

Hello,

As you know, health care reform continues to be debated. This topic often draws passionate emotions and criticism because we all have a very personal stake in the outcome. After all, health care is used by all of us – friends and family alike.

Over the last few months, the focus of health care reform has been divided. Some believe one approach is the answer, while others disagree. Regardless, we can all agree that health care costs need to be contained, and that the system itself needs to make changes, or it will not be sustainable.

Recently, a message signed by Regence President and CEO Mark Ganz was posted on Regence's external Web sites for members and business partners, outlining our support for health care reform. I have attached this message for your consideration.

For additional information on Regence's stance on health care reform, please visit the [Regence.com Issues and Action center](#).

We thank you for your continued public service on our behalf.

Sincerely,

Ron Leavitt
Vice President of Sales
Regence BlueShield of Idaho



September 2009

These are extraordinary times. Our nation is in the midst of a pivotal conversation about health care reform. Passions are running high, from the halls of Congress to our own kitchen tables. Each of us has a very personal stake in how best to fix our fundamentally broken health care system. Solving this crisis will demand the best of all of us.

Unfortunately, the debate has become polarized. Some of the rhetoric has turned quite ugly. The result is confusion, bitterness and misinformation--none of which moves the discussion forward.

We're increasingly concerned such an atmosphere will cost our nation this chance to make lasting change. There is already broad agreement on key reforms: Everyone must have affordable coverage and access to quality care; insurers must drop pre-existing barriers to coverage; medical care must become more efficient and economical; and the entire system must be simpler and more transparent.

Regence has advocated these changes for several years. Like many of you, Regence has questions about specific elements of the reform proposals, including how to pay for them, but our deep commitment to improving the system is unwavering.

It can be difficult to cut through the haze of debate, so we want to share these core truths about Regence:

- **We are a community of 2.5 million.** Pooling resources provides community members financial security and a commitment to be there when help is needed. Additionally, nearly 500,000 members support and encourage each other through myRegence.com as they face health care challenges and success.
- **We are nonprofit.** Our focus is solely on our members, not shareholders. Over the past decade, our average annual return is only one penny on the premium dollar. And unlike most nonprofits, we proudly pay state and federal taxes--nearly \$84 million in 2008.
- **Holding down our costs is a top priority.** Over the past several years, we have worked aggressively to control administrative expenses, including salaries and benefits for our employees. Across Regence, those expenses averaged 8.5 percent in 2008, well below the industry average of 13 percent. Nearly 90 cents of every premium dollar pays for medical care for our members.
- **Improving health is a significant focus.** During the past five years, we have created numerous programs to promote wellness, engaging our members to understand and effectively treat chronic health conditions, and compare the price and effectiveness of treatments and services.
- **We are devoted to real health care reform.** In fact, we'd like to see reform go further--to take on the fundamental cost drivers that make coverage increasingly unaffordable in both the public and private sector.

We believe more than ever that we cannot fail in our current efforts to transform the health care system. We invite you to learn more about our company, our values and our thoughts on health system reform at Regence.com.

On behalf of nearly 2.5 million Regence members--and 6,300 employees across Oregon, Washington, Idaho and Utah who serve them--we thank you.

Sincerely,

Mark B. Ganz, President and CEO
The Regence Group

Scott Kreiling, President
Regence BlueShield of Idaho