

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
INSURANCE DIVISION**

In the Matter of:
**REGENCE BLUECROSS
BLUESHIELD OF OREGON.**

) **STIPULATION**
) and
) **FINAL ORDER**
) Case No. INS 08-03-005
)

BACKGROUND

The Director of the Department of Consumer and Business Services (Director) commenced the above entitled administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to deny Regence BlueCross BlueShield of Oregon's (Regence) requests to exempt from public disclosure certain information included in rate filings submitted to the Director pursuant to ORS 743.018(3) and Oregon Administrative Rules (OAR) 836-053-0910(7)(b) and (c).

Regence withdraws its request for a hearing and enters into this Stipulation to conclude this proceeding without further administrative or judicial proceeding, pursuant to ORS 183.417 and related rules.

Regence has fully read and understood the contents of this Stipulation and Final Order and, having been fully advised by legal counsel or had the opportunity to seek legal advice, waives any and all rights to appeal, seek judicial review, or otherwise challenge this Stipulation and Final Order.

The person signing this Stipulation on behalf of Regence represents that he or she is so authorized by Regence.

Regence agrees to the following facts, conclusions, and action:

Facts

1. Regence has been licensed in Oregon as a domestic health care service contractor since May 5, 1942.

2. OAR 836-053-0910(7)(b) and (c) requires an insurer that submits a request for exemption of certain information in a rate filing from public disclosure to include with the request, before or at the time the rate filing is made, a clear and detailed explanation of how the part or parts of the filing meet the requirement of a trade secret along with a clear and detailed explanation and evidence that public disclosure of the trade secret would harm competition in the Oregon health insurance market.
3. On 1/24/08, 1/26/08, 2/29/08, and 3/4/08, the Director received from Regence four rate filings for individual and small employer group health benefit plans. The SERFF filing numbers for these submissions are RGAC-125454348, RGAC-125509996, RGAC-125513025, and RGAC-125521984, respectively. In each of these filings, Regence requested the Director to exempt from public disclosure certain information in the filing as allowed by ORS 743.018(3). The Insurance Division concluded that those requests did not include a detailed explanation of how the parts of the filing met the requirement of a trade secret, and did not explain how the release of the information would harm competition in the Oregon health insurance market.
4. On 3/18/08, relative to each request for exemption, the Insurance Division sent to Regence a letter dated the same date denying Regence's request for exemption and provided Regence with an opportunity to request a hearing on the proposed action within five days of receipt of the letters pursuant to OAR 836-053-0910(8).
5. On 3/20/08, relative to each request for exemption, the Director received from Regence a letter dated 3/19/08 requesting a hearing to contest the Director's decision to deny Regence's request for exemption.
6. On 4/18/08, the Director issued a Notice of Proposed Action to Regence proposing to deny Regence's request for exemption of rate filing documents from public disclosure.

7. Regence has subsequently provided to the Director a detailed explanation of how certain documents and information contained in the filing meet the requirements of a trade secret, and explained how the release of such information would harm competition in the Oregon health insurance market.

Conclusions

The Director agrees that certain information provided by Regence in its four rate filings as described in paragraph 3 above, qualifies for protection under ORS 743.018(3) and OAR 836-053-0910 in that the information contains protected trade secrets, the disclosure of which would harm competition by allowing competitors in the Oregon market to selectively under-price certain products for lower risk consumers and could result in fewer competitors in the market and fewer and more expensive choices for higher risk consumers.

Regence agrees that certain information provided by Regence in its four rate filings, for which Regence had requested exemption, does not qualify or no longer qualifies for protection and shall be disclosed consistent with the division's statutes and rules upon signing of this stipulation by both parties.

Action

The Director agrees to the redaction of a limited amount of information regarding claim costs, the cost of specific benefits that are components of the plans, and Regence's internal loss ratio goal in three of the four rate filings referenced in paragraph 3 above. Regence no longer seeks confidential treatment for any part of the filing for the Activate product, #RGAC 125509996. With respect to the other three rate filings, Regence agrees to withdraw its request for confidential treatment for a substantial portion of the material originally marked as confidential. Only those parts of the documents which contain information that the law protects from disclosure have been redacted. The remaining information in these rate filings will be

publicly disclosed upon execution of this Order. Each rate filing, with the redactions that are hereby ordered, is attached to this Order and incorporated herein. Specifically, the documents that contain redacted information include:

1) For the two individual plan rate filings:

- a) Appendix B – Worksheet for Plan Rates. All eight columns of figures for each of six plans will be redacted. Other language on the page explaining the worksheet will not be redacted.
- b) Actuarial memorandum. Specific information regarding the hypothetical loss ratio in two sentences in this one page document will be redacted.
- c) Rate Change Calculation. Figures in primarily four of six columns of numbers on this one page document will be redacted.
- d) Exhibit D - Calculation of Optional Dental Rider Rates. Three out of five columns of figures on this one page document will be redacted. Additionally, this exhibit is not a required component of the individual health plan rate filings.
- e) Exhibit E - Expected Rates and Current Contract Distributions. Five out of sixteen columns on each page of this ten page document will be redacted.
- f) Exhibit F – Accidental Death rates. Seven out of twelve columns of figures on this one page document will be redacted. Additionally, this exhibit is not a required component of the individual health plan rate filings.

2) Small Group plan rate filing:

- a) Actuarial memorandum. Confidential information in seven sentences in this two page document has been redacted.

b) Rate Change Calculation. Figures in two of three columns, and three out of eighteen lines of figures on this two page document will be redacted.

Dated 11/20/08.

Regence BlueCross BlueShield of Oregon
By: J. Bart McMullan Jr
Print: J. Bart McMullan Jr
Title: President
Authorized Representative

APPROVED AS TO FORM:

David F. White
David F. White, OSB #01138
Tonkon Torp, LLP
Attorney for Regence BlueCross BlueShield of Oregon

FINAL ORDER

The Director adopts, and incorporates herein by this reference, the Facts, Conclusions and Action in the above Stipulation as the Findings of Fact, Conclusions of Law and Order, respectively, of this Final Order.

Dated: JAN 16 2009.

Cory Streisinger
Cory Streisinger
Director
Department of Consumer and Business Services,
State of Oregon