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HOUSE OF REPRESENTATIVES  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

RECEIVED  
Corporate & Financial Regulation

February 22, 2012

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Pennsylvania  
Insurance Department

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

Dear Mr. Brackbill,

As a Member of the General Assembly from Southwestern Pennsylvania, our region includes the hospitals that comprise the West Penn Allegheny Health System (WPAHS) – Allegheny General Hospital, West Penn Hospital, Forbes Regional Hospital and Allegheny Valley Hospital in Allegheny County. Canonsburg General Hospital is located in Washington County. The Allegheny Valley Hospital is located in my district and is a vital part of our community, providing excellent care and family sustaining jobs for people of the Allegheny Valley.

Including affiliated physician practices and ancillary services provided under the West Penn Allegheny Health System umbrella, West Penn Allegheny employs more than 11,000 employees throughout the region. The people of WPAHS --physicians, nurses, technicians and support staff -- provide excellent quality care 24/7 for our friends, families and colleagues: 62,000 admissions, 836,474 outpatient visits and 171,497 emergency room visits, annually.

The Insurance Department is currently reviewing the proposed affiliation of WPAHS and Highmark, Inc. We are confident that you will conduct a thorough examination of the proposed transaction and **we urge you to approve the affiliation quickly**. Our primary concerns are detailed below.

**Choice for patients and physicians is at risk.** The Pittsburgh region is unique in the nation in the dominance of one healthcare delivery system. The finances of the West Penn Allegheny Health System are fragile and without the Highmark affiliation, patients will have not choice in where they get care. Physicians will not have choices in where

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they practice their profession. We expect many would leave the region, exacerbating the existing shortage of physicians, particularly primary care doctors.

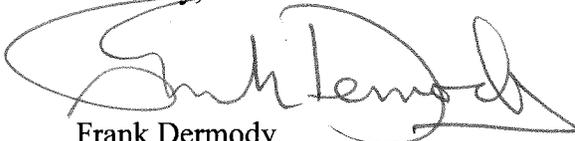
**WPAHS is recognized by impartial authorities as a high quality healthcare provider.** For the 3<sup>rd</sup> year in a row, WPAHS has been ranked by Thompson Reuters, in the top 20% of medical centers in the nation based on quality, safety and patient satisfaction, measured on only objective outcomes data, not opinion polls. Heart and liver transplant survival rates for patients who receive care at Allegheny General are the highest in the Commonwealth of Pennsylvania.

**Employers need competition in the healthcare marketplace in order to provide insurance for their workers.** The WPAHS and Highmark affiliation will result in further innovations in quality, continued access for patients and accountability for costs.

**The WPAHS-Highmark affiliation will preserve important community assets and their non-profit status.** The individual hospitals are major employers in their home communities and they provide millions of dollars of "community benefit" to the region each year. Natrona Heights, Canonsburg, Monroeville, Bloomfield and the North Side of Pittsburgh benefit from and support their hospitals.

I support this transaction and believe that your review will conclude that expeditious approval of the proposed affiliation is the correct action for patients and providers in Southwestern Pennsylvania.

Sincerely,



Frank Dermody  
33<sup>rd</sup> Legislative District  
Democratic Leader