

STATE OF CONNECTICUT
INSURANCE DEPARTMENT

In the Matter of:

THE PROPOSED RATE INCREASE APPLICATION
OF ANTHEM BLUE CROSS AND BLUE SHIELD

Docket No. LH 14-55

**OBJECTIONS BY ANTHEM BLUE CROSS AND BLUE SHIELD TO THE OFFICE
OF THE HEALTHCARE ADVOCATE’S PROPOSED WITNESS PHILIP J. BIELUCH**

In accordance with the Hearing Officer’s direction, Anthem Blue Cross and Blue Shield (“Anthem”) hereby objects to the Healthcare Advocate’s proposed witnesses as follows:

1. PHILIP J. BIELUCH

Although, Mr. Bieluch is free to testify in his capacity as an Anthem individual policyholder on consumer concerns within the parameters of the Healthcare Advocate’s limited intervention, Anthem objects insofar as the Healthcare Advocate seeks to have Mr. Bieluch testify as an actuarial expert at the public hearing.

First, as stated by the Hearing Officer at page 3 of his June 24, 2014 Decision Regarding Petition, “the authority to review and approve individual healthcare rate filings by insurers has been solely provided ... to the Insurance Department pursuant to Conn. Gen. Stat. Section 38a-481” and as such, the offering of purported expert actuarial testimony by the Intervenor constitutes an improper attempt to invade the statutory responsibility of the Department, as Anthem’s regulator, to review and evaluate the actuarial soundness of

Anthem's Application and whether it meets the standards set forth in Conn. Gen. Stat. Section 38a-481.

Second, any purported expert testimony by Mr. Bieluch would clearly fall outside the scope of the Healthcare Advocate's permitted intervention.

Third, based on the Healthcare Advocate's witness designation, Mr. Bieluch's education, training and experience to qualify as an expert has not been demonstrated and, upon information and belief, he is not qualified to render any expert opinions in the healthcare field, including with regard to Anthem's Application.

Finally, the Healthcare Advocate has not produced a curriculum vitae or report by which the Hearing Officer can reasonably assess Mr. Bieluch's credentials and the credibility of his opinions.

WHEREFORE, Anthem respectfully objects to the Healthcare Advocate's witness, Mr. Bieluch, insofar as he is being offered to present expert opinions at the hearing.

ANTHEM BLUE CROSS AND BLUE SHIELD

/s/ Michael G. Durham

By: _____

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ANTHEM BLUE CROSS AND BLUE SHIELD

/s/ John M. Russo

By: _____

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John.Russo@Anthem.com

CERTIFICATION

I hereby certify the foregoing was served by electronic mail on June 25, 2014, on the following parties:

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/s/ Michael G. Durham

MICHAEL G. DURHAM

STATE OF CONNECTICUT
INSURANCE DEPARTMENT

In the Matter of:

THE PROPOSED RATE INCREASE APPLICATION
OF ANTHEM BLUE CROSS AND BLUE SHIELD

Docket No. LH 14-55

**OBJECTIONS BY ANTHEM BLUE CROSS AND BLUE SHIELD
TO THE OFFICE OF THE HEALTHCARE ADVOCATE’S PROPOSED EXHIBITS**

In accordance with the Hearing Officer’s direction, Anthem Blue Cross and Blue Shield (“Anthem”) hereby objects to the Healthcare Advocate’s proposed exhibits as follows:

1. EXHIBIT 1

Pursuant to Conn. Gen. Stat. Section 4-178 and Insurance Regulation Section 38a-8-39, the Hearing Officer “shall, as a matter of policy, exclude irrelevant, immaterial or unduly repetitious evidence” and this document should be excluded from evidence in the Record for several reasons.

First, although the fact that this document is a matter of public record might assist with its authentication, it does not automatically make the document admissible into evidence at this public hearing. Specifically, the document must be determined to be relevant and material based on the Notice of Public Hearing and fall within the parameters of the Hearing Officer’s June 24, 2014 Decision Regarding Petition setting forth the scope of the Healthcare Advocate’s intervention.

Second, the document is being improperly offered for purposes beyond the scope of the Healthcare Advocate's intervention. As delineated by the Decision Regarding Petition, this document does not constitute information that the Healthcare Advocate is permitted to provide to the Hearing Officer related to the problems and concerns of consumers relevant to the Application; it does not constitute a recommendation to the Department relevant to the specific Application; and it cannot be read to facilitate public comment related to the Application.

Third, the document is not relevant or material to any of the issues which are the subject of the public hearing, as set forth in the Notice of Public Hearing and, in particular, is not probative of whether the Application conforms to Connecticut law.

Fourth, this document is objected to insofar as it contains information that is not specific to Anthem's individual insurance business in Connecticut, as any information that relates to other business and/or is aggregated is not probative of the subject of the public hearing.

Finally, at this point in time, it is unclear on what basis and for what purposes the Intervenor would offer this document into evidence at the Hearing and therefore Anthem reserves all of its rights to raise different and/or additional objections to this document at the time of the Hearing.

2. EXHIBIT 2

Pursuant to Conn. Gen. Stat. Section 4-178 and Insurance Regulation Section 38a-8-39, the Hearing Officer "shall, as a matter of policy, exclude irrelevant, immaterial or unduly

repetitious evidence” and this document should be excluded from evidence in the Record for several reasons.

First, although the fact that this document is a matter of public record might assist with its authentication, it does not automatically make the document admissible into evidence at this public hearing. Specifically, the document must be determined to be relevant and material based on the Notice of Public Hearing and fall within the parameters of the Hearing Officer’s June 24, 2014 Decision Regarding Petition setting forth the scope of the Healthcare Advocate’s intervention.

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Finally, at this point in time, it is unclear on what basis and for what purposes the Intervenor would offer this document into evidence at the Hearing and therefore Anthem reserves all of its rights to raise different and/or additional objections to this document at the time of the Hearing.

3. EXHIBIT 4

Pursuant to Conn. Gen. Stat. Section 4-178 and Insurance Regulation Section 38a-8-39, the Hearing Officer “shall, as a matter of policy, exclude irrelevant, immaterial or unduly repetitious evidence” and this document should be excluded from evidence in the Record for several reasons.

First, although the fact that this document is a matter of public record might assist with its authentication, it does not automatically make the document admissible into evidence at this public hearing. Specifically, the document must be determined to be relevant and material based on the Notice of Public Hearing and fall within the parameters of the Hearing Officer’s June 24, 2014 Decision Regarding Petition setting forth the scope of the Healthcare Advocate’s intervention.

Second, the document is being improperly offered for purposes beyond the scope of the Healthcare Advocate’s intervention. As delineated by the Decision Regarding Petition, this document does not constitute information that the Healthcare Advocate is permitted to provide to the Hearing Officer related to the problems and concerns of consumers relevant to

the Application; it does not constitute a recommendation to the Department relevant to the specific Application; and it cannot be read to facilitate public comment related to the Application.

Third, the document is not relevant or material to any of the issues which are the subject of the public hearing, as set forth in the Notice of Public Hearing and, in particular, is not probative of whether the Application conforms to Connecticut law.

Finally, at this point in time, it is unclear on what basis and for what purposes the Intervenor would offer this document into evidence at the hearing and therefore Anthem reserves all of its rights to raise different and/or additional objections to this document at the time of the hearing.

WHEREFORE, Anthem objects to the Healthcare Advocate's Exhibits 1, 2 and 4 for the reasons stated herein.

ANTHEM BLUE CROSS AND BLUE SHIELD

/s/ Michael G. Durham

By: _____

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CERTIFICATION

I hereby certify the foregoing was served by electronic mail on June 25, 2014, on the following parties:

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/s/ Michael G. Durham

MICHAEL G. DURHAM

**STATE OF CONNECTICUT
INSURANCE DEPARTMENT**

In the Matter of:

THE PROPOSED RATE INCREASE APPLICATION OF
ANTHEM BLUE CROSS and BLUE SHIELD

Docket No.LH14-155

**REPLY TO OBJECTIONS BY ANTHEM BLUE CROSS AND BLUE SHIELD TO THE
OFFICE OF THE HEALTH CARE ADVOCATES PROPOSED EXHIBITS**

Anthem Blue Cross and Blue Shield has objected to the Health Care Advocate's Exhibits 1 and 2 for the same reasons, i.e., 1) that they are irrelevant to the public hearing; 2) that they are offered for purposes beyond the scope of the Office of the Health Care Advocate's permitted intervention; 3) that the documents are not relevant to any material issues which are the subject of the public hearing; 4) that they contain information that is not specific to Anthem's individual insurance business in Connecticut; 5) that Anthem cannot conceive of any purpose for which the intervenor would offer the document into evidence.

In answer to these concerns the Health Care Advocate ("OHA") draws the Department's attention to the fact that Anthem's financial statements, including the two financial statements referenced as Exhibits on the OHA exhibit list, are cited directly in the actuarial memorandum submitted in support of the application by the applicant for the proposed increase. Specifically, in item #6 of the actuarial memorandum entitled "Experience.Premium and Claims," the signatory actuary includes the heading "Consistency With Most Recent Financial Statements," below which he states "Anthem reconciles its internal source systems monthly to ensure consistency with reported financials." The documents submitted are such reported financials. As such they have relevancy, in the words of Anthem's own actuary, to the filing at issue.

With respect to Anthem's position that the Health Care Advocate should not be permitted to provide evidence related to the particular filing in question because it is limited by the Department to providing the hearing officer with information "related to the problems and concerns of consumers' relevant to the application" and that it does not allow for comment

related to the application begs the question of whether insurance rates, i.e., the subject of the application, are of any concern or problem to the public. The very reason there is a rate review and a hearing in this case relates to public concerns over rates. It would seem that Anthem is contending that the public should have no ability to challenge rates that Anthem would contend are beyond its ability to comprehend, even while the public bears all of the consequence of higher rates as the actual payer of those rates.

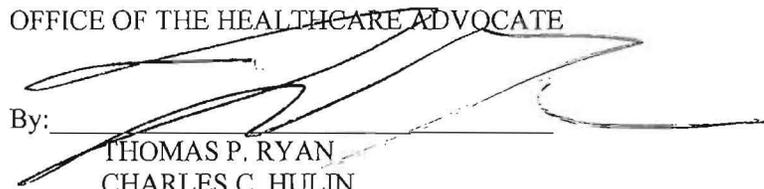
OHA maintains that the hearing officer has discretion to weigh the probative value of evidence presented and should do so relative to these two exhibits.

With respect to Exhibit 4, the applicant levies the same essential objections. Exhibit 4 is the Congressional Research Services' report entitled *Private Health Insurance Market Reforms in the Affordable Care Act*. It is an official federal government evaluation of the manner in which Affordable Care Act reforms affect the private insurance market – i.e., the particular reforms and market relevant to this application. In particular, there is official comment in the document interpreting the manner in which rates are to be developed by health plans in the individual insurance market. The exhibit is being offered consistent with the Health Care Advocate's role in this hearing, i.e., the exploration of the primary concern of consumers regarding the proposed rate increases, which is the proposed rate increase itself and which is the subject of both the application, and the hearing.

It is noteworthy and inconsistent that the applicant did not consider exhibits #3 and #5 to be as objectionable relative to the Health Care Advocate's intervention, even though the exploration of those exhibits through examination of the Applicant's and OHA's witnesses relate specifically to the same important consumer concerns over the instant rate increases that apply to its other exhibits.

WHEREFORE, the OHA request that the Department overrule Anthem's objections to its Exhibits.

OFFICE OF THE HEALTHCARE ADVOCATE

By: 

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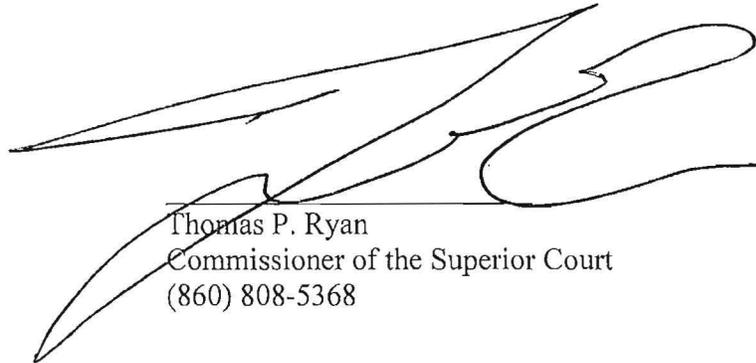
CERTIFICATION

I hereby certify that copies of the above notice of appearance were sent by electronic mail to each of the following on this 26th day of June, 2014:

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Thomas P. Ryan
Commissioner of the Superior Court
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Cook, Beth

From: Mike Durham [MDurham@ddnctlaw.com]
Sent: Thursday, June 26, 2014 1:28 PM
To: Ryan, Thomas P.
Cc: Cook, Beth; Clark, Robert; Hulin, Charles C.; John M. Russo Esq. (John.Russo@Anthem.com); Veltri, Victoria; Lombardo, Paul
Subject: Re: Anthem Proposed Rate Application - Docket No. LH-14-55

Attorney Cook, Anthem objects to Attorney Ryan's additional arguments in his email below. Anthem stands by its prior Objections and in particular, it's assertion that the Intervenor's witness designation for Mr. Bieluch does not demonstrate that he is qualified to offer expert actuarial testimony in the field of health care, including with regard to Anthem's Application. Respectfully, in ruling on Anthem's Objection, the Hearing Officer should not rely on any informal assurances with regard to this witness' qualifications or on comments taken out of context related to Mr. Bieluch's extensive, but wholly irrelevant, experience as a life actuary.

Sent from my iPhone

On Jun 26, 2014, at 12:59 PM, "Ryan, Thomas P." <Thomas.Ryan@ct.gov> wrote:

Dear Attorney Cook:

I have spoken with Mr. Beiluch about the Department's request. He indicates that he is prohibited from discussing or revealing non-public information regarding client or perspective client matters according to the actuaries' code of professional conduct. He pointed out that any information that he provides the Department would be subject to the Freedom of Information Act, and distributed to the parties in accordance with the APA. He provides his assurance that he has had extensive experience in rate evaluation pertaining to health insurance.

Therefore, the OHA request that he be considered on the information provided and the past acceptance of the Department of his expert testimony in this type of rate hearing. Moreover, I should note that current Hearing Officer, Mr. Lombardo, remarked on Mr. Bieluch's experience at that 2010 hearing during his examination of Mr. Beiluch by stating, "It's very impressive from an actuarial standpoint." See transcript for hearing at pp. 240-241, lines 25 and 1 respectively.

As OHA has stated in its reply, Mr. Beiluch is more than qualified due to his extensive actuarial experience and the Department should, consistent with its past allowance of his expert testimony, permit his participation as an expert and consider the probative value of his testimony.

Very truly yours,

Thomas Ryan
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From: Cook, Beth
Sent: Thursday, June 26, 2014 11:34 AM
To: Ryan, Thomas P.
Cc: Clark, Robert; 'Mike Durham'; Hulin, Charles C.; 'John M. Russo Esq. (John.Russo@Anthem.com)'; Veltri, Victoria; Lombardo, Paul
Subject: RE: Anthem Proposed Rate Application - Docket No. LH-14-55
Importance: High

Please see attached.

<image001.gif>

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From: Ryan, Thomas P.
Sent: Thursday, June 26, 2014 9:59 AM
To: Cook, Beth
Cc: Clark, Robert; 'Mike Durham'; Hulin, Charles C.; 'John M. Russo Esq. (John.Russo@Anthem.com)'; Veltri, Victoria
Subject: Anthem Proposed Rate Application - Docket No. LH-14-55

Dear Attorney Cook:

Please find attached the OHA's replies to Anthem's objections to its witness and exhibits, as well as a copy of Philip Bieluch's CV.

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