

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE REQUEST BY )  
MAGELLAN BEHAVIORAL HEALTH OF )  
NEW JERSEY, LLC FOR AN EXEMPTION )  
FROM THE FILING AND PUBLIC HEARING ) ORDER  
REQUIREMENTS OF THE INSURANCE )  
HOLDING COMPANY SYSTEMS ACT, )  
N.J.S.A. 17:27A-1 ET SEQ. )

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“the Commissioner”) pursuant to N.J.S.A. 17:1C-1 et seq., and 17:27A-1 et seq., and all powers expressed or implied therein; and

IT APPEARING that N.J.S.A. 17:27A-2d provides for the Commissioner’s approval of any merger or other acquisition of control of a domestic insurer after holding a public hearing; and

IT FURTHER APPEARING that N.J.S.A. 17:27A-2f(2)(a) provides an exemption to N.J.S.A. 17:27A-2 when an offer, request, invitation, agreement or acquisition is made, which the Commissioner by Order shall find as not having been made or entered into for the purpose, and not having the effect, of changing or influencing the control of a domestic insurer; and

IT FURTHER APPEARING that Magellan Behavioral Health of New Jersey, LLC (“MBH NJ” or “the ODS”), a New Jersey-domiciled licensed Organized Delivery System (“ODS”), which is subject to the requirements of N.J.S.A. 17:27A-1 et seq., is a direct wholly-owned subsidiary of Green Spring Health Services, Inc. (“Green Spring”), a Delaware-domiciled general purpose holding company, which in turn is wholly owned by Magellan Health, Inc. (“Magellan”), a health care management company; and

IT FURTHER APPEARING that Magellan also directly wholly owns Magellan Rx Management, Inc. (“Magellan Rx”), a Delaware-domiciled pharmacy benefits management company; and

IT FURTHER APPEARING that, as part of an intrasystem reorganization of its holding company system, Green Spring, which is currently dormant, will merge into Magellan Rx, with Magellan Rx being the surviving entity, the result of which is that MBH NJ will be directly wholly-owned by Magellan Rx; and

IT FURTHER APPEARING that after the transaction, Magellan will continue to be the ultimate controlling entity of the ODS; and

IT FURTHER APPEARING that this transaction is an intrasystem corporate restructuring that is not being made or entered into for the purpose, and will not have the effect, of changing or influencing the control of the ODS; and

IT FURTHER APPEARING that the Department of Banking and Insurance (“the Department”) has reviewed the documents submitted in support of this request and, based upon that review, has determined that the parties may be exempted from the filing and public hearing requirements of N.J.S.A. 17:27A-2, upon finding that the provisions of N.J.S.A. 17:27A-2f(2) are applicable to this transaction;

THEREFORE, IT IS on this 26th day of January, 2015,

ORDERED that:

Based upon the finding that the proposed transaction involves an intrasystem reorganization that has no effect on the ultimate control or ownership of the ODS, this transaction is hereby exempted from the statutory filing and public hearing requirements of N.J.S.A. 17:27A-1 et seq. in accordance with N.J.S.A. 17:27A-2f(2).

A handwritten signature in black ink, appearing to read 'K. Kobylowski', is written above a horizontal line.

Kenneth E. Kobylowski  
Commissioner

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