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Brackbill, Robert

From: Walt Michalski [wmichalski@aftpa.org]
Sent: Friday, April 19, 2013 2:04 PM
To: Brackbill, Robert
Subject: Application for Highmark Inc. Affiliation w WPAHS
Attachments: Ltr to PA Insurance Dept 4-19-13.pdf

Dear Mr. Brackbill,

Attached please find my public comment on the above-named matter. Please submit it to the Insurance Department on my behalf.

Thank you,
Walt

Walter M. Michalski
Staff Representative

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April 19, 2013

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

Ted Kirsch
PRESIDENT

John Tarka
EXECUTIVE VICE PRESIDENT

RE: Application for Highmark's Affiliation with West Penn Allegheny Health System

Dear Mr. Brackbill:

I am writing as a Staff Representative of the AFT Pennsylvania, representing teachers and other public and private school professional and non-professional employees. I am also a Trustee of the Allegheny County Schools Health Insurance Consortium, which provides health insurance for 50 public school entities (grades K-12) and community colleges in and around Allegheny County (covering over **19,000 employees** and retirees and insuring a total of more than **40,000 lives**, when you add in dependent coverage).

The Insurance Department is currently reviewing the proposed affiliation of the West Penn Allegheny Health System (WPAHS) and Highmark, Inc. **I urge that you approve the affiliation, and do so quickly.** The WPAHS is vital to our region and to the people I represent. It is crucial that WPAHS survives and flourishes in Western Pennsylvania for the following reasons:

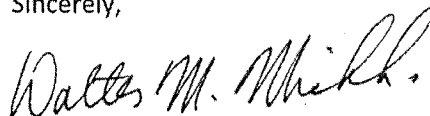
- **Saving the WPAHS means saving thousands of jobs in our region and will protect other businesses and jobs in the local economy from taking a tremendous financial hit.** In addition to the jobs working directly in the WPAHS, businesses associated with the system's facilities and businesses that thrive on providing services for the people that work in these facilities would be hurt immensely if the WPAHS were to go out of business. The affiliation of these two entities will enable the WPAHS to survive so it can continue to provide quality care to our communities.
- **The WPAHS provides excellent quality healthcare for the people of our region.** WPAHS has been ranked as a top-quality provider based on objectives outcomes data, such as that provided by Thompson Reuters. We have an aging population who demand the best in healthcare, we need to work together to be sure that quality care is affordable and available to our members.
- **The survival of the WPAHS is essential in maintaining choice for patients and physicians in our region.** The existence and growth of the UPMC system has created problems and difficulties in this area. The choices made by the UPMC system, such as abandoning its Braddock facility, while creating an unnecessary facility in Monroeville to feed patients into the UPMC system, shows that we cannot count on one dominant system to look out for the welfare of the community without having other systems surviving in competition with them. Unfortunately, the financial

status of the WPAHS is fragile, and they will not survive without the assistance that the affiliation with Highmark will provide.. I live in Washington County, and depend upon Canonsburg Hospital for emergency care, as well as routine healthcare. It is important to me and my family, as well as the people I represent, that these facilities continue to survive and have a chance to flourish. If the WPAHS system fails, then even the independent hospitals (such as St. Clair Hospital) will have great difficulty competing on their own, as the environment would leave UPMC as an uncontested behemoth, with unlimited bargaining power, being both as a provider of medical services and as an insurance provider.

- **The integration of an insurance company and a healthcare system is probably essential for the health of both partners.** It is only through the coordination of quality care, through a thoroughly planned integration of systems, that we will be able to deliver top-rate healthcare in an affordable manner. UPMC has been providing both sides of this equation for a great while. I am glad to see Highmark step forward and make a commitment to keeping the vital WPAHS working and improving into the distant future. I also believe in Highmark's commitment to creating an integrated system to give us, as a region, the best quality for the best value.
- **Refusing the affiliation will allow UPMC to dominate Western Pennsylvania Healthcare.** While UPMC provides some of the best in quality healthcare, the leadership of UPMC has shown no concern for those most affected by the fallout from the UPMC-Highmark contract disputes. For example, UPMC recently decided to refuse service to anyone, on any basis, if they have a Community Blue Card from Highmark Insurance. I understand that the Community Blue insurance may not cover UPMC facilities or providers in its network, but it is unconscionable to me for a doctor or a facility to refuse to see a patient, even on a cash basis, because of a decision that may not even be within their power. This demonstrates to me that, in this market, there must a healthcare system that can work to thrive alongside a giant like UPMC.

I support the affiliation of Highmark, Inc. and the West Penn Allegheny Health System. I support it as a union leader, as a healthcare consortium trustee, as a taxpayer, as a consumer, and as a parent of four young children. I am hopeful that the Insurance Department's review of the facts of this matter will also support approval of this affiliation. The economy and the health of Western Pennsylvania depend upon it.

Sincerely,



Walter M. Michalski
Staff Representative

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