

1360

Brackbill, Robert

From: Neal Bisno [neal.bisno@seiuhcpa.org]
Sent: Thursday, April 18, 2013 7:05 PM
To: Brackbill, Robert
Subject: Public Statement of Neal Bisno, President of SEIU Healthcare Pennsylvania, re: Proposed Highmark-WPAHS Affiliation
Attachments: Neal Bisno SEIU Healthcare PA Public Comment on HM-WPAHS Affiliation 4-19-13.pdf

Mr. Brackbill:

Please see attached.

Thank you,

Neal Bisno

--

Neal Bisno

President

SEIU Healthcare Pennsylvania

(o) 717-238-3030 x3120

(c) 814-360-3511

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you receive this in error, please contact the sender and delete the material from any computer. SEIU Healthcare Pennsylvania does not represent or warrant that the attached files are free from computer viruses or other defects.

04



SEIU Healthcare®

United for Quality Care

NEAL BISNO
President

KIM PATTERSON
Secretary-Treasurer

KATI SIPP
Executive Vice President

ZACH ZOBRIST
Executive Vice President

CATHY BRADY
Vice President

KEVIN HEFTY
Vice President

PATTY LUDWIKOWSKI
Vice President

WENDELL ROYSTER
Vice President

MATTHEW YARNELL
Vice President

Executive Board

MARCIE BOYER

JAMIE COLEMAN

MELISSA COSTELLO

DENISE COX

CONNIE Cwikla

CHARMAINE CURRIN

JOSEPH DONAHUE

MARGARET DURAND

BRENDA FIELDS

DANIELLE FOX

DAWN FUTRELL

KAY GOOD

CHRIS HASSLUMAN

ELIZABETH HULSIZER

RONALD Hvizda

VERONICA KAYLOR

DEBORAH KLINE

MARIE MARSH

STEFAN MARTIN

ROBYN MELLIN

BRENNAN MILLS

TONYA MORROW

SHANRIKA NELSON

HELEN NOEL

LINDA PARLETT

MARIA RAZANAUSKAS

LORI REINHART

YVONNE RICKABAUGH

FRANK SEBEK

KATHY SHANER

PAULA STELLABOTTE

MICHELLE STEWART

RHOLIA STEWART

CATHY STODDART

EVILYN THOROUGHGOOD

RUTH VISINTAINER

KIM WARNER

CATHY WILLIAMS

SANDRA WILLIAMS

SCOTT YOUNG

JOHN ZIEGLER

SANDY ZIMMERMAN

1500 North 2nd Street
Harrisburg, PA 17102
717.238.3030

www.seiuhealthcarepa.org

April 19th, 2013

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

Dear Mr. Brackbill:

My name is Neal Bisno, President of SEIU Healthcare Pennsylvania. We are the state's largest healthcare union, uniting 25,000 frontline caregivers across the Commonwealth, including over 2,000 registered nurses and healthcare workers employed by West Penn Allegheny Health System (WPAHS). SEIU Healthcare Pennsylvania members at WPAHS include 1,300 RNs at Allegheny General Hospital in Pittsburgh, 700 RNs and service workers at Allegheny Valley Hospital in Natrona Heights, and 130 service workers at Canonsburg General Hospital in Canonsburg.

I am writing to *strongly support* the proposed affiliation between Highmark Insurance and the West Penn Allegheny Health System (WPAHS) and to urge the Department to approve the transaction immediately and unconditionally.

The final approval of the Highmark-WPAHS transaction is absolutely critical--not just for the future of its nearly 12,000 employees—but for people across our entire region.

The stakes are high. This affiliation is crucial in order to preserve access to high-quality, affordable care for patients; to maintain and create good, family-sustaining jobs for workers; and to ensure a competitive marketplace with ample consumer choice to improve quality and lower costs for healthcare consumers across the region.

Please consider the following:

WPAHS: A Record of High-Quality, Affordable Care

WPAHS is an award-winning health system. For the last three years, Thomson Reuters named West Penn Allegheny Health System (WPAHS) one of the country's top-performing health systems—the only hospital system in western Pennsylvania to qualify.

Allegheny General Hospital (AGH) was named for the second time by Thomson Reuters as one of the nation's 100 Top Hospitals and one of the top 50 cardiovascular hospitals. And *U.S. News & World Reports* ranked AGH's patient safety "Superior," its highest rating, across a dozen practice areas.

Just as impressive as WPAHS' remarkable quality outcomes is the fact that West Penn Allegheny provides an excellent standard of care at a significantly lower cost than competing hospitals. Data from Medicare cost reports shows that per-case costs at WPAHS hospitals are 19% *LESS* than its UPMC competitors.

WPAHS: A Vital Part of the Western PA Economy

West Penn Allegheny is an absolutely vital source of jobs and a driver of economic activity in western Pennsylvania. WPAHS is the 4th largest private sector employer in Pittsburgh, employing nearly 12,000 residents of the region.

And jobs at WPAHS are not just any jobs, they are exactly the kind of high quality jobs that build and sustain the middle class in this region, including thousands of nurses, technologists, and service workers.

However, WPAHS' impact goes far beyond the healthcare workers the system employs directly. We estimate that WPAHS supports 11,000 additional jobs in the community, demonstrating a powerful ripple effect across the region.

WPAHS: Key to Healthcare Choice and Competition in Western Pennsylvania

As the second largest health system in the region, and the sole source of meaningful competition to UPMC, WPAHS is the only institution standing in the way of UPMC establishing a virtual monopoly over hospital services in Pittsburgh and Allegheny County.

There is little question that UPMC has used its market dominance to drive up the price of services, and as a result the cost of healthcare for all western Pennsylvanians.

The affiliation between Highmark and West Penn Allegheny will enhance competition and choice in the Pittsburgh healthcare market, as the reports recently released by the Department's consultants indicate. And competition and choice are key to improving healthcare quality and reducing healthcare costs for millions of western Pennsylvanians.

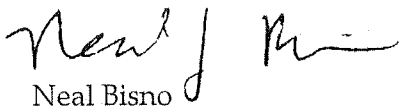
Together, WPAHS and Highmark have the opportunity to create a truly integrated healthcare delivery system that can adapt to the changing world of healthcare, in which payment will be based on performance and quality outcomes, not simply volume. Together, WPAHS and Highmark will maintain and expand hospital competition in western Pennsylvania, deliver high quality care in an efficient and cost effective manner, and preserve and create quality jobs for this community.

It is clear that WPAHS must survive. However, WPAHS' capacity to survive and thrive depends upon joining with an entity strong enough to allow the system to address its financial challenges and compete effectively with UPMC. There is only one potential partner that has the wherewithal and willingness to join with WPAHS, while maintaining WPAHS hospitals' long history as not for profit institutions focused on providing quality care to this community. That partner is Highmark.

As the Department is aware and has been widely reported, since the proposed affiliation was first announced in the fall of 2011, WPAHS' financial status has steadily and seriously deteriorated, underscoring the urgency of finalizing the partnership with Highmark in the immediate future. Time is of the essence.

For these reasons, I ask you to approve the Highmark-WPAHS affiliation agreement as soon as possible and without condition.

Sincerely,

A handwritten signature in dark ink, appearing to read "Neal Bisno", followed by a horizontal line.

Neal Bisno
President

NB:slf

cc: File (2)