

3RD DISTRICT
STATE SENATOR
SHARIF STREET
SENATE BOX 203003
THE STATE CAPITOL
HARRISBURG, PA 17120-3003
717-787-6735
FAX: 717-772-0581

1621 W. JEFFERSON STREET
PHILADELPHIA, PA 19121
215-227-6161
FAX: 215-560-1316

4458 A GERMANTOWN AVENUE
PHILADELPHIA, PA 19140
215-457-5200
FAX: 215-457-5206



COMMITTEES
BANKING & INSURANCE,
MINORITY CHAIR
AGRICULTURE & RURAL AFFAIRS
APPROPRIATIONS
HEALTH & HUMAN SERVICES
URBAN AFFAIRS & HOUSING
PENNSYLVANIA COMMISSION ON SENTENCING

EMAIL: ssstreet@pasenate.com
WEBSITE: www.SenatorSharifStreet.com
FACEBOOK: [SenatorSharifStreet](https://www.facebook.com/SenatorSharifStreet)
TWITTER: [@SenSharifStreet](https://twitter.com/SenSharifStreet)

Senate of Pennsylvania

February 12th, 2024

Kim Sheaffer
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120
Email: kimsheaffe@pa.gov

Re: Highmark Modification Request

Ms. Sheaffer:

I write today to comment on Highmark, Inc.'s (Highmark) Request for Modification of the Insurance Department's 2013 Order allowing Highmark and Allegheny Health Network (AHN) to operate as an integrated delivery system in western Pennsylvania. While Highmark/AHN operate as an integrated system in the western region, the interconnected and dynamic nature of the health care delivery system, and the impacts to access and delivery of care across the Commonwealth cannot be overlooked.

Highmark's request is not to modify but to end the conditions contained in the 2013 Order. The filing is based on Highmark's own conclusions and assumptions regarding the financial stability and competitiveness of the health insurer market and provider systems in western Pennsylvania. These conclusions are called into question by a May 2023 report authored by Compass Lexecon, an independent consultant retained by the Insurance Department. As part of the public process exploring the merits of Highmark's request to be relieved of the 2013 conditions, there should first be a transparent and public process addressing the differences between the Highmark filing and the Compass Lexecon report.

Specific to the filing, Highmark is seeking relief from conditions including increased regulatory oversight of the financial stability of Highmark and AHN and regulation of Highmark as an integrated system. Hospitals throughout the state are financially challenged, AHN included. Integrated systems provide health services and insurance coverage to increasing numbers of Pennsylvanians. At such a pivotal time in health care, it is reasonable to question whether pulling back on this regulatory oversight is prudent or in the best interest of health care consumers.

Highmark's request deserves input as it relates to future regulatory oversight, affordability, and competition in the health care system. As such, there are a few questions I'd have related to the request:

1. Is there additional independent analysis planned?

2. Will the removal of the requirement that Highmark reinvest 1.25% of written premium in community-based health impact local organizations and community health?
3. Will Highmark's expansion into SEPA impact health care costs/policyholders in western PA?

Clarification around these issues would be most helpful. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Street', written in a cursive style.

Sharif T. Street
Senator, Third District