



CENTENE-MAGELLAN COMPETITION-RELATED UNDERTAKINGS MONITORING RULES OF PROCEDURE

ARTICLE 1: INTRODUCTION

Centene Corporation (“Centene”) has acquired all outstanding shares of Magellan Health, Inc. (“Magellan”) through a merger transaction that was consummated on January 4, 2021 (the “Acquisition”). Pursuant to this transaction, Centene owns, directly or indirectly, the following health plans licensed by the California Department of Managed Health Care (the “Department”): California Health and Wellness Plan, Envolve Vision, Inc.¹, Health Net Community Solutions, Inc., Health Net of California, Inc., Managed Health Network, WellCare of California, Inc., WellCare Prescription Insurance, Inc., Human Affairs International of California, and Magellan Health Services of California, Inc.– Employer Services (collectively, the “California Subsidiaries”).

Centene, Magellan and the California Subsidiaries are parties (the “Parties”) to an Undertakings agreement with the Department executed as of December 28, 2021. Pursuant to Undertaking 30, Affiliated Monitors Inc. (“AMI,” “Monitor” or “Independent Monitor”) was retained as the Independent Monitor to monitor the Competition-Related Undertakings (i.e., Undertakings 29-34) (the “Undertakings”).

Pursuant to Undertaking 30(b), the Monitor is authorized, to the extent necessary to monitor compliance with the Undertakings, “to take complaints from customers and clients of Centene, customers and clients of Magellan, competitors of Centene or Magellan, employees of Magellan, employees of Centene, the Department or the California Attorney General.” These groups are referred to collectively herein as the “Complainants” or “Complaining Parties”. For purposes of these Monitoring Rules of Procedure (the “Rules”), a “Complaint” is an allegation brought by one of the Complaining Parties that Centene or Magellan is not in compliance with one or more provisions of the Competition-Related Undertakings.²

Pursuant to Undertaking 31(d), the Parties may file a petition with the Monitor requesting a report and recommendation in connection with a request to the Department of any new exception to the prohibitions under Undertaking 31 (an “Exception Petition” or “Petition”).

Pursuant to Undertaking 33, the Department may request the Monitor investigate and issue a report and recommendation on any corporate reorganization, financing, assignment, or restructuring by the Parties to determine if it is material and would have the effect of vitiating any of the Undertakings (an “Undertaking 33 Request” or “Request”).

The Independent Monitor provides these Rules of Procedure to provide guidance on how the Monitor intends to handle Complaints, Exception Petitions, and/or Undertaking 33 Requests. These Rules may be amended at the request of the Parties and/or Department, or on the

¹ Envolve Vision, Inc. surrendered their vision service plan license.

² The term “Complaint” as used in these Rules is separate and necessarily distinct from the California Code of Regulations, Title 28, Section 1300.68(a)(1) definition of “Grievance” as it relates to a California Subsidiary member’s coverage or care.



Monitor's own volition, with the opportunity for the Parties, Department and Monitor to provide substantive feedback on any proposed amendments.

ARTICLE 2: SCOPE OF THE RULES – MONITOR'S DISCRETION

- A. These Rules apply only to Complaints, Exception Petitions and/or Undertaking 33 Requests received by the Monitor in connection with the Undertakings. These Rules provide guidance to potential Complainants, the Parties, and the Department on how the Monitor intends to address Complaints, Exception Petitions and/or Undertaking 33 Requests.
- B. Monitor's Discretion: The Monitor has the discretion to make any decisions necessary, in the Monitor's judgment and within the Monitor's authority, to fulfill the obligations under the Undertakings. As such, to the extent consistent with the Undertakings, the Monitor has the discretion to make decisions on an ad hoc basis that may be viewed as inconsistent with the processes and procedures outlined in these Rules. To the extent feasible, and without compromising the Monitor's obligations, the Monitor will provide the Parties and/or the Department with reasonable notice of such decisions.

ARTICLE 3: COMPLAINT-RELATED COMMUNICATIONS AND CALCULATION OF TIME

Unless otherwise determined by the Independent Monitor, any Complaint, notice, or other communication related to a Complaint that may be or is required to be provided to the Monitor under these Rules shall be provided as follows:

- A. Intake of Complaints: Complaints may be filed with the Monitor from any Complainant using any of the following channels:
 - 1. The secure Complaint Submission Portal (the "Complaint Submission Portal" or "CSP") on the Monitor's public-facing Centene-Magellan Compliance Monitorship ("CMCM") Website;
 - 2. Monitoring Hotline ("Monitoring Hotline");
 - 3. Monitor's Email Address;
 - 4. Referrals from the Parties, the Department, or the California Attorney General.

The Monitor will take all Complaints received through any of the above identified channels seriously. However, in order for the Monitor to open a formal investigation of a Complaint, the Complainant may be required to submit the Complaint through the CSP, as described below. The Monitor will work with Complainants to make sure that their Complaints are addressed and are properly submitted through the CSP, if the Complainant chooses to proceed.

- B. The CSP and Complaint Intake Form:
 - 1. The CSP will provide Complainants with a standardized Complaint Intake Form and allow for the upload of documentation in support of the Complaint allegation(s).
 - 2. Upon the Monitor's receipt of the completed Complaint Intake Form, and the Monitor's assignment of an investigation case number, the Monitor's investigation process will commence.

- C. Calculating Time: For the purpose of calculating a period of time under these Rules, days are calculated as calendar days. Such period shall begin to run on the day following the day when a notice or other communication is received. If the last day of such period is an official holiday or a non-business day at the place of business of the addressee, the period is extended until the first business day that follows. Official holidays or non-business days occurring during the running of the period of time are included in calculating the period.
- D. Extending or Shortening Time; Requests for Expedited Review: The Monitor may, at the request of a Complainant, the Parties, the Department, or on its own, extend or shorten periods of time fixed by these Rules. Upon good cause, anyone may request expedited review of a Complaint, determination of a Complainant's standing, or other process in connection with a Complaint, which request shall be granted at the Monitor's discretion. The Monitor will provide the Complainant, Parties, and Department reasonable notice of changes in periods of time fixed by these Rules, including expedited review.
- E. Notices: A notice or other communication shall be deemed to have been received on the day it is sent, delivered, or transmitted. To determine compliance with a time limit, a notice or other communication shall be deemed to have been sent, delivered, or transmitted if it is dispatched, in accordance with Paragraph B of this Article, prior to or on the day of the expiration of the time limit. The Monitor will, to the extent feasible, confirm receipt of all notices and communications submitted under these Rules.

ARTICLE 4: COMPLAINT HANDLING

- A. Distribution of the Complaint to the Parties and the Department: The Monitor will use its discretion to determine which Complaints rise to the level of requiring reasonable notice to the Parties and the Department.
- B. Complaints Made to the Parties and/or Department: To the extent the Parties and/or the Department receive complaints from persons or entities seeking to initiate a formal Complaint with the Monitor, the Parties and/or Department shall refer such Complainants to the CMCM Website, Monitoring Hotline or Monitor's Email Address as soon as practicable so the Complainant can submit information per the process set forth in Article 3 of these Rules. The Parties and/or Department shall also separately notify the Monitor that it received a Complaint as defined by the Rules and how it was handled.
- C. Standing to Maintain a Complaint: Upon receipt of a Complaint, the Monitor will determine whether the Complainant has standing to seek an investigation by the Monitor under the Undertakings. A Complainant will be deemed to have standing if the substance of their Complaint is relevant to the Undertakings being monitored. The Monitor will approve or deny the Complainant's standing by way of a written notice transmitted electronically to the email address provided in the Complaint.
- D. Information Requested of All Complainants: Each Complainant will be asked to provide the following information:

1. The names, addresses, telephone numbers, and email addresses of the parties referenced in the Complaint, and the representatives of the complainant filing the Complaint;
2. A description of the Complaint;
3. Citations to the specific conditions or rights in the Undertakings alleged to have been violated;
4. Any documents or other information supporting the Complaint and the allegations of a violation of the Undertakings;
5. Any information regarding significant timing and/or relevant deadlines that may necessitate expedited review of the issue by the Monitor; and
6. Confirmation that they acknowledge the Monitor's Complainant Information Disclosure provisions.³

ARTICLE 5: RESPONSE TO THE COMPLAINT

- A. The Parties and/or Department may submit a Response to the Complaint. The Monitor's notice of a Complaint to the Parties and/or Department shall be accompanied by all of the information submitted to the Monitor by the Complainant that, in the Monitor's discretion, and potentially subject to the Complainant's confidentiality request, is necessary to permit the Parties and/or Department to reasonably respond to the Complaint.
- B. The Response shall address, as applicable: (i) the specific allegations in the Complaint; and (ii) any substantive defenses under the Undertakings. The Response shall be accompanied by any additional documents or other supporting information.⁴
- C. The Parties and the Department shall have reasonably sufficient time to provide a Response to the Complaint, which shall be at least thirty (30) days, and for the Department, additional time as necessary. The Parties and/or Department may seek an extension from the Monitor of any deadline imposed by the Monitor for the Response. Failure to provide a timely Response could result in the Monitor determining any or all issues raised in the Complaint based on the record before the Monitor as of the Response deadline.

ARTICLE 6: MONITOR INVESTIGATION PROCESS

- A. Monitor's Process for Investigations: Subject to these Rules and the Undertakings, the Monitor's process for investigating and issuing determinations shall be conducted as the Monitor considers appropriate.

³ Consistent with the Monitor's Complainant Information Disclosure, and Complaint Intake Form, Complainants may request confidential treatment of their information and documents. Complainants will be required to confirm that by requesting confidential treatment they understand that their request may preclude the Monitor's ability to investigate their Complaint.

⁴ Consistent with the Monitor Agreement with Centene and Magellan, Centene and Magellan may request confidential treatment of their Response.

- B. Monitor's Timelines for Investigations: The Monitor shall use best efforts to complete investigations expeditiously and will strive to have any recommendations for resolution, including enforcement by the Department, completed within thirty (30) days of receiving a complete Complaint and applicable Response(s) from the Parties and Department, and fifteen (15) days of receiving a complete Complaint and applicable Response(s) from the Parties and Department in expedited cases, or as soon as practicable. The Complainant, the Parties and the Department shall cooperate in good faith with the Monitor toward this end.
- C. Monitor's Investigation Process: If the Monitor deems necessary, the Monitor may, at the Monitor's own discretion, or at the request of a Complainant, the Parties, and/or the Department:
1. Hold a meeting between the Monitor, Complainant, the Parties, and or the Department. Such meeting may be held remotely or in person;
 2. Hold *ex parte* meetings between the Monitor and the Complainant, the Parties, and/or the Department. Such meetings may occur remotely or in person⁵;
 3. In addition to the information submitted with the Complaint and the Response(s), the Monitor may, at the request of the Complainant, the Parties and/or the Department, or on the Monitor's own determination, allow or require further submissions, including the submission of relevant documents, written or oral statements or testimony, expert opinions, or other information;
 4. Engage or consult with subject matter experts approved by the Department and Parties;
 5. At the request of a Complainant, the Parties, the Department, or at its own discretion, the Monitor may record or use a stenographer to take testimony from one or more witnesses, and/or otherwise memorialize the information being provided to the Monitor for purposes of adjudicating a Complaint. The Monitor will provide the participants with reasonable notice of the use of such means if such use is to occur.
- D. Monitor's Recommendations at the Conclusion of the Investigation: To the extent consistent with the Undertakings, and at the Monitor's discretion, the Monitor will provide the Parties and the Department with a draft of the Monitor's intended recommendation for resolution of the Complaint for review and comment before a final recommendation is issued. The Monitor may, at the Monitor's own discretion, limit the time for such review and comment, limit the materials, if any, that can be submitted by the Parties and/or Department, and can choose not to consider any such comments or materials so submitted. However, it will be the Monitor's intention to provide the Parties and the

⁵ Pursuant to UT 30(b), should the Monitor seek to meet with or interview an employee of the Parties, whether as a Complainant or a witness, the Monitor shall offer the employee, and at the employee's election, the Monitor shall provide the applicable Party reasonable prior notice and the opportunity to have counsel present.

Department sufficient time and discretion to provide meaningful input to the Monitor before the Monitor's final recommendation is issued. Sufficient time will be a minimum of thirty (30) days, except that in expedited cases, the Monitor may request expedited review by the Parties and Department.

ARTICLE 7: EXCEPTION PETITIONS UNDER UNDERTAKING 31(d)

- A. Exception Petitions Pursuant to Undertaking 31(d): With respect to Petitions made pursuant to Undertaking 31(d) regarding new exceptions to the prohibitions of the Undertakings, the Parties shall file an Exception Petition with the Monitor requesting a report and recommendation as to such new exception. A copy of the Exception Petition shall be filed with the Department concurrently via Department electronic filing rules. The Monitor shall open an investigation within five (5) business days of receipt of the Exception Petition.
- B. In evaluating the Exception Petition, the Monitor shall consider the following:
 - 1. The Parties' claimed benefits for any such new exception to any customers, consumers, or markets involving their products, including the existence and nature of any evidence supporting those benefits;
 - 2. Whether the new exception is reasonably necessary to realize any of the Parties' claimed benefits;
 - 3. Whether there is evidence of any negative effects of the new exception on any customers, consumers, or markets involving their products, including the nature of any such evidence; and
 - 4. Whether the Parties' claimed benefits significantly outweigh any negative effects of the new exception.
- C. The Department will have up to thirty (30) days, and may request further time, to present evidence of any negative effects of the new exception to the Monitor.
- D. The Monitor will make all reasonable efforts to issue a report and recommendation on whether the Exception Petition should be granted, conditionally granted, or denied, within ninety (90) days of receiving the Exception Petition.
- E. To the extent practicable, the Monitor will use the same processes outlined in Article 6 of these Rules to investigate an Exception Petition made under this Article.

ARTICLE 8: REQUESTS UNDER UNDERTAKING 33

- A. Requests Pursuant to Undertaking 33: With respect to Requests by the Department pursuant to Undertaking 33 that the Monitor investigate and issue a report and recommendation on any corporate reorganization, financing, assignment, or restructuring by the Parties to determine if it is material and would have the effect of

vitiating any of the Undertakings, the Monitor shall open an investigation within five (5) business days of receipt of the Request. Unless for good cause, the Department shall submit a copy of that Request to Centene and/or Magellan, as appropriate.

- B. The Monitor will make all reasonable efforts to issue a report and recommendation on the Request within sixty (60) days of receiving the Request.
- C. To the extent practicable, the Monitor will use the same processes outlined in Article 6 of these Rules to investigate a Request made under this Article.

ARTICLE 9: DEFAULT

- A. Failure to Cooperate with the Monitor: If a party to a Complaint, Exception Petition or Undertaking 33 Request without showing good cause, fails to comply with any provision under these Rules, or any direction given by the Monitor, the Monitor may draw the inferences therefrom that the Monitor considers appropriate. The Monitor may, at its discretion, also report such failure to comply to the Department and/or the Parties.
- B. Ex Parte Communications: To help facilitate a resolution to a Complaint, Petition or Request, the Monitor has the right to communicate *ex parte* with any Complainant, the Parties, and or the Department⁶. Such communications are subject to the terms of the Monitor Agreement.

ARTICLE 10: CONFIDENTIALITY AND HANDLING OF CONFIDENTIAL INFORMATION

- A. Designating Confidential Information: It is the responsibility of the Complainant, the Parties and/or the Department to designate documents and other information submitted in connection with a Complaint, Exception Petition or Undertaking 33 Request, and the Monitor's investigation of same, as Confidential consistent with applicable Confidentiality Agreement(s), Monitor's Complainant Information Disclosure, and/or Complaint Intake Form.

⁶ Pursuant to UT 30(b), should the Monitor seek to meet with or interview an employee of the Parties, whether as a Complainant or a witness, the Monitor shall offer the employee, and at the employee's election, the Monitor shall provide the applicable Party reasonable prior notice and the opportunity to have counsel present.