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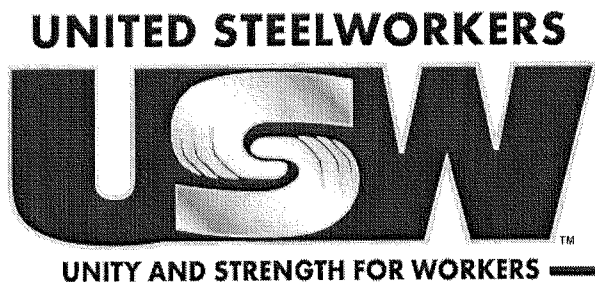
Brackbill, Robert

From: Moore, Colleen [CMoore@usw.org]
Sent: Wednesday, March 21, 2012 4:49 PM
To: Brackbill, Robert
Subject: Submission of Proposed Testimony of USW President Leo W. Gerard
Attachments: 03-22-12 Transmittal of PA Insurance Testimony.pdf

Attached please find the proposed testimony that USW President Leo Gerard intends to present at the April 17, 2012 Insurance Department information meeting being held at the Westin Convention Center. He has already pre-registered to speak at this hearing. If you should need any additional information, please contact me via return email or by phone at (412) 562-2300. Thank you.

Colleen Moore
USW – President's Office

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Leo W. Gerard
International President

March 21, 2012

Sent via fax and email

Mr. Robert Brackbill, Chief
Company Licensing Division
Insurance Department
1345 Strawberry Square
Harrisburg, PA 17120

Dear Mr. Brackbill:

Attached please find the testimony I plan to present at the April 17, 2012 Insurance Department informational hearing regarding Highmark's proposed affiliation with West Penn Allegheny Health System. I have already pre-registered to speak at this hearing.

Very truly yours,

Leo W. Gerard
International President

Testimony to the Pennsylvania Insurance Department

Leo Gerard

International President

United Steelworkers

Mr. Commissioner, my name is Leo Gerard, and I have the honor of serving as International President of the United Steelworkers union.

On behalf of the USW membership, I would like to express my appreciation to you for the opportunity to speak for a few minutes on an issue that represents tremendous importance for our members and their families in the Western Pennsylvania region, as well as for the region as a whole.

Some 80 years ago, during similarly challenging economic times, President Franklin D. Roosevelt told the nation that, "True individual freedom cannot exist without economic security and independence."

The United Steelworkers union believes in those same principles, and that is why I am here to express our confidence in, and complete support for, the proposed alliance between Pennsylvania's leading health insurer, Highmark Blue Cross Blue Shield, and the West Penn Allegheny Health System.

The Highmark-West Penn Allegheny alliance comes at a time of crisis in health care nationally. Yet, in this case, individual leaders from two great organizations have brought their minds together to create a breakthrough solution.

Instead focusing on the status quo, Highmark and West Penn Allegheny leaders have stepped out of the mold to think in a fresh way.

We believe that the alliance proposed between these two organizations represents an impressive list of benefits, and we call on the Pennsylvania Insurance Department to help bring it about as quickly as possible.

Here are just some of the anticipated benefits resulting from the Highmark-West Penn Allegheny alliance:

- One: It promises to keep more health care provider options open to consumers.
- Two: It ensures a higher level of competition in the regional health care marketplace.
- Three: It paves the way for greater control on health care costs.
- Four: It helps to make it easier for physicians to remain in this area.
- And, five: Of great interest to our USW membership and the region as a whole, the Highmark-West Penn Allegheny alliance greatly benefits the local economy through continued employment of more than 11,000 individuals, as well as creating the potential for new construction to modernize and expand existing facilities.

Unfortunately, incendiary rhetoric from UPMC, the region's dominant health care provider – which operates its own health insurance arm, as well – seeks to cast about the viability and need for the Highmark-West Penn Allegheny alliance.

This type of intrusion is unwarranted, unnecessary, and unconvincing.

Should this alliance not come to fruition, then Western Pennsylvania would be left at the mercy of a single monolithic health care provider, meaning that:

- One: Physicians would be told how to practice medicine or be forced to leave.
- Two: Health care costs would rise with the lack of competition.
- Three: Employers would struggle to provide benefits.
- And, four: Ultimately, patients could go without needed care.
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That scenario simply cannot be permitted to happen. Not here, not now, not ever.

I have been involved in steelmaking, and have represented the interests of steelworkers, my entire career. I can tell you with confidence that the history of the USW mirrors that of the Commonwealth of Pennsylvania. How so?

Each was founded based on a desire for greater freedom for its people.

Each has known challenge, strife, determination, and triumph.

Each has always recognized that, as FDR said, economic security provides the basis for true liberty.

With those ideas as the foundation, I speak for my USW brothers and sisters in once more asking that the Pennsylvania Insurance Department work with all energy and haste to approve the Highmark-West Penn Allegheny alliance.

By doing so, you will help not only the employees directly affected and their patients, but also the entire Western Pennsylvania region, to grow both economically and in greater good health. That is an outcome of which we can all take deserved pride.

I stand ready, as does my union, to assist in any way to bring about this desired outcome.

Thank you very much.