



COMMONWEALTH OF PENNSYLVANIA  
INSURANCE DEPARTMENT  
HARRISBURG

THE COMMISSIONER

February 27, 2006

J. Kenneth Suchoski  
Vice President, Finance and Chief Financial Officer  
Blue Cross of Northeastern Pennsylvania  
19 North Main Street  
Wilkes-Barre, PA 18711

Re: 2006 Community Health Reinvestment Application

Dear Mr. Suchoski:

This will acknowledge receipt of the Community Health Reinvestment ("CHR") Application of BlueCross of Northeastern Pennsylvania's ("BCNEPA") dated December 1, 2005 (rev. January 24, 2006) for calendar year 2006. The Department has reviewed the submission and finds it acceptable under the terms of the CHR Agreement. Thus, the Department finds the Annual Community Health Reinvestment amount ("Annual CHR") set forth to be a reasonable estimate. The Department also finds the Net 60% Commonwealth Directed Low Income Health Insurance Portion amount to be a reasonable estimate. The Department accepts the payment schedule set forth in the Application, with four equal installments payable on March 1, June 1, September 1, and December 1. Finally, based on the representations in BCNEPA's Application, the Department anticipates that BCNEPA's 40% Permitted Community Health Reinvestment Endeavors amount of its CHR will be expended on approvable expenditures, distributions, or utilizations.

This approval is subject to the audits and reconciliations contemplated by the CHR Agreement as to the amounts of the Annual CHR and the 60% and 40% portions thereof, and as to the scope of expenditures for the 40% Permitted Community Health Reinvestment Endeavors portion.

Thank you for your participation in this community health reinvestment effort for the benefit of Pennsylvanians.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Diane Koken".

M. Diane Koken  
Insurance Commissioner

cc: Sandra L. Ykema, Esq.