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April 29, 2016

VIA HAND DELIVERY

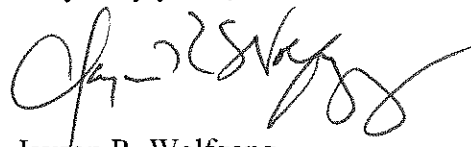
Joseph DiMemmo, CPA
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation
Pennsylvania Insurance Department
1345 Strawberry Square
Harrisburg, PA 17120

**Re: Order No. ID-RC-13-06
June 19, 2015 Approval Letter, Section III (C)(1)**

Dear Mr. DiMemmo:

Pursuant to the above-captioned Order and Section III (C)(1) of the above-captioned Approval Letter, Highmark Inc. is filing with the Department the attached non-confidential AHN Financial Commitment Expenditure Report as of March 31, 2016.

Very truly yours,



Jayson R. Wolfgang

JRW/gmt
Enclosure

cc: Lawrence J. Beaser, Esquire (via email: Beaser@BlankRome.com)
Patrick T. DeLacey (via email: pat.delacey@raymondjames.com)

Allegheny Health Network
Summary of Financial Commitment Expenditure Report
 March 31, 2016


	SCHEDULE USE PROJECT TOTAL	TOTAL REIMBURSED	FUNDS EXPENDED	VARIANCE BETWEEN TOTAL REIMBURSED AND FUNDS EXPENDED	BALANCE TO BE REIMBURSED	BENEFIT CATEGORY
<i>(\$ in millions)</i>						
Allegheny General Hospital						
Nursing Unit Renovations	\$ 26.2	\$ 12.9	\$ 13.5	\$ 0.6	\$ 13.3	Improving Quality and Coordination of Care
Lab/Radiology Renovations	15.3	2.6	2.7	0.1	12.7	Improving Quality and Coordination of Care
General Hospital Renovations	33.8	14.1	14.3	0.2	19.7	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	3.6	0.7	0.7	-	2.9	Improving Quality and Coordination of Care
	\$ 78.9	\$ 30.3	\$ 31.2	\$ 0.9	\$ 48.6	
Allegheny Valley Hospital						
General Hospital Renovations	\$ 0.1	\$ 0.1	\$ 0.1	\$ -	\$ -	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	0.1	0.1	0.1	-	-	Improving Quality and Coordination of Care
	\$ 0.2	\$ 0.2	\$ 0.2	\$ -	\$ -	
Canonsburg Hospital						
Equipment Replacement and Leases	\$ 0.1	\$ 0.1	\$ 0.1	\$ -	\$ -	Improving Quality and Coordination of Care
	\$ 0.1	\$ 0.1	\$ 0.1	\$ -	\$ -	
Forbes Hospital						
ICU Renovations	\$ 16.7	\$ 13.0	\$ 13.5	\$ 0.5	\$ 3.7	Improving Quality and Coordination of Care
General Hospital Renovations	0.3	0.3	0.3	-	-	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	0.3	0.3	0.3	-	-	Improving Quality and Coordination of Care
	\$ 17.3	\$ 13.6	\$ 14.1	\$ 0.5	\$ 3.7	
Jefferson Hospital						
General Hospital Renovations	\$ 1.4	\$ 1.3	\$ 1.3	\$ -	\$ 0.1	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	1.0	0.5	0.5	-	0.5	Improving Quality and Coordination of Care
	\$ 2.4	\$ 1.8	\$ 1.8	\$ -	\$ 0.6	
Saint Vincent Hospital						
Nursing Unit Renovations	\$ 5.3	\$ 3.0	\$ 3.0	\$ -	\$ 2.3	Improving Quality and Coordination of Care
General Hospital Renovations	1.9	1.6	1.7	0.1	0.3	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	7.0	6.2	6.2	-	0.8	Improving Quality and Coordination of Care
	\$ 14.2	\$ 10.8	\$ 10.9	\$ 0.1	\$ 3.4	
West Penn Hospital						
NICU	\$ 4.7	\$ 0.7	\$ 0.7	\$ -	\$ 4.0	Improving Neonatal Care and Access to Care
Unit Renovations	3.9	3.9	3.9	-	-	Improving Women's Health
General Hospital Renovations	8.9	1.0	1.0	-	7.9	Improving Access and Quality of Care
Equipment Replacement and Leases	1.3	1.3	1.3	-	-	Improving Quality and Coordination of Care
	\$ 18.8	\$ 6.9	\$ 6.9	\$ -	\$ 11.9	
Allegheny Health Network/IT						
Renovations	\$ 10.1	\$ 9.1	\$ 9.2	\$ 0.1	\$ 1.0	Improving Facility Sustainability and Patient Satisfaction
Strategic Acquisitions	9.3	9.3	9.3	-	-	Improving Access to Care
Equipment Replacement and Leases	23.7	10.2	11.3	1.1	13.5	Improving Quality and Coordination of Care
	\$ 43.1	\$ 28.6	\$ 29.8	\$ 1.2	\$ 14.5	
AHJN Total	\$ 175.0	\$ 92.3	\$ 95.0	\$ 2.7	\$ 82.7	

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

(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 29th day of April 2016.

ALLEGHENY HEALTH NETWORK

By 
Jeffrey Crudele
Chief Financial Officer