

House of Representatives • Commonwealth of Pennsylvania

ALLEGHENY COUNTY

Democratic Delegation

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Michael Consedine, Insurance Commissioner
Insurance Consumer Services
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120

Dear Commissioner Consedine:

As elected officials representing constituents in Allegheny County and the city of Pittsburgh, we are writing regarding an issue of vital importance to the economy and health of our region.

Recently the Boards of Directors of Highmark and West Penn Allegheny Health System (WPAHS) approved an agreement with WPAHS bondholders that allows the health system to avoid bankruptcy and provides a path forward to complete the affiliation between Highmark and WPAHS. This was great news for WPAHS, its employees, and the community it serves.

Although the agreement was an important step, it is critical that the Pennsylvania Insurance Department (PID) now move swiftly to approve the affiliation. We urge you to expedite its review and the approval of Highmark's amended filing so that the affiliation can move forward.

The affiliation between Highmark and WPAHS is crucial for our constituents and for the entire region. The affiliation will:

- Preserve nearly 12,000 jobs (including those of over 2,000 union members) at WPAHS, Pittsburgh's 4th largest private sector employer
- Ensure access and meaningful competition in the western Pennsylvania health care market, promoting higher quality and lower costs for patients

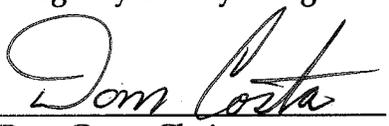
- Maintain the pensions of WPAHS' dedicated employees
- Sustain an important community asset and engine for economic growth
- Protect millions of Highmark members across the region by allowing the insurer to assemble an alternative provider network to UPMC, which has declared its intention to sever its contractual relationship with Highmark in January 2015

Time is of the essence. WPAHS is a stellar organization and has been named one of the country's top-performing health systems three years running. However, delays in finalizing the affiliation have severely impeded efforts to retain and recruit physicians, nurses, and other healthcare professionals, and the health system's financial situation is rapidly deteriorating. It is critical that this long awaited deal get done as soon as possible, before it is too late.

Please take this opportunity to stand up for the people of Western Pennsylvania by completing its review and the approval of the Highmark-WPAHS affiliation without further delay.

Sincerely,

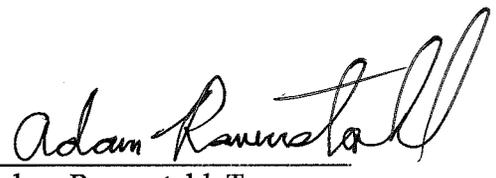
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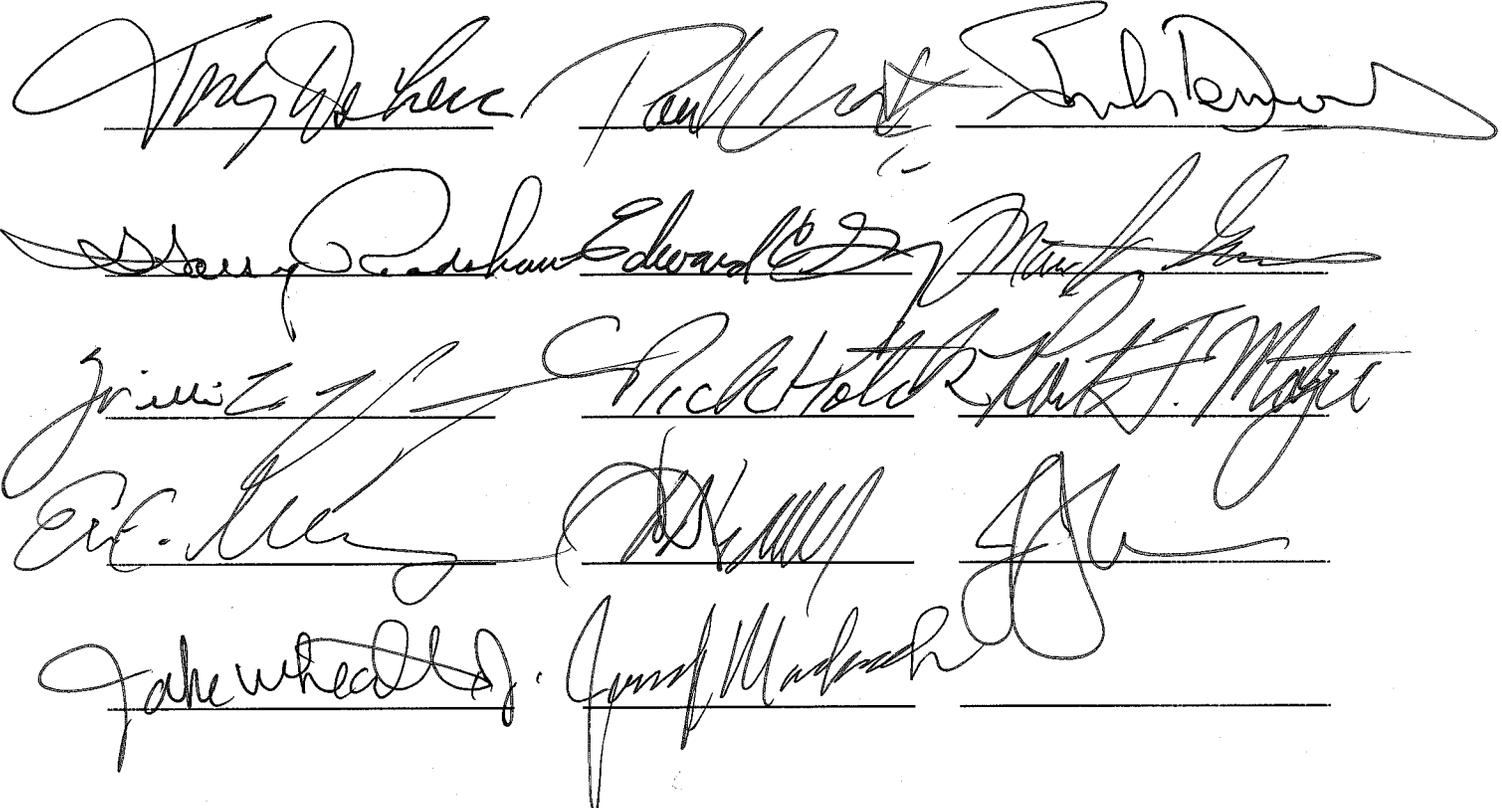
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cc. Hon. Tom Corbett