

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

_____)
In the Matter of _____)
_____)
Plaintiff Northbrook Healthcare _____) Docket No. 07-15

_____)
Corporation, and _____)
_____)

_____)
**DECLARATION OF JOSEPH ARANGO IN SUPPORT OF
THIRD-PARTY BLUE CROSS BLUE SHIELD OF ILLINOIS'**

MOTION FOR *IN CAMERA* TREATMENT OF PROPOSED TRIAL EXHIBITS

I, Joseph Arango, declare as follows:

1. I am Senior Director of Provider Contracting and Strategy of Blue Cross Blue Shield of Illinois ("BCBSI"). I have been employed at BCBSI since 1982. I have been a

confidentiality protection that BCBSI afford information of this type, it is my belief that public disclosure of these documents and data files, or the information contained in them, would cause

4. Exhibit 1 consists of the following twenty-two documents:

Production Bates Number	Document Description	Reason In Camera Treatment Requested
BCBSI-ENH 017002-17005	Amendment to 2003 Medical Service Agreement	Contains current price and/or contract terms.
BCBSI 10199-10203	Hospital Service Agreement with Northwestern Hospital	Contains current price and/or contract terms.
BCBSI 06825-6826	Amendment	Contains current price and/or contract terms.
BCBSI 03612-3614	Amendment	Contains current price and/or contract terms.
BCBSI 06818-6824	Directed Care Agreement and Amendments with Northwestern Hospital	Contains current price and/or contract terms.
BCBSI 03615-3616	Amendment	Contains current price and/or contract terms.

Production Bates Number	Document Description	Reason In Camera Treatment Requested
BCBSI 05439-5440	Amendment to Directed Care Agreement with Condell	Contains current price and/or contract terms.
BCBSI 05444-05473	Amendment to PPO Agreement with Condell	Contains current price and/or contract terms.
BCBSI-ENH 002535-2539	Directed Care Agreement with Rush North Shore Hospital	Contains current price and/or contract terms.
BCBSI 04002-4006	Hospital Service Agreement	Contains current price and/or

documents. Internal distribution of these documents is limited to those who deal with the specific providers in negotiating the contract terms, their direct supervisors, and the BCBSI legal department. Other than the hospitals that are parties to these respective agreements, BCBSI does not share its agreements with any third-parties.

10. The public disclosure of these documents would cause severe competitive injury to BCBSI.

11. Exhibit 2 consists of correspondence between BCBSI and various hospitals regarding the terms at which BCBSI

[REDACTED]

as proposed terms under consideration. BCBSI-ENH 006517-6523 contains an internal ENH

~~12. This information is extremely valuable and should not be made public.~~

17. These five documents contain competitively sensitive and highly confidential information.

18. BCBSI's pricing and contract negotiation analysis (BCBSI 20516, 8648 and 01581) not only reflects BCBSI's determinations about what prices to charge in general, it also reflects certain pricing and contracting terms that are still in effect.

19. BCBSI's internal email communications regarding the Company's conflict with one of its customers (BCBSI ENH 05228 20 and BCBSI ENH 005564 85) 1 1 BCBSI

management strategies for responding to the dispute 1 1 1

22. Exhibit 4 consists of a list of computer data files containing claim and reimbursement data by patient, claim and hospital from 1998-2003. This data is highly confidential and proprietary to BCBSI, the hospitals with which BCBSI contracts, and BCBSI covered patients.

Disc No.	Bates Number	Data File	Reason for <i>In Camera</i> Treatment
1	BCBSI 25149	PMRC0198.FTM PMRC0199.FTM PMRC0298.FTM PMRC0299.FTM PMRC0398.FTM PMRC0399.FTM PMRC0498.FTM PMRC0499.FTM PMRC0598.FTM PMRC0599.FTM PMRC0698.FTM PMRC0699.FTM PMRC0798.FTM PMRC0799.FTM PMRC0898.FTM PMRC0998.FTM PMRC0999.FTM PMRC1098.FTM PMRC1099.FTM PMRC1198.FTM PMRC1199.FTM PMRC1298.FTM PMRC1299.FTM POS0198.FTM POS0199.FTM POS0298.FTM POS0299.FTM POS0398.FTM POS0399.FTM POS0498.FTM POS0499.FTM POS0598.FTM POS0599.FTM POS0698.FTM POS0699.FTM POS0798.FTM	Contain confidential PMRC 1998 POS 1999, and PPO January 1998- April 1999 claim and reimbursement data.

Disc No.	Bates Number	Data File	Reason for <i>In Camera</i> Treatment
		POS0799.FTM POS0898.FTM POS0899.FTM POS0998.FTM POS0999.FTM POS1098.FTM POS1099.FTM POS1198.FTM POS1199.FTM POS1298.FTM POS1299.FTM PPO0198.FTM PPO0199.FTM PPO0298.FTM PPO0299.FTM PPO0398.FTM PPO0399.FTM PPO0498.FTM	

Disc No.	Bates Number	Data File	Reason for <i>In Camera</i> Treatment
		PMRC0900.FTM PMRC1100.FTM PMRC1200.FTM POS0100.FTM	

[REDACTED]

[REDACTED]

[REDACTED]

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Disc No.	Bates Number	Data File	Reason for <i>In Camera</i> Treatment
		POS0901.FTM POS1001.FTM POS1101.FTM	

Disc No.	Bates Number	Data File	Reason for <i>In Camera</i> Treatment
		PPO0602.FTM PPO0702.FTM	reimbursement data,
11	BCBSI 25159	PPO0802.FTM PPO0902.FTM PPO1002.FTM	Contain confidential PPO August-October 2002 claim and reimbursement data.
12	BCBSI 25160	PPO1102.FTM PPO1202.FTM	Contain confidential PPO November -December 2002 claim and reimbursement data.
13	BCBSI 25161	PMRC0203.FTM PMRC0303.FTM PMRC0403.FTM PMRC0603.FTM PMRC0703.FTM POS0103.FTM POS0203.FTM POS0303.FTM POS0403.FTM POS0503.FTM POS0603.FTM POS0703.FTM PPO0103.FTM PPO0203.FTM	Contain confidential POS, PMRC 1-7/2003 and PPO January - February 2003 claim and reimbursement data.
14	BCBSI 25162	PPO0303.FTM PPO0403.FTM PPO0503.FTM	Contain confidential PPO March - May 2003 claim and reimbursement data.
15	BCBSI 25163	PPO0603.FTM PPO0703.FTM	Contain confidential PPO June-July 2003 claim and reimbursement data.
16	BCBSI 25164	FTCH0303.FTM FTCH0402.FTM FTCH0600.FTM FTCH0601.FTM FTCH0703.FTM FTCH0802.FTM FTCH1200.FTM FTCH1201.FTM FTCH1202.FTM FTCH1998.FTM	Contain confidential HMO claims incurred between January 1, 1998 - July 31, 2003 and paid on or before July 31, 2003.

Disc No.	Bates Number	Data File	Reason for <i>In Camera</i> Treatment
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[Redacted]

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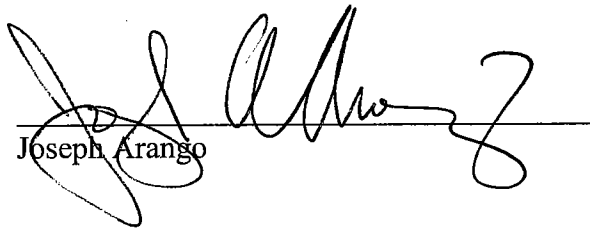
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25. Disclosure of this computer data would cause significant privacy concerns for BCBSI covered patients and competitive concerns for BCBSI's business. Although the identity of individual patients was masked in the data set produced, the data set contains information that could be used by motivated third parties to uncover patient identifying information. Thus, disclosure of the data could jeopardize the privacy interests of individuals whose claims, payments and reimbursement records are reflected in the database

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 10th day of January, 2005, in Cook County, Ill.


Joseph Arango