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Brackbill, Robert

From: Brackbill, Robert
Sent: Friday, April 19, 2013 12:25 PM
To: 'Chronister, Ronald'
Subject: Highmark/UPE Form A Filing: Public Comment Received from Representative Marshall

The following public comment concerning the subject filing is being forwarded to you for appropriate response.

Robert E. Brackbill, Jr. | PIR | Chief, Company Licensing Division
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From: Tracy Plevel [<mailto:Tplevel@pahousegop.com>] **On Behalf Of** Jim Marshall
Sent: Friday, April 19, 2013 12:18 PM
To: Brackbill, Robert
Subject: Highmark / West Penn Public Comment Submission

April 19, 2013

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

Dear Mr. Brackbill:

It is clear that Highmark's intention is to save West Penn Allegheny Health System (WPAHS) and positively impacts jobs in Allegheny County. However, this action also has the distinct possibility of destroying jobs in Beaver County and the northern Allegheny County region. On page 145 of the Compass Lexecon report, Highmark clearly states its intention to move 41,135 admissions, and the employees providing care for these admissions, to WPAHS in order to meet their projections for Fiscal Year 2017. In addition to moving admissions and employees away from their primary competitor, UPMC, the report indicates that these admissions and employees will also need to come from regional community hospitals/health systems such as Heritage Valley Health System.

Heritage Valley Health System is a locally owned, independent community based Integrated Delivery System, located north/northwest of Pittsburgh, serving the health care needs of more than 350,000 residents of Beaver County and northern Allegheny County. As a nonprofit, tax exempt provider, Heritage Valley serves the health care needs of all patients in our region, including those who cannot afford health care.

If the Insurance Commissioner does approve the transaction, it is extremely important that the Commissioner include a number of critical conditions with the approval:

1. Highmark should not be permitted to use their insurance power in this region to disadvantage community hospitals by failure to pay community hospital market-based rates for the health care services they provide.

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Highmark should not be permitted to exclude or unfairly disadvantage any community based hospitals from participating in any tiered insurance products that they may develop.

2. Highmark must not be able to employ or enter into any formal agreements with any Heritage Valley Health System physicians directly or indirectly.
3. Highmark will not construct nor operate any redundant health care facilities in the Heritage Valley Health System area.

State Representative Jim Marshall
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