

BEFORE THE STATE OF WASHINGTON  
OFFICE OF INSURANCE COMMISSIONER

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In the Matter of: )  
 )  
The Form A and Form E Applications )  
for the Proposed Acquisition of )  
Control of: )  
 )  
GROUP HEALTH COOPERATIVE and ) Docket No. 16-0050  
GROUP HEALTH OPTIONS, INC., )  
 )  
By )  
 )  
KAISER FOUNDATION HEALTH PLAN OF )  
WASHINGTON )

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PUBLIC HEARING

June 15, 2016

Hotel Murano  
1320 Broadway  
Tacoma, Washington

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Taken Before:

Lori L. Stefano, CCR #2373, CCR, CSR, RPR  
Certified Court Reporter  
of  
Capitol Pacific Reporting, Inc.  
2401 Bristol Court S.W.  
Suite A-104  
Olympia, WA 98502  
Tel (360) 352-2054 Fax (360) 705-6539  
Toll Free (800) 407-0148

Tacoma, WA                      Seattle, WA                      Aberdeen, WA  
(253) 564-8494                      (206) 622-9919                      (360) 532-7445  
Chehalis, WA                      Bremerton, WA  
(360) 330-0262                      (360) 373-9032

www.capitolpacificreporting.com  
admin@capitolpacificreporting.com

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APPEARANCES

FOR OIC: INSURANCE COMMISSIONER MIKE KREIDLER  
WASHINGTON STATE OFFICE OF THE INSURANCE  
COMMISSION  
5000 CAPITOL BOULEVARD SE  
OLYMPIA, WA 98512  
PHONE: 800-562-6900

SPEAKERS: MR. SCOTT ARMSTRONG  
MS. SUSAN MULLANEY  
MS. LAURA KILBERG  
MS. RUTA FANNING  
MR. JIM FERRELL  
MR. LEON ETTTELSON  
MS. DIANE GASAWAY  
MS. HANNAH MINER  
DR. LAWRENCE HANNA  
MS. KATRINA SHOWLUND  
MR. JAY SUNDAHL  
MR. DOUG BEEMAN

ALSO SPEAKING: MS. ANNALISA GELLERMAN

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P R O C E E D I N G S

(Wednesday, June 15, 2016, 6:03 P.M.)

INSURANCE COMMISSIONER KREIDLER: Good evening. I'm going to read a prepared statement. And since the attorneys put it together, I'm going to read it verbatim for fear that I might say something that they will find a reason to object to me about.

So good evening. My name is Mike Kreidler. I'm a Washington State Insurance Commissioner. I'd like to welcome you to this public forum.

The date is June 15, 2016, and the time is 6:00 P.M. or a couple minutes after. The public forum is taking place at the Hotel Murano in Tacoma, Washington.

The purpose of this forum is to accept public comment on the proposed acquisition of Group Health Cooperative by Kaiser Foundation Health Plan, OIC Docket No. 16-0050.

A court reporter will record the comments here tonight. We also accept written comment.

The transcript of this forum will become a part of the record in this case and available for consideration regarding the final decision that I will make about

1           this proposal.

2           If you want to comment today and have not already  
3 done so, please include your name on the sign-up sheet  
4 that has been provided. I will call upon you from that  
5 sign-up sheet.

6           Because the comments being recorded here tonight  
7 will be part of the public record for consideration in  
8 the final decision, I will be asking all who intend to  
9 speak to raise their hand as a group and take an oath.

10          I'm doing this to fulfill a commitment to the  
11 public that they will have a chance to participate and  
12 that the comments will be part of the overall process.

13          My review of the proposed acquisition is governed  
14 by state law, RCW 48.31B.015 and RCW 48.31B.020.

15          The review includes looking closely at how the  
16 proposed acquisition will affect the overall stability  
17 of our health insurance market in Washington State.  
18 This includes competition and consumer choice.

19          There will be two phases to this review.

20          First, specialized staff, including accountants,  
21 lawyers, and financial examiners, will thoroughly  
22 review the application and make their recommendation.

23          Next, I will hold an official public hearing on  
24 the evidence, including the staff recommendation, and  
25 issue an order either approving or denying the proposed

1 acquisition.

2 The official public hearing and the final decision  
3 in this matter is likely to be issued later this year.

4 Today's forum is only to accept public comment. I  
5 will not comment on any of the statements that are made  
6 or discuss the merits of the proposed acquisition.

7 I would also remind you that you may send comments  
8 to my office electronically or by email. The addresses  
9 are, I believe, displayed at the sign-in table.

10 I respectfully request that you keep your remarks  
11 to no more than two minutes. When you make your  
12 comments, please state your name and where you live.

13 And at this point, we have the sign-up sheets.  
14 And so the next part here is for those who have signed  
15 up with the indication they want to testify and offer  
16 comments.

17 I will do the swearing in.

18 So I would ask all of those individuals to please  
19 raise their right hand: I do solemnly swear or affirm  
20 under the penalties of perjury that I will tell the  
21 truth.

22 Say I do.

23 THE SPEAKERS: I do.

24 INSURANCE COMMISSIONER KREIDLER: Okay.

25 We're ready to proceed.

1 I'd ask you to come forward and then speak at the  
2 dais here so the court reporter has clear view of you.

3 And the first person I'm going to call up would be  
4 Scott Armstrong, of Group Health.

5 MR. ARMSTRONG: Thank you, Commissioner.

6 I'm Scott Armstrong. I live in Seattle,  
7 Washington.

8 Good evening. I'm thrilled to have the chance to  
9 speak in favor of this proposal this evening.

10 And I do this as Group Health's President and CEO.

11 But I also should say that I'm speaking as a  
12 thirty-year employee of Group Health Cooperative. I'm  
13 speaking as a patient whose kids were both born at  
14 Group Health and whose family has been cared for by our  
15 care delivery system over the last three decades.

16 And, frankly, also in addition, I'm speaking to  
17 you as a thirty-year voting member, of the Cooperative,  
18 who believes deeply in our Cooperative values.

19 From each of these perspectives, I do believe that  
20 the proposal that we're talking about offers tremendous  
21 value to our patients and, frankly, to everyone who  
22 lives in the communities that Group Health serves.

23 We've got a long and very proud history of serving  
24 Tacoma and the South Sound and other communities in  
25 Pierce County and in this area.

1           But I believe that, by bringing the resources of  
2           our two organizations together, we will be able to do  
3           even better, going into the future.

4           As you know, Group Health and Kaiser's models of  
5           integrating care and coverage are nearly identical,  
6           which means that this proposal will preserve and,  
7           frankly, invest in and amplify those aspects of Group  
8           Health that we have all grown to believe deeply in and  
9           to love and to rely on.

10          As a like-minded, not-for-profit HMO, Kaiser knows  
11          Group Health well. And I think this also offers a  
12          great confidence in the fact that we will see a smooth  
13          and successful transition.

14          The benefits of this proposed acquisition, I would  
15          just point out, will be felt by all of our members,  
16          whether they are insured through large commercial  
17          groups, small groups, if they have individual plans,  
18          Medicare plans, and in any other way.

19          And I'd also point out that the proposal relies on  
20          a strong, experienced, local leadership team that will  
21          be committed, as Group Health has been, as I have been  
22          for thirty years, to this belief that health care is at  
23          its best, is most successful when it's personal and  
24          when it's local.

25          The new Board of Directors will include

1 individuals who live in the state of Washington. And  
2 the value that we've known at Group Health, from our  
3 consumer member participation, will be advanced through  
4 the active involvement of a new Member Advisory  
5 Committee and the ongoing engagement of our Group  
6 Health Senior Caucus.

7 So, for these reasons and, frankly, for many more,  
8 once again, I'm very proud to be here and speak  
9 publicly in support of this proposed acquisition.

10 Thank you.

11 INSURANCE COMMISSIONER KREIDLER: Thank you.  
12 Susan Mullaney, from Kaiser.

13 MS. MULLANEY: Thank you, Commissioner.

14 I'm Susan Mullaney, your neighbor a little bit  
15 further south, from Portland, Oregon. And I'm  
16 delighted to be here tonight on behalf of Kaiser  
17 Permanente.

18 I've served in our Oregon and Southwest Washington  
19 region as the COO for that region, for the past several  
20 years, and will be delighted to be transitioning up  
21 fully into the Washington market to take on a role as  
22 President Designate for the new KP Washington region if  
23 that becomes a reality. And I certainly hope it does.

24 And I can tell you, on behalf of the entire  
25 organization, we are so excited about coming together

1 with Group Health Cooperative.

2 We are both integrated care delivery systems with  
3 long, proud histories and feel, as strongly as  
4 everybody affiliated with Group Health does, that it is  
5 so important to preserve that particular choice in this  
6 market and make sure that it's around for many, many,  
7 many years to come.

8 We were founded in 1945. We have a mission that's  
9 really similar to Group Health. I would say it's the  
10 same. It's about providing high-quality, affordable  
11 healthcare to people and lifting up the communities  
12 that we serve in. And that's our intention as we would  
13 come into this market and come together with Group  
14 Health.

15 Nationally we provide care to over 10 million  
16 people. We're financially very sound and well  
17 positioned to take on this acquisition. Our operating  
18 revenue in total for 2015 was over \$60 billion. And as  
19 a nonprofit, we invested over \$2 billion in the  
20 communities that we live and work in, or three and a  
21 half percent of our operating revenue.

22 And we are incredibly proud of that work that we w  
23 do, on the community benefit front, and are excited to  
24 do that here now in the Washington market.

25 I believe - we believe - that this acquisition is

1 very good for members, employers, and purchasers of  
2 Group Health and for the people of Washington overall.

3 By us coming together, we'll be able to tackle a  
4 lot of the big, tough issues that are facing us in  
5 health care: high drug costs, IT costs, et cetera,  
6 et cetera. All of you know that story really well. So  
7 together we can come together and really meet and get  
8 ahead of those issues as one strong organization.

9 It's also our goal to bring more types of health  
10 plans into the market and to preserve competition.

11 A lot of you know that we plan to increase  
12 participation in Medicaid across all of Kaiser. And  
13 so, with that, it is absolutely our intent to also  
14 participate in Medicaid in the state and also offer a  
15 robust community benefit program, to all members of  
16 this state, and make insurance as affordable as it  
17 possibly can be.

18 So, by using our scale, our capabilities, and our  
19 resources to strengthen Group Health's care delivery  
20 system, we believe that we'll be able to take something  
21 great and make it just that much greater by coming  
22 together on that front.

23 And really simply put, with Kaiser Permanente and  
24 Group Health now together as one, we'll really be able  
25 to expand the scale of what we do offer to more people

1 and continue to drive well into the future.

2 You know that, at Kaiser Permanente, we care  
3 deeply about having the best quality in the market for  
4 the people who we serve. And we also care deeply about  
5 being an affordable choice in the market. So, when we  
6 bring all those economies of scale to bear on the  
7 Washington region, I think it's going to really  
8 translate into a very affordable choice for consumers  
9 in the state.

10 And, finally and importantly, I'd like to talk  
11 about our people, our employees, and how we plan on  
12 coming together with Group Health.

13 So Kaiser Permanente deeply respects the  
14 200,000 physicians, frontline staff members,  
15 clinicians, administrators that we have working within  
16 the Kaiser Permanente program. And we are thrilled to  
17 come in and work with the very talented people at Group  
18 Health Cooperative and Group Health Permanente.

19 So, with respect to current Group Health  
20 employees, we're committed to doing at least the  
21 following: maintaining total compensation benefits for  
22 non-union staff, equal to or better than their current  
23 compensation levels and benefits, for a minimum of at  
24 least nine months after the closing of the acquisition.

25 We'll honor existing incentive severance and

1 retention programs for a minimum of eighteen months  
2 after the close of the acquisition. And it's really to  
3 preserve the stability of the organization. And, of  
4 course, it goes without saying that we'll honor all  
5 union contracts in effect at the closing of the  
6 acquisition.

7 So I couldn't be more delighted at the potential  
8 that we have together and would really look forward to  
9 serving this community with a lot of help from the  
10 people in this room tonight.

11 So thank you very much.

12 INSURANCE COMMISSIONER KREIDLER: Thank you.  
13 Laura Kilberg.

14 MS. KILBERG: Thank you.

15 That's a tough act to follow, you guys.

16 And I am like the worker bee. I'm the nurse that  
17 takes care of you and your family members.

18 My name is Laura Kilberg, and I live in Kitsap  
19 County. I have worked at Group Health for fifteen  
20 years.

21 I work currently in the Urgent Cares in Tacoma and  
22 Silverdale. I have recently been elected by my peers  
23 to the Executive Board of the SEIU Health Care  
24 1199 Northwest. We represent over 2,000 employees at  
25 Group Health.

1           I appreciate this opportunity to speak of the  
2           acquisition for Kaiser to Group Health on behalf of my  
3           coworkers. We have not only taken a supportive role  
4           with this, but we have communicated our support to our  
5           patients, their families, and our other voting members.

6           Kaiser supports the same type of coordinated  
7           patient care center that Group Health has really  
8           focused on for the last thirty-four years. As a nurse,  
9           I can see that this acquisition will improve our  
10          facilities, our services, and bring more patients to  
11          our area.

12          I speak today to encourage the Office of the  
13          Insurance Commissioner to approve this acquisition as  
14          soon as possible. Consumers need clarity and  
15          information; and we hear from them, "What's going on?  
16          What's going to happen? Is my insurance going to  
17          change?" And they need to know that they're going to  
18          still have the same quality and stability health care  
19          that they have now.

20          And it's also true because open enrollment is  
21          coming soon. So people are questioning, "What's going  
22          to happen? Do I still choose Group Health? Is Kaiser  
23          going to be on the plan?" These are very good  
24          questions.

25          As a frontline caregiver, I am very excited about

1 this acquisition. This is going to provide us with  
2 much more services and resources that we can give to  
3 our patients and to the community.

4 There are many times when we don't have the staff  
5 or we don't have the resources to give, and we have to  
6 kind of put things together. So we're very excited,  
7 even at the front line, that things will change, and we  
8 know that it's going to be very positive.

9 We want to be able to work our fullest with  
10 Kaiser, and we welcome them, open arms, if this all  
11 works out. I think every employee that I've talked to  
12 is excited about this.

13 And in closing, I want to thank you for the  
14 opportunity to speak of the prompt approval of the  
15 Kaiser acquisition with Group Health.

16 INSURANCE COMMISSIONER KREIDLER: Thank you  
17 very much.

18 Ruta Fanning.

19 And if I could just remind you, besides stating  
20 your name, would you also say where you're from.

21 MS. FANNING: Thank you, Commissioner.

22 My name is Ruta Fanning. I am on the Board of  
23 Trustees for Group Health Cooperative. And I live in  
24 Olympia, Washington.

25 And I'm going to briefly give you an idea of what

1 the Board of Trustees went through to get to this point  
2 with this acquisition.

3 About a year ago, the Board started thinking about  
4 the possibility of partnering with a strategic partner  
5 because it just looked like that would be the way to go  
6 in this ever-changing world of health care in this day  
7 and age.

8 And so we launched into that. The Board was very  
9 deeply involved with the whole process. We ran a very  
10 competitive confidential process and came to this  
11 conclusion.

12 I might add that all of the Board of Trustees are  
13 also patients and members of Group Health. So we care  
14 what happens with this.

15 And as we launched into this, we looked at several  
16 different types of alternatives and options for the  
17 future of Group Health.

18 And one of those, up until the very day that we  
19 decided to propose this acquisition by Kaiser  
20 Permanente, one of the leading options was to remain  
21 independent. And that stayed in our reasoning the  
22 whole way through. But after all the reviews and the  
23 months and days and weeks of meetings and analysis,  
24 this really turned out to be the right choice, both for  
25 our membership and for our system and for the

1 community.

2 And I think you've already heard that Kaiser  
3 Permanente provides and has the same values very much  
4 that Group Health has. And so we're just delighted  
5 with this process.

6 We hope you'll consider this promptly for us,  
7 Commissioner, and we can move forward. We're looking  
8 forward to our joint future.

9 Thank you very much.

10 INSURANCE COMMISSIONER KREIDLER: Thank you.  
11 Jim Farrell.

12 MR. FARRELL: I'm Jim Farrell, from Auburn,  
13 Washington. And I have been a member of Group Health  
14 for over forty years and have received my health care  
15 there. My daughters were born there. And we continue  
16 to be members of Group Health.

17 During that period of time from the late '70s to  
18 the early '90s, I served on the Board of Trustees at  
19 Group Health. And during that period of time, a small  
20 struggling HMO in Tacoma here, by the name of Sound  
21 Health Association, served Tacoma well but was  
22 struggling, struggling in a time when there were  
23 competitive problems here and policy problems within  
24 the organization.

25 And as they struggled, they looked around, looked

1 around for someone that could help them out.

2 And in 1979, that help came from Group Health when  
3 Group Health acquired that organization.

4 And then, as we met as a Board with their Board,  
5 they had serious questions about being able to keep the  
6 values that they had. And I can remember sitting with  
7 that Board and saying to them that we had very similar  
8 values and would continue to do that. And here in the  
9 Tacoma area, that has continued.

10 Now, as we look at Kaiser coming in, it seems or  
11 should be familiar to you that we're facing the same  
12 problems that we did then back in the '70s and now here  
13 in 2016.

14 I want to tell you that I've looked at and  
15 examined this well and know the values of Kaiser  
16 certainly are very similar to those of Group Health.

17 And I want to say that I strongly support the  
18 efforts that are in front of you, Commissioner  
19 Kreidler, and look forward to this coming together with  
20 Group Health and Kaiser.

21 Thank you.

22 INSURANCE COMMISSIONER KREIDLER: Thank you.

23 Hopefully, I'll pronounce it right. It's Leon  
24 Ertelson?

25 MR. ETTELSON: No. My name is Leon Ettelson,

1 and I live in Tacoma, Washington. I'm here to  
2 represent the Major Taylor Project.

3 And for those of you who aren't familiar with the  
4 Major Taylor Project, we're derived from the Cascade  
5 Bicycle Club. We work with youth, teaching them how to  
6 bicycle and live healthy lifestyles. We work with the  
7 School Districts in Tacoma and Seattle.

8 We are in support of the Kaiser Permanente  
9 acquisition of Group Health.

10 With the help from Group Health, we've been able  
11 to expand the Major Taylor Project into Tacoma.

12 And from that, our first day, just to give you an  
13 idea of a little bit of what kind of youth we're  
14 dealing with here, in our first week of Lincoln High  
15 School down here, we had 75 students sign up to try out  
16 this program.

17 And we take them on bike rides. Eventually they  
18 get the opportunity to ride the Seattle-to-Portland  
19 ride if they choose. And out of the 75 students, only  
20 4 of them had bicycles. I had them all raise hands,  
21 asking them who had bicycles. And there was only  
22 4 students who had bicycles at that time.

23 We are a year-round program. So, since then,  
24 we've had the opportunity for 24 students to earn bikes  
25 through our program. We've had 16 students take part

1 last year in the Seattle-to-Portland. This year we  
2 have 26 students signed up.

3 And we're hoping to grow this program to all of  
4 the Tacoma high school and middle school schools. At  
5 this point, we're in four schools here in Tacoma.  
6 We're in ten schools in Seattle.

7 So we see greater potential to reach more Tacoma  
8 schools and students because of this acquisition. And  
9 we hope that it goes through.

10 Thank you.

11 INSURANCE COMMISSIONER KREIDLER: Thank you.  
12 Diane Gasaway.

13 MS. GASAWAY: Hi. My name is Diane Gasaway.  
14 I live in Olympia, Washington. I'm a Group Health  
15 member. And speaking for myself, I'm supportive of the  
16 member vote that approved the acquisition.

17 I work for the Northwest Cooperative Development  
18 Center. We're a 501(c)(3) organization that works with  
19 new and existing co-ops. We were born out of Group  
20 Health back in 1979. I see some people that are  
21 nodding their heads, "Yeah." And we value that  
22 relationship that we've had with Group Health over the  
23 years.

24 And while we're sorry to see a cooperative go by  
25 the wayside, we understand that there is an ebb and

1 flow to business development.

2 And so I'm here to ask that the Office of the  
3 Insurance Commissioner consider recommending that, with  
4 the acquisition and the new Group Health Community  
5 Foundation that will be created, that there's a  
6 set-aside to honor their legacy of cooperative  
7 development and grassroots organizing to help  
8 communities do for themselves where there's been market  
9 failure, which is, you know, part of Group Health's  
10 history.

11 And I will submit written comments.

12 And that's all I have to say right now.

13 Thank you.

14 INSURANCE COMMISSIONER KREIDLER: Thank you  
15 very much.

16 I want to remind you, if anybody has been  
17 incentivized to want to speak, if you go to the back of  
18 the room and sign in, you can still do so.

19 And also I'd like to point out that you can do  
20 this in submitting comments either electronically or in  
21 writing at any time too.

22 Hannah Miner.

23 MS. MINER: Hello. I'm Hannah Miner. I'm a  
24 resident of Tacoma. I'm here on behalf of the Puyallup  
25 Watershed Initiative's Active Transportation Community

1 of Interest.

2 The AT COI is a community-based coalition working  
3 to provide access to safe, healthy, and affordable  
4 transportation options. Our work spans 1,000 square  
5 miles and 17 cities and towns from Mount Rainier to  
6 Tacoma.

7 We support Kaiser Permanente's acquisition of  
8 Group Health and ask that you continue to show support  
9 for Group Health's work in promoting healthy lifestyles  
10 in communities through walking, bicycling,  
11 skateboarding, and transit.

12 In particular, we ask that you continue to support  
13 Cascade Bicycle Club's Major Taylor Project. The Major  
14 Taylor Project uses the bicycle to help middle and high  
15 school students of color expand their worldview and  
16 explore the agency they have to change themselves and  
17 their communities.

18 The Major Taylor Project is currently located in  
19 four middle and high schools in Tacoma, with an  
20 anticipated 26 students participating in the  
21 Seattle-to-Portland ride this coming July.

22 We know that Kaiser Permanente has been a strong  
23 supporter of Active Transaction projects across the  
24 country, including Sunday Parkways in Portland, Oregon,  
25 and Bike Share in Denver, Colorado.

1           We hope that this commitment to supporting  
2 healthy, active lifestyles will continue and look  
3 forward to partnering on efforts to make it easier for  
4 our community to access safe, healthy, and affordable  
5 Active Transportation options.

6           Thank you.

7                   INSURANCE COMMISSIONER KREIDLER: Thank you.

8           Larry Hanna.

9                   DR. HANNA: My name is Lawrence Hanna, M.D.  
10 And I live in Olympia, Washington, one mile north of  
11 the clinic there.

12           I worked there from the 1st of July, 1974, until  
13 my retirement on the 1st of January, 2005.

14           I'm speaking for the Group B, specifically Group B  
15 associate and medical staff people who have recently  
16 lost their health care benefit relative to the  
17 maneuvers to position for this particular merger  
18 action.

19           And it's been a very distressing thing for myself  
20 and my colleagues. This also includes widows. It  
21 includes spouses. And it includes dead colleagues,  
22 including the few who actually died on the job,  
23 working.

24           The reason why we are speaking up is we are  
25 actually for the merger. At least I personally am.

1           And I wanted this in the 1990s for the exact same  
2 reasons that it's happening now, reasons which I've  
3 detailed in a letter to Dr. Kreidler, both through the  
4 mechanism of his office and then today with a  
5 handwritten letter.

6           This details what we have been told, as staff, why  
7 this is happening and why it went down this way.

8           We are not unionized employees. And we do not  
9 have a defined benefit in such a way that we get any  
10 pension for that.

11           We had a defined contribution, which goes up and  
12 down and sideways, as you know.

13           And where we now stand, there is no consideration  
14 whatever for years of service. It is absolutely  
15 immaterial, unlike it would be if we were union  
16 members.

17           We basically are opposed to the terms of the  
18 merger, not to the merger itself. And the terms have  
19 not allowed to continue our benefit. That's the  
20 problem.

21           There was a quasi-agreement made in the '90s,  
22 which was basically a maneuver, by the Co-op at the  
23 time, to basically loan our credit - that is, the  
24 physicians' credit - to the Co-op in order to relieve  
25 it of certain pressures financial, so that we could go

1 forward with the promise, at the time, that a fund  
2 would be established to continue our benefit, which we  
3 had been promised at the time of hire in lieu of  
4 lower-than-market salaries, about 80 percent of the  
5 national standard.

6 And we depended on that. We budgeted for that in  
7 our lives.

8 When this news came to me, I already had twenty  
9 years, as one example. I'm just one person of  
10 hundreds.

11 So that's why I'm here today is to speak in favor  
12 of the merger but not by these terms.

13 And we have asked and I am asking Dr. Kreidler,  
14 who is an old friend and colleague from way back -  
15 worked shoulder to shoulder with him - to look very  
16 closely at this transaction and to recognize the cost  
17 to certain individuals and recognize that we should not  
18 be thrown under the bus and that, in these terms, a  
19 certain small percentage of that asking price should be  
20 set aside to continue our benefit as it was promised  
21 and as we signed up for and as we delivered, in my own  
22 case, thirty years. I hope that's clear.

23 Thank you.

24 INSURANCE COMMISSIONER KREIDLER: Thank you.

25 Katrina Showlund, you indicated "Maybe"?

1 MS. SHOWLUND: Oh, I'm coming.

2 INSURANCE COMMISSIONER KREIDLER: Okay.

3 MS. SHOWLUND: I have a few comments.

4 So my name is Katrina Showlund. I'm from Gig  
5 Harbor, Washington.

6 I actually started out as a patient with Sound  
7 Health. It was nice to hear that name. It was a  
8 seamless transition, from the patient's point of view.  
9 I hardly actually knew that Group Health had come on  
10 board until maybe a couple of years into the deal. So  
11 I've been a patient for a long, long time.

12 I've been a Registered Nurse for twenty-eight  
13 years, always at the front lines. And I got to tell  
14 you: We are stoked. We cannot wait. Can we really  
15 wait till December or January? Do we have to?

16 We want it now. We want it now. We see all the  
17 benefits that are going to come our way, not just to us  
18 but the facilities, for the consumers, for staff. I  
19 mean, I can't tell you how excited we are.

20 We need some money. I want to say: Where's the  
21 money? But we are so ready, and patients are ready.

22 And we are also having a noticeable sort of  
23 increase in patients lately who have joined. They are  
24 ex-Californians or from Oregon, who have had Kaiser in  
25 the past. And they've come on board, and they're just

1           so excited about Kaiser coming.

2                   So, you know, they want to know when it's going to  
3 happen. And we can't quite tell them yet.

4                   So we're just anxious for it to happen so that we  
5 can tell them really soon.

6                   So that's it.

7                   INSURANCE COMMISSIONER KREIDLER: Thank you.

8                   I'm not exactly certain, but it looks like it's  
9 Jann Blair. Is there a Jann Blair, last name Blair?

10                  THE MAN: Jenn Blair?

11                  INSURANCE COMMISSIONER KREIDLER: Jenn Blair?

12                  I'll move on.

13                  Jay Sundahl.

14                  MR. SUNDAHL: (Pronouncing) Sundahl.

15                  INSURANCE COMMISSIONER KREIDLER: Sundahl.

16 All right.

17                  MR. SUNDAHL: My name is Jay Sundahl. I'm  
18 from Shoreline, Washington. I've been insured with  
19 Group Health for over thirty-five years. I've been  
20 involved in consumer participation for over fifteen  
21 years.

22                  And I'm currently Chair of the Senior Caucus, a  
23 special-interest group of Group Health members  
24 recognized by the Board of Trustees of GHC. We act as  
25 an advisory group, advocating for senior health issues

1           within Group Health.

2           The Executive Committee, at the Senior Caucus, and  
3           I support the Kaiser acquisition.

4           The changes in the health care industry make it  
5           increasingly risky for Group Health to continue to go  
6           it alone. Both Kaiser and Group Health have pioneered  
7           integrated care. With the acquisition, Washington  
8           State will continue to have a strong alternative to  
9           conventional insurance policies.

10          Kaiser also promises to fund much-needed  
11          improvements in systems and facilities.

12          Group Health has also had a long history of  
13          consumer participation and consumer governance. While  
14          much of that will change under the new structure,  
15          Kaiser is committed to retaining the Senior Caucus as  
16          part of the acquisition.

17          And I'm encouraged that we may become as much a  
18          part of the culture of Kaiser as we have Group Health  
19          in the past.

20                         INSURANCE COMMISSIONER KREIDLER: Thank you  
21          very much.

22                 Doug Beeman.

23                         MR. BEEMAN: Commissioner Kreidler and  
24          guests, my name is Doug Beeman. And I live in  
25          Issaquah.

1           I grew up in Vancouver, Washington. And Kaiser,  
2 when I was young and growing up in Vancouver, had a  
3 facility in Vancouver. So I've known Kaiser all my  
4 life.

5           Currently I'm the Secretary for the Group Health  
6 Senior Caucus.

7           I retired from Group Health in 2007 after  
8 thirty-four years working in the Group Health Pharmacy  
9 Department. And during the work I did at Group Health,  
10 we met on several occasions with the Kaiser pharmacy  
11 staff and attended some of the Kaiser national pharmacy  
12 meetings; so got to know the Kaiser people and to share  
13 ideas back and forth and grew to respect that staff.

14           As Jay Sundahl has said, we met several times with  
15 Kaiser leadership, after the announcement was made of  
16 the acquisition by Kaiser of Group Health, and were  
17 told, on multiple occasions, that the Group Health  
18 Senior Caucus would continue to exist and would work  
19 within the Kaiser system.

20           Currently the different regions of Kaiser do not  
21 have a Senior Caucus. But we think maybe they will in  
22 the future.

23           And, just lastly, I want to just say I'm fully  
24 supportive of the acquisition of Group Health by  
25 Kaiser.

1 Thank you.

2 INSURANCE COMMISSIONER KREIDLER: Thank you.

3 Going back to the name I called earlier, Blair is  
4 the last name, from Vashon?

5 Is there anybody that has an interest in  
6 testifying who has not signed in?

7 I've gone through the official list at this point.

8 And I'll ask, in the back there, are there any  
9 other names, Steve?

10 MS. GELLERMAN: You have them all, sir.

11 INSURANCE COMMISSIONER KREIDLER: No more.  
12 Okay.

13 Well, with that, I'm going to conclude this  
14 meeting and thank you all for coming and participating  
15 and offering your comments.

16 I have to say that, in comparison to hearings that  
17 I presided over, involving Premera Blue Cross's  
18 conversion attempt from not-for-profit to for-profit,  
19 this is pretty tame.

20 Once more, certainly sensitive to the people's  
21 interests in seeing it proceed as quickly as possible.  
22 And that's something we'll do with all due diligence.

23 And as I mentioned, we do have a number of  
24 specialists that are going to be involved in doing the  
25 analysis. That contract has been let. And as quickly

1 as that can proceed, it's certainly going to get us to  
2 the next stage. We'll go through the formal hearing  
3 before a decision is rendered.

4 Once more, thank you all very much for coming this  
5 evening. And we look forward to communicating with you  
6 in the future.

7 Good night now.

8 (Concluded at 6:43 P.M.)

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C E R T I F I C A T E

I, LORI L. STEFANO, a Certified Court Reporter of the State of Washington, do hereby certify that the foregoing proceedings were reported by me on June 15, 2016, and thereafter transcribed by me by means of computer-aided transcription.

I further certify that the said transcript of the proceedings as above-transcribed is a full, true, and accurate transcript of the aforementioned matter.

DATED and SIGNED this 24th day of June, 2016.

  
Lori L. Stefano, CCR No. 2473

