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 INFORMATION 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 RESPONSE 3.8:

UPE hereby supplements its prior responses to this Request by attaching at Tab A copies of press releases or public announcements made by Highmark and WPAHS referencing the Transaction.

UPE 120 Fifth Avenue Pittsburgh, PA 15222



Press release: Jan. 16, 2013 Page 1 of 2





Home > Newsroom > Press Releases > 2013

PRESS RELEASE: JAN. 16, 2013

Highmark

Highmark, West Penn Allegheny Health System (WPAHS) and WPAHS bondholder representatives reach an agreement that positions the health system for financial stability

The amended affiliation terms and bondholder consensual plan will be submitted to the Pennsylvania Insurance Department; closing is contingent on its approval

PITTSBURGH (Jan. 16, 2013) — Highmark Inc., West Penn Allegheny Health System (WPAHS) and selected WPAHS bondholders announced today that they have reached an agreement on the financial future of the health system. The agreement paves the way to advance the proposed Highmark-WPAHS affiliation to the Pennsylvania Insurance Department (PID) for its consideration, enables WPAHS to restructure its debt out of court, and preserves the pensions of some 12,000 health system employees.

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"Paramount to our affiliation with West Penn Allegheny is preserving provider competition and choice in health care providers for the entire community," said William Winkenwerder, Jr., M.D., president and CEO of Highmark. "Throughout this process we all worked hard to develop a financial plan for the short and long term financial stability of the health system. We are glad to have reached common ground with everyone, and we appreciate the strong support from the community and elected officials."

In the consensual plan, which does not require any bankruptcy court approvals, Highmark has offered to purchase the outstanding series 2007A bonds issued for WPAHS by the Allegheny County Hospital Development Authority for cash at 87.5 percent of par amount. The plan will reduce WPAHS' outstanding debt and strengthen its balance sheet, forming a more solid foundation for the health system's future success as part of Highmark's integrated delivery network.

"We are pleased that West Penn Allegheny, our bondholders and Highmark have reached this important milestone to help further our pending affiliation with Highmark," said Jack Isherwood, WPAHS board chair. "We believe our partnership will preserve this important community asset that provides high-quality, efficient health care for our patients."

The original affiliation agreement with WPAHS was amended to strengthen the financial position of the health system. A Form A reflecting the amended Highmark and WPAHS affiliation agreement will be filed with the PID seeking the necessary approval.

"We realize the PID has important diligence and review work ahead. Highmark will work responsively to ensure all further needed information is provided so that a good and prompt decision can be made," said Dr. Winkenwerder.

Maintaining competitive health delivery systems boosts the economic vitality of the region, and it ensures that costs will be kept lower, while preserving stronger, more economically viable communities throughout Western Pennsylvania. West Penn Allegheny is an important part of our community and delivers high-quality health care. It is also important to preserve competition in the health insurance marketplace, according to Dr. Winkenwerder.

In a rapidly changing health care environment, Highmark is firmly committed to working with all segments of the community to make necessary changes to help control health care costs, improve quality of patient care and patient safety, preserve options and choice for individuals, employers, physicians and other health care practitioners and create a better patient experience. WPAHS is an important piece of Highmark's objective of creating an integrated delivery network to better serve the community. Highmark previously announced plans to affiliate with Jefferson Regional Medical Center and Saint Vincent Health System, while maintaining strong working relationships with community hospitals throughout the region. In addition, Highmark has launched construction of a Medical Mall.

For more information, contact: Aaron Biliger Highmark Inc. 412-544-7826 aaron.billger@highmark.com

Dan Laurent WPAHS 412-330-4430 dlaurent@wpahs.org



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BREAKING NEWS

New research suggests an advanced brain imeging technique called postron emission tomography (PET) may allow physicians to more effectively diagnosis atheles suffering from concussion related chronic traumatic encephalopathy, or CTE. Allagheny General Hospital sports medicine specialist Dr. Melissa Leber Joined NBC Nightly News with Brian Williams last night to talk about the need for more effective tools to guide the frontine management of sports related head injuries.



SEARCH NEWS

News

Email Page

age RSS

HIGHMARK, WEST PENN ALLEGHENY HEALTH SYSTEM (WPAHS) AND WPAHS BONDHOLDER REPRESENTATIVES REACH AN AGREEMENT THAT POSITIONS THE HEALTH SYSTEM FOR FINANCIAL STABILITY

Wednesday, January 16th, 2013

Highmark Inc., West Penn Allegheny Health System (WPAHS) and selected WPAHS bondholders announced today that they have reached an agreement on the financial future of the health system. The agreement paves the way to advance the proposed Highmark-WPAHS affiliation to the Pennsylvania Insurance Department (PID) for its consideration, enables WPAHS to restructure its debt out of court, and preserves the pensions of some 12,000 health system employees.

"Paramount to our affiliation with West Penn Allegheny is preserving provider competition and choice in health care providers for the entire community," said William Winkenwerder, Jr., M.D., president and CEO of Highmark.
"Throughout this process we all worked hard to develop a financial plan for the short and long term financial stability of the health system. We are glad to have reached common ground with everyone, and we appreciate the strong support from the community and elected officials."

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today@highmark

HighWire

Contact Us

Our Company



Highmark files amended WPAHS affiliation agreement with PID

The filing, along with public comments and related materials regarding our proposed affiliation with West Penn Aliegheny Health System, are available on the Pennsylvania Insurance Department's website.

(January 25, 2013) On Jan. 23, Highmark submitted a Form A filing to the Pennsylvania Insurance Department (PID) that reflects the amended affiliation agreement between Highmark and West Penn Allegheny Health System (WPAHS).

This news comes after a <u>lan. 16 announcement</u> that Highmark, WPAHS and select WPAHS bondholders reached an agreement about the financial future of the health system.

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Highmark expands Patient-Centered Medical Home program to 171,000 members

Provider update: Highmark and WPAHS reach bondholder agreement

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Details below 🗘

- An important milestone
- More information

An important milestone

This amended agreement and filing show Highmark's commitment to helping WPAHS restructure its debt out of court and preserving the pensions of approximately 12,000 health system employees.

In reference to the updated agreement and filing, Highmark's President & CEO **Bill Winkenwerder**, MD, sald to the *Pittsburgh Post-Gazette*, "An important milestone for the community has been achieved this week."

Dr. Winkenwerder added, "This affiliation will help slow the cost of health care, improve the quality of care and improve the access to care."

More Information

The filing, along with public comments and related materials, are available on the <u>Pennsylvania Insurance Department's website</u>.

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Back to Top