



November 1, 2011

Aji M. Abraham, Esquire
Government Counsel
Capital BlueCross
Harrisburg, PA 17177

Re: 3/20/2011 Capital BlueCross Act 62 Filing

Dear Mr. Abraham:

The Pennsylvania Insurance Department has completed its review of the Act 62 Filing of Capital BlueCross ("Capital"), including its response to the Department's June 15, 2011 letter. As you are aware, the Department's authority under Act 62 is limited to approving or disapproving a Blue Plan's itemized individual community health reinvestment activity expenditures. The Department does not have the authority to dictate how much a Blue Plan should dedicate to CHR activities or specify where or how those funds should be spent, beyond the limitations set forth in the definition of "community health reinvestment activity". With those statutory guidelines in mind, we approve Capital's Act 62 Filing and the expenditures itemized therein, with the following exceptions:

1. II.2.a (Community Health Initiatives) – all initiatives related to loan forgiveness, stipends for medical students, and electronic medical record support.
2. II.5.a (Donations) – all general charitable donations other than those that support a specific community health initiative or community health education initiative (examples of specific initiatives are the anti-smoking campaign, nutrition counseling, health screenings, and automated external defibrillator funding).

These initiatives and general charitable donations, while they may support worthy causes, are insufficiently related to the definition of "Community Health Reinvestment Activity" in Act 62.

Please submit a revised filing that removes the entries listed above. The Department would like to thank Capital for its continuing support of the communities it serves.

Sincerely,

A handwritten signature in black ink, appearing to read "SJA / jh", is written over a light blue horizontal line.

Stephen J. Johnson, CPA
Deputy Insurance Commissioner