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Brackbill, Robert

From: pearlreapaf@comcast.net
Sent: Tuesday, July 24, 2012 9:35 PM
To: Brackbill, Robert
Subject: More Reasons not to approve

Good Morning

As time is moving forward so does Highmark with it maniac like expansion of its business. They do not seem to have any control over their wants or wallet. After looking at their revised Form A it made me think about the next few years and all the people who will depending on Highmark and all the affiliates of Highmark.

Right now Highmark is relying on the large reserve to invest with all these new endeavors along with loans and notes. I have been in the business world long enough to know how business expand. I also know what happens after they expand, acquire all this debt and have to start paying on, they run into major financial problems.

Over the past few years Highmark has been tapping their core business to free up some money to invest. They have eliminated various insurance plans that hurt the customers that could not afford to be hurt, they have layed or sold more people within the past five years than they ever have in their entire history. And they are using extremely poor reasoning explaining it to their employees. After years of telling them how valuable they are and the employees continually receive excellent and good performance reviews then suddenly be categorized as "deadwood" there is something that has to be checked with management style.

At the same time the core business that the reserve was built from has been in constant reorganization. No one in middle or upper management is ever comfortable in their positions and no one in any position throughout the company can keep track of who is over who. Even as you read this the membership division where at this time last year was going through a major lay off they are going through their third reorganization. Is this the kind of management leadership you want to have overseeing WestPenn Allegheny at the same time all those other companies? If they can't take care of their own place how can anyone feel confident that they could handle anything else?

Even with a separate corporation listed on paper, Highmark will make sure they will put some of their own in strategic positions to keep control over all the different entities. I walked into Fifth Avenue Place today to meet an old friend of mine for lunch. It was at the peak of the lunchtime period for the company. The food court population was sparse compared to years ago, and the crowd outside was no where to be found. It would be foolish to think that everyone was in the cafeteria. That would be too naive. Even the lobby area was not as crowded as it was years ago. If the Highmark upper management keeps reaching into the reserve cookie jar there will not be any reserve available for the reason for which a reserve is required.

Do they have a backup plan if WestPenn/Allegheny does not go as they are talking about? What about the medical malls? They are all major investments and to be doing both at the same time just does not make sense. While back at headquarters changing their computer systems, there is a strong experienced feeling that there is a rush put on them and as a result a lot of problems riding along.

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Bottom line is they must be made to slow down and prove not by corporate rhetoric but by solid numbers their financial picture on sustaining all these projects into the future and I do not mean the next five years. I am talking 10-20 years from now.

I strongly disagree with all of this and fear the WestPenn/Allegheny marriage will be a very bad marriage.

Thank you and have a good day

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ps I do find it rather strange that none of my prior statements have yet to receive a response.

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