
PROPOSED ACQUISITION OF HEALTHSPRING OF FLORIDA, INC.,
CIGNA DENTAL HEALTH OF FLORIDA, INC., AND CIGNA HEALTHCARE
OF FLORIDA, INC., BY ANTHEM, INC.

PROCEEDINGS: Public Hearing

DATE: Tuesday, December 8, 2015

TIME: Commenced at 10:00 a.m.
Concluded at 11:27 a.m.

LOCATION: 404 South Monroe Street
Tallahassee, FL

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APPEARANCES:

PANEL MEMBERS:

Rich Robleto, Chair
Jennifer Milam, Esquire
Mary Mostoller
Carolyn Morgan
Eric Johnson
Sha'Ron James

Also Present:

Jeff Fusile, Anthem
Jay Wagner, Anthem
Jared Danilson, Esquire, Anthem
Thomas Maida, Esquire, Anthem
Dean Mirabella, Cigna
Andrew Holland, Esquire, Cigna

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CERTIFICATE OF REPORTER	55

PROCEEDINGS

1
2 **MR. CHAIR:** Good morning, everyone. My name
3 is Rich Robleto. I'm the deputy commissioner over
4 life and health insurance business units for the
5 Florida Office of Insurance Regulation. I
6 apologize that we sat down early and made everybody
7 sit quietly, but we are being videotaped and we
8 needed to wait till 10 o'clock to make sure that
9 the videotaping was working.

10 I will be presiding at today's public hearing
11 which has been scheduled to discuss Anthem, Anthem
12 Incorporated's application for the proposed
13 acquisition of Cigna and its affiliates. The
14 hearing today will help all parties understand the
15 implications of the proposed merger between these
16 companies, what is at stake, while also providing a
17 better understanding for consumers about the
18 overall process of the acquisition.

19 I'd like to start by talking a little bit
20 about Anthem and Cigna in terms of Florida's Health
21 Insurance Market. Anthem is a health benefits
22 company headquartered in Indianapolis, Indiana.
23 And through its subsidiaries, serves more than 33
24 and a half million members nationally. As of
25 December of 2014, Anthem was the sixth largest

1 writer of accident and health insurance coverage in
2 Florida with more than \$833 million in premium.
3 Anthem has 2 percent of the Florida market share
4 based on total premiums for all lines of health
5 insurance and provided comprehensive medical
6 coverage for more than 350,000 people and had about
7 49 policies in ancillary lines.

8 Cigna is a global health services organization
9 based in Bloomfield, Connecticut. And through its
10 subsidiaries, it serves approximately 15 million
11 medical customers in the United States and around
12 the globe as of September 30th, 2015. As of
13 December 2014, Cigna was the fifth largest writer
14 of accident and health insurance coverage in
15 Florida with more than 2 billion in premium. They
16 had 6 percent of the Florida market share based on
17 total premium for all lines of insurance. And they
18 provided comprehensive medical coverage for more
19 than 250,000 people and had more than 2 million
20 policies in ancillary lines.

21 If the acquisition is approved and the two
22 companies merge together, the Office estimates that
23 they would be the fourth largest writer of accident
24 and health insurance in the state with about an
25 8 percent market share and more than 3 billion in

1 premium.

2 Anthem's proposed acquisition of Cigna, the
3 reason we're holding the public hearing, is that it
4 will have a direct impact on three Florida based
5 companied. These include HealthSpring of Florida,
6 Cigna Dental Health of Florida and Cigna healthcare
7 of Florida.

8 I'd also like to take a minute to go over a
9 few logistical aspects of today's hearing. For the
10 record, today is Tuesday, December 8th and it is
11 approximately 10:00 a.m. The hearing is being
12 conducted in the Jim King committee room located in
13 the Senate office building of the Capital in
14 Tallahassee, Florida. It is being streamed live
15 online thanks to the Florida Channel. A link to
16 the video of the hearing will also be made
17 available on the Office's website.

18 I'll do that one more time. A link to the
19 video of the hearing will also be made available on
20 the office's website, www.FLOIR.com. Don't get
21 that wrong. Nobody thinks FLOIR should end in a
22 dot com. Something more governmental.

23 Notice of the hearing was published in the
24 Florida Administrative Register on November 20th.
25 For those in attendance, copies of the agenda are

1 available at the registration table. For those
2 watching live and who would like to follow along,
3 the agenda can also be viewed online at the
4 Office's, website www.FLOIR.com. And by selecting
5 the Anthem public hearing link on the left side
6 menu bar.

7 For any members of the public interested in
8 providing comments, please do so by sending an
9 email to Anthemhearing@FLOIR.com. Public comments
10 will be accepted for an additional ten days. So we
11 will accept comments until December 18th.

12 We're making a record of this proceeding. So
13 to help clarify the record, I ask that all
14 speakers, please state your name prior to making
15 comments and that only one person would speak at a
16 time. If any members of the audience wish to
17 speak, please complete a public comment request
18 form, which can be found at the registration table
19 outside of the -- or in the back of the committee
20 room. You will be asked to come forward at the
21 appropriate time during the hearing and be able to
22 present your comments.

23 I'd also like to mention about the agenda,
24 that we will take a break after the company makes
25 its presentations. Everybody likes a break and

1 that will give us an opportunity for the panel to
2 get together. We have prepared some questions in
3 advance and we will make sure that we don't try to
4 duplicate some of the items presented by the
5 companies. We will also, at the end of any public
6 comment, provide an opportunity or reserve an
7 opportunity for us to ask any more questions that
8 may be prompted by public comment and/or for the
9 company to respond to any of the public comment, if
10 necessary.

11 So now I'd like to introduce the panel for
12 today's hearing. The Office is honored to have
13 Sha'Ron James joining us today. Ms. James serves
14 as Florida's Insurance Consumer Advocate
15 representing the Department of Financial Services.
16 We certainly appreciate her attendance and her
17 participation with us. And I should point out that
18 Ms. James is two to my left for those of you who
19 are not familiar with Sha'Ron.

20 At the table with me, we have our assistant
21 general counsel, Jennifer Milam, to my far left.
22 Back to Sha'Ron James. To my immediate left, we
23 have Eric Johnson. Eric is the chief actuary and
24 director of the life and health product review area
25 of the Office of Insurance Regulation. To my

1 right, Mary Mostoller is the director of company
2 admissions and business development. And to the
3 right of Mary, Carolyn Morgan. Carolyn Morgan is
4 the director of the life and health insurance
5 financial oversight within the Office of Insurance
6 regulation. And to the far right, we have Tracy
7 Brown, who will be our court reporter today and
8 will also swear in the witnesses in just a few
9 minutes.

10 I would like to introduce Thomas Maida. He's
11 a partner with Foley & Lardner, outside counsel for
12 Anthem. And I'd like to ask him if he wouldn't
13 mind introducing the presenters and witnesses
14 today.

15 **MR. MAIDA:** Thank you, Mr. Robleto. It would
16 be my pleasure. First, let me thank insurance
17 Commissioner Kevin McCarty, you and your entire
18 staff for all of the time and attention that you've
19 given to the Cigna/Anthem application. We very
20 much appreciate that. And we're very much looking
21 forward to presenting to you today and answering
22 any questions you may have.

23 First, though, as you said with the
24 introductions, let me begin by introducing those
25 who will be presenting today. We'll have three

1 presenters. To my very far right, Jeff Fusile, who
2 is from the Anthem operation side of things. Most
3 recently, he was CFO for Anthem's commercial and
4 specialty business. Seating to my immediate right
5 here is Jared -- excuse me, Jay, Jay Wagner,
6 vice-president and counsel for Anthem. And then
7 seated here to my immediate left is Dean Mirabella,
8 Cigna president and general manager for Florida and
9 for the Caribbean.

10 We also have -- I have esteemed colleagues
11 from other firms who are seated here with me today.
12 To the far left is Andrew Holland with Sidley
13 Austin. And in the middle of the table to my
14 right, Jared Danilson, with White & Case.

15 So, Mr. Robleto, those are introductions, the
16 folks who are here in attendance. And at your
17 pleasure, we'll begin our presentation as you wish.

18 **MR. CHAIR:** Just a few more moments and
19 comments for me. I need to announce that the
20 hearing today is being held pursuant to Section
21 628.4615, 628.461, 641.255. There will be a quiz
22 later. I don't see anybody taking notes.

23 These statutes govern the proposed acquisition
24 that is the subject of our meeting. I'd like to
25 remind all of us that this is a fact-finding

1 hearing. It is not adversarial. It's an
2 opportunity for Anthem to present its proposals,
3 for affected and other interested parties to hear
4 those proposals as well as to offer their input or
5 feedback. The Office has not yet made a decision
6 on this request for acquisition, and we will not do
7 so today.

8 I would now like to recognize, again, Tracy
9 Brown to my far right, who will be assisting us
10 today in swearing in the witnesses today.

11 (Witnesses sworn in.)

12 **MR. CHAIR:** And now, Mr. Maida, if I might
13 ask, please begin your presentation.

14 **MR. MAIDA:** Be happy to do so, Mr. Robleto.
15 Let me begin by saying we're going to have an
16 interactive presentation today. And by that I
17 mean, rather than have witnesses stand at the
18 podium subsequently, with your permission, we'll
19 just ask them to remain seated. We'll be going
20 back and forth between the witnesses as they walk
21 through the presentation that we have for you
22 today. So with that, let's begin with the first
23 slide. And we turn to Dean Mirabella with Cigna.

24 **MR. MIRABELLA:** Good morning, everyone.
25 Again, my name's Dean Mirabella. I'm president and

1 general manager for Cigna healthcare. I'm based in
2 the Tampa location. And thank you again for the
3 opportunity to discuss the proposed transaction
4 with the group today. We hope to bring some
5 clarity to this proposed transaction and look
6 forward to an interactive discussion. So again,
7 thank you.

8 I was asked just to give a couple of opening
9 comments around Cigna from just sort of a national
10 perspective as well as just a few highlights on our
11 Florida operation as well. I think that a comment
12 was made earlier that we are a global health
13 services organization today. We currently have
14 about 37,000 employees around the globe. We
15 participate in 30 countries around the world. And
16 about 15 million medical customers today. But we
17 also have about 87 million customer relationships.
18 And I define that by -- because Cigna offers a wide
19 array of specialty products, whether it's our
20 dental, our life and disability, our international
21 products, these are customer relationships that we
22 have around the globe as well.

23 In many of these products and services that we
24 offer today, we offer obviously through the State
25 of Florida with a lot of our employer sponsored

1 plans. We also are very active around the country
2 with our collaborative care. So when we talk about
3 value-based arrangements and value-based
4 reimbursements, which I think you'll hear some of
5 those themes today as we think about collaborative
6 accountable care or ACOS. Very proud of the
7 results and momentum that we're seeing across the
8 country with over 130 arrangements now across all
9 of our states. And here in Florida, we have about
10 eight active accountable care organizations.

11 The Florida operation today, we currently have
12 about 1.2 million Cigna customers throughout the
13 state in USDI. And all of the speciality products
14 I mentioned earlier, again, are offered across all
15 of -- for all of these customers around the state.
16 Our employee base is about 1,000 employees
17 throughout the state. Our primary locations --
18 actually where I'm based in Tampa is one of our
19 main locations. And then we have another location
20 in Sunrise, Florida where we also have some of our
21 dental underwriting operations. So most of the
22 employees, now they're spread throughout the state,
23 but most of our employees are in those two primary
24 locations.

25 A high percentage of our customers today, and

1 we'll talk about this as well when we think about
2 the Cigna book of business, book nationally as well
3 as across -- throughout the State of Florida, is
4 what we call through our ASO, our administrative
5 services only. It's a high percentage of our book
6 today. It's self-funded. About 15 percent of the
7 book of business is what I would call risks are on
8 the insured side. And we have very limited
9 Medicare enrollment today with about 50,000
10 customers, primarily in the Miami-Dade County area.

11 The other point I would just mention is that
12 when we think about the products and services that
13 we offer, you know, for our customers, the
14 consumers, the healthcare consumers, we take a lot
15 of pride also in the work that we've done around
16 our consumer health engagement and wellness
17 programs. There's a tremendous focus across our
18 enterprise to bring the tools, the resources, the
19 information, whether it's through the chronic
20 condition support programs or lifestyle management
21 programs to help healthcare consumers make informed
22 choices about where they get their healthcare, but
23 also helping them kind of navigate to what we all
24 know can be a complex healthcare delivery system.

25 And then the last point I would just make is

1 that we feel very good about our collaboration with
2 many of the healthcare professionals around the
3 state, whether it's the physician groups, or
4 working with many of the hospital systems from
5 Jacksonville all the way to Miami. So that's kind
6 of a quick overview of Cigna nationally and a
7 little bit about Cigna Florida.

8 **MR. MAIDA:** Jeff Fusile, would you like to
9 talk about Anthem a little bit?

10 **MR. FUSILE:** Yes, thank you.

11 Thank you, Mr. Robleto. Thank you, panel, for
12 allowing us to present today. I'm happy to share
13 with you a little bit about Anthem and share some
14 more information on our organization and how we're
15 structured.

16 As you know, we are a Blue Cross Blue Shield
17 licensee. We're licensed in 14 states. We are not
18 the licensee in Florida. We participate in the
19 Medicare Advantage program in 20 states across the
20 country, and the Medicaid program in 19 states
21 across the country. We currently support about
22 33.9 million members around the nation as well.
23 And similar to Cigna, have more membership than
24 that when you look into our specialty businesses
25 and other ancillary products that we sell.

1 We are very strong in the fully insured space
2 and to give you a sense of our organization, about
3 half or a third of our members are fully insured
4 across the country. And about two-thirds are
5 self-insured. We have no international business.

6 To give you a little better snapshot, I'll
7 direct you to the pie chart that's on the screen to
8 show you. The blue box there represents our
9 commercial business. That business would include
10 both fully insured and ASO or self-insured
11 business. That would include individual, small
12 group and large group business as well as national
13 accounts which span multiple states. The box to
14 the left of that at the top, the light blue or
15 lighter blue box, that's our federal government
16 services business. That's a group that contracts
17 with the federal government to provide large scale
18 federal contracts almost predominantly, and I think
19 maybe only in the healthcare space in a variety of
20 different capacities.

21 Very small sliver there that's a garnet color
22 is the PDP business or prescription drug program.
23 The next line over, the 2 percent there, is the
24 specialty business. That's dental, vision, life
25 and disability. The green box there represents our

1 Medicaid organization. That was a result of the
2 combination of Amerigroup joining our organization
3 as well as a historic Medicaid practice we had in
4 certain states. And then the yellow pie there
5 represents our Medicare operation. Medicare
6 Advantage.

7 If you go down to the bottom chart here where
8 you look at the map, you can see the green and blue
9 boxes combined represent the 14 states in which we
10 are the Blue Cross Blue Shield licensee. So
11 everywhere from Maine to California, you can see
12 the different participants. The orange box
13 represents where we have a Medicaid presence. And
14 then sprinkled throughout those businesses is our
15 Medicare Advantage business which reside in those
16 states as well. And I do believe, although it's
17 not reflected on that chart, we have a little bit
18 of business in Arizona and New Mexico as a result
19 of the Care More operation that we acquired several
20 years ago.

21 In terms of our financial strength, our
22 financial strength is very strong. As mentioned
23 earlier, we have over \$62 billion in assets as of
24 September 30th, 2015. \$2.5 billion in net income
25 at the end of the year for 2014. \$73 billion of

1 consolidated operating revenue. Again, at the end
2 of full year 2014. And our current financial
3 ratings range anywhere from excellent to good, to
4 very good and strong. And that's the financial
5 strength. Also when you look at rating agencies,
6 they have both a financial strength as well as a
7 ability to service the net or credit rating. And
8 the credit ratings mirror exactly the financial
9 strength as well.

10 And with that, I'm going to turn it over to
11 Jay to talk a little bit about and give you a
12 little bit of a transaction overview and how things
13 progress.

14 **MR. WAGNER:** Thank you.

15 I'll start with a quick transaction overview
16 and then I'll go into benefits and transaction,
17 what we see in the marketplace as well as in
18 particular, Florida.

19 Very quickly, transaction -- we signed the
20 transaction on July 23rd, and it contemplates a
21 merger of Cigna, the parent company, with and into
22 Anthem. And I'll show some charts here in a moment
23 that describe that arrangement very simply. Upon
24 completion of the transaction, it will be a cash
25 and stock merger as outlined in the agreement.

1 We'll also assume the debt that Cigna will have on
2 their balance sheet as of closing. We filed our
3 Form A on August 24th here with Florida. We've
4 supplemented that Form A with various filings
5 and -- that are on file with the Department. But
6 more importantly, there have not been any material
7 changes to any of those filings since they've been
8 made.

9 I'll briefly move through the organization
10 charts. The preclosing chart just simply shows
11 Cigna corporation, the parent sitting at the tip
12 and subsidiaries underneath. As you go through you
13 the there will be a two-step merger. On the next
14 page, effecting the merger of Cigna with and into
15 Anthem and ultimately just show you on the
16 following page that it's a very simple structure.
17 So all the subsidiaries of Cigna will rain down
18 from the Anthem entity.

19 On to the next slide, talk about the merger
20 rationale. We believe, Anthem and Cigna believe
21 that healthcare is going through an incredible
22 transformation. And as we looked at this
23 transaction and the complementary strengths of each
24 company, as we'll talk about as we move through
25 this process, we saw a real opportunity to lead

1 that transformation of the healthcare delivery
2 system in different ways. And we'll fill that in.
3 But the key items that we'd like to stress are
4 we're focused on affordability and we're focused on
5 access and quality. And so everything we do in
6 this transaction is geared towards those three legs
7 of the stool, if you will.

8 The first one being affordability. We know
9 that we will be able to improve our medical costs.
10 Both companies are very engaged in collaborative
11 models. We'd like to speed the adoption of these
12 value-based arrangements we have with providers and
13 leverage technology, different consumer tools and
14 data analytics to increase and accelerate the
15 adoption of these collaborative models. Ultimately
16 optimizing the cost and care advantage that each
17 company has to benefit the consumer.

18 As to the consumer, the medical cost savings
19 for self-insured, quite plainly medical cost
20 savings, directly reach them in full. It's the
21 cost of care, they spend less on the care. With
22 MLR rules, and other transparency initiatives, the
23 fully-insured customers will see the greatest
24 amount of that, 85, 80 percent at least, so --

25 As to Florida, specifically, Anthem engages

1 very actively in the Medicaid space and is
2 partnered with the State in providing Medicaid
3 services and plans to the State. Saved the State a
4 lot of money in the program and we believe that the
5 medical cost reductions that we anticipate as well
6 as administrative costs structures as they reduce,
7 will also accrue to the benefit of the state of
8 Florida in that respect.

9 Talked a little bit on the former page about
10 value-based provider contracting and collaborative
11 models. Wanted to spend a little time talking
12 about that. Currently at Anthem, we have about
13 \$50 billion in value-based and quality-based
14 payments related to our provider structure. We're
15 constantly looking at that and trying to improve
16 that. Cigna, similarly, has other initiatives that
17 they've undertaken. These collaboration programs
18 and the incentives and the technology tools that
19 we've been able to deliver, each differently from
20 each company, but it's our intent that those things
21 will become complementary and improve upon each
22 other, and even further accelerate our value-based
23 contracting initiatives.

24 I have a note on this particular slide about
25 our studies. And I think -- here, I think, it's

1 worth talking about a couple of examples. Anthem
2 is actively engaged in a program with primary care
3 physicians called Enhanced Personal healthcare.
4 And it's engaging the primary care doctor with
5 technology tools and gain sharing based on
6 population health management. And we've shown
7 dramatic improvements in both cost of care, the
8 quality of care, and also the consumer experience.
9 The consumers are feeling that they're more
10 engaged, they have greater access to doctors who
11 have expanded office hours, for instance, and have
12 greater visibility into their continuum of care.

13 On the Cigna side, been very active with Cigna
14 Collaborative Care, which is an initiative that
15 also, you know, drills down on engagement with the
16 various physicians. They use clinicians and nurses
17 to link the different specialities and the
18 continuum care together. They've been very active
19 in that and they've shown great results with that
20 particular initiative. Again, we hope that between
21 the two, we can further accelerate those
22 improvements.

23 I'm going to kick it over to Dean to talk
24 about some of the complementary -- it's kicked
25 around, but I think you can see where we are when

1 we talk about the businesses that we have in
2 Florida and the businesses that Cigna has in
3 Florida. But it's also a matter of capabilities as
4 well that we really intend to leverage.

5 **MR. MIRABELLA:** Thank you, Jay.

6 So, I think as was mentioned through the last
7 couple of slides, we do believe that the
8 combination of these two organizations will bring
9 two great strengths in terms of complementing each
10 other. Some of the areas that we've outlined here
11 as we think about our two organizations coming
12 together, we note here that we bring more flexible
13 stop loss and shared return products. These are
14 innovative fully-insured product solutions that we
15 offer today in the market. And I'll just define
16 that by saying it's not your typical kind of
17 guarantee cost programs, these bring a lot more
18 transparency and ability for clients to share their
19 experience, so we think that will be a great
20 complement along with the self-insured business
21 that we currently have a majority of today.

22 We also bring, as I mentioned earlier, a lot
23 of wellness programs, integrated behavioral,
24 pharmacy and dental and other specialty lines.
25 This is a very core piece of Cigna's operation

1 today. We fully expect that these will continue to
2 complement each other as we work together in the
3 future. And I put these together as I kind of
4 think about the complementary nature of the two
5 organizations. And I know some of these are
6 already mentioned, but I look at them as I think
7 about Cigna's capabilities today around health
8 engagement, around our broad transparent funding
9 solutions I just mentioned, our specialty life and
10 disability products, and our global solutions, all
11 sort of unique to Cigna complementing the Anthem
12 powerful brand that exists today. They are focused
13 around the individual public exchange business, so
14 kind of call it the smaller market. The
15 fully-insured business as well small group and
16 Medicaid. So two organizations, I think, that will
17 complement each other very nicely.

18 **MR. WAGNER:** Thank you. The last point on
19 that slide is -- we'll just spend a minute. It's
20 another aspect of what we do well on the Anthem
21 side that we think can be leveraged on the Cigna
22 side, and it's our experience in the individual
23 both on exchange and off exchange. We made a very
24 serious investment and spent a lot of time studying
25 the individual market, particularly exchange

1 market, on -- have engaged there in 14 states and
2 intend to maintain our positions in those markets.
3 We believe that experience can be -- will be
4 leveraged by the Cigna business going forward and
5 hopefully expand into the Cigna territories.

6 Some other complementary capabilities in sort
7 of where Cigna plays and perhaps maybe we don't and
8 vice versa. As Dean talked about, Cigna's very
9 strong in the ASO. Historically Anthem's been very
10 focused on the fully-insured business. But aside
11 from that, we are very active in Medicaid. Cigna
12 is not active in Medicaid other than two relatively
13 small businesses in Illinois and Texas. Whereas we
14 have 5.8 million members. We think our Medicaid
15 platforms are very useful for not only learning how
16 to manage care but also with the exchange product,
17 there's churn on and off exchange that we believe
18 having that knowledge set associated with the
19 Medicaid products assist in pulling people on and
20 off exchange in that churn.

21 We also have a lot of excitement around the
22 specialty integration that Cigna has been able to
23 instill in their ASO population, particularly
24 behavioral health. They do dental, vision,
25 pharmacy. Behavioral health is something that

1 we're very excited about the possibility of using
2 their leading capabilities in that area. And in
3 particular, for the Medicaid population as well.

4 We talk about innovation and our excitement
5 about increased investment in innovation. Cigna's
6 invested a lot of consumer centric tools and -- but
7 different tools that perhaps Anthem has invested
8 in. We've been very focused on things such as
9 telemedicine, and data analytics, surrounding the
10 PCPs, and we believe that those tools could be
11 combined to make a better member experience with
12 more transparency, engaging the consumer -- active
13 player in their healthcare delivery.

14 The last item is a better PBM offering. We
15 contracted for our PBM. Cigna owns and operates
16 their own PBM. At some point, we hope to leverage
17 the best of both worlds within that space.
18 Pharmacy costs are leading amongst all costs
19 accelerators in trend in the industry. And a
20 13 percent clip now and we believe that Cigna's
21 taken an innovative approach in different ways,
22 specialty scripts, for instance, may represent only
23 1 percent of the scripts that are actually written.
24 But by 2020, they may represent 50 percent of the
25 pharma span for companies. And so we see

1 incredible opportunity there. Again, Cigna's taken
2 an innovative approach and even contracted directly
3 a value-based basis with a couple -- with two
4 pharmaceutical companies, essentially paying for
5 outcomes and value basing payments on the
6 pharmaceutical itself.

7 More specifically, I'd like to talk about the
8 Florida operations. We talked about this will be
9 an indirect change of control. So the subsidiaries
10 that fall under Cigna will remain the same
11 subsidiaries. They will continue to exist post
12 closing. They'll maintain their separate existence
13 and continue on. We don't anticipate that there
14 would be any changes to existing affiliated
15 agreements between the family of companies. What
16 we do anticipate is that as a global organization,
17 there will be a tax -- they would join our tax
18 sharing agreement, which is fairly routine. Again,
19 I think Jeff will talk to it, has talked about it,
20 it will not affect the financial condition of the
21 subsidiaries here in Florida.

22 On a consumer point, the customers, this will
23 not require existing customers to change ID cards,
24 change doctors, or their coverage. It will not
25 change the result of benefits being decreased or

1 the premiums increasing. And over time, as I
2 stated earlier, we expect favorable cost trends in
3 that area.

4 Also like to talk about the choice and -- that
5 we increase to consumers. I talked a little bit
6 about specialty products and specialty penetration
7 and how we think that will augment the Anthem
8 offerings and perhaps our expertise in other areas
9 will augment the existing Cigna offerings. But
10 from a provider standpoint, we intend to get the
11 best of both worlds within the provider networks.
12 And we anticipate that will mean broader coverage,
13 but more importantly, it will be in value and
14 quality, we think are particularly important.
15 Getting the right providers. The good providers to
16 give the right care at the right place at the right
17 time. Developing provider networks is painstaking
18 work and it's care and feeding, but often times
19 weeding as well. And there's a relationship
20 between provider and payer that we believe can
21 continue to be more collaborative in nature. And
22 so we intend that to be more value, more quality
23 and it will continue to evolve over time.

24 Florida employees, Anthem currently has 2400
25 employees. Cigna has about 1100 employees in the

1 state. The vast majority of those employees are
2 providing services to the plans and operations here
3 within the state. We do have a call center, Anthem
4 has a call center in Tampa that provides some
5 shared services to other aspect of our Medicare and
6 Medicaid operations representing about 200
7 employees. But my comment on this slide is that as
8 we've shown with our prior acquisitions here in the
9 State of Florida, you know, we intend these
10 acquisitions and we presented them as growth
11 opportunities and we see this as a growth
12 opportunity as well. So, there will be more
13 opportunities for the current employees within the
14 state. And that's proven itself with the
15 Amerigroup transaction we had in 2012 as well as
16 the Simply transaction we had in 2015.

17 Moving on to competition. Presented this
18 slide here. And this slide represents under the
19 NAIC model premium revenue, as you referenced in
20 your opening comments, Mr. Robleto. Just sort of
21 quickly as you look through the slide, there are a
22 lot of zeros. And it represents the complementary
23 nature of what we're doing. What we play in and
24 what Cigna engaged in. And noting that the only
25 overlap is in Medicare. Those numbers represent

1 Medicare Advantage and Part D premiums. And you'll
2 note that, you know, the combination results as of
3 2014 in a 7 percent combination within the state.

4 Quickly go past slide 17, sort of just a
5 written explanation of what you'll see in more
6 illustrative nature on the following page, which is
7 there are a lot of players in this space in the
8 State of Florida. And our combined entity, you
9 know, puts us amongst a lot of peers in that area.

10 Lastly moving on to the approval standards,
11 I'd like to refer the panel's attention to the
12 filings we made, Form A and the supplements, as
13 well as the testimony today in support of our
14 assertion that we've met these approval standards.
15 But I think it's more important that we also
16 comment on what we've done as Anthem in the past as
17 an acquiring company. Most recently with the
18 Simply acquisition, our success there, our success
19 and integration of that asset. And also Amerigroup
20 which has proven to grow in the state as well to
21 become a very trusted important partner with the
22 state and saving the state money as well as
23 increasing the quality and experience of the
24 Medicaid program here.

25 With that, I'll turn it back --

1 **MR. MAIDA:** Yeah, just in wrapping up, Jay,
2 we've got three slides here that set out verbatim
3 the standards that the Office is required to apply
4 in order to approve the proposed transaction. And
5 without going over each one in laborious detail,
6 I'll simply ask you whether or not you're familiar
7 with those standards.

8 **MR. WAGNER:** I am.

9 **MR. MAIDA:** Okay. And do you have a view you
10 can discuss with the panel regarding whether or not
11 the application, the presentation, the transaction
12 itself fulfill each of the ten standards that are
13 required to be met under Florida law?

14 **MR. WAGNER:** Yes, they do. I believe what
15 we've provided in form A as well as the
16 supplemental information and our testimony today
17 satisfies those standards.

18 **MR. MAIDA:** With that, Mr. Robleto, we would
19 be pleased to answer any questions the panel may
20 have.

21 **MR. CHAIR:** Thank you very much. Thank you.
22 We would like to take -- we called it a ten-minute
23 break one time and it turned into 15 or more. Just
24 take a short break and we will reconvene in 10 to
25 15 minutes. Thank you.

1 (Brief recess.)

2 **MR. CHAIR:** Thank you very much. I'd like to
3 call us back to order. I'd like to thank you for a
4 very well presented information. Very organized.
5 Obviously very knowledgeable people participated,
6 so thank you so much.

7 I do have a number of questions that I'd like
8 to run through and I regret that some of them may
9 touch on some of the things that have already been
10 presented, but for the public's sake, just to make
11 sure that everybody understands what was coming out
12 of the presentation, I may ask you some questions
13 that will appear to be repeats. It's not that we
14 weren't paying attention, we're just doing it to
15 make sure that everybody understands.

16 The first question deals with the effect of
17 the acquisition on policyholders, providers,
18 provider networks, and agents. Now, I understood
19 you to say it would have no impact on the
20 policyholders themselves, that the companies were
21 going to remain in operation as they exist today.
22 Can you repeat a little bit about what possible
23 impact a policyholder can expect? Whenever there's
24 a talk of something like this, there's always a
25 fear among policyholders of the companies being

1 acquired, am I going to lose my coverage, am I
2 going to lose the doctor relationship that I have,
3 am I going to have to make a change? So could we
4 start with that just to --

5 **MR. MAIDA:** Sure. Jeff, you want to take a
6 shot at that.

7 **MR. FUSILE:** Sure. I'm happy to do that.
8 Thank you for the question. As we mentioned from a
9 policyholder perspective, there's not a lot of
10 overlap between the products. I do expect very
11 minimum impact. What you will see will be things
12 Jay mentioned which are very positive. You'll see
13 cost of care opportunities for improvement like for
14 prescription drugs, which is the number one rising
15 part of healthcare inflation today. The combined
16 entity will have a better ability to deliver
17 pharmacy services and benefits at a better cost
18 going forward. Also the administrative
19 efficiencies that this will improve from the
20 opportunity will flow directly to the benefit of
21 customers on the ASO for certain. And then as part
22 of the MLR calculations as well on the commercial
23 side of business as well as Medicare, part of the
24 business. And again, as we mentioned earlier, the
25 ability to eliminate -- we both are building today

1 Cigna and Anthem tools for the consumers, tools for
2 our customers, the ability to consolidate those
3 investments and be able to do more with the same
4 amount of money or spend less money. But to be
5 able to offer more to those members, to give them
6 the ability to have better tools at their disposal
7 to make the right decisions for them. I think in
8 all those regards, I think the policyholders will
9 feel improvement, certainly no detriment from the
10 combination.

11 **MR. WAGNER:** And to touch upon the immediate
12 effects as of closing, there's no decrease in
13 benefits. Obviously, they won't have to change
14 their doctors, they won't have to change their ID
15 cards. You know, everything is as it was. Only as
16 Jeff states, we anticipate improvements over time
17 as those -- we get into the integration process.

18 **MR. CHAIR:** Can you talk about any examples?
19 There has been an acquisition of Anthem of
20 Amerigroup, there has been the acquisition of the
21 Simply and the other company.

22 **MR. WAGNER:** To talk about the Amerigroup
23 example and some of the opportunities there that
24 came with the larger Anthem operations, I'll give
25 one example. In Tennessee, what we used are sort

1 of a combination of two different businesses that
2 we had acquired both, Care More in 2011, which is
3 high touch, highly rated Medicare plan. It was
4 primarily out of California. And we use that
5 model, a clinic model, to establish a community
6 center for a Medicaid population in Tennessee.
7 Sort of joining those two together to increase the
8 touch to the consumers and resources for Medicaid
9 community there. It's that type of example, and
10 that's copied in different elements with some of
11 our technology toolings, et cetera, mobile health,
12 that will launch in commercial and Medicare and
13 move that into other products groups as well as the
14 Cigna businesses as we integrate as well.

15 **MR. FUSILE:** I could give you another example
16 as well, when we acquired the Amerigroup
17 organization, we had a Medicaid operation already.
18 Amerigroup brought to us a better capability in the
19 Medicaid space and so we began migrating all of our
20 Medicaid business from the platform that we
21 maintained on to the Amerigroup platform which
22 we're nearly complete with that now. That
23 obviously gives you the ability to say we don't
24 have to no longer pay for two systems. Right.
25 Those costs -- benefit to our customers, both the

1 states as well as the members. And then when you
2 make an investment, you made it one time now across
3 a broader portfolio of business. So it has much
4 more efficiency as you build new functionality into
5 one system rather than try and build it into two.

6 **MR. CHAIR:** Thank you.

7 Regard to providers, provider networks, I
8 think one of the things that's often said about
9 consolidation as, you know, the companies are going
10 to bend the cost curve. I think you mentioned a
11 great deal about value-based agreements, but there
12 certainly was a reference to medical costs
13 reductions. Do you have anything that you can tell
14 us about the impact that we expect regarding our
15 providers or provider networks?

16 **MR. MAIDA:** Jeff, would you like to take that?

17 **MR. FUSILE:** Yeah, I can talk a little bit
18 about it. Just to give you a sense, we sometimes
19 use the word value-based payment, and I think it
20 gets lost in the -- sometimes the consulting speak.
21 What we mean when we say value-based payment at its
22 core. We're working with the providers to identify
23 and advance people who are going to have problems,
24 that preventive services today could be very
25 meaningful right to that person's health as well as

1 to the ultimate cost of that person. Identifying
2 people that are highly likely to be admitted to the
3 hospital in the next six months and taking more
4 proactive steps. One of the problems with the
5 current system is providers aren't compensated or
6 nor do they have the time, right, to do those
7 proactive things if nobody is paying for them.

8 Part of when we say value-based payment is
9 finding them the time and the compensation to step
10 out and say, here are some people that could become
11 very problematic very soon and we'd like to
12 proactively reach out to them and get them in to
13 see you to prevent a more significant problem
14 later. That's a very evolving process, but
15 fundamentally that's -- joining with the providers,
16 we're online to keep the person healthy, right.
17 Some of the perverse systems today would say
18 there's not necessarily that assignment and that's
19 really to me is what value-based is all about.
20 It's aligning us to keep people healthy rather than
21 to when they get sick, to do it for as cheap as
22 possible. Clearly it's about keeping people
23 healthy.

24 **MR. CHAIR:** Thank you. And, of course,
25 another stakeholder in this acquisition would be

1 the agents. And can you talk at all about the
2 impact that you expect might result from the
3 acquisition to our agent community?

4 **MR. MAIDA:** Jeff, is that one for you?

5 **MR. FUSILE:** Certainly I can talk about that.
6 Again, very little overlapping business. So for
7 the most part, that's non resistant. Certainly in
8 the bulk of Anthem's business in Medicaid not
9 really an issue. In the Medicare Advantage
10 program, that's where we have the overlap. There
11 are certainly commissions paid in that space. We
12 don't anticipate any changes to that model as we go
13 forward. And with a growth of that particular
14 segment in the country, the growth particularly in
15 Florida and our desire to grow through this
16 acquisition, we would envision that being an
17 additive to the agents over the long term.

18 **MR. CHAIR:** Thank you. This is definitely
19 kind of a repeat question, but how can Anthem
20 assure existing and future policyholders that the
21 acquisition will not materially reduce competition
22 in relevant insurance markets that would cause
23 adverse consequences on the availability or the
24 affordability of affected insurance products either
25 at the highest level or in each different market?

1 And I think you've handled that in the past, talk a
2 little bit about Medicare being a possible area of
3 impact, if you could, for the record.

4 **MR. MAIDA:** Sure. Jay.

5 **MR. WAGNER:** Sure. As we described in the
6 slides, there's no overlap in premiums for the vast
7 majority of businesses. It's limited to Medicare,
8 Medicare Advantage in particular. The data we
9 showed a slight increase of, I think, 2.7 percent
10 in where Cigna sits today and adding on the Simply
11 Medicare business, which we feel is very modest and
12 would not affect the robust. That is over 20
13 different companies competing in Miami-Dade County,
14 for instance, 38 different plans on Medicare
15 Advantage. And I think when you roll in the larger
16 traditional Medicare, it's even more stark that you
17 see -- that our the relative contributions of these
18 two companies are even smaller from a participant's
19 standpoint.

20 Now the premium standpoint, including
21 traditional Medicare and Medicare Advantage Cigna
22 would be at 1.27 percent of statewide enrollment
23 and Anthem would be at .61 percent. Again, we
24 don't see that as an issue from a competitive
25 standpoint.

1 **MR. CHAIR:** Thank you.

2 Mr. Fusile, you just answered the earlier
3 question about the combination of the two
4 organizations being able to improve technology and
5 certainly to improve the services. Do we expect
6 any kind of an expansion of the products that might
7 be offered? You've talked about they're very
8 complementary companies, but is there any reason to
9 expect that we might improve or expand the
10 availability of products as a result of this
11 acquisition?

12 **MR. FUSILE:** Yeah. I would say we don't have
13 any current plans to do anything differently. But
14 in both of our organizations, I can certainly speak
15 better for Anthem than Cigna, but presumably in
16 both, we're constantly looking at revising our
17 products and changing our products based on
18 consumer demand and market need. So I would expect
19 over time, we would be looking to add value to the
20 products, enhance the opportunities as we've talked
21 about grow, both within communities that we're in
22 today as well as into new communities and counties
23 that we may not serve today.

24 **MR. CHAIR:** I think you've already addressed
25 management when you were discussing compliance with

1 the statutes regarding management. And is it your
2 current plan to maintain management in all the
3 Florida domiciled companies?

4 **MR. WAGNER:** Yes, sir.

5 **MR. CHAIR:** How will overall management
6 benefit? We talked about the impact on providers,
7 we talked about the impact on agents, hopefully
8 the -- the impact on the consumers, how will
9 management benefit if this acquisition is
10 effectuated?

11 **MR. WAGNER:** I'll speak to that. Again, and
12 I'll reference the Florida marketplace and our
13 acquisition which affected the Florida marketplace
14 in both the Amerigroup example as well as the
15 Simply example, the management of those companies
16 have had the opportunity to participate on a
17 greater scale. Behind me are two members of the
18 Simply team that came on just nine months ago and
19 have already assumed great responsibilities in the
20 larger enterprise. So we think they'll be more
21 opportunities and a larger enterprise and it's
22 certainly proven to be the case in those last
23 transactions. I think it will be again.

24 **MR. CHAIR:** Thank you. Will Anthem be a
25 stronger financially after the proposed acquisition

1 as you look at the amount of money transferring or
2 the amount of debt being created in order to do
3 this transaction, can you talk a little bit about
4 its impact on Anthem in general financially?

5 **MR. FUSILE:** Sure, I can certainly do that.
6 Yes, it will be a stronger company after the
7 transaction. You know, part of any agreement to
8 come together between two companies is that the
9 incremental value of coming together exceeds the
10 costs of bringing them together. We call that
11 being creative. And we believe it still to be very
12 creative to our members, to our providers, as well
13 as to the organization as a whole. What that means
14 is simply we are going to be increasing our debt
15 level to pay for the transaction. It's a very
16 friendly time from an interest rate perspective, so
17 valuable from that perspective. And the synergies
18 that come together, the ability to lower costs,
19 right, the ability to not have redundant systems,
20 the ability to share in a PBM opportunities that
21 exist are much more substantial than the
22 incremental debt that will be required to service
23 the debt.

24 **MR. CHAIR:** Thank you.

25 There appears to be no plans for integrating

1 the Florida domiciled companies into other entities
2 at this point. My question was about explaining
3 any integration, but my understanding is at this
4 time, there's certainly no plans for integrating
5 the companies together in any fashion.

6 **MR. WAGNER:** That is correct, Mr. Robleto.
7 Obviously we'll take advantage of improvements as
8 possible, but the existing plan will continue, yes.

9 **MR. CHAIR:** I believe I heard you respond that
10 all of the existing contracts between affiliates
11 and such would also remain intact. We were curious
12 about -- it sounded like also one of the benefits
13 to Anthem was acquiring a PBM rather than utilizing
14 PBM pharmacy benefit management services. Is that
15 anticipated that perhaps that contract will be
16 expanded or are there any others like that?

17 **MR. WAGNER:** Well, we have a -- at Anthem, we
18 have a current contract that runs through 2019, so
19 the expectation is a long-term expectation on our
20 part, to take advantage of the best practices
21 within that PBM space, whether it be contracting or
22 contracting certain elements of PBM management.
23 And we believe that the combination and Cigna's
24 experience in managing their own PBM as well as
25 bending out certain portions of it, it can be

1 extremely valuable and will improve regular
2 policyholders as well, so --

3 **MR. CHAIR:** Again, expanding to stakeholders,
4 we talked about an awful lot of them. There are
5 stockholders involved in this transaction. And
6 that's a very difficult balance sometimes to meet
7 the demands of the stockholders as well as
8 attempting to do all of the other -- attempting to
9 work with all of the other stakeholders. Do you
10 have any thoughts or comments on that?

11 **MR. FUSILE:** Yeah, I can take that. All the
12 way up to our CEO, the company's mantra is clearly,
13 you take care of the people you serve and Wall
14 Street will follow along. And so everything we do,
15 we do to take care of the people we serve, to make
16 sure that we're providing the best value we can.
17 If you serve your customers the great value, the
18 rest of it kind of follows along.

19 **MR. CHAIR:** Thank you. Very simple question.
20 Of course, we talked about the amount of or the
21 cost of the transaction. Were there independent
22 valuations of the assets being obtained? Can you
23 talk about who did those valuations, any
24 qualification of any opinions?

25 **MR. MAIDA:** Jeff.

1 **MR. WAGNER:** So we did receive fairness
2 opinions from UBS, as well as Credit Squeeze, as
3 part of the transaction. By the same token, it is
4 a stock and cash merger, so the Cigna shareholders
5 will represent 33 percent of the combined company
6 shareholders. They also received fairness opinions
7 from their banks as well.

8 **MR. CHAIR:** Thank you. You also mentioned
9 earlier about consolidating tax treatment, I forget
10 the words that you used. Are there any material
11 tax implications expected as a result of the
12 proposed acquisition?

13 **MR. WAGNER:** We do not expect them.

14 **MR. CHAIR:** Have there -- to date, have you
15 had any regulatory decisions relative to this
16 proposed transactions from other states or other
17 interested parties?

18 **MR. WAGNER:** Yes, sir. So the state of
19 Montana, we received approval from the state of
20 Montana. It does presume closure of the entire
21 transaction. That was received a couple weeks ago.

22 **MR. CHAIR:** That's the only qualification?

23 **MR. WAGNER:** That's correct.

24 **MR. CHAIR:** Would that qualification -- well,
25 I'll get back to that. Never mind.

1 Well, I'll get back to it right now. It's my
2 next question. There is a possibility when you're
3 addressing competitive situations of perhaps having
4 to divest certain assets or divest certain things,
5 if that happens in another state or by the federal
6 level, does that qualification from Montana still
7 stand?

8 **MR. WAGNER:** Well, I would say -- so the
9 qualification is fairly simple, they've given their
10 approval of the transaction and they've said in the
11 order that this presumes that the entire
12 transaction closes. And that's about it. That's
13 very simple, straightforward. So to the extent
14 that the vestitures elsewhere were required, you
15 know, that -- whether the transactions still
16 closed, there wouldn't be an issue in Montana.

17 **MR. CHAIR:** Okay. We're certainly concerned
18 about employees and jobs in Florida. We certainly
19 like to have more jobs come to Florida. I think
20 the growth opportunities are a good way of bringing
21 more jobs to Florida. I think in your presentation
22 you mentioned that there are no plans to reduce nor
23 to increase the number of employees in Florida. So
24 I'm assuming there is no planned reduction of work
25 force. Are there opportunities for increased jobs

1 in Florida that you can see resulting from this
2 acquisition?

3 **MR. WAGNER:** Yes. And as I spoke about
4 earlier, I mean, the transaction for one is one of,
5 for us, in the State of Florida is one of growth
6 obviously. We show in prior transactions that
7 that's our goal. We've grown the Amerigroup
8 business, increased the employee base in the State
9 of Florida. And our folks here between both Cigna
10 and Anthem are dedicated currently primarily to
11 those state of Florida plannings and operations,
12 so. To the extent that increases, we would hope
13 that would be increased opportunities for jobs.

14 **MR. CHAIR:** Okay. Is there any update, is
15 there any litigation pending, threatened or settled
16 as a result of this proposed acquisition?

17 **MR. WAGNER:** I'll speak to that. There was
18 shareholder litigation as seemingly always happens.
19 That litigation has been settled. It's pending
20 approval by the court, but it has been settled. So
21 we'll update the Office when we're able to settle
22 that. We did receive shareholder approval from
23 both companies on December 3rd, last week, so
24 that's the other update.

25 **MR. CHAIR:** Right. I think you mentioned you

1 have made no amendments to any of the documents
2 filed as part of your form -- your application.

3 **MR. WAGNER:** Correct.

4 **MR. CHAIR:** Okay. If one of the stockholders,
5 more importantly, if any policyholders have any
6 specific questions, can you provide us, before you
7 leave, with contact information that we can share
8 on our website so the consumers would have that
9 opportunity?

10 **MR. WAGNER:** Yes, sir, we'll certainly do
11 that. We provided a couple contacts in the Form A
12 supplements, but we'll make sure we get those out
13 to you before we leave here.

14 **MR. CHAIR:** Thank you.

15 Does anyone have any other questions that they
16 would like to have addressed?

17 I believe we can move on the agenda then to
18 the public testimony. I have received only one
19 public comment request. I will tell the members of
20 the audience, it's not too late if you would like
21 to get up, but we would like to have a record of
22 who is speaking. But at this time, I'll call on
23 David Poole to come up and provide some testimony.

24 David, you represent the AIDS healthcare
25 Foundation; am I correct?

1 **MR. POOLE:** I do, Deputy Commissioner.

2 Thank you again, Deputy Commissioner Robleto
3 and the panel for the opportunity to speak to you.
4 I unfortunately or perhaps unfortunately for you
5 have learned about this this morning, so I'm not
6 quite as loud as I usually am. That's probably a
7 good thing.

8 I am the director of government affairs for
9 the AIDS healthcare Foundation and wanted to
10 disclose up front a little but about our lines of
11 business. We're the world's largest nonprofit that
12 servings HIV patients. We, in fact, just a few
13 weeks ago exceeded half a million patients that we
14 have under our care in 36 countries and in 15
15 states in the United States. And we see about
16 10,000 patients here in the State of Florida. I
17 think it's sort of important to give context,
18 because the whole premise of what I want to speak
19 to you about regarding this merger and acquisition
20 in this industry has to do with the exceptional
21 nature of people living with HIV in the state of
22 Florida and throughout the world, to be honest, but
23 in this country most certainly.

24 With that being said, there are about 120,000
25 people that are living with HIV in the State of

1 Florida. So I think we've gotten to the point
2 where it's important to educate everyone, no matter
3 who you're speaking with about, again, giving
4 context to where we are with the disease state.
5 That's a good news fact given that there are
6 20 million people in the State of Florida. The bad
7 news is that we're 34 years into the epidemic and
8 we still have this disease with us. And thus,
9 again, I will build around that fact about my
10 comments regarding this merger and acquisition.

11 AIDS healthcare Foundation has several lines
12 of business. Our primary core line of business is
13 healthcare centers. So we provide primary care and
14 specialty care to this population. And we do that
15 also with pharmacies that are collocated throughout
16 the nation with our healthcare centers. Our
17 smaller line of business does include a specialty
18 health plan, called positive healthcare partners.
19 It serves four areas in Medicare in Florida -- I'm
20 sorry, three areas, since areas 10 and 11, so it's
21 two areas for Medicaid and it's three areas for
22 Medicare, four areas four, 10 and 11. I know you
23 all are aware of the areas, I'm not going to expand
24 on those counties.

25 The only other speciality needs HIV plan in

1 the state is Clear Health. And Clear Health is
2 under the umbrella of Anthem. So, I wanted to put
3 that as background here.

4 The reason for speaking today, the primary
5 reason for speaking today is concern over policy
6 decisions that may or may not -- well, may or may
7 not negatively impact people living with HIV in the
8 State of Florida that may come out of mergers and
9 acquisitions such as this. We're specifically
10 concerned because we had a recent interaction with
11 one of the brands under Anthem where all of the
12 primary care physicians were eliminated from the
13 network. And these are PCPs under our
14 organization, under our healthcare centers. I did
15 just learn this morning that the number is
16 substantially or is very small, it's only six
17 beneficiaries. But for those six beneficiaries
18 that still are living and trying to live a normal
19 life with HIV at a very different time, thank
20 goodness from what it was 30 years ago, that's a
21 big deal. Because they've come to trust those
22 practitioners, to have those physicians that will
23 help them do things that are really important to
24 their ongoing health.

25 Narrowing of the networks translates to fewer

1 choices for patients who are living with HIV. HIV
2 remains an incredibly complex disease. What has
3 changed, which is incredibly a wonderful thing to
4 talk about, is the fact that our treatments are now
5 simple, from a dosing perspective. It's one pill
6 once a day for many people that are newly
7 diagnosed. But even that one pill once a day could
8 be a very complexed regimen. Embedded in that one
9 pill is four separate molecules that are incredibly
10 complex and you have to know as a physician how
11 that patient will react to those meds, including
12 drug interactions. So although the treatment may
13 be simple, the disease is complex, the regimen
14 still can have complexities to them. And it's
15 critically important that you remain adherent to
16 these medication, otherwise this deadly infectious
17 disease could have very different consequences.

18 So, at the core of my comments is choice is a
19 primary concern of the AIDS healthcare Foundation
20 for persons living with HIV. And we think any
21 business actions that injure or inhibit choice for
22 this particular vulnerable population should be
23 scrutinized very closely, especially if the
24 unspoken goal is to motivate those beneficiaries
25 leaving the plan to go elsewhere. So that wraps or

1 concludes my comments.

2 **MR. CHAIR:** Thank you, David.

3 **MR. POOLE:** Thank you.

4 **MR. CHAIR:** Anybody have any questions for
5 Mr. Poole?

6 Thank you.

7 **MR. POOLE:** Okay. Thank you very much.

8 **MR. CHAIR:** Does anyone on the panel have any
9 additional questions for the companies as a result
10 of the public testimony?

11 And would the company like to take an
12 opportunity to respond in any way to the public
13 testimony?

14 **MR. FUSILE:** Not to the public testimony.
15 Thank you.

16 **MR. MAIDA:** I don't believe so.

17 Thanks for the opportunity, though.

18 **MR. CHAIR:** Well, I would like to thank you
19 for your testimony here today. We will carefully
20 review and consider the information we have today
21 as part of the application. And we will also
22 review any feedback we receive from the public, as
23 I mentioned, before also making any decision. The
24 record will be open until December the 18th for
25 people to make such comments. And I believe that

1 that brings us to the conclusion of our hearing
2 today.

3 I'd like to extend a special thank you to the
4 Florida Channel, the Senate Capital staff who have
5 helped us to be able to stream this video. I'd
6 like to thank all of those who participated in the
7 hearing. I really appreciate you coming to
8 Tallahassee and letting the public hear more about
9 the transaction. We have an opportunity as the
10 Office to review the application, but we think it's
11 important that the public, who's going to be
12 impacted by this, have that opportunity to also
13 hear. So we greatly appreciate you participating
14 in our hearing today. We appreciate those of you
15 in the audience for coming and visiting with us
16 today. And I'd also like to appreciate my panel
17 today and the work that they've done in preparing
18 for today, participating in today.

19 And with that, I will declare the hearing
20 over.

21 (Hearing concluded at 11:27 a.m.)

22 * * *

CERTIFICATE OF OATH

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STATE OF FLORIDA:

COUNTY OF LEON:

I, the undersigned authority, certify that said designated witness personally appeared before me and was duly sworn.

WITNESS my hand this day of ,
2015.

TRACY L. BROWN
NOTARY PUBLIC
2894-A Remington Green Lane
Tallahassee, FL 32308
(850) 878-2221
tbrown567@comcast.net

My Commission Expires: July 24, 2016

CERTIFICATE OF REPORTER

STATE OF FLORIDA:

COUNTY OF LEON:

I, TRACY L. BROWN, court reporter and Notary Public do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated, and that the foregoing pages numbered 1 through are a true and correct record of the aforesaid proceedings.

I further certify that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the foregoing action.

DATED THIS day of , 2015.

TRACY L. BROWN
2894-A Remington Green Lane
Tallahassee, FL 32308
(850) 878-2221