

May 18, 2015

Governor Rick Scott
The Capitol
Tallahassee, FL 32399

VIA EMAIL

Re: Request for Information

Governor Scott:

We are responding to your letters addressed to Christopher Ciano as President and Chief Executive Officer of Coventry Health Care of Florida, Inc. ("Coventry"), and to Heidi E. Garwood as Chief Executive Officer of Coventry's Florida Medicaid health plan, respectively, requesting information relating to taxpayer funded healthcare entities in Florida. Please find attached our response as it relates to all products that Coventry Health Care of Florida, Inc. offers in the State of Florida. We have provided all information requested with the exception of the following:

1. Line Items 16 & 17:

The "Total Revenue collected from the State Group Insurance plan" and the "Total Revenue collected from the Florida Health Kids program" are combined under the heading "Total Revenue collected from private policy holders." Please advise if you wish to have this information broken out into separate cells.

2. Line Items 28 - 34:

We have supplied all the data for line items 12 – 35 that is available at this time, in order to accommodate the response deadline of May 18. In some cases, however, the data is not readily available in the format requested, and would require additional time to prepare as requested for line items 28 - 34.

3. Line Items 63 & 64:

We understand line items 63 and 64 to be asking whether Coventry has programs to avoid preventable hospitalizations and emergency department visits, and have responded accordingly. Please advise if this is not what the State is requesting.

4. Line Items 36-59 and 67-73:

Coventry Health Care of Florida, Inc. regards the information requested in line items 36-59 and 67-73 (the "Confidential Information") as confidential and proprietary in nature, and

contends that each of these items constitutes a trade secret under State and Federal law for the reasons set forth below. Specifically, with respect to line items 36 – 59, we regard such information to be fundamental in determination of our product cost structure and, therefore, deem such information to be proprietary pricing information in calculation of our rates for our products. As you are aware, there is no current process in place for Coventry to appropriately mark any such information we are otherwise able to provide in the short timeframe for the response as “trade secret” pursuant to applicable state and federal law. Therefore, we respectfully decline to provide this information and look forward to continuing to discuss this matter with the Commission at their request.

The government’s protection of confidential commercial information such as that contained in the Confidential Information is a well settled principle of Federal law. The Supreme Court has repeatedly recognized the nine categories of information exempt from public disclosure under the United States Freedom of Information Act (codified at 5 U.S.C. § 552 et seq.), including an exception for matters that are “trade secrets and commercial or financial information obtained from a person and privileged or confidential” (*U.S. v. Weber Aircraft Corp.*, 465 U.S. 792 (1984)). Executive Order 12,600 (52 Fed. Reg. 23,781 (June 25, 1987)) further provides that executive agencies shall establish procedures for objecting to disclosure of confidential commercial information which, if disclosed, could reasonably be expected to cause substantial competitive harm. Florida’s Insurance Code similarly recognizes that trade secrets are subject to confidential treatment, and provides a mechanism to exempt trade secrets from public disclosure. (Fla. Stat. ch. 624.4213).

The Confidential Information constitutes a “trade secret” under Florida Statute law (Fla. Stat. ch. 812.081), which defines a “trade secret” as “the whole or any portion or phase of any formula, pattern, device, combination of devices, or compilation of information which is for use, or is used, in the operation of a business and which provides the business an advantage, or an opportunity to obtain an advantage, over those who do not know or use it.” Specifically, the Confidential Information has value to its owners and would provide an advantage or an opportunity to obtain an advantage over those who do not know or use it if disclosed, which could result in substantial economic harm to its owners. Coventry has taken measures to prevent the disclosure of the Confidential Information to anyone other than those who have been selected to have access for limited purposes, and intends to continue to take such measures. The Confidential Information is not, and has not been, reasonably obtainable without Coventry’s consent by other persons by use of legitimate means, and the Confidential Information is not publicly available elsewhere. For these reasons, we believe the Confidential Information should not be disclosed publicly.

We appreciate your time and are happy to discuss any questions you may have.

Sincerely,


Christopher Ciano

President
Coventry Health Care of Florida, Inc.

A handwritten signature in cursive script, appearing to read "Heidi E. Garwood". The signature is written in black ink and is positioned above the printed name.

Heidi E. Garwood
Chief Executive Officer
Florida Medicaid