



October 5, 2016

Thomas Betlach  
Director, Arizona Health Care Cost Containment System  
801 E. Jefferson St.  
MD 4100  
Phoenix, AZ. 85034

Delivered via email: [Thomas.Betlach@azahcccs.gov](mailto:Thomas.Betlach@azahcccs.gov)

Dear Director Betlach,

In follow-up to our recent discussion, I wanted to send you this initial notification letter confirming that Care1st Health Plan and The WellCare Management Group, Inc. ("WMG"), a wholly-owned subsidiary of WellCare Health Plans, Inc. ("WellCare") have entered into a definitive stock purchase agreement, dated as of September 30, 2016, pursuant to which WMG will acquire all of the issued and outstanding capital stock of Care1st Health Plan Arizona, Inc. ("CHPA") and ONECare by Care1st Health Plan of Arizona, Inc. ("OCHPA"). As a result of such acquisition, WMG will also acquire indirectly Care1st Health Plan Administrative Services, Inc., a wholly owned subsidiary of CHPA ("CHPAS," and together with CHPA and OCHPA, collectively, "Care1st AZ").

WellCare is headquartered in Tampa, Fla. and focuses exclusively on providing government-sponsored managed care services, primarily through Medicaid, Medicare Advantage and Medicare Prescription Drug Plans, to families, children, seniors and individuals with complex medical needs. WellCare serves approximately 3.8 million members nationwide and employs over 7,100 staff. WellCare operates Medicaid plans Florida, Georgia, Hawaii, Illinois, Kentucky, Missouri, New Jersey, New York and South Carolina. In addition, WellCare offers Medicare Advantage plans in Arkansas, California, Connecticut, Florida, Georgia, Hawaii, Illinois, Kentucky, Louisiana, Mississippi, New Jersey, New York, South Carolina, Tennessee and Texas. WellCare also offers stand-alone Medicare Prescription Drug Plans in all 50 states and is publicly traded on the NYSE under the symbol WCG.

WellCare does not currently serve the Arizona Medicaid market and desires to enter such market by acquiring Care1st AZ, an organization with an existing strong, stable, and established history in Arizona. It is WellCare's desire to retain the current Care1st AZ team and build on the success to date by adding additional infrastructure, experience focused exclusively on providing government-sponsored managed care services, and extensive knowledge in Behavioral Health management and integration.

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We will be working over the coming days to prepare and submit to you the required transition plan. Throughout the approval process, we hope to be as responsive as possible to your requests for information in hopes to gain your approval once you are satisfied that we have met your transition requirements.

If you have any questions, please do not hesitate to contact me at [scummings@care1st.com](mailto:scummings@care1st.com) or 602.778.1860.

Sincerely,



Scott Cummings  
Chief Administrative Officer  
Care1st Health Plan Arizona

cc: Kelly Munson, Senior Vice President, Division President and Product,  
WellCare Health Plans, Inc.