



HOLY FAMILY
INSTITUTE

Restoring Hope, Transforming Lives

8235 Ohio River Blvd.
Pittsburgh, PA 15202-1454
www.hfi-pgh.org

P 412.766.4030
F 412.766.5434

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Commerce & Financial Regulation

MAR 9 2012

Pennsylvania
Insurance Department

March 6, 2012

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

SUBJECT: Highmark Affiliation with West Penn Allegheny Health System

Dear Mr. Brackbill:

I am writing to ask that you support the Highmark Affiliation with West Penn Allegheny Health System (WPAHS). As the President and CEO of Holy Family Institute (HFI), one of the largest non-profit, social services in southwestern Pennsylvania with almost 400 employees, I have watched the cost of healthcare for our employees rise by over 30% over the past 3 years.

This rising cost is a serious challenge to the important work we do, which is to provide services to at-risk children and families referred to us by the Allegheny County Children Youth and Family Services. The state monies that flow down through the County to reimburse HFI to provide these services was seriously reduced in 2011, and this year there is an additional 28% cut in the governor's proposed budget. As healthcare represents a significant cost to Holy Family, managing this cost is one of our biggest concerns.

If this alliance between Highmark and West Penn Allegheny Health System is not approved, the Pittsburgh area will have only one health care provider. We must preserve the West Penn Allegheny Health System to assure a choice of providers for consumers, as well as competition among viable health care delivery systems. If there is no choice of providers for consumers and a lack of competition among providers, the following will occur:

- Physicians will have little to no choice where or how they practice medicine and potentially leave the region to practice elsewhere;
- Costs will rise;
- If costs rise, the whole community suffers;
- Employers will struggle to continue to provide benefits; and
- Ultimately, patients will go without needed care.

We can achieve more sustainable health care costs by ensuring appropriate utilization of services and by having real competition between viable health care systems that will result in improved quality,

United Way Contributor Choice #73.

The official registration and financial information of Holy Family Institute may be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, 1-800-732-0999. Registration does not imply endorsement.

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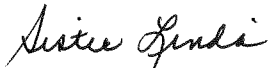
expanded access and lower health care costs.

In addition to preserving choices and controlling costs, the Highmark/WPAHS affiliation will greatly benefit the local economy, protecting the livelihood of thousands of Western Pennsylvanians that work within WPAHS and the local businesses that provide goods and services to the health system.

Rapid action by the state is critical to saving the WPAHS hospitals, which are important, high-quality community assets. Their financial situation is serious. Thomson Reuters has identified WPAHS as one of the 57 top-performing health care systems in the U.S., based on quality, safety and patient satisfaction. Allegheny General Hospital has been recognized as among the best in patient-care quality when it comes to liver and heart transplants in a Scientific Registry of Transplant Recipients (SRTR) report issued January 2012. For a second consecutive year, Allegheny General Hospital's one-year survival rate among adult patients undergoing heart transplants was the best of any medical center in the state. In addition, Allegheny General's adult liver transplant program performance posted a one-year survival rate that was the state's best and among the top 25 adult transplant programs in the country out of 139 medical centers.

In summary, I urge you to take quick action to approve the affiliation between Highmark and WPAHS so that this high-quality, valued community asset is not lost, so that health care prices remain competitive, so that a large, viable employer continues to operate in the Pittsburgh community, and so area employers can continue to help their employees access affordable, high quality health care options.

Sincerely,



Sister Linda Yankoski, CSFN
President-Chief Executive Officer