

BEFORE THE DEPUTY INSURANCE COMMISSIONER  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

IN RE:	:	Pursuant to the Health Maintenance
	:	Organization Act, Act of December
The Request of Ion Health, Inc. for	:	29, 1972, P.L. 1701, No. 364, <u>as</u>
Approval to Surrender its Certificate of	:	<u>amended</u> , December 19, 1980, P.L.
Authority to Operate as a Health	:	1300, No. 234, 40 P.S. §§1551
Maintenance Organization	:	through 1567
	:	
	:	
	:	Order Number ID-RC-06-45

DECISION AND ORDER

AND NOW, on this 14th day of December, 2006, Stephen J. Johnson, Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”), hereby makes the following Decision and Order:

Pursuant to the Health Maintenance Organization Act, and in consideration of the documents, representations 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. Ion Health, Inc. (“Ion Health”) is a Health Maintenance Organization (“HMO”) organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Erie, Pennsylvania.
2. J. W. Childs Equity Partners III, L.P. (“J.W. Childs”) is a business partnership organized under the laws of the state of Delaware with its principal place of business located in Boston, Massachusetts. J. W. Childs is an indirect controlling entity of Ion Health.
3. On October 20, 2006, 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 Ion Health to voluntarily surrender its Certificate of Authority to operate as a domestic HMO in this Commonwealth.

4. On November 4, 2006, the Department published notice in the *Pennsylvania Bulletin* that the Request was submitted by Ion Health, and such notice invited interested persons to submit comments to the Department regarding the Request for a thirty day period, ending December 4, 2006.
5. During the thirty day period, the Department received no relevant comments regarding the proposed Request.
6. On September 2, 2003, Ion Health was issued a Certificate of Authority by this Department and the Department of Health pursuant to the Health Maintenance Organization Act of December 29, 1972, P.L. 1701, No. 364, as amended (40 P.S. §1551, et seq.) to operate as a HMO in the Commonwealth of Pennsylvania.
7. As stated in the Request, Ion Health has no current HMO policies or members.
8. As stated in the Request, the purpose of this transaction is to surrender the authority to operate a HMO, but continue the corporate existence.
9. As stated in the Request, J. W. Childs has adopted a resolution committing to provide sufficient funds to ensure an orderly voluntary solvent wind down of Ion Health.
10. Ion Health has provided documentation that its Board of Directors has resolved to surrender its Certificate of Authority to act as a HMO in the Commonwealth of Pennsylvania.
11. Ion Health has provided documentation that the sole shareholder has resolved to surrender the Ion Health Certificate of Authority to act as a HMO in the Commonwealth of Pennsylvania.
12. 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. Inasmuch as Ion Health does not have any members, Ion Health is not required to make provision for payment of member claims.
2. Inasmuch as Ion Health will be a going concern, the Department's approval of the Request will have no impact on any creditors of Ion Health.
3. Based on all the information and analyses received and the Department's independent review, the Request is reasonable and in accordance with law.
4. 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.

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ORDER

Upon consideration of the foregoing, the Deputy Insurance Commissioner of the Commonwealth of Pennsylvania (“Deputy Commissioner”) hereby approves the Request for the voluntary surrender of the Certificate of Authority as filed on October 20, 2006, by Ion Health, Inc. (“Ion Health”), subject to the following conditions:

1. Ion Health shall not engage in the business of providing a Health Maintenance Organization, or any other insurance company business, in the Commonwealth of Pennsylvania or in any other jurisdiction, without the prior approval of the Pennsylvania Insurance Department.
2. Ion Health shall return its Certificate of Authority to the Insurance Department within one year of the date of this Order.
3. The surrender shall be effective upon receipt of the Certificate of Authority by the Insurance Department.
4. Should Ion Health, as a continuing business corporation, determine that it would like to engage at some time in the future in the business of providing a Health Maintenance Organization or other insurance company, it will be necessary to file a new application for an appropriate certificate of authority.

This Order is effective immediately.

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STEPHEN J. JOHNSON  
Deputy Insurance Commissioner  
Commonwealth of Pennsylvania