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Bybee, Cressinda

From: Chronister, Ronald [ronald.chronister@bipc.com]
Sent: Thursday, July 05, 2012 3:36 PM
To: Bybee, Cressinda
Cc: ghwelch@gmail.com
Subject: Response to Public Comment from Ms. Gail Welch
Attachments: ScannedFile.pdf

Ms. Bybee,

Attached is a response to the public comment received by the Insurance Department from Ms. Gail Welch. I am providing Ms. Welch a copy of the response with this email.

Ron Chronister

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**BEFORE THE INSURANCE DEPARTMENT
OF THE
COMMONWEALTH OF PENNSYLVANIA**

Statement Regarding the Acquisition of Control of or Merger with
Domestic Insurers:

Highmark Inc.; First Priority Life Insurance Company, Inc.;
Gateway Health Plan, Inc.; Highmark Casualty Insurance Company;
Highmark Senior Resources Inc.; HM Casualty Insurance Company;
HM Health Insurance Company, d/b/a Highmark Health Insurance Company;
HM Life Insurance Company; HMO of Northeastern Pennsylvania, Inc., d/b/a First Priority Health;
Inter-County Health Plan, Inc.;
Inter-County Hospitalization Plan, Inc.; Keystone Health Plan West, Inc.;
United Concordia Companies, Inc.; United Concordia Dental Plans of Pennsylvania, Inc.;
United Concordia Life and Health Insurance Company

By UPE, a Pennsylvania nonprofit corporation

Response of UPE to
Comment of Gail Welch Dated May 22, 2012

UPE is responding to the comment from Gail Welch dated May 22, 2012. The comment is numbered as Document 0718 on the Highmark/West Penn Cumulative Log page of the Pennsylvania Insurance Department website.

Ms. Welch has expressed concerns about the proposed affiliation of Highmark Inc. ("Highmark") and West Penn Allegheny Health System ("WPAHS"). Ms. Welch does not support this transaction because she does not support the use of Highmark's reserves to fund the affiliation. A significant portion of the funding that Highmark has committed to provide WPAHS is in the form of interest-bearing loans that WPAHS is obligated to repay. Further, UPE would like to reassure Ms. Welch that Highmark has preserved adequate funds for medical claims for the benefit of our members as required under Pennsylvania law. This transaction will ultimately benefit Highmark's policyholders and subscribers by providing customers with increased health care competition that will help stabilize health-care costs while delivering the top-notch health care.

UPE believes that this transaction will ensure the continued vitality of WPAHS, delivering value, choice, and high-quality health care services for the benefit of the Western Pennsylvania community.

UPE would like to thank Ms. Welch for her comments.

UPE
120 Fifth Avenue
Pittsburgh, PA 15222

DATE: July 5, 2012

cc: Gail Welch