STATE SENATOR RANDY VULAKOVICH 38TH SENATORIAL DISTRICT

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INSURANCE DEPARTMENT LEGISLATIVE OFFICE

April 26, 2017

Joseph DiMemmo, CPA
Deputy Insurance Commissioner
Office of Corporate & Financial Regulation
Pennsylvania Insurance Department
1345 Strawberry Square
Harrisburg, PA 17120

VIA EMAIL: ra-in-comment@pa.gov

RE: Modification to Order No. ID-RC-13-06

Dear Deputy Commissioner DiMemmo:

I have a strong belief that government should treat similar businesses in a similar manner, which is why I am writing in support of the proposed modification to Order No. ID-RC-13-06. The proposed modification would help to foster a more level playing field for real health care competition in western Pennsylvania.

In order for Highmark Health and AHN to effectively compete with others, they must have the flexibility to make timely, strategic investments as required to execute their strategy. Having additional burdens on one party that are not on others puts Highmark Health and AHN at a competitive disadvantage which stifles competition. I sincerely believe that Highmark Health has a sound, comprehensive strategic plan for AHN through 2020 that will help them to thrive as a market leading Integrated Delivery and Financing System after the Consent Decree with UPMC ends.

Open competition will allow AHN's strategy, which is built around its transition to a value based care delivery model, and away from the traditional and more costly fee for service model, to freely compete with other providers in the region. A financially successful and stronger AHN will allow Highmark to further limit the growth of premium costs for Highmark members and reduce overall health care costs for all customers while maintaining convenient access to high quality providers and resources across western Pennsylvania, which will significantly benefit my constituents.

I respectfully urge you to favorably consider the requested modification.

Sincerely

Randy Vulakovich 38th Senatorial District

cc: The Honorable Tom Wolf, Governor

cc: The Honorable Teresa D. Miller, Commissioner

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