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August 1, 2016

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Corporate & Financial Regulation

AUG 1 2016

Pennsylvania
Insurance Department

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 of the report to Mr. Beaser and Mr. DeLacey.

Very truly yours,



Jack M. Stover

JMS/cb

Enclosure

cc: Lawrence J. Beaser, Esquire (via e-mail)
Patrick T. DeLacey (via e-mail)

Allegheny Health Network

Summary of Financial Commitment Expenditure Report

June 30, 2016

	REVISED SCHEDULED USE PROJECT TOTAL	FUNDS EXPENDED	TOTAL REIMBURSED	AMOUNTS NOT YET REIMBURSED	AMOUNTS NOT YET EXPENDED	BENEFIT CATEGORY
<i>(\$ in millions)</i>						
Allegheny General Hospital						
Nursing Unit Renovations	15.7	15.1	15.0	\$ 0.1	\$ 0.6	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	19.9	19.4	0.5	2.7	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	9.8	9.7	9.7	-	0.1	Improving Quality and Coordination of Care
	51.4	48.0	47.4	0.6	3.4	
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	0.1	1.0	-	Improving Quality and Coordination of Care
	1.2	1.2	0.2	1.0	-	
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	0.1	1.0	-	Improving Quality and Coordination of Care
	2.8	2.8	0.1	2.7	-	
Forbes Hospital						
ICU Renovations	13.6	13.6	13.6	-	-	Improving Quality and Coordination of Care
General Hospital Renovations	8.4	8.3	0.2	8.1	0.1	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	1.9	1.9	0.4	1.5	-	Improving Quality and Coordination of Care
	23.9	23.8	14.2	9.6	0.1	
Jefferson Hospital						
General Hospital Renovations	4.2	4.2	1.3	2.9	-	Improving Facility Sustainability and Patient Satisfaction
Equipment Replacement and Leases	4.1	1.9	0.4	1.5	2.2	Improving Quality and Coordination of Care
	8.3	6.1	1.7	4.4	2.2	
Saint Vincent Hospital						
Nursing Unit Renovations	3.1	3.1	3.1	-	-	Improving Quality and Coordination of Care
General Hospital Renovations	12.5	10.4	9.6	0.8	2.1	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	24.8	24.0	0.8	2.3	
West Penn Hospital						
NICU	1.5	1.4	0.7	0.7	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	0.9	0.7	-	Improving Access and Quality of Care
Equipment Replacement and Leases	6.3	5.4	1.3	4.1	0.9	Improving Quality and Coordination of Care
	13.3	12.3	6.8	5.5	1.0	
Allegheny Health Network/IT						
Renovations	12.1	12.1	9.2	2.9	-	Improving Facility Sustainability and Patient Satisfaction
Strategic Acquisitions	9.3	9.3	9.3	-	-	Improving Access to Care
Equipment Replacement and Leases	22.5	15.6	11.3	4.3	6.9	Improving Quality and Coordination of Care
	43.9	37.0	29.8	7.2	6.9	
TOTAL	176.0	158.1	124.2	34.9	15.9	

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

ALLEGHENY HEALTH NETWORK

CERTIFICATION

This certification is furnished to confirm the following:

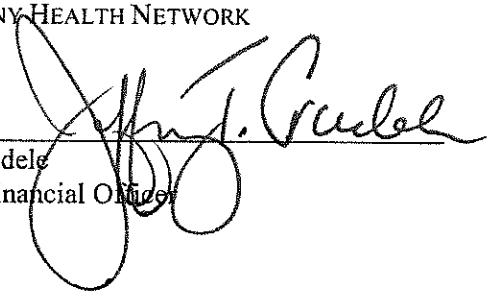
The funds expended as provided in the AHN Financial Commitment Expenditure Report (Expenditure Report) have been expended only for the Specific Scheduled Uses (as defined in the PID approval letter dated June 19, 2015) as provided in the Expenditure Report.

The foregoing certification is made and delivered this 29th day of July 2016.

ALLEGHENY HEALTH NETWORK

By

Jeff Crudele
Chief Financial Officer

A handwritten signature in black ink, appearing to read "Jeff Crudele", is written over a horizontal line. The signature is stylized and cursive.