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OFFICE OF
INSURANCE COMMISSIONER 2012 JAN 23 P 3:41HEARINGS UNIT
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VIA ELECTRONIC MAIL

To: Joan O. Lenahan, Vice President & Corporate Secretary, Humana Inc.
Gary P. Timin, Esq., Counsel for Humana Inc.
James Novello, General Counsel, Arcadian Health Plan, Inc.
Robert Hoffman, Esq., Counsel for Arcadian Health Plan, Inc.
Charles Brown, Senior Staff Attorney, Legal Affairs Division, OIC
Ronald J. Pastuch, Holding Company Manager, Company Supervision Division, OIC

RE: Arcadian Health Plan, Inc., Docket No. 12-0010

Dear Ms. Lenahan and Messrs. Timin, Novello, Hoffman, Brown and Pastuch:

As you know, on December 30, 2011, Humana Inc.'s Form A filing was transmitted to me with the request that an adjudicative proceeding be commenced to determine whether Humana's proposed acquisition should be approved or denied, pursuant to RCW 48.31C.030. On January 17, 2012, I held the first prehearing conference in this matter, which commenced the administrative process. During that conference, recognizing Arcadian's request for an early hearing date, and by agreement of the parties, I scheduled the hearing to commence on February 6, 2012. I mentioned at that time, however, that in trying to accommodate Arcadian we were providing only the bare minimum for public notice with the February 6 hearing date, and that therefore should there be any delay in the provision of the actual public notice then the hearing might need to be continued.

I conducted a final review of the Form A and supplementary documents during the three days after the January 17 prehearing conference even though the offices were closed due to inclement weather. However, during those three days, because the offices were closed, there were no means by which to publish the Notice of Hearing and documents, commencing the required period of notice to the public. In addition, there are some additional documents/information required, as follows:

1. On December 30, 2011, I received a copy of the Form A, within which 1) Humana states that it has filed an appropriate pre-merger notification statement under the Hart-Scott-Rodino Act with the U.S. Department of Justice and the Federal Trade Commission; and 2)

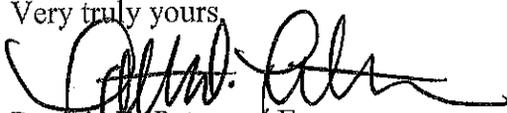
Humana also states that it has requested that the U.S. Department of Justice and the Federal Trade Commission grant it early termination of the waiting period. Could you provide (or identify where in the Form A and/or supplemental materials it exists): 1) written confirmation that Humana has filed a pre-merger notification statement which the U.S. Dept. of Justice and the Federal Trade Commission have determined is appropriate; and 2) written confirmation of the U.S. Department of Justice's and Federal Trade Commission's grant of Humana's request for early termination of the waiting period?

2. After our January 17 prehearing conference and upon review of the Washington Attorney General's letter, it became clear that I had not received copies of any of the documents, excluding one, upon which the Attorney General based his opinion. Upon our January 17 request, those additional documents were sent to me and due to the office closure were received by me today. These additional documents – apparently furnished by Humana, Arcadian and the Commissioner - need to be published for the public notice period as appropriate (along with the rest of the documents already provided) but they are all marked “confidential and proprietary” and so we need to ask you the basis upon which you assert that they should be kept private before we either hold them as private or publish them for the notice period.

For the above reasons, we cannot hold the hearing on February 6 as planned, and I cannot enter the Notice of Hearing for publication as it must include the new hearing date. However, promptly upon receipt of the additional documents and information specified above, we can and will schedule a new hearing date (allowing an adequate period of public notice), and publish all documents as appropriate. Once again, recognizing your request for an early hearing date, we will do all that we can to accommodate within the statute which governs proceedings of this nature.

I appreciate your cooperation and look forward to receiving the above documents and information shortly.

Very truly yours,



Patricia D. Petersen, Esq.
Chief Hearing Officer