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The Democratic Leader



Senate of Pennsylvania

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Corporate & Financial Regulation

MAR 14 2012 BB

Pennsylvania
Insurance Department

March 13, 2012

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

Dear Mr. Brackbill,

As a leader in the Pennsylvania Senate from Southwestern Pennsylvania I want to add my voice to those who have expressed support for timely approval of the proposed affiliation between the West Penn Allegheny Health System (WPAHS) and Highmark Inc. This transaction will preserve choice for millions of patients and healthcare providers in the region.

Most of the nearly 12,000 WPAHS employees, their friends and families reside in Allegheny and surrounding counties. The nurses, physicians and staff of the five hospitals that make up WPAHS provide tremendous care to individuals and families every day.

The WPAHS hospitals -- Allegheny General, West Penn, Forbes Regional, Allegheny Valley and Canonsburg General -- are recognized locally and nationally as meeting and exceeding established quality measures. For example, WPAHS has been ranked for 3 years straight 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. There are numerous other publicly reported data, including through the Pennsylvania Hospital Cost Containment Council (PHC4), that recognizes the quality of care provided by the System.

In spite of these achievements in quality, the finances of the West Penn Allegheny Health System are fragile and without the Highmark affiliation, patients will not have choice in where they get care. Physicians will not have choices in where they practice their profession. I expect that many would leave the region, exacerbating the existing shortage of physicians, particularly primary care doctors. Employers, too, are gravely concerned about the potential loss of choice in providers which will result in increased costs that will be shifted to employees.

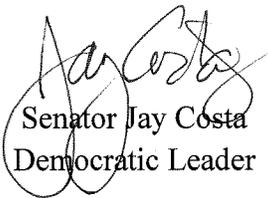
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Senator Jay Costa
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The WPAHS-Highmark affiliation will preserve community assets and their tax-exempt status. Significant state and federal dollars have been invested over many years in the hospitals and programs of the WPAHS hospitals. It is imperative that the Commonwealth act swiftly to protect these institutions that taxpayers and generous donors established and maintained for the good of the community.

I look forward to your thorough and expeditious review of this important transaction.

Sincerely,



Senator Jay Costa
Democratic Leader