



March 26, 2014

MAR 31 2014

Pennsylvania
Insurance Department

Mr. Stephen J. Johnson
Deputy Insurance Commissioner
Commonwealth of Pennsylvania
1326 Strawberry Square
Harrisburg, PA 17120

Re: Highmark Inc. July 2014 – June 2015 Fiscal Year Community Health Reinvestment Proposal

Dear Deputy Commissioner Johnson:

Please accept the proposal for anticipated community health reinvestment activities during the July 2014 – June 2015 fiscal year as required by Article XXV of The Insurance Company Law of 1921, as added by section 9 of Act 62 of 2008 (“Act 62”) for Highmark Inc. (“Highmark”). If you would like to discuss the projected amounts on page 2, or have any other questions, I can be reached at 412-544-8322.

Sincerely,

A handwritten signature in blue ink that reads "Nanette P. DeTurk".

Nanette P. DeTurk
Executive Vice President Finance, Chief Administrative and Financial Officer, Highmark Health

Cc: Dan Onorato, Executive Vice President, Public Policy, Government Relations and Community Affairs, Highmark Health
Tija Hilton Phillips, Regulatory Affairs, Highmark
Michael F. Consedine, Insurance Commissioner

**PLAN PROPOSAL FOR
COMMUNITY HEALTH REINVESTMENT ACTIVITIES**

Proposal for Fiscal Year July 2014 - June 2015

FEIN: 23-1294723

NAIC: 54771-PA

I. Hospital Plan Corporation or Professional Health Service Plan Corporation Name and Address:

Highmark Inc.
1800 Center Street
Camp Hill, PA 17011

II. Planned Expenditures:

	Projected Expenditures
1. Proposed annual community health reinvestment activities for health care coverage for persons unable to pay for coverage (list and describe proposed endeavors below):	
a. Projected underwriting losses on the CHIP and Direct Pay programs for uninsured children above the CHIP income guidelines	\$ 3,900,814
b. Projected underwriting losses on the guaranteed issue Direct Pay, Medicare Advantage Direct Pay, Medigap and Special Care low-income programs	\$ 15,392,017
c. Projected underwriting losses on the subsidized business on the Pennsylvania Health Insurance Exchange	\$ 2,911,692
2. Proposed annual community health reinvestment activities for health care services for persons uninsured and unable to pay for services (list and describe proposed endeavors below):	
a. Projected activities and expenditures are included in Line 3a	\$ -
3. Proposed annual community health reinvestment activities for programs for prevention and treatment of disease or injury or the promotion of health or wellness (list and describe proposed endeavors below):	
a. Projected grants and donations that support improving health in Pennsylvania and addressing issues such as, but not limited to, health disparities, chronic diseases (such as asthma), health screenings, and community health initiatives	\$ 13,663,123
b. Projected grants to Pennsylvania hospitals for the direct provision of community health services and direct funding of projects that improve health care and/or make health care more accessible	\$ 57,100,000
c. Grant to Jefferson Regional Medical Center to fund capital projects such as renovations to its Ambulatory Surgery/Outpatient Center and Emergency Department	\$ 25,000,000
4. Community health reinvestment activities proposed in your application under paragraph 3 of the Agreement dated February 5, 2005 and published at 35.Pa.B. 4155 or any successor or other agreements (list and describe proposed endeavors below):	
a. None	\$ -
5. Other proposed annual community health reinvestment activities (list and describe proposed endeavors below):	
a. None	\$ -
TOTALS	\$ 117,967,646
GRAND TOTAL	\$ 117,967,646