

Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, DC 20549

FORM 8-K
CURRENT REPORT
**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report: April 28, 2017
Date of earliest event reported: April 28, 2017

WELLCARE HEALTH PLANS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32209
(Commission File Number)

47-0937650
(IRS Employer
Identification No.)

**8735 Henderson Road, Renaissance One
Tampa, Florida**
(Address of principal executive offices)

33634
(Zip Code)

(Registrant's telephone number, including area code): **(813) 290-6200** 

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 7.01. Regulation FD Disclosure.

On April 28, 2017, WellCare Health Plans, Inc., a Delaware corporation (the “Company”) and Universal American Corp., a Delaware corporation (“UAM”) issued a press release announcing the completion of the Merger described below. A copy of the press release is filed as Exhibit 99.1 hereto and is incorporated by reference herein.

The information under this Item 7.01 along with Exhibit 99.1 attached hereto are being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The furnishing of Exhibit 99.1 attached hereto is not intended to constitute a determination by the Company that the information is material or that the dissemination of the information is required by Regulation FD.

Item 8.01. Other Events.

Agreement and Plan of Merger

On April 28, 2017, the Company completed its previously announced acquisition of UAM, through the merger of Wind Merger Sub, Inc., a Delaware corporation and an indirect wholly-owned subsidiary of WellCare (“Merger Sub”), with and into UAM, with UAM surviving the Merger and becoming an indirect wholly-owned subsidiary of the Company (the “Merger”). The Merger was effected pursuant to the Agreement and Plan of Merger (the “Merger Agreement”), dated as of November 17, 2016, by and among UAM, the Company and Merger Sub.

At the effective time of the Merger (the “Effective Time”), each of UAM’s issued and outstanding shares of common stock, par value \$0.01 per share (the “Common Stock”) (other than (i) any shares held by UAM as treasury shares or shares owned by UAM or any of its wholly-owned subsidiaries or by the Company or any of its affiliates (including Merger Sub) and (ii) shares of Common Stock for which the holder thereof (x) did not vote in favor of the Merger or consent to it in writing and (y) was entitled to demand and has demanded the appraisal of such shares in accordance with, and has complied in all respects with, the Delaware General Corporation Law (collectively, the “Excluded Shares”) was automatically cancelled and converted into the right to receive \$10.00 per share in cash, without interest (the “Per Share Merger Consideration”), less any required withholding taxes.

Also at the Effective Time, each option to acquire shares of Common Stock (each, a “UAM Option”) was treated as follows: each UAM Option outstanding immediately prior to the Effective Time, whether or not then exercisable or vested, was cancelled and converted into the right to receive a cash payment equal to the excess, if any, of the Per Share Merger Consideration over the per share exercise price of such stock option multiplied by the aggregate number of shares of common stock in respect of such UAM Option immediately before the Effective Time. At the Effective Time, each share of restricted Common Stock (each, a “Restricted Share”) that was outstanding immediately prior to the Effective Time was cancelled and converted into the right to receive an amount in cash equal to the Per Share Merger Consideration. The right to receive the foregoing consideration with respect to UAM Options and Restricted Shares: (i) vested and was payable with respect to UAM Options or Restricted Shares that were vested as of the Effective Time in

accordance with their terms, at the Effective Time and (ii) will vest and be payable with respect to UAM Options or Restricted Shares that are not vested in accordance with their terms at the Effective Time, in each case, subject to the applicable holder's continued employment through the applicable vesting date, on the earlier of (A) the 12-month anniversary of the date that the Effective Time occurs (or the next payroll date following such anniversary) and (B) the next payroll date following the date on which such UAM Option or Restricted Share, as applicable, would have otherwise vested in accordance with its terms, and in all cases, without any interest for the period from the Effective Time until such date, provided, that, Restricted Shares that were granted in 2017 to employees converted into an equivalent cash award based on the Per Share Merger Consideration and shall vest and be payable in accordance with the scheduled vesting terms of such awards, without any interest for the period from the Effective Time until such date. If the employment with the Company (or any of its affiliates) of a holder of UAM Options or Restricted Shares is, prior to the applicable payment date, terminated by the Company (or any of its affiliates) for any reason other than "Cause" (as defined for purposes of the Merger Agreement) or by the holder for "Good Reason" (as defined for purposes of the Merger Agreement), the payment in respect of UAM Options or Restricted Shares, as applicable, will be accelerated to the next practicable payroll date after the date of termination. UAM Options and Restricted Shares owned by members of management and the Board of Directors were treated the same as outstanding UAM Options and Restricted Shares held by other employees, except that any unvested awards owned by members of the Board of Directors accelerated and vested at the Effective Time.

In addition following the consummation of the Merger, each holder of UAM's 4.00% convertible senior notes due 2021 has the right to (i) convert its notes into the right to receive the Per Share Merger Consideration in an amount calculated pursuant to the terms thereof (including an increased conversion rate that applies to conversions in connection with the Merger because the Merger constitutes a "Make-Whole Fundamental Change" under the terms of the notes), or (ii) require that UAM repurchase its notes, which repurchase shall be for the principal amount plus accrued and unpaid interest and settled in cash. These conversion and repurchase rights will be exercisable until May 30, 2017. UAM will send additional information regarding these rights to noteholders in accordance with the indenture governing the notes.

The Company has also agreed to cause UAM to redeem each share of UAM's Series A Mandatorily Redeemable Preferred Shares, par value \$0.01 per share, that is issued and outstanding as of the Effective Time. The redemption will occur on May 1, 2017.

The description of the Merger set forth above does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which was filed by the Company as Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on November 21, 2016, and is incorporated by reference into this Item 8.01.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed with this report:

Exhibit No.	Exhibit
99.1	Press release of the Company and UAM, dated April 28, 2017.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

April 28, 2017

WELLCARE HEALTH PLANS, INC.

By: /s/ Andrew L. Asher

Name: Andrew L. Asher

Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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Section 2: EX-99.1 (PRESS RELEASE DATED APRIL 28, 2017)

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Exhibit 99.1



WELLCARE COMPLETES ACQUISITION OF UNIVERSAL AMERICAN CORP.

TAMPA, Fla. (April 28, 2017) - WellCare Health Plans, Inc. (NYSE: WCG) (“WellCare”) announced today that it has completed its acquisition of Universal American Corp. (NYSE: UAM) (“Universal American”) following the receipt of all required regulatory approvals. With approximately 119,000 Medicare Advantage (MA) members in Texas, New York and Maine, Universal American is now a wholly owned subsidiary of WellCare.

“We are very pleased to complete our acquisition of Universal American,” said Ken Burdick, WellCare’s CEO. “This transaction strengthens our business by increasing our Medicare Advantage membership by a third, deepening our presence in two key markets-Texas and New York-and diversifying our business portfolio. Importantly, we look forward to leveraging Universal American’s core competency in physician engagement to strengthen and grow our value-based provider relationships.”

“We also welcome Universal American employees, members, agents, and providers to WellCare,” continued Burdick. “WellCare and Universal American have a shared commitment to serving Medicare beneficiaries, and we look forward to working together to ensure a smooth transition.”

Burdick added, “As part of the transaction, Richard Barasch, Universal American’s chairman and CEO, will be leaving the company. Under his leadership, Universal American built a strong business and talented team committed to delivering quality care and service. I thank him for his leadership and support throughout the transaction.”

The transaction is expected to be \$0.60 to \$0.70 accretive in the first year following the close and an incremental \$0.10 accretive in the second year following the close, excluding one-time transaction-related expenses of approximately \$30 million and integration costs of approximately \$25 million to \$30 million, to WellCare’s adjusted earnings per diluted share. WellCare continues to expect annual synergies of approximately \$25 million to \$30 million by 2019. The company will provide more details regarding the transaction on its first quarter 2017 earnings conference call that is scheduled for May 3, 2017.

Under the terms of the agreement, Universal American stockholders received \$10.00 in cash for each share of Universal American common stock they held at closing. Consistent with WellCare’s announcement on November 17, 2016, the total transaction value is approximately \$800 million, including the assumption of debt and the make-whole premium payable on conversion of Universal American’s convertible debt. WellCare funded the transaction with unrestricted cash available from both entities.

Universal American has approximately 69,000 Medicare Advantage (MA) members in a 4.5-Star plan in Houston-Beaumont, Texas and more than 20,000 MA members in a 4.0-Star plan in the Northeast, primarily in New York, as of March 31, 2017. In addition, Universal American partners with Accountable Care Organizations (ACO) in 10 states, five of which are WellCare Medicare Advantage markets.

BofA Merrill Lynch served as financial advisor to WellCare. Kirkland & Ellis LLP and Bass, Berry & Sims PLC served as legal advisers to WellCare. MTS Health Partners, LP served as financial advisor to Universal American. Paul, Weiss, Rifkind, Wharton & Garrison LLP served as legal advisor to Universal American.

Leadership Update

Under WellCare, Erin Page, president, Medicare, will continue to have responsibility for the Universal American Medicare Advantage business in Texas, New York and Maine as well as the ACO business in Texas. Additionally, she will now have responsibility for WellCare’s Medicare Advantage business in Texas and Louisiana. In this role, she will oversee strategy, regulatory compliance, network management, sales and marketing, medical management, and administration for these businesses. Page will report to Michael Polen, executive vice president of WellCare’s Medicare

business. Page was the president of Universal American's Medicare business for 4 years. She joined Universal American in 2001 and held roles with increasing responsibility.

Jeff Spight will continue to lead the Management Services Organization/Accountable Care Organization (MSO/ACO) business, which operates as Collaborative Health Systems. As president, MSO/ACO, Spight will report to Polen. In this role, Spight will set strategy, drive implementation and create market opportunities to grow value-based provider relationships for WellCare. Spight joined Universal American in 2013.

"Erin and Jeff are seasoned Medicare leaders who we expect will significantly contribute to our growth and quality goals," said Polen. "I look forward to working with them to leverage the best from both organizations for the benefit of our members and provider partners."

About WellCare Health Plans, Inc.

Headquartered in Tampa, Fla., WellCare Health Plans, Inc. (NYSE: WCG) focuses exclusively on providing government-sponsored managed care services, primarily through Medicaid, Medicare Advantage and Medicare Prescription Drug Plans, to families, children, seniors and individuals with complex medical needs. The company served approximately 4.0 million members nationwide as of January 1, 2017. For more information about WellCare, please visit the company's website at www.wellcare.com.

Basis of Presentation

In addition to results determined under GAAP, WellCare provides certain non-GAAP financial measurements that management believes are useful in assessing the company's performance. Adjusted earnings per diluted share exclude the effect of certain expenses related to previously disclosed government investigations and related litigation and resolution costs ("investigation costs") and amortization expense associated with acquisitions ("acquisition-related amortization expenses"). Management believes these items are not indicative of long-term business operations performance. Non-GAAP financial measures should be considered in addition to, but not as a substitute for, or superior to, financial measures prepared in accordance with GAAP. The company is not able to project at the time of this release the amount of future investigation costs or acquisition-related amortization expenses and, therefore, cannot reconcile projected adjusted earnings per diluted share to projected GAAP earnings per diluted share.

Cautionary Statement Regarding Forward-Looking Statement

This news release contains "forward-looking" statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," and similar expressions are forward-looking statements. For example, statements regarding the company's financial outlook, and the financial impact of the acquisition contain forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause WellCare's actual future results to differ materially from those projected or contemplated in the forward-looking statements. These risks and uncertainties include, but are not limited to, WellCare's progress on top priorities such as integrating care management, advocating for our members, building advanced relationships with providers and government partners, ensuring a competitive cost position, and delivering prudent, profitable growth, WellCare's ability to effectively estimate and manage growth, WellCare's ability to effectively execute and integrate acquisitions, potential reductions in Medicaid and Medicare revenue, WellCare's ability to estimate and manage medical benefits expense effectively, including through its vendors, its ability to negotiate actuarially sound rates, especially in new programs with limited experience, the appropriation and payment by state governments of Medicaid premiums receivable, the outcome of any protests and litigation related to Medicaid awards, the approval of Medicaid contracts by CMS, any changes to the programs or contracts, WellCare's ability to address operational challenges related to new business, and WellCare's ability to meet the requirements of readiness reviews. Given the risks and uncertainties inherent in forward-looking statements, any of WellCare's forward-looking statements could be incorrect and investors are cautioned not to place undue reliance on any of our forward-looking statements.

Additional information concerning these and other important risks and uncertainties can be found in the company's filings with the U.S. Securities and Exchange Commission ("SEC"), included under the captions "Forward-Looking Statements" and "Risk Factors" in the company's Annual Report on Form 10-K for the year ended December 31, 2016, and other filings by WellCare with the SEC, which contain discussions of WellCare's business and the various factors

that may affect it. Subsequent events and developments may cause actual results to differ, perhaps materially, from WellCare's forward-looking statements. WellCare's forward-looking statements speak only as of the date on which the statements are made. WellCare undertakes no duty, and expressly disclaims any obligation, to update these forward-looking statements to reflect any future events, developments or otherwise.

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