



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor
Jorge Gomez, Commissioner

Wisconsin.gov

February 26, 2004

125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: information@oci.state.wi.us
Web Address: oci.wi.gov

Advanced Via Facsimile

Mr. David R. Frick
Executive Vice President and Chief Legal
and Administrative Officer
Anthem, Inc.
120 Monument Circle
Indianapolis, Indiana 46204

Re: In the Matter of the Acquisition of Control of Blue Cross Blue Shield of Wisconsin; Compcare Health Services Insurance Corporation; Unity Health Plans Insurance Corporation; United Heartland Life Insurance Company; United Wisconsin Insurance Company; and Valley Health Plan, Inc. by Anthem, Inc. and Anthem Holding Corp. (Case No. 04-C28767)

Dear Mr. Frick:

After reviewing Anthem's responses of February 16 and 17 to this Office's letter of February 5, we request Anthem's further response to the following questions pursuant to ss. 601.42 and 611.72, Wis. Stat., to ensure our understanding of your earlier responses.

1. In Section 1.13(i) of the Merger Agreement and items #28 and #30 of "Anthem's Responses to OCI's Comments" of February 16, 2004, it is asserted that "the national headquarters for the Medicare Part A claims processing business ... will continue to be located in Milwaukee, Wisconsin". What does Anthem, Inc. anticipate in terms of the role of the Milwaukee, Wisconsin national headquarters for United Government Services' Medicare Part A claims processing business?
2. Please describe specifically any plans that may affect the overall level of employment in the Milwaukee metropolitan area related to Medicare Part A claim processing.
3. In Section 1.13(g) of the Merger Agreement and item #30 of "Anthem's Responses to OCI's Comments" of February 16, 2004, it is asserted that "the headquarters of Blue Cross Blue Shield of Wisconsin will continue to be located in Wisconsin". What does Anthem, Inc. anticipate in terms of the role of the Wisconsin headquarters for Blue Cross Blue Shield of Wisconsin?
4. With regard to AdminiStar Federal, Inc.'s receipt of several subpoenas prior to May 2000 from the Office of Inspector General and the U.S. Department of Justice, has either Anthem,

Mr. David R. Frick
February 26, 2004
Page 2

Inc. or AdminiStar Federal, Inc. retained independent counsel that is actively representing them concerning these matters? We are not requesting release of attorney-client privileged information or communications, if any, only whether there is active representation by independent counsel on these matters with the Office of Inspector General or the U.S. Department of Justice.

5. Does the contract whereby AdminiStar Federal, Inc. provides Medicare fiscal intermediary Part A and carrier Part B services for the Centers for Medicare and Medicaid Services limit Anthem, Inc.'s own direct exposure to the risk of regulatory sanctions or financial penalties with regard to Medicare services?

If you have questions on this or any other matter in which I may be of some assistance, please call me at (608) 267-4388.

Sincerely,

Steven J. Junior
Senior Insurance Examiner
Bureau of Financial Analysis & Examinations

cc: Thomas C. Geiser, WellPoint Health Networks Inc. (via facsimile only)
David J. Hanson, Michael, Best & Friedrich LLP (via facsimile only)
Tibor D. Klopfer, Baker & Daniels (via facsimile only)