



**Rachelle Sico**  
Corporate Counsel - Regulatory

October 29, 2018

**VIA EMAIL**

Ms. Donna Jerry  
Green Mountain Care Board  
89 Main Street  
Montpelier, VT 05620-3101

**RE: WellCare Health Plans of Vermont, Inc.  
Certificate of Need: Letter Requesting a Jurisdictional Determination**

Dear Ms. Jerry:

WellCare Health Plans, Inc. ("WellCare") is a publicly-traded (NYSE: WCG) health care company dedicated to the delivery of quality, affordable health care that enhances our members' health and quality of life. Headquartered in Tampa, Florida, WellCare, is a leading provider of government-sponsored health plans including Medicare, Medicaid, State Children's Health Insurance Programs and others and has been for 20+ years. Currently, WellCare serves approximately 4.4 million members. WellCare through its health plan subsidiaries currently operates Medicaid health plans in Arizona, Florida, Georgia, Hawaii, Illinois, Kentucky, Missouri, Nebraska, New Jersey, New York and South Carolina, and Medicare Advantage coordinated care plans in Arizona, Arkansas, California, Connecticut, Florida, Georgia, Hawaii, Illinois, Kentucky, Louisiana, Maine, Mississippi, New Jersey, New York, South Carolina, Tennessee and Texas, as well as a stand-alone Medicare prescription drug plans ("PDP") in 50 states and the District of Columbia.

**WellCare Health Plans of Vermont, Inc.** (hereinafter referred to as the "Applicant" or "WHPVT") is currently seeking a health maintenance organization license and certificate of authority from the Vermont Department of Financial Regulation. Pursuant to 18 V.S.A. § 9440 (c)(2)(A), and (2), the applicant is requesting the Green Mountain Care Board to provide a jurisdictional determination letter that determines whether the applicant will require a Certificate of Need ("CON") review.

**WellCare Health Plans of Vermont, Inc. Proposal**

WHPVT is a Vermont corporation and an indirect, wholly-owned subsidiary of WellCare. WHPVT will be offering a Medicare Advantage HMO product statewide. Based on approval by the Vermont Department of Financial Regulation, the same license can be used to offer a PPO product statewide. The plan benefit packages will be reviewed and approved by CMS prior to any offerings.

The statutory home office address is located at 17 G W Tatro Drive, Jeffersonville, VT 05464 and the principal executive administrative offices are located at 8735 Henderson Road, Tampa, Florida 33634. There are plans to secure one office location in the state after a decision on licensure has been made. The real estate arrangements and leasing agreements will be forthcoming, and can be submitted to the Department for review when they are available, if required. The services that will be provided onsite in the Vermont office will range from field case management, sales and marketing, and quality improvement.

WellCare consolidates its core operations in one affiliated management company – Comprehensive Health Management Inc. ("CHMI"). On behalf of The WellCare Group of Companies, including the Applicant, CHMI employs all of the associates, holds leases to all real estate and/or office space, owns

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the personal property, and maintains the key vendor contacts (e.g., information technology systems, auditor, etc.). The Applicant recognizes that an effective organizational structure is critical for operational success. The CHMI management services structure ensures effective and appropriate decision-making with a span of control that aligns scope of authority with responsibilities as well as accountability. Pursuant to a proposed affiliate Management Services Agreement between CHMI and the Applicant, CHMI will supervise and manage the day-to-day operations of the Applicant, including but not limited to:

- The provision of accounting and financial services;
- Management of information and computer systems, including maintenance and upgrading of all such equipment;
- Data processing;
- Design and administration of benefits;
- Adjudication and processing of claims;
- Provision of customer service;
- Provision of provider network credentialing services;
- Coordination of communications to members and providers;
- Provider network contracting and management;
- Product marketing services; and
- Other services that are customarily associated with the provision of the foregoing and the operation of a health plan.

WHPVT will not be directly employing any providers to support the offering of the HMO product. Instead, WHPVT will contract to build a provider network that will meet CMS requirements for a Medicare Advantage plan, and will be reviewed and approved by CMS prior to being approved to offer an HMO product. WHPVT recruitment resources and tools will be located in Vermont. A team of local resources will be deployed to support in-person encounters with providers. This is supplemented by WellCare's national network development team which includes experts, specialists in institutional, group practice, and ancillary contracting and legal experts in contract development. WellCare's pharmacy benefit manager (PBM) also brings experienced staff to the network development process. The network recruitment center will be staffed by a team of contract specialists who actively collect executed contracts, process mailings, answer inbound calls, make outbound follow up calls, and assist providers with all aspects of contracting and credentialing. WHPVT recognizes that the make-up and adequacy of Medicare Advantage provider networks are regulated by CMS pursuant to the Code of Federal Regulations and the Medicare Managed Care Manuals and will maintain compliance with the aforementioned authorities.

### **Projected Expenditures and Financial Information**

WHPVT's total projected annual operating expenses for Year 1, Year 2 and Year 3 are as follows:

- Year 1 (2020): \$542,000.00
- Year 2 (2021): \$1.1 Million
- Year 3 (2022): \$1.6 Million

WHPVT's total capital expenses for Year 1, Year 2 and Year 3 are as follows:

- Year 1 (2020): \$29,000.00
- Year 2 (2021): \$61,000.00
- Year 3 (2022): \$95,000.00



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**Certification of Accuracy**

I certify that the information contained in this application, and all documents that have been submitted with this application, are accurate and complete to the best of my knowledge. I understand that any false statements or failure to disclose information may be sufficient grounds for the Board to deny Certificate of Need approval.

If you have any questions or require anything further, please do not hesitate to contact me by e-mail at [Rachelle.Sico@Wellcare.com](mailto:Rachelle.Sico@Wellcare.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Rachelle Sico", with a long horizontal flourish extending to the right.

Rachelle Sico, Esq., MPH