

ASSIGNMENT AND ASSUMPTION OF CONTRACTS AGREEMENT

This Assignment and Assumption of Contracts Agreement (this “**Agreement**”) is effective at midnight central standard time September 1, 2015 (the “**Effective Date**”) by and between Aetna Health Inc., a Texas corporation (“**AHI**”) and Aetna Better Health of Texas Inc., a Texas corporation (“**Aetna Better Health**”).

ARTICLE I

DEFINITIONS

All capitalized terms shall have the meanings herein ascribed.

1.1 "Assets" means:

1.1.1 All of AHI's rights, title and interests in connection with the Texas Medicaid Business in its Texas State Contract; and

1.1.2 All of AHI's rights, title and interests in connection with the Texas Medicaid Business in certain Provider Contracts; and

1.1.3 Originals or true and correct copies of AHI's financial and other books, records and title documents, whether stored on paper or electronically, that are reasonably necessary to operate the Assets; and

1.1.4 Non-ledger assets, as referred to in the applicable annual NAIC filings, attributable to periods on or before the Effective Date relating to the Texas Medicaid Business.

1.2 "Effective Date" is midnight on the morning of September 1, 2015 (Central Standard Time or Central Daylight Time, if then applicable), or such other date as mutually agreed to by the Parties. In no event shall the Effective Date precede the date upon which all regulatory approvals are obtained in connection with the approval of this Agreement.

1.3 "Liabilities" means all liabilities and obligations accruing or arising as of the Effective Date and thereafter and relating to the Texas Medicaid Business and the Assets transferred to Aetna Better Health under this Agreement. This term includes all claims incurred, whether or not reported, as of the Effective Date, arising out of the Texas Medicaid Business;

1.4 "Novation" or "Novated" means the affirmative written consent of a contract holder to substitute Aetna Better Health for AHI in the contract holder's Texas State Contract

1.5 "Texas Medicaid Business," means the Texas Medicaid and CHIP operations of AHI, currently branded as Aetna Better Health.

1.6 "Texas State Contract" means AHI's contract and other agreements with the Texas Health and Human Services Commission, for provision of managed Medicaid services in the HHSC Contract No. 529-12-0002-00016, further detailed on Schedule 1 hereto.

1.7 "Provider Contracts" means all of AHI's rights, title and interests in those agreements between AHI and its participating health care providers for the Texas Medicaid Business.

ARTICLE II

ASSIGNMENT OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 As of the Effective Date of this Agreement, AHI hereby assigns to Aetna Better Health and Aetna Better Health's successors, assigns and legal representatives, all of AHI's rights, title and interest, respectively, in and to the Assets, to have and to hold, together with all the rights and appurtenances thereto belonging to AHI, and delegates all of the duties, obligations and Liabilities of AHI relating to the Assets to Aetna Better Health, and Novation shall be deemed to have occurred.

2.2 As of the Effective Date of this Agreement, Aetna Better Health hereby accepts all of AHI's rights, title and interest, respectively, in and to the Assets, to have and to hold, together with all the rights and appurtenances thereto belonging to AHI, and assumes all of the duties, obligations and Liabilities of AHI relating to the Assets.

2.3 With particular respect to the Texas State Contract, Aetna Better Health agrees to be legally bound by all of the terms and conditions of such contract and to assume the duties, obligations, and responsibilities being assigned.

2.4 The Provider Contracts are subject to changes occurring prior to the Effective Date through deletions and additions made in the ordinary course of business or as necessary to effectuate the terms of this Agreement. Those Provider Contracts which are solely for the Texas Medicaid Business are assigned as described in paragraphs 2.1 and 2.2 without limitation. However, to the extent a Provider Contract contemplates the provision of services for additional, non-Medicaid products, the assignment and assumption described in paragraphs 2.1 and 2.2 is limited as follows:

2.4.1 As to those Provider Contracts which contemplate the provision of services for additional, non-Medicaid products, and by their terms permit the partial assignment of the Provider Contract such that an individual line of business may be assigned without assignment of the full agreement, only the portion of the Provider Contract specific to the Texas Medicaid Business is assigned and assumed.

2.4.2 As to those Provider Contracts which contemplate the provision of services for additional, non-Medicaid products, but do not permit the partial assignment of the Provider Contract such that an individual line of business may be assigned without assignment of the full agreement, those Provider Contracts are not assigned. To the extent permitted by an individual Provider Contract, Aetna Better Health may continue to access that Provider Contract for purposes of the Texas Medicaid Business it is assuming as an affiliated company of AHI.

2.5 The purchase price for the Assets shall be the difference between the value of the sum of the Assets and the sum of the Liabilities on the books of AHI as of the day before the Effective Date. If the value of the Assets exceeds the value of the Liabilities, Aetna Better Health shall pay AHI the amount of the difference five days after the close of the August books and records, which is expected to be on the 20th business day after the Effective Date (the "Payment Date"). If the value of the Liabilities as of the Effective Date exceeds the value of the Assets as of the Effective Date, AHI shall pay Aetna Better Health the amount of the difference on the Payment Date.

2.6 Aetna Better Health and AHI agree to take or cause to be taken such further action to execute, deliver and file or cause to be executed, delivered and filed, such further documents and instruments, and to obtain such further consents, as may be necessary or as may be reasonably requested in order to effectuate fully the purposes, terms and conditions of this Agreement.

ARTICLE III

PRORATION

3.1 All annual or periodic ad valorem fees, taxes, assessments, licensing fees, vehicle use fees, premium taxes (if any) and similar charges imposed by taxing authorities on the Assets (collectively, "Taxes") shall be borne and paid (i) by AHI for all periods of time up to and including the day immediately preceding the Effective Date, and (ii) by Aetna Better Health for all periods of time on or after the Effective Date, regardless of when or by which party such Taxes are actually paid to the applicable taxing authority.

3.2 Notwithstanding anything in this agreement to the contrary:

3.2.1 AHI shall pay Aetna Better Health, in cash, within 31 business days of receipt of a written notice containing proof of the claim, the amount of any payables paid by Aetna Better Health on AHI's behalf and attributable to services or supplies that do not relate to the Texas Medicaid Business and any cash or receivables paid to AHI that relate to the Texas Medicaid Business.

3.2.2 Aetna Better Health shall pay AHI, in cash, within 31 business days of receipt of a written notice containing proof of the claim, the amount of any receivables paid to Aetna Better Health but attributable to AHI that do not relate to the Texas Medicaid Business and any payable (paid by AHI) attributable to services or supplies that do relate to the Texas Medicaid Business.

3.2.3 Aetna Better Health and AHI shall use their best efforts to coordinate the transition of these amounts. With respect to any payments due by one party to the other under this Agreement, AHI and Aetna Better Health each shall have the right to audit the books and records of the other party relating thereto at any time during regular business hours on prior written notice to the other party. Any payments made under this Section shall be considered when determining the purchase price under Section 2.5.

3.3 Aetna Better Health shall pay any and all sales, use, transfer or other similar taxes (if any) imposed as a result of the consummation of the transactions contemplated by this Agreement.

ARTICLE IV

MISCELLANEOUS PROVISIONS

4.1 The assignment of the Texas State Contract is subject to the approval of the appropriate representatives of the Health and Human Services Commission (the "Commission"), which shall be indicated by the signature of the authorized representative of the Commission in the space provided at the end of this Agreement. Such approval will serve as confirmation that the Commission confirms Aetna Better Health is entitled to enforce all rights under and is bound by the Texas State Contract.

4.2 This Agreement is binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Except for the parties to this Agreement, a successor in interest, or assignee of a party, no person or entity is or shall be entitled to bring any action to enforce any provision of this Assignment of Contract against any of the parties.


4.3 This Agreement and any actions arising out of or relating to this Agreement shall be governed by and construed and interpreted in accordance with the laws of the state of Texas without regard to the conflict of law provisions thereof.

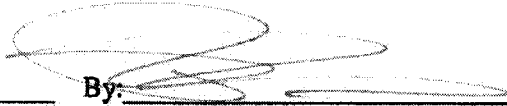
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INTENDING TO BE BOUND, this Assignment of Contracts is executed by the parties:


**AETNA HEALTH INC.
(A TEXAS CORPORATION)**

**AETNA BETTER HEALTH OF TEXAS
INC.**

By: 
Print Name: Edward C. Lee
Title: Vice President and Secretary
Date: 9/8/15

By: 
Print Name: Pamela S. Sedmak
Title: President and Chief Executive Officer
Date: 9/8/15

Approval of Assignment of Texas State Contract:

Texas HHSC
By: 
Name: Charles Smith
Title: Chief Deputy Commissioner
Date: 10-12-2015

SCHEDULE 1: Assigned Contract

AHI assigns to Aetna Better Health the HHSC Uniform Managed Care Contract No. 529-12-0002-00016-O including any and all amendments between itself and the Texas Health and Human Services Commission, as presently or later amended.