## BEFORE THE INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA

Statement Regarding the Acquisition of Control of or Merger with Domestic Insurers:

Highmark Inc.; First Priority Life Insurance Company, Inc.;
Gateway Health Plan, Inc.; Highmark Casualty Insurance Company;
Highmark Senior Resources Inc.; HM Casualty Insurance Company;
HM Health Insurance Company, d/b/a Highmark Health Insurance Company;
HM Life Insurance Company; HMO of Northeastern Pennsylvania, Inc.,
d/b/a First Priority Health; Inter-County Health Plan, Inc.;
Inter-County Hospitalization Plan, Inc.; Keystone Health Plan West, Inc.;
United Concordia Companies, Inc.; United Concordia Dental Plans of Pennsylvania, Inc.;
United Concordia Life and Health Insurance Company

By UPE, a Pennsylvania nonprofit corporation

## SUPPLEMENTAL RESPONSE TO PID INFORMATION REQUESTS 4.4.7.1 & 4.4.7.2 CONTAINED IN THE MAY 3, 2012 LETTER FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

## **SUPPLEMENTAL REQUEST 4.4.7.1 & 4.4.7.2:**

- (1) Certify that, in each of the four years after the Transaction is either approved or not approved, each Highmark and WPAHS Entity does not intend any changes in the charitable and community activities currently being undertaken or the level of charitable contributions that have been made in the past whether the Transaction either is approved or not approved; or specify what changes in charitable and community activities and in charitable contributions are expected to be made by each Highmark and WPAHS Entity in the four years after the Transaction either is approved or not approved.
  - (2) If your response is that no assurance can be given that the current amount of community support will be maintained, please describe why this is not viewed as a potential disadvantage of the Transaction requiring disclosure in response to Request 4.6.2. This is discussed below in the section regarding the letter from Edward A. Bittner, Jr., Esq. dated March 27, 2012.

## **RESPONSE:**

As each of UPE and WPAHS previously has stated, for many years, both Highmark and WPAHS have made substantial community contributions through the provision of free and reduced-cost health care and community initiatives that support improving health in Pennsylvania, and both organizations intend to maintain their respective activities in this regard. UPE hereby certifies that it does not intend that either Highmark or WPAHS will make any material changes in the types of charitable or community activities in which it participates or the level of its charitable contributions if the Transaction is approved. UPE intends that Highmark will continue its initiatives, grants and donations that address health issues such as, but not limited to, health disparities, chronic diseases, obesity and community rural health needs, and that WPAHS will continue its free care initiatives. Highmark certifies that it does not intend to make any such changes if the Transaction is not approved. However, no assurance can be given that the current levels of support, or types of charitable activities, will be maintained, regardless of whether the Transaction is approved, but for reasons that have nothing to do with the Transaction. For example, changes contemplated as a result of health care reform may fundamentally change the manner in which Highmark provides guaranteed issue and low-income insurance products. Subsidization of such products and programs that reduce costs or expand access to individual health insurance programs for lower-income families and older adults historically have constituted a significant portion of Highmark's charitable activities. Until additional details regarding the implementation of health care reform are finalized, Highmark is not in a position to say that its support of these programs will continue or will continue at the same levels. Since these assurances cannot be provided either with or without the Transaction, this is not viewed as a potential disadvantage of the Transaction.

> **UPE** 120 Fifth Avenue Pittsburgh, PA 15222