

**STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER**

*In the Matter of*

**CAMBIA HEALTH SOLUTIONS,  
INC.,**

**REGENCE BLUESHIELD,**

**ASURIS NORTHWEST HEALTH,**

**COMMENCEMENT BAY RISK  
MANAGEMENT INSURANCE  
COMPANY,**

Authorized Insurers.

Order No. 20-0852

WAOIC No. N/A

WAOIC No. 710

NAIC No. 53902

WAOIC No. 1418

NAIC No. 47350

WAOIC No. 92471

NAIC No. 78879

CONSENT ORDER LEVYING A FINE

This Consent Order Levying a Fine (“Order”) is entered into by the Insurance Commissioner of the state of Washington (“Insurance Commissioner”), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.05.140, and RCW 48.05.185, and the Cambia Companies identified below. This Order is a public record and will be disseminated pursuant to Title 48 RCW and the Insurance Commissioner’s policies and procedures.

**BASIS:**

1. Regence BlueShield (“Regence”) is a registered health care service contractor domiciled in Washington and duly authorized in Washington since September 5, 1947.
2. Asuris Northwest Health (“Asuris”) is a registered health care service contractor domiciled in Washington and duly authorized in Washington since September 5, 1947.
3. Commencement Bay Risk Management Insurance Company (“Commencement Bay”) is an authorized insurer domiciled in Washington and is duly authorized to engage in the business of insurance in the state of Washington since September 1, 1992.
4. Regence, Asuris and Commencement Bay, hereinafter referred to as the “Domestic Insurers,” are wholly owned subsidiaries of Cambia Health Solutions, Inc., ("Cambia"), an Oregon

not-for-profit corporation. Regence, Asuris, Commencement Bay, and Cambia, are hereinafter referred to collectively as the “Cambia Companies.”

5. Blue Cross and Blue Shield of North Carolina (“BCBSNC”) is an unauthorized insurer domiciled in North Carolina.

6. On April 17, 2019, BCBSNC submitted a Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (“Form A Statement”) to the Insurance Commissioner, providing notification about a proposed affiliation with the Cambia Companies (“Affiliation”).

7. On the Form A Statement, Dr. Patrick Conway (“Conway”) was listed as the current Chief Executive Officer of BCBSNC, and would be the new Chief Executive Officer of Cambia after the Affiliation.

8. On or around June 22, 2019, Conway was arrested in North Carolina by the Archdale Police Department (“Arrest”) on suspicion of alcohol impairment. After being arrested, Conway was taken to the Archdale police station and charged with driving while impaired, misdemeanor child abuse, failure to maintain lane control, and reckless driving. At the police station, Conway’s name, age, and charges (“Arrest Information”) were recorded by the Archdale Police Department.

9. The Cambia Companies learned of the Arrest no later than the end of June 2019.

10. The Cambia Companies did not notify the Insurance Commissioner of the Arrest until on or about September 16, 2019.

11. Dr. Conway resigned as CEO of BCBSNC on September 25, 2019.

12. The proposed Affiliation was cancelled on September 27, 2019.

13. Pursuant to RCW 48.31B.015(2), the Form A Statement (i) identified Conway as the current Chief Executive Officer of BCBSNC and a member of its Board of Trustees, (ii) stated that Conway would become the Chief Executive Officer of Cambia and a member of the New Cambia Board, (iii) stated that Conway would continue to serve as Chief Executive Officer of BCBSNC.

14. Pursuant to RCW 48.31B.015(2)(p), if any material change occurs in the facts set forth in the statement filed with the commissioner and sent to the insurer under this section, an amendment setting forth the change, together with copies of all documents and other material relevant to the change, must be filed with the commissioner within two business days after the

person learns of the change. BCBSNC was required to file an amendment to the Form A Statement within two business days after learning about Conway's Arrest, which constituted a material change to the information submitted in the initial Form A Statement filing.

15. The Cambia Companies were aware that BCBSNC had not yet filed an amendment to the Form A Statement to include Conway's Arrest, and the Cambia Companies, along with BCBSNC, nevertheless continued to seek regulatory approval of the Affiliation.

16. Pursuant to RCW 48.44.160 and RCW 48.44.166, the Insurance Commissioner may levy a fine against a health care service contractor if it fails to comply with any provision of Chapter 48.44 RCW or any proper order or regulation of the Insurance Commissioner in an amount not less than fifty dollars and not more than ten thousand dollars for each offense.

17. RCW 48.05.140(1) gives the Insurance Commissioner the authority to refuse, suspend, or revoke an insurer's certificate of authority, if the insurer fails to comply with any provision of this code where refusal, suspension, or revocation is mandatory, or fails to comply with any proper order or regulation of the Insurance Commissioner.

18. RCW 48.05.185 provides that after hearing or with the consent of the insurer and in addition to or in lieu of the suspension, revocation, or refusal to renew any certificate of authority the Insurance Commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars.

19. By participating in the regulatory approval process with BCBSNC, and continuing with that process even though it knew that BCBSNC had yet to file an amendment to the Form A statement after learning of Conway's misconduct, the Cambia Companies violated RCW 48.31B.015(2)(p), justifying the imposition of a fine under RCW 48.44.160, RCW 48.44.166, RCW 48.05.140(1), and RCW 48.05.185.

**CONSENT TO ORDER:**

The Insurance Commissioner of the state of Washington and the Cambia Companies agree the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Cambia Companies consent to the following in consideration of their desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Cambia Companies' payment of a fine, and upon such terms and conditions as are set forth below:

1. The Cambia Companies acknowledges their duty to comply fully with the applicable laws of the state of Washington.

2. The Cambia Companies consent to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.

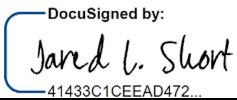
3. By agreement of the parties, the Insurance Commissioner will impose a fine of Ten Thousand Dollars (\$10,000.00), liability to lie jointly and severally on the Cambia Companies, to be paid by **January 22, 2021**.

4. The Cambia Companies understand and agree that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.

5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Cambia Companies. However, the facts of this Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this 6th day of January, 2020.

CAMBIA HEALTH SOLUTIONS, INC.

By:  41433C1CEEAD472...

Jared L. Short

Printed Name: \_\_\_\_\_

President and Chief Executive Officer

Printed Corporate Title: \_\_\_\_\_

EXECUTED this 6th day of January, 2020.

REGENCE BLUESHIELD

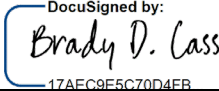
By:  760B4EBE63824D9...

Printed Name: Timothy J. Lieb

Printed Corporate Title: President

EXECUTED this 6th day of January, 2020.

ASURIS NORTHWEST HEALTH

By:  17AEC9E5C70D4FB

Printed Name: Brady D. Cass

Printed Corporate Title: President

EXECUTED this 6th day of January, 2020.

COMMENCEMENT BAY RISK MANAGEMENT INSURANCE COMPANY

By:  41433C1CEEAD472...

Printed Name: Jared L. Short

Printed Corporate Title: President

**AGREED ORDER:**

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

1. The Cambia Companies shall pay a fine in the amount of Ten Thousand Dollars (\$10,000.00), receipt of which is hereby acknowledged by the Insurance Commissioner.

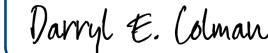
2. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Cambia Companies. However, the facts of this Order, and any provision, finding, or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED at Tumwater, Washington, this 8th day of January, 2020.



MIKE KREIDLER  
Insurance Commissioner

By and through his designee

DocuSigned by:  
  
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DARRYL E. COLMAN  
Attorney Manager  
Legal Affairs Division