

**BEFORE THE INSURANCE DEPARTMENT  
OF THE  
COMMONWEALTH OF PENNSYLVANIA**

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

**Hospital Service Association of Northeastern Pennsylvania  
d/b/a Blue Cross of Northeastern Pennsylvania;  
First Priority Life Insurance Company, Inc.;  
HMO of Northeastern Pennsylvania, Inc.,  
d/b/a First Priority Health**

**By Highmark Inc.**

**BCNEPA RESPONSE TO INFORMATION REQUEST 5.6.5 FROM THE  
PENNSYLVANIA INSURANCE DEPARTMENT**

**REQUEST 5.6.5:**

**Describe whether and to what extent the Transaction is likely to have any impact on any current provider contract? Do any of the provider contracts permit early termination upon any change in control?**

**RESPONSE:**

BCNEPA certifies to the best of its knowledge, information and belief that the Transaction impacts the following the following provider contracts:

- BCNEPA Member Hospital Agreement between BCNEPA and Provider C which is referenced on Section 2.1(p)(i)(A) of the BCNEPA confidential Disclosure Schedule ("Provider C").
- FPH Hospital Services Agreement between FPH and Provider C.

Provider C has the right to terminate the BCNEPA Member Hospital Agreement and/or the FPH Hospital Services Agreement upon a change in control of BCNEPA and/or FPH by providing ninety (90) day notice to BCNEPA and/or FPH. BCNEPA and FPH will seek a waiver of the termination right from Provider C as noted in Section 2.1(b)(ii)(C) of the BCNEPA confidential Disclosure Letter.

**Hospital Service Association of  
Northeastern Pennsylvania  
d/b/a Blue Cross of Northeastern  
Pennsylvania ("BCNEPA")  
19 North Main Street  
Wilkes-Barre, PA 18711**