

IN RE: Proposed Acquisition of:)	
)	
Alliance for Community Health d/b/a)	
Mercy CarePlus)	Case Number 070924366C
by)	
Molina Healthcare, Inc.)	

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

Based on the competent and substantial evidence on the whole record, I, Douglas M. Ommen, Director of the Department of Insurance, Financial Institutions and Professional Registration, State of Missouri, find and conclude that:

1. On or about September 17, 2007, a Form A Registration Statement was filed with the Missouri Department of Insurance Financial Institutions and Professional Registration (“Department”) on behalf of Molina Healthcare, Inc., a Delaware corporation ("Applicant"), in connection with the proposed acquisition of Alliance for Community Health d/b/a Mercy CarePlus, a Missouri limited liability company ("Insurer") transacting a health maintenance organization business in this state pursuant to its certificate of authority issued by the Department.

2. The director held a public hearing on October 12, 2007, pursuant to an order of notice of hearing. Applicant was represented by its counsel, Lewis E. Melahn. Mark W. Stahlhuth appeared for the Department’s Insurance Solvency and Company Regulation Division.

3. Applicant will acquire control of the Insurer by acquiring all of the membership interests of the Insurer pursuant to a purchase agreement between the Applicant, Insurer, Sisters of Mercy Health System, CCP Holdings, L.L.C., and Jerry Linder, Christopher Cristea and Edward Oswald.

4. A preponderance of the evidence on the whole record fails to show that:

A. After the acquisition of Insurer by Applicant, Insurer will not be able to satisfy the requirements for the issuance of licenses to write the lines of insurance for which it is presently licensed.

B. The effect of the acquisition of control of Insurer will be to substantially lessen competition in insurance, or tend to create a monopoly in this state.

C. The financial condition of Applicant is such as might jeopardize the financial stability of Insurer or prejudice the interest of the policyholders of Insurer.

D. Applicant's plans or proposals, if any, to liquidate Insurer, to sell its assets, to consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair or unreasonable to policyholders of Insurer or contrary to the public interest.

E. The competence, experience and integrity of Applicant's management are such that it would be contrary to the interests of the policyholders of Insurer and of the public to permit the acquisition of Insurer by Applicant.

F. The proposed acquisition of Insurer by Applicant is likely to be hazardous or prejudicial to the insurance buying public.

ORDER

Based on the foregoing findings and conclusions, the proposed acquisition of Alliance for Community Health d/b/a Mercy CarePlus by Molina Healthcare, Inc., as proposed in the Form A, is hereby APPROVED WITH CONDITION, as follows: except with the approval of the Department, Molina Healthcare, Inc. shall maintain the capital and surplus of Alliance for Community Health d/b/a Mercy CarePlus at no less than fifteen million dollars (\$15,000,000).

So ordered, signed and official seal affixed this ____ day of October, 2007.

DOUGLAS M. OMMEN, Director