

DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

**ACQUISITION OF PHYSICIANS HEALTH PLAN OF MID-MICHIGAN – FAMILY CARE
and
PHYSICIANS HEALTH PLAN OF MID-MICHIGAN INSURANCE COMPANY BY
BLUE CARE NETWORK OF MICHIGAN**

**NOTICE OF PUBLIC HEARING
MONDAY, NOVEMBER 23, 2009**

**Michigan Library and Historical Center
702 West Kalamazoo Street
Lansing, MI 48915
Forum auditorium, Ground Floor – 10:00 a.m.**

Ken Ross, Commissioner of the Office of Financial and Insurance Regulation, the Department of Energy, Labor and Economic Growth, will hold a public hearing on Monday, November 23, 2009, starting at 10 a.m. at the Forum auditorium, Ground Floor, Michigan Library and Historical Center, 702 West Kalamazoo Street, Lansing, MI 48915. The hearing will be held to receive public comments on the application of Blue Care Network (BCN) of Michigan, a Michigan nonprofit corporation operating as a health maintenance organization (HMO) and a wholly owned subsidiary of Blue Cross and Blue Shield of Michigan (BCBSM), to approve a transaction under which BCN acquires the Physicians Health Plan of Mid-Michigan-Family Care (PHPMM-FC), a Michigan HMO; all outstanding shares of the common stock and control of Physicians Health Plan of Mid-Michigan Insurance Company (PHPMM Insurance), a Michigan disability insurance company; all right, title and interest in the assets of each PHPMM entity, excepting only certain excluded assets, and to all contractual rights to continue providing services to PHPMM's entire membership base; all of Sparrow Health System's right, title, and interest in Physicians Health Network, a Michigan nonprofit corporation (PHN); and BCN Service Company acquires certain assets of Physicians Health Plan of Mid-Michigan TPA, Inc. (PHPMM-TPA). All parts of this transaction will be considered by the Commissioner of the Office of Financial and Insurance Regulation to the extent each part impacts the overall price of the transaction, and all insurers involved in this transaction are subject to Chapter 13 of the Michigan Insurance Code, 1956 PA 218, MCL 500.1301 *et. seq.*

Under MCL 500.1315 – available at www.legislature.mi.gov - the Commissioner must approve the application of BCN proposing acquisition and control of PHPMM-FC, PHPMM Insurance, PHN, PHPMM-TPA, all PHPMM assets, except those excluded, and the right to continue providing services to PHPMM's membership base unless the Commissioner determines, on the basis of information submitted, that the acquisition would result in one or more conditions found in MCL 500.1315. The conditions listed in MCL 500.1315 include whether the acquisition may jeopardize the financial stability of the insurer, prejudice the interests of policyholders or securityholders, lessen competition, create a monopoly, include terms unfair or unreasonable to policyholders and not in the public interest, or result in unqualified management.

Copies of the Form A applications of BCN are available at www.michigan.gov/ofir under Who We Regulate, Insurance, Form A filings. The Exhibits and Schedules attached to those applications may be examined at the Office of Financial and Insurance Regulation by

contacting: Mischelle Finley, Records Technician, 517-241-4490, finleym@michigan.gov, to arrange an appointment to come to the following address:

Department of Energy, Labor and Economic Growth
Office of Financial and Insurance Regulation
611 W. Ottawa Street, Third Floor
Lansing, MI 48933

Copies of the Exhibits and Schedules attached to the applications may be obtained by filing a Freedom of Information Act request directed to the FOIA Coordinator at the same address, or electronically to OFIRFOIA@michigan.gov, with phone contact at 517-373-0435. The copy cost is twenty-five cents (.25) per page.

The Commissioner will accept written comments submitted electronically to Cheryl Hall at hallc5@michigan.gov until 5 p.m. on November 25, 2009 and will accept oral and written comments at the public hearing site until the close of the public hearing on November 23, 2009. Any objections to the proposed acquisitions should reference an authorized reason for disapproval specified in MCL 500.1315.

The hearing site is accessible, including handicapped parking. Individuals attending the meeting are requested to refrain from using heavily scented personal care products in order to enhance accessibility for everyone. People with disabilities requiring additional accommodations, such as information in alternative formats in order to participate in the hearing, should contact Marilyn Rzepecki toll free at (877) 999-6442 or at (517) 373-0246, preferably 14 days and at least 7 working days before the hearing.