

October 5, 2007

Eric A. Cioppa, Acting Superintendent
Attn: Vanessa J. Leon (Docket No. INS-07-1000)
Bureau of Insurance
Maine Dept. of Professional and Financial Regulation
34 State House Station
Augusta, Maine 04333-0034

Re: Anthem BCBS 2008 Individual Rate Filing for HealthChoice

Dear Acting Superintendent Cioppa:

Enclosed for filing please find two hard copies of the following:

SUBMITTED BY: Christina M. Moylan, AAG
DATE: October 5, 2007
DOCUMENT TITLE: Third Information Request of the Attorney General
DOCUMENT TYPE: Information Request
CONFIDENTIAL: No

Copies are also being served this date in the manner indicated on the enclosed Certificate of Service.

Sincerely,

/s/ Christina M. Moylan

CHRISTINA M. MOYLAN
Assistant Attorney General
207/626-8838
christina.moylan@maine.gov

CMM/s

Enc.

c: Thomas C. Sturtevant, Jr., AAG
Christopher T. Roach, Esq.
Judith M. Shaw, Deputy Superintendent
James Bowie, AAG
Joseph P. Ditre, Esq.

**STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE**

IN RE:)	
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)	
ANTHEM BLUE CROSS)	
AND BLUE SHIELD 2008)	THIRD INFORMATION REQUEST
INDIVIDUAL RATE FILING)	OF THE ATTORNEY GENERAL
FOR HEALTH CHOICE AND)	
HEALTHCHOICE STANDARD)	
AND BASIC PRODUCTS)	NON-CONFIDENTIAL
)	
Docket No. INS-07-1000)	

To: Christopher T. Roach, Esq.
Pierce Atwood
One Monument Square
Portland, ME 04101

Pursuant to Bureau of Insurance Rules, Chapter 350, § 10(B), the Attorney General serves the following informational request upon Anthem Blue Cross and Blue Shield (“Anthem BCBS”). If any of the information sought hereby is not known by Anthem BCBS but is known by other persons and is obtainable by reasonable means, then Anthem BCBS is requested to obtain and provide that information. The Attorney General further asks that Anthem supplement its response immediately, should additional information become available after its initial response to this request. All references to the filing are to the non-confidential version.

1. For each non-claim expense item listed in Exhibit IX (administration, commissions, premium tax, savings offset payment and investment income), please provide the percentage of the expense item that is fixed (i.e., those expenses that do not vary directly with the number of members, (for example corporate overhead) and the percentage that is variable (i.e., those expenses that vary directly with enrollment such as member billing). Please provide these percentages for calendar year 2002, 2003, 2004, 2005 and 2006.
2. Please provide the derivation of the 102.7% projected loss ratio for the second half of 2007, shown in Exhibit IX of the filing. Please include your work papers that illustrate the calculation in your response. Is this methodology the same as was used in the past?
3. Please explain why the projected loss ratio of 102.7% for the second half of 2007 shown in Exhibit IX which generates a difference of 27.9% between the first half and second half of the year loss ratio (as referenced in question 11 of the Superintendent’s First Information Request) is greater than the historical values cited in your response, showing differences in the range of 18.3% to 24%.

4. Please provide the underlying claims pmpm for 2004, 2005, 2006 and 2007 for the first half of each year and the second half of each year separately. These should be the claims pmpm used to generate the ratios shown in Question 11 of the Superintendent's First Information Request. Also, please provide the premium pmpm used in the derivation of the differences in the loss ratio in your response to this question.
5. Please provide the corresponding claims pmpm ratio between the first half and second half of the year for calendar year 2007 and the loss ratio difference for 2007 using the same formula used in your response to Question 11 of the Superintendents First Information Request.
6. What is the loss ratio of the HealthChoice business for the period of July 2006 through June 2007?
7. Please provide the percentage of members that meet/exceed the deductible by benefit plan. Please provide this separately for each benefit plan available to HealthChoice members for calendar years 2005 and 2006.

Please also provide the average dollars paid per member for claims subject to the deductible for 2005 and 2006. Please provide this information separately for each plan.

Dated: October 5, 2007

Christina M. Moylan

CHRISTINA M. MOYLAN
Assistant Attorney General
6 State House Station
Augusta, Maine 04333-0006
Counsel for Attorney General

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

In re:)
)
ANTHEM BLUE CROSS AND BLUE)
SHIELD 2007 INDIVIDUAL RATE) **CERTIFICATE OF SERVICE**
FILING FOR HEALTHCHOICE AND)
HEALTHCHOICE STANDARD AND)
BASIC PRODUCTS)
Docket No. INS-07-1000)

The undersigned counsel for the Attorney General hereby certifies that on this date I caused to be mailed by electronic mail, hand-delivery or United States first class mail, postage prepaid, as indicated, copies of the Third Information Request of the Attorney General upon the persons and at the addresses indicated below.

Thomas C. Sturtevant, Jr., Assistant Attorney General
OFFICE OF THE ATTORNEY GENERAL
6 State House Station
Augusta, Maine 04333-0006
Tom.Sturtevant@maine.gov
[e-mail and hand delivery]

Christopher T. Roach, Esq.
PIERCE ATWOOD, LLP
One Monument Square
Portland, Maine 04101
CRoach@PierceAtwood.com
[e-mail]

Vanesa J. Leon
Vanessa.J.Leon@maine.gov
[e-mail]

Richard H. Diamond
Richard.H.Diamond@maine.gov
[e-mail]

Judith M. Shaw
Judith.M.Shaw@maine.gov
[e-mail]

James Bowie
jim.bowie@maine.gov
[e-mail]

Joseph P. Ditre, Esq.
jditre@mainecahc.org
[e-mail]

Mia S. Poliquin Pross, JD
mpross@mainecahc.org
[e-mail]

Dated: September 28, 2007

Christina M. Moylan

CHRISTINA M. MOYLAN
Assistant Attorney General
6 State House Station
Augusta, Maine 04333-0006
Counsel for Attorney General
207/626-8838
christina.moylan@maine.gov