

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Rifkin Managed Care	:	Holding Companies Act, Article
Holdings, LLC Requesting Exemption	:	XIV of the Insurance Company
from the Requirements of 40 P.S.	:	Law of 1921, Act of May 17, 1921,
§991.1402 for the Restructuring of the	:	P.L. 682, <u>as amended</u> , 40 P.S.
Holding Company System which Includes	:	§§991.1401, 991.1402, and
Provider Partners Health Plan of	:	991.1403
Pennsylvania, Inc.	:	
	:	Order No. ID-RC-20-25

DECISION AND ORDER

AND NOW, on this 29th day of December 2020, Melissa Greiner, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Insurance Holding Companies Act and in consideration of the documents, presentations and reports received, as well as other inquiries and studies as permitted by law, the Deputy Commissioner hereby makes the following findings of fact:

FINDINGS OF FACT

Identity of the Parties

PA Domestic Insurer

1. Provider Partners Health Plan of Pennsylvania, Inc. (“PPHP-PA”) is a domestic health maintenance organization (“HMO”) organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Linthicum Heights, Maryland.

2. BTY Health Partners, LLC (“BTY”) is an insurance holding company organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business in Butler, Pennsylvania. BTY currently directly holds 25% of the issued and outstanding stock of PPHP-PA.
3. Steven D. Tack 2016 Irrevocable Trust, Susan Tack Beardsley 2016 Irrevocable Trust and Mary Susan Tack-Yurek 2016 Irrevocable Trust, each individually indirectly control 33 1/3% of the membership interests of BTY.
4. Steve D. Tack (“Mr. Tack”) is an individual with his principal place of business in Butler, Pennsylvania.
5. Susan Tack Beardsley (“Ms. Beardsley”) is an individual with her principal place of business in Butler, Pennsylvania.
6. Mary Susan Tack-Yurek (“Ms. Tack-Yurek” and collectively referenced with Mr. Tack and Ms. Beardsley as the “Tack UCPs”) is an individual with her principal place of business in Butler, Pennsylvania.
7. Dean Rippee (“Mr. Rippee”) is an individual with his principal place of business in Butler, Pennsylvania. The Insurance Department of the Commonwealth of Pennsylvania (“Department”) has accepted a disclaimer of control filing from Mr. Rippee.
8. The trustees of each irrevocable trust identified in Finding of Fact 3 above are identified in Exhibit A.
9. Westminster Health Care, LLC (“Westminster”) is a limited liability company organized pursuant to the laws of Maryland with its principal place of business in Linthicum Heights, Maryland. Westminster currently directly holds 75% of the issued and outstanding stock of PPHP-PA.
10. Bruce R. Grindrod, Jr. (“Mr. Grindrod”) is an individual with his principal place of business in Linthicum Heights, Maryland. Mr. Grindrod directly controls 25% of the membership interests of Westminster.
11. Rifkin Managed Care Holdings, LLC (“RMCH”) is a limited liability company organized pursuant to the laws of Maryland with its principal place of business in Linthicum Heights, Maryland. RMCH currently directly controls 60.75% of the membership interests of Westminster.
12. Scott M Rifkin, M.D. (“Dr. Rifkin”) is an individual with his principal place of business in Linthicum Heights, Maryland. Dr. Rifkin currently directly controls 100% of the membership interests of RMCH.

13. Dr. Rifkin, Mr. Grindrod and the Tack UCPs are the ultimate controlling persons of PPHP-PA.

Other Involved Affiliates

14. PPHP HoldCo, LLC (“HoldCo”) is a recently formed limited liability company organized pursuant to the laws of Maryland with its principal place of business in Linthicum Heights, Maryland.
15. Rifkin PPHP Holdings, LLC (“Rifkin Holdings”) is a recently formed limited liability company organized pursuant to the laws of Maryland with its principal place of business in Linthicum Heights, Maryland. RMCH currently directly controls 100% of the membership interests of Rifkin Holdings. Rifkin Holdings currently directly controls 100% of the membership interests of HoldCo.
16. Mid-Atlantic Health Care, LLC (“Mid-Atlantic”) is a limited liability company organized pursuant to the laws of Maryland with its principal place of business in Towson, Maryland. Dr. Rifkin currently controls 81% of the membership interests of Mid-Atlantic.

Filing of the Application

17. On August 24, 2020, the Department received an initial request (which together with all material received subsequently is collectively referenced as “Application”) from RMCH for approval to restructure the insurance holding company system, which includes PPHP-PA.
18. The Insurance Holding Companies Act, Article XIV of the Insurance Company Law of 1921, Act of May 17, 1921, P.L. 682, as amended, 40 P.S. §§991.1401 et seq. (“Insurance Holding Companies Act”), provides that all transactions affecting the control of a domestic insurer must be filed with the Department for approval or disapproval.
19. The Application was filed pursuant to Section 1402 of the Insurance Holding Companies Act.
20. Section 1402(g) of the Insurance Holding Companies Act provides for the exemption from the requirements of Section 1402(b) if the transaction:
 - a. does not have the effect of changing or influencing the control of a domestic insurer, or
 - b. is otherwise not comprehended within the purposes of the section.

The Transaction

21. As described in the Application, the following series of transactions (the “Restructuring”) are proposed to occur, one immediately after the other:
 - a. 100% of the membership interests of Westminster will be transferred from its current owners to Rifkin Holdings in exchange for membership interests in Rifkin Holdings, as a result of which, RMCH will directly control 71.53% of the membership interests of Rifkin Holdings and Mr. Grindrod will directly control 24.48% of the membership interests of Rifkin Holdings;
 - b. Mid-Atlantic, which currently holds two surplus notes, in the aggregate principal amount of \$920,000, issued by PPHP-PA (the “Notes”), will contribute the Notes to Rifkin Holdings in exchange for a redeemable non-voting interest in Rifkin Holdings;
 - c. Rifkin Holdings will contribute the Notes and its 100% membership interest in Westminster to HoldCo. In exchange, Rifkin Holdings’ ownership interest in HoldCo will be reclassified from a 100% membership interest to 600,000 class A voting units and 100 redeemable units in HoldCo;
 - d. HoldCo will contribute the Notes to Westminster; and
 - e. Westminster will contribute the Notes to PPHP-PA, and the Notes will be effectively cancelled by virtue of them being forgiven.
22. As described in the Application, upon completion of the transaction, Dr. Rifkin, Mr. Grindrod and the Tack UCPs will remain as the ultimate controlling persons of PPHP-PA.
23. The Insurance Commissioner of the Commonwealth of Pennsylvania (“Commissioner”) has delegated to the Deputy Commissioner the authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer.
24. The Deputy Commissioner finds that the transaction described in the Application would not have the effect of changing or influencing the control of a domestic insurer.
25. If any of the above Findings of Fact are determined to be Conclusions of Law, they shall be incorporated in the Conclusions of Law as if fully set forth therein.

CONCLUSIONS OF LAW

1. Under Section 1402 of the Insurance Holding Companies Act, the Department has jurisdiction to review and approve the acquisition of controlling securities of a domestic insurer if, after consummation thereof, the acquiring person would be in control of the domestic insurer.
2. The Commissioner has delegated authority to approve an application that would not have the effect of changing or influencing the control of a domestic insurer to the Deputy Commissioner.
3. The Deputy Commissioner has jurisdiction over the parties and subject matter of this proceeding.
4. The Application was properly filed pursuant to and in accordance with Section 1402(g) of the Insurance Holding Companies Act.
5. The restructuring of the holding company system proposed in the Application is not being contemplated to change or influence the ultimate control of PPHP-PA, and, therefore, is exempt from the requirements of Section 1402(b) of the Insurance Holding Companies Act.
6. If any of the above Conclusions of Law are determined to be Findings of Fact, they shall be incorporated in the Findings of Fact as if fully set forth therein.

BEFORE THE INSURANCE COMMISSIONER
OF THE
COMMONWEALTH OF PENNSYLVANIA

In Re:	:	Pursuant to Sections 1401, 1402,
	:	and 1403 of the Insurance
Application of Rifkin Managed Care	:	Holding Companies Act, Article
Holdings, LLC Requesting Exemption	:	XIV of the Insurance Company
from the Requirements of 40 P.S.	:	Law of 1921, Act of May 17, 1921,
§991.1402 for the Restructuring of the	:	P.L. 682, <u>as amended</u> , 40 P.S.
Holding Company System which Includes	:	§§991.1401, 991.1402, and
Provider Partners Health Plan of	:	991.1403
Pennsylvania, Inc.	:	
	:	Order No. ID-RC-20-25

ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania hereby makes the following Order:

An approving determination for the application of Rifkin Managed Care Holdings, LLC requesting exemption from the requirements of 40 P.S. §991.1402 for the restructuring of the insurance holding company system (including, but not limited to, the contribution and forgiveness of Surplus Note #1 and Surplus Note #2) that involves Provider Partners Health Plan of Pennsylvania, Inc., as set forth in the Application, is hereby granted.

This Order is effective immediately and valid for one year, provided there are no material changes to the representations provided in the application.



A handwritten signature in cursive script that reads "Melissa Greiner".

MELISSA GREINER
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation

EXHIBIT A

Steven D. Tack 2016 Irrevocable Trust

- Ms. Tack-Yurek (Trustee)
- Ms. Beardsley (Trustee)
- Mr. Rippee (Trustee)

Susan Tack Beardsley 2016 Irrevocable Trust

- Ms. Tack-Yurek (Trustee)
- Mr. Tack (Trustee)
- Mr. Rippee (Trustee)

Mary Susan Tack-Yurek 2016 Irrevocable Trust

- Ms. Beardsley (Trustee)
- Mr. Tack (Trustee)
- Mr. Rippee (Trustee)