



Gavin Newsom, Governor
State of California
Health and Human Services Agency
DEPARTMENT OF MANAGED HEALTH CARE
980 9th Street, Suite 500
Sacramento, CA 95814
Phone: 916-324-8176 | Fax: 916-255-5241
www.HealthHelp.ca.gov

July 20, 2023

VIA ELECTRONIC MAIL

Crystal Lautrup
Deputy General Counsel
Prospect Health Plan, Inc.
3415 South Sepulveda Blvd., 9th Floor
Los Angeles, CA 90034

Re: Notice of Material Modification Proposing Minority Interest Transaction
Filed June 23, 2023; Filing No. 20232846

Dear Ms. Lautrup:

The Department of Managed Health Care (Department) reviewed information submitted in the above-referenced Notice of Material Modification (Notice) filed by Prospect Health Plan, Inc. (Plan) for compliance with the Knox-Keene Health Care Service Plan Act of 1975, as amended.^[1]

Please review the attached Comment Table which includes comments from the Office of Plan Licensing and Office of Financial Review and include the Plan's responses in the appropriate fields of the Table. The Comment Table should be saved in Word and uploaded as document type "Comment Table (CT01)" in the eFiling Portal. Feel free to contact me if you would like to discuss any issues before filing the Plan's responsive amendment. All other revised documents should be filed according to standard procedure.

After reviewing the Department's comments, revise all Plan documents and exhibits that contain similar language or provisions to ensure similar deficiencies are eliminated before filing the Plan's responsive amendment. Be sure all changes to the amended information are highlighted by strikeout, underline or other method in accordance with Rule 1300.52. The Department's review of this Notice will continue when the Plan's responsive amendment is filed.

^[1] California Health and Safety Code sections 1340 et seq. (Act). References herein to "Section" are to sections of the Act. References to "Rule" refer to the California Code of Regulations, title 28.

Protecting the Health Care Rights of More Than 29.7 Million Californians
Contact the DMHC Help Center at 1-888-466-2219 or www.HealthHelp.ca.gov

Department's Action

Enclosed is Order No. 20232846, issued pursuant to Health and Safety Code section 1352 (b), postponing the terms of the Notice. The Order incorporates by reference the Department's findings and comments as set forth in the attached Comment Table. The Order postpones the effectiveness of the material modification of the Plan or its operations as proposed in the Notice, and thereby prohibits the Plan from implementing the terms of the Notice until the Director issues a subsequent Order approving the Notice.

The Order is issued because at this time the Department finds the Notice does not demonstrate compliance with the Act and Rules and further amendment is necessary as set forth in the Department's attached comments. Pursuant to Health and Safety Code section 1354, the Plan has a right to a hearing upon the issuance of an Order postponing a material modification if the Plan makes a written request within thirty (30) days after the date of mailing of the enclosed Order.

Within 30 days of the date of this letter, please file the Plan's response as an amendment to the above-referenced Notice and include the Plan's Exhibit E-1, with reference to the amendment as a "Response to Department Comments," as well as the Plan's responses included in the Comment Table as an attachment to the Exhibit E-1 and any additional necessary documents. When submitting the Plan's responsive amendment at the Department's web portal, please ensure accurate entry of the Primary Filing Number.

Please contact me at [REDACTED] if you have any questions or concerns.

Sincerely,



Steven Coskie
Attorney III
Office of Plan Licensing