

# NCA NEWSFAX

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## Primary Health to sell 3 subsidiaries

**PacificSource of Oregon plans to buy insurance products as a way to grow in Idaho.**

**BY COLLEEN LAMAY**

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"This is a way to put us on the map," said Ken Provencher, president and CEO of PacificSource Health Plans.

Customers of Primary Health Inc. initially will see little change in coverage as a result of the sale, he said.

"In the long run, I hope I see the quality of insurance go up," Provencher said.

The sale would have no im-

pact at all on the dozen Primary Health medical clinics in Ada and Canyon counties. They have belonged to a different company since a split in 2005.

The purchase is expected to make PacificSource the Valley's No. 3 insurer, behind Blue Cross of Idaho and Regence BlueShield of Idaho.

Up for sale are three Primary Health Inc. subsidiaries:

► **Primary Health Network**, which offers a commercial health plan that covers more than 17,200 Idahoans.

► **Riverside Benefit Administrators**, which runs health plans for big companies that insure themselves. About 12,600 people have that coverage.

► **Idaho Physicians Network**, a statewide network of health care providers.

The sale must go through a series of steps involving insurance regulators in Oregon and Idaho.

"I'm pleased that Oregon-based PacificSource sees the growth potential in Idaho," Idaho Insurance Director Bill Deal said in a news release.

PacificSource hopes to complete the transaction by the third quarter of 2009. That's likely August, said Stephanie Worrell, spokeswoman for Primary Health Inc.

Neither company offered financial details of the sale.

PacificSource has about

140,000 customers, mainly in Oregon, which makes it a much larger company than Primary Health Inc., which has between 25,000 and 29,000 customers.

Financial statements available on the Web site for the National Association of Insurance Commissioners list PacificSource as having \$93 million in capital and surplus at the end of 2008. For Primary Health Network Inc., the figure was \$3 million.

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► Link to company Web sites.

► Link to financial reports on Primary Health and PacificSource.