

Buchanan Ingersoll & Rooney PC

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Corporate & Financial Regulation

OCT 31 2016

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October 31, 2016

VIA HAND DELIVERY

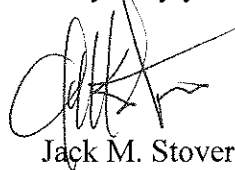
Joseph DiMemmo, CPA
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation
Pennsylvania Insurance Department
1345 Strawberry Square
Harrisburg, PA 17120

Re: Order No. ID-RC-13-06
June 19, 2015 Approval Letter, Section III(C)

Dear Deputy Commissioner DiMemmo:

Pursuant to Section III(C) of the above-captioned Approval Letter, Highmark Inc. is filing with the Department the attached non-confidential AHN Financial Commitment Expenditure Report and Certification. I have forwarded a copy to Larry Beaser and Patrick DeLacey.

Very truly yours,



Jack M. Stover

JMS/gmt
Enclosure

cc: Lawrence J. Beaser, Esquire (via Email)
Patrick T. DeLacey (via Email)

Allegheny Health Network
Summary of Financial Commitment Expenditure Report
 September 30, 2016

	REVISED SCHEDULED USE PROJECT TOTAL*	FUNDS EXPENDED	TOTAL REIMBURSED	AMOUNTS NOT YET REIMBURSED	AMOUNTS NOT YET EXPENDED	BENEFIT CATEGORY
(\$ in millions)						
Allegheny General Hospital						
Nursing Unit Renovations	\$ 15.7	\$ 15.5	\$ 15.0	\$ 0.5	\$ 0.2	Improving Quality and Coordination of Care
Lab/Radiology Renovations	3.3	3.3	3.3	-	-	Improving Quality and Coordination of Care
General Hospital Renovations	22.6	22.3	19.4	2.9	0.3	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	9.8	9.8	9.8	-	-	Improving Quality and Coordination of Care
	\$ 51.4	\$ 50.9	\$ 47.5	\$ 3.4	\$ 0.5	
Allegheny Clinic						
General Office Renovations	\$ 2.9	\$ 2.9	\$ 2.9	-	-	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement & Leases	0.2	0.2	0.2	-	-	Improving Quality and Coordination of Care
	\$ 3.1	\$ 3.1	\$ 3.1	\$ -	\$ -	
Allegheny Valley Hospital						
General Hospital Renovations	\$ 0.1	\$ 0.1	\$ 0.1	-	-	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	1.1	1.1	1.1	-	-	Improving Quality and Coordination of Care
	\$ 1.2	\$ 1.2	\$ 1.2	\$ -	\$ -	
Canonsburg Hospital						
General Hospital Renovations	1.7	1.7	1.7	-	-	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	1.1	1.1	1.1	-	-	Improving Quality and Coordination of Care
	\$ 2.8	\$ 2.8	\$ 2.8	\$ -	\$ -	
Forbes Hospital						
ICU Renovations	\$ 13.6	\$ 13.6	\$ 13.6	-	-	Improving Quality and Coordination of Care
General Hospital Renovations	8.4	8.3	4.9	3.4	0.1	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	1.9	1.9	1.9	-	-	Improving Quality and Coordination of Care
	\$ 23.9	\$ 23.8	\$ 20.4	\$ 3.4	\$ 0.1	
Jefferson Hospital						
General Hospital Renovations	\$ 4.2	\$ 4.2	\$ 4.2	-	-	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	4.1	2.0	1.9	0.1	2.1	Improving Quality and Coordination of Care
	\$ 8.3	\$ 6.2	\$ 6.1	\$ 0.1	\$ 2.1	
Saint Vincent Hospital						
Nursing Unit Renovations	\$ 3.1	\$ 3.1	\$ 3.1	-	-	Improving Quality and Coordination of Care
General Hospital Renovations	12.5	10.9	9.6	1.3	1.6	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	11.5	11.3	11.3	-	0.2	Improving Quality and Coordination of Care
	\$ 27.1	\$ 25.3	\$ 24.0	\$ 1.3	\$ 1.8	
West Penn Hospital						
NICU	\$ 1.5	\$ 1.5	\$ 1.4	\$ 0.1	-	Improving Neonatal Care and Access to Care
Unit Renovations	3.9	3.9	3.9	-	-	Improving Women's Health
General Hospital Renovations	1.6	1.6	1.6	-	-	Improving Access and Quality of Care
Equipment Replacement and Leases	6.3	5.5	5.3	0.2	0.8	Improving Quality and Coordination of Care
	\$ 13.3	\$ 12.5	\$ 12.2	\$ 0.3	\$ 0.8	
Allegheny Health Network/IT						
Renovations	\$ 12.1	\$ 12.1	\$ 12.1	-	-	Improving Facility Sustainability and Patient Satisfaction
Strategic Acquisitions	9.3	9.3	9.3	-	-	Improving Access to Care
Equipment Replacement and Leases	22.5	17.1	15.3	1.8	5.4	Improving Quality and Coordination of Care
	\$ 43.9	\$ 38.5	\$ 36.7	\$ 1.8	\$ 5.4	
AHN Total	\$ 176.0	\$ 164.3	\$ 154.0	\$ 10.3	\$ 10.7	

* Scheduled Use may represent only a portion of total project spend.

ALLEGHENY HEALTH NETWORK


CERTIFICATION

This certification is furnished to confirm the following:

The funds expended as provided in the AHN Financial Commitment Expenditure Report (Expenditure Report) have been expended only for the Specific Scheduled Uses (as defined in the PID approval letter dated June 19, 2015) as provided in the Expenditure Report.

The foregoing certification is made and delivered this 31st day of October 2016.

ALLEGHENY HEALTH NETWORK

By 

Jeff Crudele
Chief Financial Officer