

MATERIAL CHANGE NOTICE SUBMISSION DETAILS

MCN Number	2024-07-10-1185
OHCA Review Start Date	8/16/24
Anticipated date (unless tolled per regulation) by which OHCA could waive cost and market impact review	9/30/24
Anticipated date (unless tolled per regulation) by which OHCA could determine cost and market impact review required	10/15/24

SUBMITTER

HEALTH CARE ENTITY CONTACT FOR PUBLIC INQUIRY

Title	Ms.
First Name	Madeline
Last Name	Ziomek
Email Address	media@cigna.com

GENERAL

Business Name	The Cigna Group
Website	https://www.thecignagroup.com/
Ownership Type	Corporation
Tax Status	For-profit
Federal Tax ID	02-0402111
Description of Submitting Organization	See Section 3_The Cigna Group_Description of Submitting Organization.
Health Care Provider	No

LOCATIONS

Counties	All Counties
California licenses and numbers	N/A
Other States Served	None
Other state(s) licenses and numbers	N/A
Primary Languages used when providing services	English
Other Languages	N/A

MATERIAL CHANGE

ADDITIONAL ENTITIES

Business Name	Description of the Organization	Ownership Type	Additional MCN Submission
American Retirement Life Insurance Company	See Section 10_The Cigna Group_Additional Entities, Section 10_ARLIC Enrollment by County (CONFIDENTIAL), and Section 10_ARLIC_Other States Licenses.	Corporation	No
Loyal American Life Insurance Company	See Section 10_The Cigna Group_Additional Entities, Section 10_Loyal Enrollment by County (CONFIDENTIAL), and Section 10_Loyal_Other States Licenses.	Corporation	No
Medco Containment Life Insurance Company	See Section 10_The Cigna Group_Additional Entities, Section 10_MCLIC_Enrollment by County, and Section 10_MCLIC_Other States Licenses.	Corporation	No
Sterling Life Insurance Company	See Section 10_The Cigna Group_Additional Entities, Section 10_Sterling Enrollment by County (CONFIDENTIAL), and Section 10_Sterling_Other States Licenses.	Corporation	No
Provident American Life & Health	See Section 10_The Cigna Group_Additional Entities and Section	Corporation	No

Insurance Company	10_Provident_Other States Licenses		
Cigna National Health Insurance Company	See Section 10_The Cigna Group_Additional Entities and Section 10_CNHIC_Other States Licenses.	Corporation	No
Cigna Insurance Company	See Section 10_The Cigna Group_Additional Entities and Section 10_CIC_Other States Licenses.	Corporation	No
Health Care Service Corporation	See MCN Number 2024-07-09-1183.	Other	Yes

CRITERIA

A health care entity with annual revenue, as defined in section 97435(d) , of at least \$25 million or that owns or controls California assets of at least \$25 million, or;	Yes
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CIRCUMSTANCES FOR FILING

The proposed fair market value of the transaction is \$25 million or more and the transaction concerns the provision of health care services.	Yes
The transaction is more likely than not to increase annual California-derived revenue of any health care entity that is a party to the transaction by either \$10 million or more or 20% or more of annual California-derived revenue at normal or stabilized levels of utilization or operation.	Yes
The transaction involves a transfer or change in control, responsibility or governance of the Submitter. A transaction will directly or indirectly transfer control, responsibility, or governance in whole or in part of a material amount of the assets or operations of a health care entity to one or more entities if: (1) The transaction would result in the transfer of 25% or more of the voting power of the members of the governing body of a health care entity, such as by adding one or more members, substituting one or more members, or through any other type of arrangement, written or oral; or (2) The transaction would vest voting rights significant enough to constitute a change in control such as supermajority rights, veto rights, and similar provisions even if ownership shares or representation on a governing body are less than 25%;	Yes

TRANSACTION DETAILS

Anticipated Date of Transaction Closure	1/1/2025
Description of Transaction	See Section 6_The Cigna Group_Description of the Transaction.
Submitted to US Department of Justice or Federal Trade Commission?	Yes
Date of Submission	2/13/2024
Subject to court proceeding	No
Description of current services provided and expected post-transaction impacts on health care services	See Section 9_The Cigna Group_Pre and Post Transaction Services.
Prior mergers or acquisitions that: (A) involved the same or related health care services; (B) involved at least one of the entities, or their parents, subsidiaries, predecessors, or successors, in the proposed transaction; and (C) were closed in the last ten years.	See Section 9_The Cigna Group_Pre and Post Transaction Services.
Description of Potential Post Transaction Changes	See Section 9_The Cigna Group_Pre and Post Transaction Services.
Description of the nature, scope, and dates of any pending or planned material changes occurring between the Submitter and any other entity, within the 12 months following the date of the notice	See Section 9_The Cigna Group_Pre and Post Transaction Services.

Section 3 of Material Change Transaction Notice
Description of Submitting Organization

Section 3. Submitter Business Information

Description of Submitting Organization. Include business lines or segments, ownership type, governance and operational structure (including ownership of or by a health care entity).

The Cigna Group is submitting this Material Change Transaction Notice (this “MCN”) on behalf of its subsidiaries: Cigna Holdings, Inc., a Delaware corporation (“CHI”), and Medco Health Solutions, Inc., a Delaware corporation (“MHSI”). CHI and MHSI are the two selling parties (the “Selling Parties”) to the Share Purchase Agreement entered into with Health Care Service Corporation, a customer-owned mutual health insurer that is domiciled in Illinois (“HCSC”). The Selling Parties are insurance holding companies with no operations and are not “Health Care Entities” as defined by 22 CCR § 97431(g). As a result, The Cigna Group is making this submission on behalf of the Seller Parties and the Health Care Entities being sold as part of the proposed transaction (the “Proposed Transaction”).

The Cigna Group is a global health services company with operations in the United States and around the world. The Cigna Group has two platforms: Evernorth Health Services and Cigna Healthcare. Evernorth Health Services is The Cigna Group’s pharmacy benefits, specialty and care solution. Cigna Healthcare is the health benefits provider of The Cigna Group, serving customers and clients for its U.S. Healthcare and International Health operating segments.

As part of the Proposed Transaction, The Cigna Group is selling its Medicare book of business, which includes selling the following segments under the Cigna Healthcare platform, as well as CareAllies:

- *Medicare Advantage.* The Cigna Group’s Medicare Advantage line of business includes approximately 602,000 lives in 29 states and DC. **There is no Medicare Advantage business in California.**
- *Medicare Stand-Alone Prescription Drug (“Part D”) Plans.* Subsidiaries of The Cigna Group operate Part D Plans (“PDPs”) in all 50 states, as well as DC and Puerto Rico. In 2023, The Cigna Group subsidiaries covered approximately 2.5 million individuals, with over 170,000 residing in California.
- *Medicare Supplement Plans.* The Cigna Group subsidiaries provide Medicare Supplement (“Med Supp”) products to approximately 470,000 members in 48 states and DC. Over 10,000 individuals residing in California have Med Supp plans offered by The Cigna Group subsidiaries.
- *Supplemental Health and Life Plans.* The Cigna Group subsidiaries provide Supplemental Health and Life (“SHL”) products to approximately 310,000 members in 49 states and DC.

CareAllies is a management services organization that works with provider groups serving approximately 450,000 patients as they transition to value-based models of care by helping providers overcome administrative complexity, partnering with providers to form Independent Physician Associations and Accountable Care Organizations, and providing management services to support value-based arrangements.

Section 3 of Material Change Transaction Notice
Description of Submitting Organization

Attached as **Section 11_Item 6_The Cigna Group_Abbreviated Pre-Closing Organizational Chart (CONFIDENTIAL)** is an abbreviated organizational chart that shows the legal entities being sold as part of the Proposed Transaction (collectively, the “Transferred Entities”). Although no Transferred Entity is a California-domiciled insurer, the Transferred Entities include the following insurers that (i) are currently or formerly licensed in the State of California and/or (ii) report California direct written premium (collectively, the “Licensed Insurers”):

- American Retirement Life Insurance Company (NAIC# 88366; Ohio-domiciled stock insurer);
- Loyal American Life Insurance Company (NAIC# 65722; Ohio-domiciled stock insurer);
- Medco Containment Life Insurance Company (NAIC# 63762; Pennsylvania-domiciled stock insurer);
- Sterling Life Insurance Company (NAIC# 77399; Illinois-domiciled stock insurer);
- Cigna Insurance Company (NAIC# 65269; Ohio-domiciled stock insurer);
- Provident American Life & Health Insurance Company (NAIC# 67903; Ohio-domiciled stock insurer); and
- Cigna National Health Insurance Company (NAIC# 61727; Ohio-domiciled stock insurer).

Each of the following Licensed Insurers meets the definition of a “Health Care Entity,” as defined by 22 CCR § 97431(g), because each is currently a health insurer licensed to provide insurance policies, as defined in Section 106 of the California Insurance Code: American Retirement Life Insurance Company, Loyal American Life Insurance Company, Medco Containment Life Insurance Company, and Sterling Life Insurance Company.

The remaining Licensed Insurers (i.e., Cigna Insurance Company, Provident American Life & Health Insurance Company, and Cigna National Health Insurance Company) do not have active licenses in California and are not selling any insurance policies in California and therefore do not meet the definition of a “Health Care Entity,” as defined by 22 CCR § 97431(g). However, for the sake of completeness and because these companies are Transferred Entities, such entities are treated as “Health Care Entities” for purposes of this MCN due to the former license status of such companies and/or the fact that such companies report California direct written premium.

Detailed information on each of these Health Care Entities is provided in Section 10 of this MCN.

Section 6 of Material Change Transaction Notice
Description of the Transaction

Section 6. Description of Transaction

Please address all of the following: (1) the goals of the transaction; (2) summary of the terms of the transaction; (3) statement of why the transaction is necessary or desirable; (4) general public impact or benefits of the transaction, including quality and equity measures and impacts; (5) narrative description of the expected competitive impacts of the transaction; and (6) description of any actions or activities to mitigate any potential adverse impacts of the transaction on the public.

The Cigna Group is submitting this MCN in connection with a proposed transaction pursuant to which HCSC will purchase all of the assets relating to The Cigna Group's Medicare Advantage Plan Business, Medicare PDP Business, Supplemental Health Plans Business and CareAllies Business for a purchase price of approximately \$3.3 billion, as further described below (the "Proposed Transaction"). The Proposed Transaction will facilitate the geographic expansion of HCSC's Medicare Advantage business and improve the overall quality of its products, to the benefit of HCSC's members. It will bring together the local focus and more efficient operations of HCSC with the greater member reach and broader provider network of The Cigna Group's Medicare Advantage business. It will also allow The Cigna Group to focus on its highest impact businesses and more efficiently allocate its resources. The Proposed Transaction will achieve these beneficial results without negatively impacting competition, access, or patient care in California.

The Proposed Transaction will occur pursuant to the terms and conditions of the Share Purchase Agreement, dated January 30, 2024 (the "Share Purchase Agreement"), by and among CHI, MHSI, and HCSC. A copy of the Share Purchase Agreement is attached hereto as **Section 11_Item 2_The Cigna Group_Share Purchase Agreement (CONFIDENTIAL)**. The parties desire to close the Proposed Transaction on January 1, 2025, or as soon thereafter as possible, subject to the making of required filings and notices with, and the receipt of required approvals from, governmental and regulatory authorities, and the satisfaction of other customary closing conditions.

Pursuant to the terms and conditions of the Share Purchase Agreement, HCSC intends to acquire the respective right, title and interest to all assets relating to The Cigna Group's Medicare Advantage Plan Business, Medicare PDP Business, and Supplemental Health Plans Business (collectively, the "Medicare Business") and CareAllies Business. The Cigna Group has provided an abbreviated organizational chart attached hereto as **Section 11_Item 6_The Cigna Group_Abbreviated Pre-Closing Organizational Chart (CONFIDENTIAL)** showing the Transferred Entities (including the Licensed Insurers) that HCSC will acquire in connection with the Proposed Transaction. In addition to the Transferred Entities, HCSC will acquire other assets of The Cigna Group and its affiliates relating to the Medicare Business, including intellectual property, IT Assets, and books and records.

Some of the business that HCSC is acquiring currently exists in The Cigna Group subsidiaries that HCSC is not acquiring. Therefore, to facilitate the Proposed Transaction, and pursuant to Section 2.11(a) of the Share Purchase Agreement, prior to the closing of the Proposed Transaction and subject to the receipt of regulatory approvals, The Cigna Group will move all purchased lines of business that currently exist in non-Transferred Entities into the Transferred Entities (the "Reorganization Plan"). With respect to the purchased lines of business in California, pursuant to

Section 6 of Material Change Transaction Notice
Description of the Transaction

the Reorganization Plan, (a) subject to receiving policyholder consents, The Cigna Group will move the Medicare Supplement (Individual) California business that currently exists in Cigna Health and Life Insurance Company, a Connecticut-domiciled stock insurer (“CHLIC”), into Medco Containment Life Insurance Company (“MCLIC”), which is one of the Transferred Entities, and (b) effective January 1, 2024, The Cigna Group moved the Medicare Part D (Stand-Alone) – Individual and Group business that existed in CHLIC to MCLIC. No other changes to the California business of the Licensed Insurers are contemplated as part of the Reorganization Plan.

In accordance with Section 2.2 of the Share Purchase Agreement, the aggregate purchase price payable by HCSC or its affiliate assignee to consummate the Proposed Transaction will be an amount equal to \$3.3 billion, subject to certain adjustment amounts as described in Section 2.9 of the Share Purchase Agreement (the “Purchase Price”). HCSC has sufficient assets to pay the Purchase Price in cash at closing, and there is no financing contingency in the Share Purchase Agreement. While HCSC does not require financing to pay the Purchase Price, HCSC recently decided to proceed with a private bond offering (the “Offering”), which closed on June 15, 2024, at a total face value of \$2.5 billion. The Offering will enhance HCSC’s overall financial position, and its proceeds will be used to support HCSC’s operations and growth, including the Proposed Transaction. HCSC will be the sole obligated party under any debt issued through the Offering. Accordingly, none of HCSC’s current or future subsidiaries (including the Licensed Insurers) will be guarantors or otherwise legally obligated to repay any debt issued in the Offering.

In connection with the Proposed Transaction, HCSC will enter into certain other agreements with The Cigna Group and its affiliates. These include:

- A Transition Services Agreement, whereby The Cigna Group will provide, or cause its third-party service providers to provide, certain services to HCSC, its affiliates and the Transferred Entities, to facilitate the transfer of the Medicare Business to, and integration with, HCSC’s and its affiliates’ operations.
- A Pharmacy Benefits Management Services Agreement with Express Scripts, Inc. (“ESI”), an affiliate of The Cigna Group, whereby ESI will provide pharmacy benefits management services to HCSC and its affiliates (including the Transferred Entities) with respect to the Medicare Business.
- An Administrative Services Agreement whereby, in connection with the reinsurance to MCLIC of certain Medicare Supplement insurance policies issued by CHLIC, MCLIC will provide administrative services with respect to such policies.
- One or more Business Associate Agreements relating to services provided under the Transition Services Agreement and Administrative Services Agreement.

HCSC’s greater investment in and attention to the purchased Medicare business will benefit the Medicare beneficiaries served by this business today. In tandem, the Proposed Transaction will position the purchased Medicare business for growth as it continues to serve the needs of its customers as part of HCSC. The Proposed Transaction will enable The Cigna Group to sharpen its focus on its highest impact businesses and drive greater investments in other areas. The Cigna Group’s existing Medicare business requires sustained investment, focus and dedicated resources

Section 6 of Material Change Transaction Notice
Description of the Transaction

disproportionate to its size within The Cigna Group's broader portfolio in order to grow, compete and serve the needs of the market.

Additionally, the Proposed Transaction provides HCSC, a customer-owned mutual health insurer, with an immediate national presence, expanding its Medicare Advantage business from 5 to 30 states (including DC). With its new Medicare presence outside of its five core states, HCSC will have the ability to offer commercial products more easily in these states, creating additional competition. This expanded and more diverse revenue base will support investments in infrastructure and capabilities.

HCSC's on-going focus on expanding access to quality, affordable care for people throughout all stages of their lives will be enhanced by its geographic expansion in the growing Medicare market segment. The Proposed Transaction will enhance the availability of insurance for Medicare beneficiaries by allowing HCSC better to compete in multiple Medicare products.

The overarching rationale for the Proposed Transaction is for HCSC to expand its national footprint in Medicare Advantage, Medicare Part D, and Medicare Supplement lines of business, allowing HCSC to better compete with the groups that currently have significant enrollment in such products nationally. The Proposed Transaction will yield substantial efficiencies by allowing HCSC to deploy human resources and capital to the combined Medicare business, lowering the Medicare business's historically high aggregate administrative costs (The Cigna Group has historically spent a larger share of its revenue on administrative costs related to marketing, provider contracting, network, and IT systems than HCSC) and allowing HCSC to accelerate and optimize its Medicare-related technology updates (further lowering the administrative costs for the combined Medicare business). The Proposed Transaction will thus bring many opportunities to HCSC and its members over time – including a wider range of product offerings, robust clinical programs, and a larger geographic reach.

Because The Cigna Group has a limited presence in the California Medicare market and HCSC has virtually no presence in California, the Proposed Transaction will have almost no impact on market shares for all relevant lines of business, nor will it alter any of HCSC's incentives to offer affordable access to Medicare insurance products to Medicare beneficiaries in California.

There is only overlap in market share between HCSC and The Cigna Group in two markets. In the Life-Ordinary market, HCSC possesses 0.001% of the market and the Acquisition would result in an increase in that market share of 0.002%. In the Deposit-Type Funds – Ordinary market, HCSC possesses 0.26% of the market and the Proposed Transaction would result in an increase in that market share of 0.26%. There are no other markets in which there would be an increase in market share as a result of the Proposed Transaction. Set forth in **Section 6_ The Cigna Group_ Exhibit A – Market Share by Line of Business (CONFIDENTIAL)**, attached hereto, are the direct written premiums and total market shares for each line of business transacted in California by HCSC and The Cigna Group, respectively, as obtained from S&P Global's CapIQ for 2022 (which is the most recent year for which complete market share data is currently available from this source); specifically, as derived from the Accident and Health Policy Experience Exhibits for The Cigna Group and HCSC.

Section 6 of Material Change Transaction Notice
Description of the Transaction

Additionally, robust competition exists—and continues to increase—in each applicable line of business. Nationally, The Cigna Group’s and HCSC’s Medicare businesses are dwarfed by other Medicare providers such as UnitedHealthcare, Humana, and Aetna, and numerous other insurance carriers compete in every Medicare product segment. Finally, many of the relevant features of these insurance products—including their benefit design and provider networks, are heavily regulated by the Centers for Medicare & Medicaid Services (“CMS”) and by state law.

Therefore, the Proposed Transaction will not:

- result in a negative impact on availability/accessibility of services or quality of services in California;
- result in a negative impact on costs for payers, purchasers, or consumers in California;
- lessen competition or create a monopoly in the State of California;
- entrench or extend a dominant market position of any health care entity in the transaction in California (including extending market power into related markets through vertical or cost-market mergers); or
- otherwise have any of the effects enumerated as factors relevant to determining whether a cost and market impact review is required.

There are no anticipated adverse impacts of the Proposed Transaction on the public. First, given the structure of the Proposed Transaction and HCSC’s intention to continue to grow the Medicare business, no beneficiary will lose the current Medicare Part D or Med Supp coverage as a result of the Proposed Transaction. Post-closing, HCSC will continue to provide and operate the Part D and Med Supp plans currently offered by The Cigna Group. Further, given that, as a provision of the Proposed Transaction, HCSC will contract with ESI, the Pharmacy Benefit Manager (“PBM”) currently serving The Cigna Group’s Part D Plans, Medicare beneficiaries will not experience changes to their formularies or pharmacy networks as a direct result of the Proposed Transaction. Further, any changes to the Part D plan formularies post-closing will be subject to CMS’ regulations.

In fact, as described above, the Proposed Transaction is expected to increase competition in the California Medicare market, lower operational costs, and drive HCSC’s investment in technology and infrastructure. The improved efficiencies from the Proposed Transaction are likely to benefit California consumers without impacting market concentration, competition, affordability, or access to care.

Section 9 of Material Change Transaction Notice
Services Provided Currently and Post Transaction

Section 9. Services Provided Currently and Post Transaction

Include the following as applicable: (A) Counties where services are currently performed and any post-transaction changes thereto; (B) Levels and type of health care services currently offered, such as the full range of reproductive health care and sexual health care services, specialized services for LGBTQ+ populations, labor and delivery services, pediatric services, behavioral health services, cardiac services, and emergency services, and any post-transaction changes thereto; (C) Summary that includes the number and type of patients currently served, including, but not limited to, age, gender, race, ethnicity, preferred language spoken, disability status, and payer category, and any post-transaction changes thereto; (D) Current community needs assessments, charity care, and community benefit programs, and any post-transaction changes thereto; and (E) Whether Medi-Cal and Medicare patients are currently accepted and any post-transaction changes thereto.

Counties Where Services Are Currently Performed and Any Post-Transaction Changes Thereto

Of the Health Care Entities involved in the Proposed Transaction, only Loyal American Life Insurance Company (“Loyal”) currently is selling Med Supp, Supplemental Health and Life (“SHL”), and Whole Life policies. Loyal is currently selling Med Supp, SHL, and Whole Life policies in all counties in California. The Cigna Group anticipates that American Retirement Life Insurance Company will begin selling Med Supp in California in August 2024. The Cigna Group’s understanding is that HCSC has no intention to change these operations.

Similarly, MCLIC offers Medicare Part D plans in all counties in California. Post-closing, The Cigna Group anticipates that HCSC will continue to offer Medicare Part D plans in all counties. The Cigna Group does not anticipate that HCSC will terminate any Part D plans or reduce the service area of any Part D plans (Note: Any termination or service area reduction would be subject to regulations of the Centers for Medicare & Medicaid Services (“CMS”).

Levels And Type Of Health Care Services Currently Offered

This question is not applicable to the parties, as they are not direct providers of health care services. However, as discussed in response to Section 6 of the MCN, as a provision of the Proposed Transaction, HCSC will contract with ESI, the PBM currently serving The Cigna Group’s Part D Plans. As a result, The Cigna Group does not expect that Medicare beneficiaries will experience changes to their formularies or pharmacy networks as a direct result of the Proposed Transaction. Any changes to the Part D plan formularies post-closing would be subject to regulations of CMS.

Summary of the Number and Type Of Patients Currently Served and Any Post-Transaction Changes Thereto

The response to Section 10 of the MCN provides a breakdown of enrollment or policyholders by Health Care Entity. All enrollees of a The Cigna Group Med Supp or Part D plan are Medicare-eligible. The Cigna Group’s understanding is that HCSC will continue to operate each Health Care Entity and continue to honor each policy. Therefore, The Cigna Group does not anticipate changes

Section 9 of Material Change Transaction Notice
Services Provided Currently and Post Transaction

to the patients served (except for patients voluntarily disenrolling from plans or cancelling their policies).

Current Community Needs Assessments, Charity Care, and Community Benefit Programs, And Any Post-Transaction Changes Thereto

Not applicable.

Whether Medi-Cal and Medicare Patients Are Currently Accepted and Any Post-Transaction Changes Thereto

All individuals enrolled in The Cigna Group's Health Care Entities are Medicare-eligible. No post-transaction changes are anticipated.

If the transaction is a merger or acquisition, describe any prior mergers or acquisitions that satisfy all of the following: (A) Involved the same or related health care services; (B) Involved at least one of the entities, or their parents, subsidiaries, predecessors, or successors, in the proposed transaction; and (C) Were closed in the last ten years.

On December 20, 2018, The Cigna Group acquired Evernorth Health, Inc. (formerly known as Express Scripts Holding Company) in a cash and stock transaction valued at approximately \$67 billion (the "Express Scripts Transaction"). The merger consideration consisted of \$48.75 in cash and 0.2434 shares of stock of the combined company per Express Scripts share. In addition to the merger consideration, The Cigna Group assumed approximately \$13 billion in existing Express Scripts indebtedness.

As a result of the Express Scripts Transaction, The Cigna Group acquired all of the outstanding equity interests of certain legal entities, including Medco Health Solutions, Inc., one of the Selling Parties in the Proposed Transaction, ESI, and the following insurers which are among the Transferred Entities being acquired by HCSC in connection with the Proposed Transaction:

- Medco Containment Life Insurance Company (NAIC# 63762; Pennsylvania-domiciled stock insurer); and
- Medco Containment Insurance Company of New York (NAIC# 34720; New York-domiciled stock insurer).

The Express Scripts Transaction was subject to the receipt of required approvals from governmental and regulatory authorities (including the Pennsylvania Insurance Department and the New York State Department of Financial Services), and the satisfaction of other customary closing conditions.

Describe potential post-transaction changes to the following: (A) Ownership, governance, or operational structure of the parties to the transaction; (B) The Submitter's employee staffing levels, job security, retraining policies, wages, benefits, working conditions, and/or employment protections; (C) City or county contracts regarding the provision of health care services between the parties to the transaction and cities or counties; and (D) If a provider,

Section 9 of Material Change Transaction Notice
Services Provided Currently and Post Transaction

comparable health care services currently offered by other health care entities within 20 miles of any location where the Submitter offers health care services.

There will be no operational, governance, or ownership changes to The Cigna Group or the parties to the Share Purchase Agreement, Cigna Holdings, Inc. and Medco Health Solutions, Inc., post-transaction. As explained above, HCSC will acquire ownership of 100% of the outstanding equity of the Transferred Entities.

There will be no changes to The Cigna Group's job security, retraining policies, wages, benefits, working conditions, and/or employment protections post-transaction. Substantially all of the approximately 5,500 employees supporting The Cigna Group's Medicare and CareAllies business will be transferred to HCSC as part of the Proposed Transaction.

Neither The Cigna Group nor the parties to the Share Purchase Agreement, Cigna Holdings, Inc. and Medco Health Solutions, Inc., have contracts with California cities or counties.

Description of the nature, scope, and dates of any pending or planned material changes occurring between the Submitter and any other entity, within the 12 months following the date of the notice.

The Cigna Group has no pending or planned material changes occurring within the next 12 months except as described in this MCN with respect to the Reorganization Plan.