



Kurt D. Newman, MD
President and Chief Executive Officer
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May 9, 2017

Honorable Stephen C. Taylor
Commissioner
Department of Insurance, Securities and Banking
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Washington, DC 20002

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RE: 2011 CareFirst Surplus Review

Dear Commissioner Taylor:

Our health care system faces significant uncertainty given the expected changes in federal law. The impact of these changes on access to coverage could have a ripple effect on health care access and coverage. One tool that local communities have to protect health improvement efforts is through the community benefit provided by nonprofit health care organizations. I am writing today in response to your request for comments on the proposed consent order regarding the Surplus Review and Determination for Group Hospitalization and Medical Services, Inc. (GHMSI), the District of Columbia subsidiary of the nonprofit health insurer CareFirst BlueCross BlueShield.

As the only exclusive provider of health care for children in the Washington, DC metropolitan region, Children's National Health System looks for opportunities to be a strong advocate for strengthening our critical health care safety net. Children's National has partnered with CareFirst on several health care initiatives. One such partnership is a telemedicine program that provides improved access to pediatric care at home for Medicaid and uninsured patients. Our partnership greatly improves health care access while at the same time reducing unnecessary transfers and repeat Emergency Room and urgent care visits. We look forward to future partnership opportunities with CareFirst on other necessary improvements in the District's health care system.

You can ensure that we have an opportunity for future partnerships by resolving the longstanding dispute over the company's surplus. CareFirst's proposal to provide \$7.5 million every year for 10 years to fund health care in the District could make a profound impact on health outcomes. We urge you to accept.

Today, the District has one of the most effective health safety nets in the country. It is made so by a combination of strong health insurance programs and an expert health care provider system. Children's National is proud to be a partner with the District and organizations like CareFirst to ensure that our children and families have continued access to quality health care.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt Newman MD".

Kurt Newman, MD
President and Chief Executive Officer