

Brackbill, Robert

From: Susan Caldwell [scaldwell6@hotmail.com]
Sent: Wednesday, April 11, 2012 9:29 PM
To: Brackbill, Robert
Subject: Testimony in Pittsburgh re:UPE to acquire Highmark in conjunction with WPAHS
Attachments: Remarks for Public Testimony on UPE to Acquire Control of Highmark and Its Pennsylvania Insurance Subsidiaries.docx

Dear Mr. Brackbill,
Please find attached my remarks for public comment on the application of UPE to acquire control of Highmark and its PA insurance subsidiaries in conjunction with proposed affiliation with west Penn Allegheny Health System.
Thank you for your attention to this important matter.
Sincerely,
Susan Caldwell

Remarks for Public Testimony on UPE to Acquire Control of Highmark and Its
Pennsylvania Insurance Subsidiaries

In conjunction with Highmark's proposed affiliation with West Penn Allegheny
Health System

Respectfully submitted by Susan H. Caldwell, RN, BSN, CNOR, RNFA

April 11, 2012

Personal introduction: Susan Caldwell, RN, BSN, CNOR, RNFA; Employed currently at Forbes Regional Hospital in Monroeville, PA. Previously employed at Shadyside Hospital and Citizens General Hospital. Former member of Allegheny County Council, representing 8 municipalities in the eastern and northern suburbs of Allegheny County.

I have worked for decades as a health care provider to citizens who come to the region's health care institutions, as patients trusting those institutions to provide the best care possible. In the 1970s and 1980s, many recall the process of health care institutions securing from the state a "certificate of need" in order to gain authorization to acquire equipment or expand facilities. It was a major event when the first tractor trailer rolled up the main driveway on Centre Avenue at Shadyside to deliver the hospital's first CAT scanner, as the facility had to go through a lengthy application and approval process to gain permission for this new diagnostic tool. Regulations would only permit for just so many of the costly units to exist within a certain region. The goal of this process appeared to be to prevent duplication of costly medical equipment, when patient demographics in a region did not dictate this expense.

This was also a time when health care premiums were a relatively small percentage of an employee's compensation package. Rarely did an employee pay a portion of the premium. As time has evolved, the insurance industry has found a need to adapt to the pressures from the legal implications of working with the practice of medicine.

Costs of health care have risen exponentially over the decades, fueled by many factors such as research and development costs, legal liabilities, corporate greed and loss of regulation of duplication of services.

The Pennsylvania Insurance Department has stated it is "To provide a premier regulatory environment that promotes a competitive marketplace and serves the best interest of Pennsylvania consumers". As a public servant, I held a responsibility to provide the best standard of life in our region while keeping the cost to the citizens at a minimum. The Insurance

Department has mirrored what most officials in public office strive to achieve. Your responsibility is to ensure that our region's citizens, as patients, are assured the best interest in the future of their health care.

Gone now are the days of the 'certificate of need' As time moved on, every acute care hospital of course has at least one, if not multiple, CT scanners. MRI and other advanced technology are readily available. At first to those in health care familiar with the "certificate" process, it seemed as if there was a CT scanner "on every corner" and many wondered if that was actually fiscally responsible.

Now we find ourselves in an extremely competitive health care climate in Southwestern Pennsylvania. Costs have driven formerly long standing independent institutions to merge with others, many times large health care groups, such as UPMC, or WPAHS, This appears as the only option leadership sees as hope to stay financially afloat. The competition between the two major providers in our region has escalated to a point of incongruity in the eyes of many. One example is an absurd opposite of what occurred when certificated of need were in existence. A major player in the region has taken initiative to construct an acute care hospital care less than 1.5 miles from an existing, successful acute care hospital in the same suburban community. This suburban area has experienced a steady decline in population due to corporate relocations over the past two decades. There is no patient volume need for a duplication of acute care services in this area. Insurance factors are given as the reasoning for this phenomenal expenditure of health care dollars. Individual patients, who are insured, mainly through employer selection of plan, through this provider, must only use facilities owned by the provider.

When interacting with citizens in the surrounding communities, time and again, I am told the sense of the public is that one health care system has a desire to gain control of the majority of the market in Southwestern Pennsylvania. This major player has multiple acute care facilities in the region and beyond.

We currently have in place regulations dictating that a patient must be given options of planning which home care agency will provide their home care when discharged from the acute care hospital. There is consumer choice in practice, as supported by statute. Should this same patient not be given options for their inpatient acute care provider?

Limiting services to patients only insured by the system's product, denies access to community assets. Over the years on our region, we have been blessed by many successful individuals bestowing gifts to our health care institutions. These contributions have in essence created some of our region's most valuable amenities, such as the Hillman Cancer Center. These bequests were given to the community as a whole, not with conditions of insurance coverage

per provider. To withhold these services from individuals in the community due to name of insurer of a card is theft of community resources, and a disservice to the benefactor.

Highmark, in its endeavors to maintain market place competition in the region, has come forward to assist the struggling WPAHS. At the same time, they have continuously maintained that patients deserve a choice of providers, and continue to pursue a relationship with UPMC as facilities of choice. Individuals who are insured with Highmark are now threatened that in a short time, they will not have access to their physicians who practice at UPMC facilities.

I believe the Insurance Department's mission will lead the respected members charged with this monumental task to decide in favor of a competitive market place for the citizens of Pennsylvania on this important matter. I also note the recent decision by the United States Justice Department to allow the application of Highmark and WPAHS to move forward, as a positive light on this matter. There must remain the imperative factor of choice for the citizen patients of Southwestern Pennsylvania.

Thank you for your attention to this vital issue.

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