



Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

800 Fifth Avenue #2000 • Seattle WA 98104-3188

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December 22, 2010

RECEIVED
Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer
DEC 29 2010

Via Electronic Mail and U.S. Mail

Ron Pastuch
Holding Company Manager
Office of Insurance Commissioner
5000 Capitol Blvd.
Tumwater, WA 98501

**INSURANCE COMMISSIONER
COMPANY SUPERVISION**

Re: Proposed Acquisition of Control of Columbia United Providers, Inc.

Dear Mr. Pastuch:

This letter responds to your September 9, 2010 e-mail to the Antitrust Division of the Attorney General's Office regarding the proposed acquisition of control of Columbia United Providers, Inc. ("CUP"), a health care services contractor with providers located in, among other locations, Southwestern Washington, by PeaceHealth, a not-for-profit health care services provider with facilities in, among other locations, Bellingham and Longview. I have been informed that a hearing has been scheduled in this matter for January 3, 2011.

Based on the information provided to us by the OIC, we understand that the current ownership of CUP consists of 89.5% by Southwest Washington Health System (SWHS) and 10.5% by physicians in the Vancouver, Clark County area, and that under the proposed acquisition of control, PeaceHealth will become the sole member of SWHS. I further understand that CUP will continue to operate after the proposed acquisition of control, that SWHS will continue to own 89.5% of CUP's common stock, and that the remaining 10.5% will remain physician-owned.

At this time, based on our review, there does not appear to be sufficient evidence to conclude that the proposed acquisition of control of CUP warrants legal action by the Attorney General's Office. However, this review is without prejudice to any further action by this Office in this matter if such action is determined to be necessary at a later date, and this letter should not be construed as a waiver of the Attorney General's ability or authority to take further action, as necessary. This letter also should not be construed as an opinion, formal or otherwise, of the Attorney General.

ATTORNEY GENERAL OF WASHINGTON

Ron Pastuch
Holding Company Manager
Office of Insurance Commissioner
December 22, 2010
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Please feel free to contact me if you have any concerns or questions about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan A. Mark', with a long horizontal line extending to the right.

Jonathan A. Mark
Assistant Attorney General
(206) 389-3806
jonathanm2@atg.wa.gov