

STATE OF ALASKA

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In the Matter of:)
)
 PREMERA BLUE CROSS CONVERSION)
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 R 03-07)
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)
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Order No. 13 - Scheduling
Status/Prehearing Conference

Background

1. In Order No. 6, the director scheduled the Form A hearing under AS 21.22 on the Premera Blue Cross (PBC) proposal to convert from a non-profit hospital medical service corporation to a for-profit health insurance company for the week of June 7, 2004 and stated that public hearings will be held that same week in conjunction with the Form A hearing.
2. On April 19, 2004, PBC and the Alaska Division of Insurance (ADI) staff submitted a request for a status/prehearing conference to resolve outstanding procedural issues and to plan for the hearing.
3. On April 23, 2004, the University of Alaska, Anchorage Neighborhood Health Center, United Way of Anchorage, and John Garner, by and through Barbara Garner (Amici) submitted a Comment on Request for Conference, requesting that the Amici be allowed to participate in any status/prehearing conference held regarding the proceedings. Amici also requested that the director allow the submission of written comments on the issues outlined in the April 19 letter of PBC and ADI staff.

THEREFORE, IT IS HEREBY ORDERED:

1. A status/prehearing conference is scheduled for **12:15 p.m. on Friday, April 30, 2004** in the **Seventeenth Floor Conference Room, Suite 1760, Atwood Building, 550 West Seventh Avenue, Anchorage, Alaska**. The director will accommodate telephonic participation to the extent feasible. If telephonic participation is desired, contact Barbara Karl at the division (907) 269-7919 no later than the close of business on April 28, 2004.
2. Along with PBC and ADI staff, the Amici will be allowed to participate. Any party or Amici may submit written comments on issues regarding procedures to be followed at the hearing by no later than close of business May 3, 2004.

3. Below is a tentative framework for the Form A hearing and public participation in that hearing. This will be discussed at the status/prehearing conference on Friday.
 - a. The hearing will be conducted at the Anchorage Legislative Information Office; 714 West Fourth Avenue, Suite 200. The public will be allowed to observe the hearing in Anchorage or listen to it from the various other legislative information offices throughout the state. In the Juneau and Fairbanks offices, the Anchorage hearing will be videoconferenced. In all other locations, the hearing will be teleconferenced.
 - b. The director makes no distinction between “public comment” and “public hearing.” All comments given by members of the public will be on the record. Time limits will be imposed on public comment. Any member of the public who wishes to give comment of greater length may submit written comments. If it appears necessary, a sign-up system for taking public comment will be used.
 - c. On Monday morning, beginning at 9:00 a.m., PBC and ADI staff will give their opening statements. Public comment will then be taken to inform the director of areas of concern of the public before the presentation of evidence. Comment from the Amici of the same nature will also be taken.
 - d. After the opening statements and public comments, the parties will begin the presentation of direct evidence including live testimony.
 - e. On Tuesday and Wednesday, the last hour and half of each day will be reserved for a question and answer session where members of the public or the Amici may ask questions of a party regarding the evidence presented and the party may respond as it deems appropriate. On Wednesday this session will be late afternoon or early evening to accommodate the working public.
 - f. Thursday will allow for additional evidence and the closing presentations of the parties. The rest of the day will be for closing comments of the public and Amici.
 - g. Friday will be reserved for completion of the hearing, if necessary.
 - h. If one of the parties to the hearing finds it necessary to take testimony of a witness telephonically, arrangements will be made as long as such a witness will be made available for cross-examination as well.
4. Other issues regarding the procedures at the upcoming hearing may be addressed at the conference on April 30.
5. The parties also should be prepared to discuss:
 - a. the purpose or basis for the Stipulation and Order filed by the parties on February 6, 2004 regarding use of the Washington Commissioner’s decision in this proceeding; and

b. if and to what extent the Alaska Division of Insurance should submit a written statement in the Washington proceeding as invited by Commissioner Kriedler in his Twenty-Fourth Order.

6. The date for giving notice of the Form A hearing and public hearings, as provided for in Order No. 6, is extended to May 7, 2004.



Dated April 26, 2004

Linda S. Hall
Director