

# Public Meeting on the Acquisition of DaVita Health Plan of California, Inc. by Optum, Inc.

April 9, 2018

# Welcome and Introductions

Mary Watanabe

Deputy Director, Health Policy & Stakeholder Relations  
California Department of Managed Health Care

# Agenda

1. Welcome and Introductions
2. Director's Remarks
3. DMHC's Jurisdiction and Authority
4. Remarks from Optum, Inc.
5. Remarks from DaVita Health Plan of California, Inc.
6. Public Comment
7. Closing Remarks

# DMHC Mission Statement

The California Department of Managed Health Care protects consumers' health care rights and ensures a stable health care delivery system.

# Director's Remarks

Shelley Rouillard  
Director

California Department of Managed Health Care

# DMHC's Jurisdiction and Authority

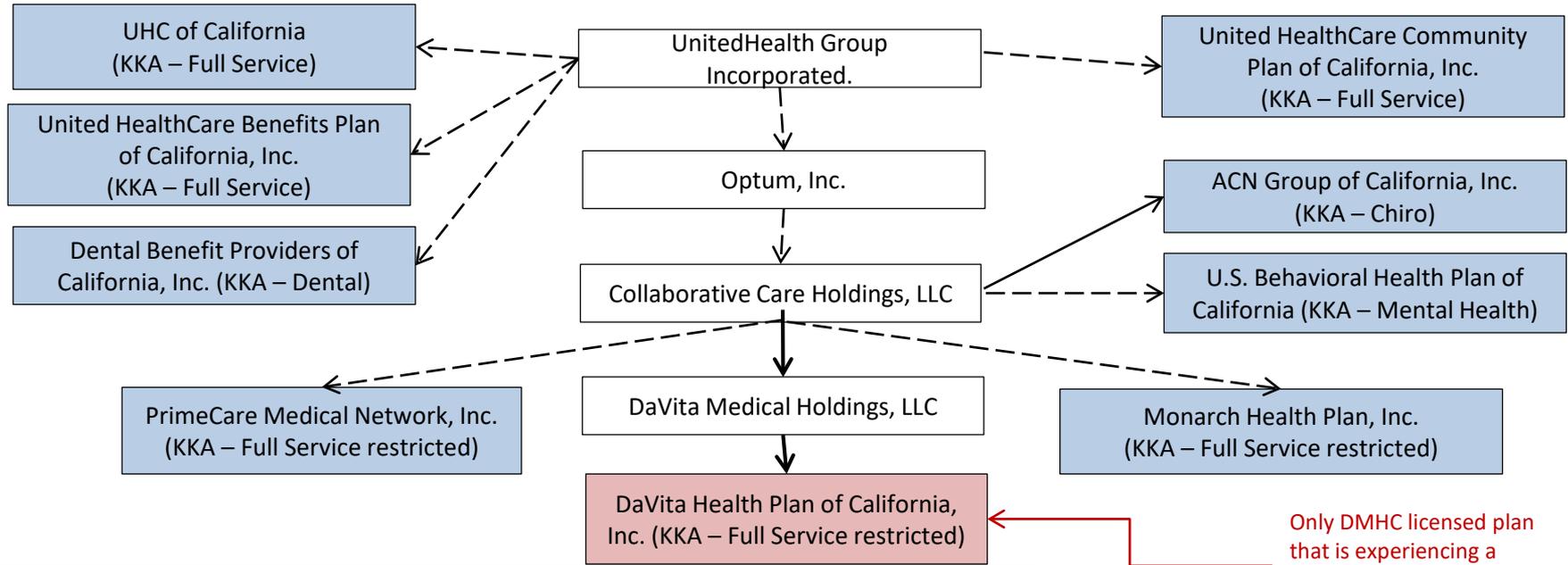
Mike Punja

Senior Attorney, Office of Plan Licensing  
California Department of Managed Health Care

# Overview of DaVita

- As of February 28, 2018, DaVita reported total enrollment of 484,111.
- DaVita has plan-to-plan agreements with 13 Knox-Keene Act unrestricted full-service plans.
- DaVita's lines of business—commercial, Medicare Advantage, Cal MediConnect.

# Entities After the Merger



Only DMHC licensed plan that is experiencing a change control due to the merger.

■ Knox-Keene Act plan **not subject to change** of control due to the merger  
■ Knox-Keene Act plan **subject to change** of control due to the merger  
 — Direct ownership relationship  
 - - - - At least one subsidiary (e.g. parent, grandparent company) exists between the two entities

# Licensing Review Process

The DMHC's licensing review includes looking at:

- Organizational and corporate changes
- Any administrative capacity issues
- Changes to how services will be delivered
- Changes in how the plan contracts with other plans and with providers
- Any other potential impacts to enrollees

# Financial Review Process

DMHC's review includes the following:

- Financial projections from DaVita
- Likely impact on DaVita's:
  - finances
  - staffing, services performed, and organizational structure and
  - assigned enrollment

# Remarks from Optum, Inc.

Dr. Bart Asner  
President  
OptumCare Pacific West Region

# Remarks from DaVita Health Plan of California, Inc.

Dr. Chan Chuang  
Chief Medical Officer  
DaVita Health Plan of California, Inc.

# Public Comment

*Public comment may be submitted until 5:00 pm on  
April 23, 2018 to [publiccomments@dmhc.ca.gov](mailto:publiccomments@dmhc.ca.gov)*

# Closing Remarks

*Public comment may be submitted until 5:00 pm on  
April 23, 2018 to [publiccomments@dmhc.ca.gov](mailto:publiccomments@dmhc.ca.gov)*

## Consumer Participation Program

- Submit a “Petition to Participate in a Proceeding” by April 23, 2018.
- Issue: “Material Modification concerning the acquisition of DaVita by Optum”
- <https://www.dmhc.ca.gov/LawsRegulations/OpportunitiestoParticipate.aspx#.VXWzja3JBdg>