

BEFORE THE DEPUTY INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE: : Pursuant to Subchapter F of Chapter 59  
: of the Nonprofit Corporation Law of  
Application of Health Central, Inc. : 1988, Act of December 21, 1988, P.L.  
Requesting Approval to Surrender its : 1444, as amended, 15 Pa. C.S. §§ 5971  
Certificate of Authority, Issue a : -5979  
Liquidating Dividend and Voluntarily :  
Dissolve :  
Order No. ID-RC-02-20

DECISION AND ORDER

AND NOW, on this 17th day of September, 2002, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Order:

Pursuant to the Nonprofit Corporation Law, 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

1. Health Central, Inc. (“Health Central”) is a domestic nonprofit health maintenance organization (“HMO”) organized pursuant to the laws of the Commonwealth of Pennsylvania with its principal place of business at Harrisburg, Pennsylvania.
2. The following are the member/owners of Health Central (the “Members”):
  - Ephrata Community Hospital Foundation  
Ephrata, Pennsylvania
  - Lancaster Health Alliance  
Lancaster, Pennsylvania
  - The Reading Hospital and Medical Center  
West Reading, Pennsylvania
  - Summit Health  
Chambersburg, Pennsylvania

Wellspan Health  
York, Pennsylvania

3. On June 19, 2002, the Insurance Department of the Commonwealth of Pennsylvania (“Department”) received a request (which, together with all material received subsequently, is hereinafter referenced as “Request”) from Health Central to voluntarily dissolve pursuant to Chapter 59, Subchapter F of the Nonprofit Corporation Law of 1988, 15 Pa.C.S. §§5971-5979 (“BCL”).
4. On August 17, 2002, the Department published notice in the Pennsylvania Bulletin that the Request was submitted by Health Central, and such notice invited interested persons to submit comments to the Department regarding the Request for a seventeen day period, ending September 3, 2002.
5. During the seventeen day period, the Department received no comments regarding the Request.
6. Health Central has provided evidence that its Board of Directors has resolved to surrender its Certificate of Authority to operate a HMO in the Commonwealth of Pennsylvania, voluntarily dissolve the corporate existence of the company, and provide for the distribution of the remaining assets to the Members after all outstanding expenses and obligations have been satisfied.
7. Health Central has provided evidence that the Members have accepted and consented to the Resolution of the Board of Directors to surrender the Health Central Certificate of Authority to operate a HMO in the Commonwealth of Pennsylvania, voluntarily dissolve the corporate existence of the company, and provide for the distribution of the remaining assets to the Members after all outstanding expenses and obligations have been satisfied.
8. As stated in the Request, Health Central has caused notice to appear in publications of general interest advising the public and policyholders of the proposed dissolution.
9. As stated in the Request, Health Central has caused notice of the winding up proceedings to be provided to each known creditor and claimant and to each municipal corporation in which Health Central’s registered office or principal place of business in Pennsylvania is located as required by 15 Pa.C.S. §5975(b).
10. As stated in the Request, Health Central has not written any new or renewal business since March 31, 2001.
11. As stated in the Request, Health Central has discharged all known liabilities as required by 15 Pa.C.S. §5975(c).

12. As stated in the Request, the purpose of this transaction is to dissolve Health Central.
13. As stated in the Request, Health Central has agreed that it will not transact any HMO business after the Certificate of Authority is surrendered to the Department, except as is necessary to complete the winding up of business.
14. 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. The Request was properly filed by Health Central pursuant to and in accordance with the requirements of Chapter 59, Subchapter F of the BCL.
2. The Request satisfies the requirements of applicable laws of the BCL.
3. As required by Section 5975 of the BCL, adequate provision has been made for the discharge of all the liabilities of Health Central.
4. Based on all the information and analyses received and the Department's independent review, the Deputy Commissioner finds that the Request is in accordance with the law and is not injurious to Health Central's policyholders and creditors.
5. 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.



7. Health Central shall complete its dissolution within 90 days of receipt of approval of the Articles of Dissolution from the Department of State.
8. Within 30 days of completion of dissolution, Health Central shall provide written notice of the completion of the dissolution to the Department.

This Order is effective immediately.

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Stephen J. Johnson  
Deputy Insurance Commissioner  
Commonwealth of Pennsylvania