



# ProCare Health Plan

3956 Mount Elliott  
Detroit, MI 48207  
(313) 925-4607

June 1, 2004

Judy Weaver, CFE, Deputy Commissioner  
Supervisory Affairs & Insurance Monitoring Division  
P.O. Box 30220  
Lansing, MI 48909

RE: Offer for Wellness Membership

Dear Ms. Weaver:

This Letter is an offer by Pro Care Health Plan, Inc. (PCHP) for the 60,000 Members of Wellness Plan in Wayne County.

PCHP is a licensed HMO in the State of Michigan since December 2000. PCHP participated in MDCH Medicaid Program from 1996 till 2000. During the year 1998-2000 PCHP had a Medicaid contract with MDCH in 40 out of the 79 counties in State of Michigan. PCHP was able to carry out its contract without a single complaint to OFIS and all vendors were paid within 1 year of termination of the contract. PCHP has continued to meet all its financial obligations till present as set forth by OFIS.

PCHP has put up a Bid in 17 counties in the latest MDCH Medicaid Bid turned in May 17, 2004 and it is hopeful to be successful in the Bid.

Wayne County is PCHP's home base and our network is adequate to take care of the 60,000 members of Wellness Plan in Wayne County. As you review our provider network, you will see that it does overlap with Wellness Plan's network and this will make continuity of care easily possible and avoid disruption of members' health care.

PCHP is a wholly owned minority physician run HMO and we have been involved in taking care of Medicaid recipients in Wayne County for over 20 years.

## **Purchase Price**

We are offering the sum of Twelve million six hundred thousand dollars (\$12,600,000) or two hundred ten dollars (\$210.00) per member for the 60,000 Wellness members in Wayne County. The actual purchase price will be dependent on the actual transferred membership effective as of the first of the month following the effective date (for example, November 1, 2004, if the effective date is October 1, 2004).

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Enclosed is a letter of commitment from our Bank/Investors in the amount of Fifteen million Dollars (\$15,000,000). This will afford PCHP available funds to complete the transaction and any contingencies.

Sincerely,

Augustine K. Kole-James, MD, FACP  
President/CEO

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