

January 27, 2016

Via Email and Hand Delivery

Jennifer Chambers
Senior Staff Counsel
California Department of Insurance
45 Fremont Street, 24th Floor
San Francisco, CA 94105

Re: IDB 15-6405/APP-2015-00889
Public Hearing on Form A Application of Centene Corporation to Acquire Control of Health Net,
Inc.

Dear Jennifer:

As indicated at the hearing on January 22, 2016, enclosed are two originals of the sworn statement of Michael F. Neidorff for inclusion in the official records of this proceeding. Please let me know if you have any questions.

Sincerely,



Dan Brown
Partner

cc: G. Margolis, California Department of Insurance (via email)
J. Finston, California Department of Insurance (via email)
J. Tomashoff, California Department of Insurance (via email)

**Statement of Michael F. Neidorff Read Into the Record at the Public Hearing Before
the Insurance Commissioner of the State of California Regarding the Proposed
Acquisition of Health Net Life Insurance Company by Centene Corporation Held
on January 22, 2016**

1. We have here today a team of very capable Health Net and Centene executives who will be presenting and responding to your questions throughout this hearing.
2. I appreciate the opportunity to make these comments. This process is very important to all of us, and my executives are empowered to work with you and the DMHC to see this transaction through to completion. I wanted to make sure you knew how committed I am to making this transaction a success for Californians and also to share with you our approach to delivering health care.
3. I'd like to state up front that we are fully committed to maintaining and working to grow our commercial business in California. This includes, of course, when necessary, working with the State to alter the product design when competitive issues arise or when consumer demand dictates.
4. We share first and foremost a common concern for the individuals we serve. Our mission is to transform the health of the community one person at a time, and our members are at the heart of what we do. As it relates to Medicaid members who we have served for most of our history I have long believed that except for the Grace of the Lord, any of us could receive our healthcare through Medicaid. And we would expect to be treated with dignity and respect. This is exactly the way our recipients should expect to be treated, and it is the kind of care they receive. We focus on treating the whole person, improving their health status. We take very seriously the responsibility you as the State give us, and the trust our members have placed in us.
5. Incidentally, our approach is already in place in California. We are proud to serve California consumers through our local health plan: California Health and Wellness. Know that we will continue to put our members first, whether they are enrolled in commercial coverage, MediCal, the Marketplace, Medicare, ... all products.
6. It is Centene's practice that anything that touches a recipient, a provider, a contractor, a regulator is done locally. Our presidents and CEOs are charged with representing the best interest of their health plan in their State.
7. You will not find a health plan that carries a Centene name anywhere in the country. In Ohio we are Buckeye, in Florida we are Sunshine; in Texas we are Superior. Health Net is and will continue to be a California company.

8. As I alluded to earlier we treat our members one person at a time. Equally important is the way we view our provider network. Providers are our product and we are committed to working with them to support and enhance through our systems their ability to treat our members or recipients. We also take very seriously the responsibility to ensure the quality of care our members receive. Part of our success is the strength that our provider network brings to us.
9. I know you have an interest in protecting and growing California jobs. This transaction involving Health Net will result in more jobs in California than if the transaction didn't take place. The current number of Health Net employees in California is approximately 6500 and in three years if our plans come to full fruition we estimate it will be 7000.
10. We believe in insourcing our work, not outsourcing it. Over 85% of our employees are located in the markets we serve. I remind you that our high speed transactions are consolidated at various centers in the U.S. By high speed transactions I mean claims, financials and systems development. Health Net will maintain the local financial support necessary to meet the State reported requirements. With our acquisition of Health Net, while not immediately, over the next several years, as Health Net's processes are transitioned to Centene's systems, we will be bringing back to the US the Health Net functions that are taking place in India and the Philippines. As appropriate, many of the currently outsourced positions will be brought to California.
11. Centene is a Fortune 186 company. Each of our local companies is supported by its significant resources. Centene brings a strong commitment to recipients of all lines of insurance, a strong balance sheet, and integrated systems from which consumers of healthcare will benefit. Our high speed claims and system transactions enable us to pay provider claims on average 8 days from the day we receive them. Our claims payment accuracy exceeds 98%.
12. Finally, Mr. Commissioner, we have always placed a great deal of value in ensuring that any recommendations we make are based on sound public policy. This transaction, in my opinion, is in the best interest of the State of California and consumers of all the insurance products we currently offer, and new ones that may be added. By sound public policy I mean we are committed to improving outcomes for our members; we are committed to providing products and services in the most efficient manner to the benefit of your tax payers; and we are committed to maintaining our local approach which grows jobs in your state. In other words, we are committed to the growth of Health Net. When we make a commitment, we live up to it. Our word is our bond. It is a matter of honor, integrity and credibility.

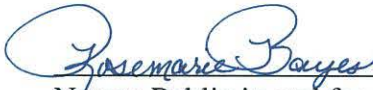
13. Thank you again for this opportunity to make these brief comments today. I appreciate your thoughtful consideration of our acquisition of Health Net, and we look forward to ensuring a smooth transition and commit to working effectively with you.

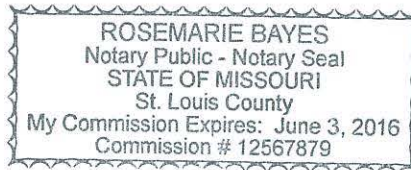
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Michael F. Neidorff says that he is the Chairman, President and Chief Executive Officer of Centene Corporation, that he has read the foregoing testimony and knows the contents thereof and that same are true of his own knowledge.


Michael F. Neidorff

Subscribed and sworn to before me this 25th day of January, 2016

 (Notarial Seal)
Notary Public in and for said County
and State



My commission expires June 3, 2016