



804-648-8466 phone · 804-648-8036 fax · 1111 East Main Street, Suite 910 · Richmond, VA 23219
Email: info@vahp.org · Website: www.vahp.org

September 9, 2009

The Honorable Gennet Purcell, Esq.
Commissioner
D.C. Department of Insurance, Securities and Banking
810 First Street, NE, Suite 701
Washington, DC 20002

Dear Commissioner Purcell,

The Virginia Association of Health Plans (VAHP) represents ten managed health care companies, which together provide coverage to approximately four million Virginians. As a healthcare stakeholder in the Commonwealth, VAHP is concerned about the implications of a District of Columbia Department of Insurance, Securities and Banking hearing concerning the reserves of CareFirst Blue Cross Blue Shield, which covers 220,000 Virginians.

As a multi-jurisdictional entity, CareFirst serves individuals in Virginia, Maryland, and the District of Columbia. In Virginia, CareFirst's service area concentrates on the Northern Virginia localities of the cities of Alexandria and Fairfax, the town of Vienna, Arlington County and the areas of Fairfax and Prince William Counties east of Route 123. As a supportive member of the community in these areas, CareFirst has actively supported the health care safety net. Their efforts to support the Arlington Free Clinic, the Northern Virginia Central Fill Free Pharmacy and child and maternal health programs help fill critical needs.

In reviewing CareFirst's reserves, it is important to take into consideration that CareFirst provides coverage to members in Virginia and Maryland as well as the District of Columbia. Only ten percent of CareFirst's members reside in the District of Columbia. Subscribers in Virginia and Maryland have overwhelmingly contributed to the majority of reserves that have been accumulated over time to protect plan members.

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The determination that a portion of CareFirst's reserves are excessive and should be used for the benefit of the greater District of Columbia community is a direct burden upon members in Virginia. Financial reserves are in place to ensure that member claims are met. By using CareFirst reserves, Virginia residents, as a significant contingent of CareFirst enrollees, would be subsidizing District of Columbia community services. Considering the direct impact on Virginia residents, we trust that you will take into account any feedback received from the Virginia Bureau of Insurance.

We urge you to consider the ramifications of your decisions on all CareFirst enrollees, regardless of place of residence.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Gray", written in a cursive style.

Doug Gray
Executive Director