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Corporate & Financial Regulation

MAR 7 2012

Pennsylvania
Insurance Department

March 5, 2012

Mr. Robert Brackbill, Chief
Company Licensing Division
Pennsylvania Insurance Department
1345 Strawberry Square
Harrisburg, PA 17120

Dear Mr. Brackbill:

I'm writing in regard to the Highmark-West Penn Allegheny Health System merger. I encourage the Insurance Department to approve the affiliation as soon as possible.

As a Certified Public Accountant, I am concerned that continuing losses at West Penn Allegheny Health System will threaten its existence. Those losses can be alleviated by the restructuring and new capital that will occur once the merger is approved.

The survival of West Penn Allegheny Health System is critical to our region. Competition is a benefit not only to the consumers of healthcare, but also to the healthcare institutions themselves. Competition sharpens focus and encourages efficiencies leading to improvements for all parties. Western Pennsylvania has some of the highest health care costs in the country and competition is one of the solutions for lowering those costs. The loss of West Penn Allegheny Health System would be a major blow to competition in Western Pennsylvania.

I have firsthand experience that West Penn Allegheny Health System provides excellent patient care and services, as my daughter was born at West Penn Hospital. The care given my wife and daughter were excellent and it is important to this community to continue that tradition of excellent care.

I urge you to push personnel in your department to a favorable decision sooner rather than later.

Sincerely,

Kenneth C. McCrory, Partner

KCM/jlj

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