



OFFICE OF  
INSURANCE COMMISSIONER

September 24, 2019

Board of Directors  
Cambia Health Solutions  
100 Southwest Market Street  
Portland, Oregon 97201

Dear Cambia Health Solutions Board:

Last Thursday, I was told by my staff that Mark Ganz asked for my personal cellular phone number to communicate an urgent message that could not wait until normal business hours. When I connected with Mr. Ganz, he informed me a negative story involving Patrick Conway, stemming from an arrest that took place three months ago in June, had become public. As we all know, the story is now national news.

Dr. Conway was introduced to me by Mr. Ganz and other Regence staff as the focal figure in Regence's proposed merger with North Carolina Blue Cross Blue Shield (BCBS), and future Chief Executive Officer (CEO) of the merged company. As an applicant with an active application for a merger currently before my office, BCBS had a legal obligation to inform me, within two business days, of any material changes to the biographical affidavit filed by Dr. Conway. The fact that Dr. Conway was arrested and faces serious allegations and charges is *without question* a material change. Both BCBS and Cambia/Regence should have informed my office of the incident immediately, and through formal channels.

Instead, I was informed in an unorthodox and unacceptable fashion long after the event. In fact, I can only conclude that the sole reason I received a call is that Cambia was concerned I might hear about it first through the media.

I am deeply troubled by your failure to communicate responsibly and transparently. Both the Board and the CEO share the responsibility to deal with my office in a straightforward and honest fashion. Secrets are not permissible. Timeliness and reporting requirements as required by the formal merger application process must be followed. As part of our responsibility to regulate the Washington insurance market, my office receives hundreds of sensitive communications daily, and we use the protections in our statute to appropriately keep them confidential. In this matter, there is simply no excuse for failing to inform my office of this material consideration in a timely manner.



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Part of my responsibility in conducting reviews of mergers is to ensure that companies merit the fiduciary trust placed in them by Washington consumers. Your behavior in this matter must, and will, be taken into account as my office considers Cambia/Regence's request for a merger.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Kreidler". The signature is fluid and cursive, with the first name "Mike" being particularly prominent.

Mike Kreidler  
Insurance Commissioner

cc Mark Ganz, CEO, Cambia Health Solutions  
AnnaLisa Gellermann, Chief Deputy, Office of the Insurance Commissioner  
Commissioner Andrew Stolfi, Oregon Department of Consumer and Business Services  
Commissioner Todd Kiser, Utah Insurance Department  
Director Dean Cameron, Idaho Department of Insurance  
Commissioner Mike Causey, North Carolina Department of Insurance