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April 16, 2013

Patricia Petersen  
Chief Hearing Officer  
Office of Insurance Commissioner

Hearings Unit, DIC  
Patricia Petersen  
Chief Hearing Officer

**Original hand delivered and copy sent via electronic mail**

Re: Matter # 13-0038/Change of control over Columbia United Providers from Southwest Washington Health System to PeaceHealth

Dear Judge Petersen:

This letter is in response to Mr. Hennessey's letter of April 12, 2013 wherein he has asked for the Form A hearing to be stricken from the calendar. The Commissioner opposes this request and asks that the second prehearing conference be scheduled as soon as possible and that this matter move forward on an expedited basis towards a hearing. PeaceHealth and Southwest Washington Health System have proceeded with their 2010 affiliation whereby PeaceHealth has been the sole member of Southwest Washington Health System since January 2011. Southwest Washington Health System owns approximately 90% of the outstanding shares of Columbia United Providers (CUP) before and since the affiliation. Because of this affiliation PeaceHealth now holds an indirect majority ownership of CUP common shares. This affiliation and change of control were executed without the prior approval of the Commissioner. It also appears that PeaceHealth and CUP may have entered into various intercompany agreements since January 2012 without prior approval of the Commissioner. As such, this matter needs to proceed to hearing on an expedited basis.

Sincerely,

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Cc: Stuart P. Hennessey (sent via electronic mail)  
Greg Montgomery (sent via electronic mail)  
Ron Pastuch