

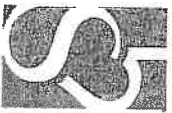
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Grise</i>	DATE <i>12-7-11</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>660217</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc Mr. Felt, Hess, Single day cleared 12/19/11, letter attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>12-16-11</i> <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			



Select Health

of South Carolina, Inc.

J. Michael Jernigan
President and CEO

*Re: Director
LD: 11/25/2011
SJM*

December 5, 2011

Anthony Keck, Director
South Carolina Department of
Health and Human Services
1801 Main Street
Post Office Box 8206
Columbia, South Carolina 29202-8206

RE: Contract Between South Carolina Department of Health and Human Services
("SCDHHS") and Select Health of South Carolina, Inc. ("SHSC") for the Purchase
and Provision of Medical Services Under the South Carolina Medicaid MCO
Program Dated as of April 1, 2010 ("Agreement")

Dear *Tony* ~~Mr. Keck~~:

Pursuant to Section 3.9 of the Agreement, we are writing to inform you of certain indirect ownership changes that recently occurred involving SHSC. We are providing this notice because SHSC is a subsidiary of AmeriHealth Mercy Health Plan ("AMHP"), which is affected by the ownership change. The transactions were announced and a press release issued on December 1, 2011, a copy of which is attached for your information.

The ownership change involved (a) a transfer by Independence Blue Cross ("IBC") of its indirect holdings in AMHP to another subsidiary of IBC, (b) the acquisition of an indirect minority ownership interest in AMHP by Blue Cross Blue Shield of Michigan ("BCBSM"), and (c) the subsequent acquisition of Mercy Health Plan's 50% interest in AMHP by a subsidiary of IBC, all of which resulted in IBC and BCBSM having indirect 100% ownership (through their subsidiaries and affiliates) of AMHP. The transactions that effectuated these changes closed between November 23, 2011 and November 30, 2011. We would be happy to answer any questions that you may have regarding the structure of these transactions.

This is an exciting time for the entire AmeriHealth Mercy Family of Companies, including SHSC. However, I want to assure you that the ownership change and the related transactions will not have a direct effect on the day-to-day operations of SHSC. We will continue to be wholly-owned by AMHP – it is only AMHP's ownership that is changing. Our management team and our operations will remain intact. The Agreement will continue in full force and effect and SHSC will continue to be bound by the terms and conditions thereof.

PO Box 40849

Charleston, SC 29423

(843) 569-4600

FAX (843) 569-7228

mike.jernigan@selecthealthofsc.com

www.selecthealthofsc.com

If you have any questions, please feel free to contact me at (843) 569-4600.

Sincerely yours,

A handwritten signature in black ink, reading "Michael Penigar". The signature is written in a cursive style with a horizontal line at the end.

Enclosure

- c. Cindy Helling, Select Health Executive Director
- c. Chief, Bureau of Care Management and Medical Support Services
- c. Chief, Bureau of Administrative Services

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Grise / Campbell</i>	DATE <i>12-7-11</i>
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DIRECTOR'S USE ONLY		ACTION REQUESTED	
1. LOG NUMBER <i>000217</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____		
2. DATE SIGNED BY DIRECTOR <i>cc Mr. Keet, Has, Single for</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>12-16-11</i> <input type="checkbox"/> FOIA DATE DUE _____ <input type="checkbox"/> Necessary Action		

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.	<i>yes 12/16 je 12/16</i>		
2.	<i>BSB</i> <i>12/21/11</i>		
3.			
4.			

December 19, 2011

Mr. J. Michael Jernigan
President and Chief Executive Officer
Select Health of South Carolina
Post Office Box 40849
Charleston, South Carolina 29423

Dear Mr. Jernigan:

Thank you for your letter of December 5th officially informing us of your indirect ownership changes.

As you are aware, you have 30 calendar days after the transaction of the sale to report direct and indirect ownership to SCDHHS. The new ownership disclosure form (Form 1514) may be found on our web-site home page under useful tools, contract library.

Again, thank you for notifying us. We look forward to our continued working relationship as you move forward with your ownership change. Should you have any questions, please contact our Managed Care Department directly.

Sincerely,



Melanie "Bz" Giese, RN
Deputy Director

MG/cm