FILED

U.S. Department of Justice

Antitrust Division

2012 MAR 22 A 8:39

Liberty Square Building

450 5th Street, N.W.
Washington, DC 20001

Hearings Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

March 21, 2012

Hon. Patricia D. Petersen
Chief Hearing Officer
State of Washington
Office of Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

RE: Humana Inc.'s Proposed Acquisition of Arcadian Management Services, Inc.
DOJ File Number 60-524114-0045

Dear Judge Petersen,

I write in response to your letter of March 9, 2012, which we received from counsel for Humana Inc. ("Humana"). Your letter requests information from the Antitrust Division of the Department of Justice ("Antitrust Division") about the Division's investigation of Humana's proposed acquisition of Arcadian Management Services, Inc. ("Arcadian").

The mission of the Antitrust Division is to challenge under the antitrust laws conduct that is likely to reduce competition and to deter anticompetitive conduct. The Antitrust Division fulfills this mission in part by reviewing proposed acquisitions. The Federal Trade Commission and the Antitrust Division have partially overlapping antitrust jurisdiction. To prevent duplicative investigations, the agencies use a clearance process that ensures that only one of the agencies will investigate a transaction or a firm's conduct. The Humana/Arcadian transaction was cleared to the Antitrust Division, which is the only federal authority investigating the antitrust issues involved in the transaction.

The Antitrust Division is evaluating Humana's proposed acquisition of Arcadian under its publicly available Horizontal Merger Guidelines. *See* http://www.justice.gov/atr/public/guidelines/hmg-2010.html. The Antitrust Division has concluded that under those Guidelines, this transaction is unlikely to lessen competition substantially anywhere in the State of Washington. The Antitrust Division is aware that state antitrust authorities in Washington, as the state of domicile of the entity being acquired, are likely the authorities who are responsible for evaluating antitrust issues on behalf of the state antitrust authorities in other states in which Arcadian's Washington-domiciled subsidiary does business. This court's approval of this transaction would not

prevent the Antitrust Division from completing its investigation or initiating any related enforcement action in any state in which Arcadian's Washington-domiciled subsidiary does business.

Sincerely,

Adam Gitlin