

**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

**RESPONSE TO SUPPLEMENTAL REQUEST 3.8 FROM THE  
PENNSYLVANIA INSURANCE DEPARTMENT**

**REQUEST 3.8:**

**Provide a full and complete copy of any press release or public announcement, issued by the Applicant or any Highmark and WPAHS Entity regarding or referencing the Transaction.**

**SUPPLEMENTAL REQUEST 3.8 VIA LETTER FROM PID DATED  
NOVEMBER 12, 2012:**

**On November 12, 2012, the Department requested that WPAHS certify the completeness of its response to this request (as of the date of the original response) and provide additional responsive information if such information becomes available.**

**RESPONSE:**

Please see attached updates: Press releases dated February 13, 2012; March 28, 2012; August 6, 2012; September 28, 2012; November 9, 2012.

Please see separate omnibus certification for requested certification.

**West Penn Allegheny Health System**

30 Isabella St., Suite 300  
Pittsburgh, PA 15212

**For Immediate Release**

**Contact: Dan Laurent  
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## **Comprehensive Breast Care Center Opens August 7 at Forbes Regional Hospital, Bringing Unique One-Stop Care to Women in Eastern Suburbs**

**MONROEVILLE, PA (August 6, 2012)** – Forbes Regional Hospital announced today the opening of a new state-of-the-art Breast Care Center that will offer women living in the eastern suburbs of Pittsburgh access to the region’s most comprehensive and world class breast cancer services.

Officials from Forbes, West Penn Allegheny Health System (WPAHS) and Highmark will celebrate the opening of the new Breast Care Center with a 1 pm ribbon cutting ceremony at the facility, located in the Professional Building 2 on the hospital campus. A community open house to showcase the center will also take place on Saturday, August 11 from 9-11 am, including tours and the opportunity to meet with physicians leading the program.

The Forbes Breast Care Center provides women with the complete spectrum of advanced breast diagnostic procedures, including digital mammography, breast ultrasound and direct digital stereotactic breast biopsy services - a non-surgical method of performing biopsies on breast abnormalities. Same-day results will also be the norm for women undergoing screening mammography at the Center.

William Poller, MD, Director of Breast Imaging for WPAHS, surgical oncologist Donald Keenan, MD, and breast imaging radiologist Maureen Bidula, MD, all nationally respected in their fields, will lead the Forbes Breast Care Center along with a dedicated nurse navigator and a team of experienced nurses, registered mammography technologists and support personnel.

Area primary care physicians and surgeons will also actively participate in the Center.

“Our program offers patients everything they need for their diagnosis and treatment in one convenient location, saving them the stress and inconvenience of a trip into the city,” Dr. Poller said. “Complementing the Center’s state-of-the-art technological capabilities, the facility was specially designed to emphasize patient comfort, allowing our team to provide compassionate, personalized care in a serene, spa-like atmosphere.”

The Breast Care Center also offers women the convenience of evening and weekend appointments, as well as free parking. Its innovative Nurse Navigator program helps guide, educate and support women step-by-step through their breast cancer journey.

“Forbes Regional is committed to a level of comprehensive, personalized breast care that is unsurpassed in the community,” Dr. Keenan said. “From diagnosis through treatment and recovery, our goal is to ease the burden of our patients’ experience as much as possible and to quickly return them to a healthy and productive life.”

For those diagnosed with breast cancer, the new Breast Care Center is a conduit to Forbes Regional’s specialized cancer services. Patients at Forbes also have unique access to new breast cancer therapies being investigated in clinical trials organized by the National Surgical Adjuvant Breast and Bowel Project (NSABP), a National Cancer Institute funded international study group headquartered on the Allegheny General Hospital (AGH) campus. Both AGH and Forbes Regional are members of WPAHS.

“We are very happy that our patients from the eastern suburbs can now receive a full range of outstanding breast cancer care services closer to home,” said Thomas B. Julian, MD, Director of the WPAHS Division of Breast Surgical Oncology, and Associate Director of the Allegheny Breast Care Center. “West Penn Allegheny’s nationally recognized expertise in the management of breast disease and its leading role with the NSABP enables our physicians and patients to choose the most appropriate and advanced course of treatment that will provide the best chance of a positive outcome.”

The new Breast Care Center was developed as part of a \$20 million investment in Forbes Regional by Highmark intended to modernize and reconstruct the hospital to better meet the needs of the community and improve the patient experience. Highmark and WPAHS have entered into an affiliation agreement that, pending regulatory approvals, will significantly strengthen the health system and position it as the centerpiece of a new and innovative integrated healthcare delivery system for the region.

“This wonderful facility is another great example of Forbes Regional’s exciting transformation under the direction of West Penn Allegheny and Highmark. The Breast Care Center will serve our patients and the local medical community well by working closely and collaboratively with area primary care physicians, Premier Medical Associates and East Suburban Obstetrical and Gynecological Associates,” said Peter Naman, MD, President-Elect of the Forbes Regional Medical Staff, and Vice Chair of its Department of Surgery.

### **About Forbes Regional:**

An affiliate of the West Penn Allegheny Health System ([www.wpahs.org](http://www.wpahs.org)), Forbes Regional Hospital has been the leading healthcare provider in Pittsburgh’s eastern suburbs for more than 30 years. Serving eastern Allegheny and western Westmoreland counties, Forbes is a 350-bed, full-service medical/surgical hospital that offers care in obstetrics, gynecology, pediatrics, inpatient psychiatry, oncology, general surgery, emergency medicine, cardiology, cardiovascular and thoracic surgery, neurosurgery, orthopaedic surgery, ambulatory surgery and diagnostic imaging, among other specialties. Forbes also houses a Joslin Diabetes Center and is the only hospital in the eastern suburbs designated as both a Chest Pain Center and a Joint Commission-certified Stroke Center.

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## HIGHMARK AND WPAHS HOLD PRODUCTIVE DISCUSSIONS

A small group of the most senior leaders from Highmark and West Penn Allegheny Health System (WPAHS), including Dr. William Winkenwerder, Jr. and John S. Isherwood, met today. A very productive session was held that focused on efforts the parties could take to address the financial condition of WPAHS to secure approval of their affiliation agreement by the Pennsylvania Insurance Department (PID). Both parties realize there are significant issues that must be addressed and that prompt action is essential.

The parties and their advisors met recently with representatives of bondholders of WPAHS. Further meetings are planned. In addition, both parties are committed to initiating actions now that can improve the operating performance and finances of WPAHS. In particular, the parties agreed to focus on assisting and supporting the physician retention and recruitment with WPAHS, and to improving ongoing communications and coordinated actions prior to any regulatory approval.

Highmark and WPAHS continue to believe that an affiliation between them is in the best interests of both organizations and of the greater community. The parties agreed to work diligently in the days ahead to finalize their efforts and to work together to gain PID approval.

**For Immediate Release**

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## **West Penn Allegheny Health System Moves On From Affiliation Agreement with Highmark**

**Pittsburgh, PA (September 28, 2012)** – West Penn Allegheny Health System (WPAHS) today notified Highmark that the System is released from its obligations under the Affiliation Agreement that was signed by the two organizations in November 2011, and as a result WPAHS will be exploring new options for its future direction.

According to West Penn Allegheny, Highmark has breached the Affiliation Agreement by its unequivocal position that Highmark will not close the transaction set forth in the agreement, even if the Pennsylvania Insurance Department (PID) approves the deal. Moreover, despite earlier assurances to the contrary, Highmark has specifically demanded, among other things, that WPAHS restructure through bankruptcy.

Jack Isherwood, Chair of West Penn Allegheny's Board of Directors, said that Highmark remains an important partner in the delivery of healthcare and that WPAHS is open to new discussions with the insurer about better alternatives to bankruptcy, but WPAHS needs to move forward in exploring all options available to it. He said that a bankruptcy is not the preferred course for the organization since it may cause harm to the health system, its many employees and the community.

"Our goal now, as it was when we signed this agreement, is to ensure a robust West Penn Allegheny Health System that preserves the choice of exceptional health care services in our region. There is no question that a provider network with West Penn Allegheny as its core would afford the region with outstanding, patient-centered healthcare services that are unsurpassed in quality, cost and convenience," Isherwood said. "To date, we have met every obligation outlined in the Affiliation Agreement to make that concept a reality and have worked earnestly and with absolute transparency to help expedite a review and approval of the agreement by the PID."

Continuing, Isherwood said that from the outset of West Penn Allegheny's discussions with Highmark and negotiations to reach the Affiliation Agreement, the central concern of West Penn Allegheny has been to safeguard its valuable community assets and to protect its nearly 12,000 dedicated employees.

“West Penn Allegheny’s board would violate its fiduciary responsibility if it failed to determine whether a better alternative exists to Highmark’s proposed financial strategy,” Isherwood said.

Isherwood said that Highmark, however, can still be part of the solution.

“Highmark has touted West Penn Allegheny’s high quality and low cost services when promoting its planned integrated delivery network and its new Community Blue product. Highmark’s unwillingness to pay us at fair rates that recognize West Penn Allegheny’s value to the community does not make sense,” Isherwood said.

“We have been and are continuing to ask Highmark to agree to a reasonable rate request, which we have earned and which would help strengthen West Penn Allegheny for the future. Delaying such an increase only serves to further weaken the System financially,” he said.

Bond debt has been identified by Highmark as a key financial hurdle to finalizing the affiliation. In fact, the System's debt level has not changed since the affiliation agreement was signed, except for the addition of loans from Highmark that were part of the affiliation agreement. Keith T. Ghezzi, MD, Interim President and Chief Executive Officer at WPAHS and a principal at the healthcare turn-around firm Alvarez and Marsal (A&M), cited several other developments that Highmark initiated over the past year that negatively affected WPAHS. These include extension of the UPMC contract plus the addition of UPMC East, the abrupt change in Highmark leadership in April 2012, and Highmark’s failure to generate the volume increases that Highmark projected in the PID filing in November 2011.

Alvarez and Marsal was hired by Highmark to assess the value and viability of West Penn Allegheny prior to its signing the Affiliation Agreement. West Penn Allegheny’s board then contracted with A&M, at the urging of Highmark, to implement a turnaround plan for the organization.

“We have always believed that Highmark was an appropriate community partner, and we trusted Highmark’s intentions to help restore our system for the benefit of community. This breach of the Affiliation Agreement by Highmark is contrary to the discussions that West Penn Allegheny and Highmark leadership had throughout our negotiations and it is incumbent upon us to now explore other potential partners who are interested in preserving our health system for the community,” Isherwood said.

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## WPAHS Statement Regarding Common Pleas Court Decision

**Friday, November 9th, 2012**

Jack Isherwood, West Penn Allegheny Health System Board Chairman, issued the following statement regarding Allegheny County Common Pleas Judge Honorable Christine Ward's ruling today in the case of Highmark v. WPAHS:

"We are obviously disappointed with the Court's decision; however, as we have said from the beginning, we believe that Highmark is a good partner for WPAHS. We look forward to engaging in constructive dialogue with them as soon as possible regarding the best way to move forward. Importantly, we remain committed to preserving WPAHS as a viable community asset, which is in the best interest of our many patients, employees, physicians, community partners and other important constituents."

For Immediate Release

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## **West Penn Hospital Emergency Department to Reopen on February 14, 2012**

### **Highmark and West Penn Allegheny Health System Officials Announce Return of Full Service Hospital to Bloomfield Community**

**Pittsburgh, PA (February 13, 2012)** – Officials from Highmark and the West Penn Allegheny Health System (WPAHS) today joined community leaders to celebrate the restoration of emergency medical services at The Western Pennsylvania Hospital in Bloomfield. West Penn Hospital's newly equipped and renovated emergency department will open at 8 am on Tuesday, February 14, and mark the hospital's rebirth as a full service healthcare provider.

"Today is a great day for the people of Bloomfield and its surrounding communities, many of whom have relied upon West Penn Hospital as source of exceptional healthcare services throughout their lifetime. The opening of this state-of-the-art, beautifully refurbished emergency department represents another critical step towards a very bright future for this hospital, West Penn Allegheny Health System and our emerging healthcare provider organization," said Kenneth R. Melani, MD, Highmark President and Chief Executive Officer.

In November, Highmark and WPAHS announced an affiliation agreement between the two organizations that, pending regulatory approvals, will considerably strengthen the health system and position it as the center piece of a new and innovative integrated healthcare delivery system for the region. Among the consequences of WPAHS' recent financial difficulties was a significant downsizing of West Penn Hospital and the closure of its emergency department on December 31, 2010.

According to Thomas Campbell, MD, Chair of Emergency Medicine for WPAHS and the former medical director of West Penn Hospital's emergency department for more than two decades, emergency medical care is a vital community resource that often serves as the front door to a hospital's full spectrum of clinical and support services.

"It is absolutely fitting that we are reopening West Penn Hospital's emergency department on Valentine's Day, because one thing that has always distinguished this hospital and its outstanding staff is a love for this community and the commitment to every single person who comes through these doors that they will be treated with dignity, compassion and the highest quality of care possible," Dr. Campbell said.

“Our dedicated employees are thrilled to once again have the opportunity to fulfill that important mission, and we are delighted that so many have come back to work in this wonderful new facility,” he said.

Two recent job fairs at West Penn have attracted more than 2,000 interested applicants for jobs throughout the hospital.

The new West Penn Hospital emergency department features a redesigned patient entrance on South Millvale Avenue, 23 patient beds and a number of technological upgrades, including a 128 slice CT scanner (to be installed in March) and a fast track patient triage system.

Complimenting the emergency department opening is a significant expansion of inpatient services and other facility enhancements at the hospital, including newly renovated medical, surgical and intensive care units that offer all-private patients rooms and upgraded labor and delivery capabilities.

The improvements are all components of a much broader plan to revitalize and modernize West Penn Hospital so that it is poised to play a central role in meeting the healthcare needs of the region for many years to come.

“As an emergency physician, I am particularly excited to help share this terrific news today with the residents of Bloomfield, our employees, medical staff and the many community leaders who have been tireless advocates for this hospital over the years. The reopening of the West Penn Hospital emergency department signifies the beginning of the fulfillment of our promise to restore and enhance essential services at this proud and beloved institution,” said Keith T. Ghezzi, MD, WPAHS Interim President and Chief Executive Officer.

Dr. Ghezzi said future plans for West Penn Hospital include expanding the hospital’s overall capacity to 300-350 private patient rooms; further expansion and renovation of its labor and delivery facilities; the return of cardiovascular services; remodeling of the hospital’s lobbies and waiting rooms; and renovation and reorganization of the hospital’s Mellon Pavilion to accommodate more physician practices and better coordinate patient care services.

Other existing services at West Penn that are expected to also grow as the hospital transitions back into a full service community hospital include its nationally recognized Burn Center and bone marrow transplantation program, Institute for Pain Medicine, Sleep Disorders Center, radiation oncology program, breast diagnostic program, pelvic floor disease center, Jones Institute for Reproductive Medicine, Lupus Center of Excellence and Joslin Diabetes Center.

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## **West Penn Hospital Opens New 18-Bed Intensive Care Unit**

### **State-of-the-art Facility Marks Continued Progress in Hospital's Revitalization as a Full-Service Healthcare Provider**

**Pittsburgh, PA (March 28, 2012)** - West Penn Allegheny Health System officials today announced the opening of a new 18-bed intensive care unit at The Western Pennsylvania Hospital in Bloomfield, representing another major step in the hospital's rebirth as a full-service healthcare provider.

The new West Penn Hospital ICU provides critically ill patients with access to state-of-the-art treatment capabilities and comes just a few weeks after the February 14 reopening of the hospital's emergency department and return of other medical and surgical services. According to Duke Rupert, West Penn Hospital's President and Chief Executive Officer, the ICU is a significant investment that will further advance the hospital's capacity to care for all patients, including those in need of the highest levels of care.

"The transition from our much older intensive care facility to this fabulous new ICU is in many ways analogous to the broader transformation taking place at West Penn as we return the hospital back to its roots as vibrant and vital community resource," Rupert said. "We are extremely grateful to the leadership at West Penn Allegheny and Highmark for their support of this critical initiative and for the keen vision they have displayed in positioning West Penn to be a formidable component of the region's healthcare system."

In November, Highmark and WPAHS announced an affiliation agreement between the two organizations that, pending regulatory approvals, will considerably strengthen the health system and establish it as the center piece of a new and innovative integrated healthcare delivery network. Among the consequences of WPAHS' recent financial difficulties was a significant downsizing of West Penn Hospital, including the closure of its emergency department and most inpatient services.

Rupert said the response to the hospital's revitalization has been overwhelmingly positive on all fronts, including a dramatic increase in patient volume.

"The excitement and enthusiasm in this community about the return of critical services to West Penn has been tremendous. From the patients who are once again relying on us for their complete healthcare needs, to the paramedics and EMS professionals who are once again bringing patients through our doors, to the many physicians who have already come back or have expressed an interest in doing so, the deep appreciation for this hospital and everyone who works here has been inspiring," Rupert said.

The new West Penn ICU was conceptualized with significant input by physicians and nurses from the hospital's surgical and critical care programs. Design elements intended to optimize patient care,

family comfort and the staff's work environment were all driven by patient caregivers, Rupert said. The unique aesthetics of the unit, blending warm pastel color schemes, hardwood floors and ample natural lighting, are a stark contrast to the cold, sterile environment typical of traditional hospital ICUs.

For longtime West Penn critical care physician Joseph Rossi, MD, the new ICU facility is the perfect combination of highly advanced technological resources wrapped in a décor that reflects the hospital's proud tradition of compassionate care for patients and their families.

"Technology is wonderful, but what has always truly distinguished West Penn Hospital is the incredible dedication and exceptional skills of those who take care of patients at the bed side. It is extremely gratifying to see that our new ICU and indeed all of the changes being implemented at the hospital are consistent with that mission," said Dr. Rossi, who will serve as Medical Director of the ICU. West Penn Allegheny critical care specialist Mark Vanderbilt, MD, will also help oversee intensive care services at the hospital.

Additional plans for West Penn Hospital moving forward include expanding the hospital's overall capacity to 300-350 all-private patient rooms; further expansion and renovation of its labor and delivery facilities; the return of cardiovascular services; remodeling of the hospital's lobbies and waiting rooms; and renovation and reorganization of the hospital's Mellon Pavilion to accommodate more physician practices and better coordinate patient care services.

Other existing services at West Penn that are expected to also grow as the hospital transitions back into a full service hospital include its nationally recognized Burn Center and bone marrow transplantation program, Institute for Pain Medicine, Sleep Disorders Center, radiation oncology program, breast diagnostic program, pelvic floor disease center, Jones Institute for Reproductive Medicine, Lupus Center of Excellence and Joslin Diabetes Center.

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