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Oregon Insurance Division
Salem, Oregon

RE: Trillium Community Health Plan sale to Centene Corporation

I am writing to you to inform you of my endorsement of the fair sale of Agate Resources, Inc. (Agate) and its subsidiaries including Trillium Community Health Plans (Trillium) to Centene Corporation (Centene).

In 1999, the physician community of Lane County organized themselves to contract with the state of Oregon to provide coverage for Oregon Health Plan members at a time when traditional commercial insurance carriers were unwilling to provide local coverage to our county's most vulnerable citizens.

Over the last 16 years, our physician community has not only invested financially, but also invested their time, energy and efforts to build what has become one of Oregon's most respected Community Care Organizations (CCO).

Now, the physicians that stepped forward to provide access to healthcare in Lane County have been presented with an opportunity to sell their interest to a like-minded insurance provider in Centene, while continuing to provide local healthcare leadership through the legally mandated Lane County CCO Board of Directors.

It is without question that Centene has the expertise in all of the product lines needed to provide Trillium's members with exceptional services.

Centene's solutions integrate physical health, behavioral health, pharmacy, and specialty services tailored to members of government-sponsored healthcare programs. These services are supported by an integrated technology package, that is 'CAQH CORE' certified, allowing Centene to work efficiently and effectively with their provider communities to promote better healthcare outcomes at lower costs.

Centene's focus on better outcomes is evidenced by their culture of excellence. Many of their local plans have achieved accreditation by the National Committee for Quality Assurance (NCQA), demonstrating their commitment to the highest standards of healthcare quality through measurement, transparency and accountability. Trillium is currently undergoing the NCQA accreditation process and Centene's knowledge and experience is already proving valuable in helping it reach this elevated standard of care. In addition, several of Centene's specialty plans are accredited by URAC, the nation's largest accreditor of healthcare companies.

Those that have submitted letters of concern, have raised questions about Centene's ability to provide long-term quality access in our county solely based on their corporate structure as a profitable, publicly traded, company.

Based on Centene's latest annual report, the company's cumulative profits over the last five years are only 1.6% of their premium and service revenue, which is at or below the incomes reported by many of Trillium's peers in their quarterly filings - including those that are registered as non-profit organizations.

The fact that their stock is publicly traded should be welcomed and provides both Oregonians, as well as the State's investment vehicles, the opportunity to take ownership in the company.

As discussed in the public information session, the proposed sale of Agate and its subsidiaries is a transfer of ownership in the stock from the privately held group of physicians, and Agate's management team, to Centene.

Trillium policyholders will gain the benefit of Centene's resources while company oversight is maintained by a local board of directors whose charge is mandated by law. Centene will continue to pay corporate taxes in the State of Oregon, funding the very systems valued by Oregonians.

As a shareholder and member of Agate's Board of Directors, I am knowledgeable about Centene's purchase offer and capabilities. The decision to recommend this transaction is not solely based on the purchase price offered by Centene but a balanced evaluation, which included significant focus by the local physician led board of directors on Centene as an additive partner in our local healthcare community.

It is without reservation that I support the sale of Agate to Centene and encourage the Oregon Insurance Division to approve Centene's purchase of Agate Resources.

Very Truly,

R. Jordan Papé
Member, Board of Directors
Agate Resources, Inc.