

Mergers and Acquisitions

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Licensing Review Process

- The Notice of Material Modification must be filed before a plan implements a merger, consolidation, acquisition, or sale of the plan.
- DMHC has 20 business days to issue an Order of Postponement and comment letter.
- The plan has 30 days to respond.
- DMHC will issue an order, either approving or denying the Notice, once all deficiencies have been resolved.

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Licensing Review Process

The Office of Plan Licensing will include the following in its review of a change in control filing transaction:

- Documents filed pursuant to the transaction.
- The applicability of Article 11 of the Knox-Keene Act, to the extent that the plan has held or currently holds assets in a charitable trust.

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Licensing Review Process

- Changes to previously filed plan documents as a result of the transaction, including, but not limited to:
 - Organizational and corporate structure.
 - Administrative capacity changes.
 - Health care delivery system changes (i.e., provider network changes).
 - Product or subscriber contract changes, including consumer impact.

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Licensing Review Process

- The Act and Rules provide that a public meeting or hearing may be held pursuant to Health and Safety Code section 1346(a)(5) at the discretion of the Director.
- One of the factors that may be considered is whether a public meeting or hearing would provide additional facts or opinions relevant to a decision whether to approve the filing, including any conditions or undertakings to impose on the approval.

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