000,000.00) made pursuant to Idaho Code § 41-316(2), Arcadian shall deposit an additional One Million Five Hundred Thousand Dollars (\$1,500,000.00) (“Additional Deposit”) through the Director of the Department of Insurance (the “Director”), for the benefit of Idaho policyholders, pursuant to and in accordance with a Custody Agreement in a form approved by the Department. Said Custody Agreement and Additional Deposit shall be delivered to the Department within no later than forty-five (45) days from the date of entry of the order contemplated by this Stipulation and Order Concerning Certificate of Authority (“Order”). Arcadian agrees that the Additional Deposit shall be exclusively for the benefit of Idaho policyholders in the event Arcadian is unable to perform any obligations under the policies issued to Idaho residents. The Additional Deposit shall be maintained until such time as the Director determines, in his sole discretion and based on the Director’s review of the financial condition of Arcadian, that it may be released.

2. No later than forty-five (45) days from the date of entry of the Order, Arcadian will acquire and submit to the Department a revised indemnity agreement fully executed between Arcadian and Humana, its parent, and in a form satisfactory to the Department. The revised indemnity agreement shall:

- a) expressly commit Humana to indemnify Arcadian and guarantee the continuation of coverage under health service contracts and commitments of Arcadian;

- b) state that Humana's indemnification and guarantee of Arcadian shall commence retroactively as of the date of the issuance of the certificate of authority contemplated herein and shall continue for a term no less than three (3) years;
- c) require Arcadian to provide a sixty-day, advanced notice to the Director of any cancellation or nonrenewal of the indemnity afforded by Humana; and
- d) state that, upon notification to the Director of any cancellation or nonrenewal of the revised indemnity agreement or of the indemnity and/or guarantee afforded by Humana, Arcadian shall immediately cease writing any new business in Idaho, surrender its Idaho certificate of authority, and waive all rights, if any, to a hearing on or an appeal of the surrender.

3. Commencing with the 2019 contract year, Arcadian will expand its Medicare service areas to service Twin Falls and Jerome counties or any other underserved areas as mutually agreed to by the parties.

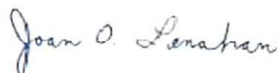
4. Arcadian is restricted from writing business in Idaho under the certificate of authority contemplated herein during the forty-five-day period described in Paragraphs 1 and 2 above or until the Custody Agreement, Additional Deposit, and revised indemnity agreement are received by the Department, whichever occurs first.

5. If the Department determines, in its sole discretion, that any of the provisions of this Stipulation are violated following issuance of the certificate of authority contemplated herein, Arcadian shall immediately cease writing any new business in Idaho. Such violation shall constitute grounds to immediately suspend Arcadian's certificate of authority upon notice by the Director, but without an opportunity for hearing. Such violation shall also serve as grounds to revoke Arcadian's certificate of authority at the Department's option after notice and opportunity for hearing.


6. The parties agree that the terms of this Stipulation are appropriate and proper under the circumstances referenced herein and that they have entered into this Stipulation knowingly and voluntarily and with full knowledge of any rights they may be waiving thereby, and Arcadian further waives its right to seek reconsideration and judicial review following entry of the attached Order.

AGREED THIS 27th day of April, 2017.

ARCADIAN HEALTH PLAN, INC.

By: 
JOAN O. LENAHAN
Title: Vice President and Corporate Secretary

STATE OF IDAHO
DEPARTMENT OF INSURANCE

By: 
HONALEE R. THOMAS
Title: Examiner Financial Analyst Supervisor

ORDER

IT IS HEREBY ORDERED, pursuant to Idaho Code §§ 41-210, 41-212 and 41-308, that the foregoing Stipulation as between Arcadian Health Plan, Inc., and the State of Idaho, Department of Insurance, is approved and the conditions set forth therein adopted as a requirement for the issuance of a certificate of authority to Arcadian Health Plan, Inc., to operate in the State of Idaho as a managed care organization pursuant to chapter 39, title 41, Idaho Code.

DATED AND EFFECTIVE this 27 day of April, 2017.

STATE OF IDAHO
DEPARTMENT OF INSURANCE


DEAN L. CAMERON, Director

CERTIFICATE OF SERVICE

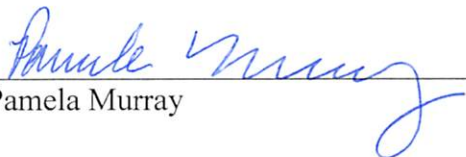
I HEREBY CERTIFY that I have, on this 27th day of April, 2017, caused a true and correct copy of the foregoing STIPULATION AND ORDER CONCERNING CERTIFICATE OF AUTHORITY to be served upon the following by the designated means:

Joan O. Lenahan
Vice President and Corporate Secretary
ARCADIAN HEALTH PLAN, INC.
500 West Main Street
Louisville, KY 40202

- first class mail
- certified mail
- hand delivery
- via facsimile

Judy L. Geier
Deputy Attorney General
IDAHO DEPARTMENT OF INSURANCE
700 W. State Street
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- first class mail
- certified mail
- hand delivery
- via facsimile



Pamela Murray