

**SENATOR
DAN LAUGHLIN
49TH DISTRICT**

SENATE BOX 203049
HARRISBURG, PA 17120-3049
(717) 787-8927

1314 GRISWOLD PLAZA
SUITE 101
ERIE, PA 16501
(814) 453-2515

dlaughlin@pasen.gov
senatorlaughlin.com



Senate of Pennsylvania

COMMITTEES

POLICY, CHAIR
GAME & FISHERIES,
VICE CHAIR
BANKING & INSURANCE
COMMUNITY, ECONOMIC &
RECREATIONAL DEVELOPMENT
LABOR & INDUSTRY
RULES & EXECUTIVE
NOMINATIONS

January 5, 2024

Kim Sheaffer
Legal Office Administrator 2
PA Department of Insurance
1341 Strawberry Square
Harrisburg, PA 17120
Via email: ksheaffe@pa.gov

RE: Highmark Modification Request

To whom it may concern:

I am writing today to express my support of Highmark Health's request to be granted relief from the remaining Conditions in the Order approved by the Pennsylvania Insurance Department (PID).

In 2013, the Pennsylvania Insurance Department (PID) and the Pennsylvania Insurance Commissioner approved a request by Highmark Health to acquire control of Highmark Inc. and of various subsidiaries, subject to certain conditions set forth under a PID Order. The conditions set forth in the Order addressed the PID's concerns – at the time – about preserving competition for consumers in western Pennsylvania among hospitals and insurers.

The Order made possible the creation of Highmark Health as a blended health organization. Highmark Health's approach has been to operate a health system – Allegheny Health Network (AHN) – through the lens of a large health insurer with a focus on reducing current and long-term costs of care by improving health outcomes and quality at every step of the patient experience.

Allegheny Health Network has improved access to care and maintained strong quality of care. AHN has, among other things, created six multi-specialty Health + Wellness pavilions and six outpatient centers; reopened the West Penn Hospital emergency room and expanded inpatient services; and opened seven new cancer centers, including a major new academic and research hub at Allegheny General Hospital.

In Erie, which is the region of the state that I have the privilege of representing, AHN and Highmark Health have invested more than \$200 million in new state-of-the-art facilities, programs, and clinical capabilities to improve the community's access to critical health services. For example, the investments have included a new comprehensive cancer center on the St. Vincent Hospital campus; a new, greatly expanded emergency department and state-of-the-art, robotic equipped operating room suites; two large scale health and wellness pavilions providing an array of medical and diagnostic services to communities east and west of the city; a new women and infants center at the hospital; a new wound treatment center; and most recently a

new, 24 bed Critical Decision unit at the hospital that is further enhancing the experience of patients who come to the emergency department and require an extended period of observation before they are sent home. And finally, just a couple of months ago, Saint Vincent broke ground in partnership with owners of the Erie Sports Center, on a new orthopedic, sports medicine and sports performance training facility. The new facility and campus will be an incredible asset for the Erie region.

The Order has accomplished its original goal, and with the passage of a decade, the Order now unduly limits Highmark Health's ability to compete with other integrated delivery systems that are not subject to the same regulatory conditions such as limiting Highmark's Provider contracts to no longer than 5 years that may increase care costs for members and financial commitment limitations that hamper Highmark Health's ability to support expanding access points to care for members through AHN.

Considering these accomplishments, I reiterate my strong support of Highmark Health's request for relief from this PID Order. Should you have any questions or concerns, please do not hesitate to contact my office.

Sincerely,



Dan Laughlin
State Senator
49th Senatorial District