

Brackbill, Robert

Subject: Highmark WestPenn/Allegheny Hearing

From: pearlreapaf@comcast.net [mailto:pearlreapaf@comcast.net]

Sent: Thursday, April 19, 2012 9:31 PM

To: IN, Hearings; IN, Commissioner

Subject: Highmark WestPenn/Allegheny Hearing

Good Morning,

I was in attendance of the hearing on Tuesday at the Westin Hotel in Pittsburgh for the merging of resources from Highmark and WestPenn/Allegheny Hospitals. I represented the public but have a history of working at Highmark so my opinion is jaded by insight. It is this insight that influences my opinion and my concern for the public in general.

I am fully aware of the impact the closing of all the hospitals under the WestPenn/Allegheny umbrella. The hospitals have been around for so long and are in areas that do not have access to good facilities so close to where people live. I am talking about Canonsburg and Kiski. WestPenn Hospital has been around for so long I can not remember when it wasn't around. The immediate jobs it brings to the area and the secondary jobs it creates would all be gone if it closed. I would hate to see that happen.

Yet, knowing from experience I can not feel comfortable allowing Highmark to help West Penn out in the way they are going to do for numerous reasons.

Highmark has a poor track record when it comes to developing and launching new health care delivery systems and administrative cost cutting procedures. Remember the Primary Care Centers in Greentree, West Mifflin and Monroeville to name a few? Highmark had the idea of establishing doctor's offices all over the area so people could walk in and get a wide variety of health care services from sports physicals to urgi-care to immunizations. They were to be a one stop medical center. Unfortunately they did not last very long and Highmark had to close them all. Today UPMC has taken over some of the buildings with the same kind of service. For years and years Highmark would advertise that they were there for the public and since they were a non-profit business they were there to help the general public. They took pride in helping the disadvantage and all who needed a little help. They handled CHIPS and even had coverage for adults who were caught between medical assistance and regular health insurance. They were part of Adult Basic with the government. As we both know the government had to make budget cuts so they cut CHIPS and AdultBasic. With that Highmark stated they could not sustain them on their own. At the same time their reserves and profits were knocking on the door of billions. (not millions but billions that is with a B). Then came the Health Care Affordable Act. So Highmark hit the ground running. They were very gun ho on cutting administrative costs in 2010-2011. This is 3-4 years before the law was totally in effect. But that did not any difference to Highmark they wanted to have this all in place and working just as the law was active. So one of the cost cutting measures was to send thousands of jobs to India.

They had the idea of sending all the backend jobs that did not have any direct contact with the "customer" to go overseas. So they immediately decided on all the IT jobs, claims processing, adjusting and business analysts in the operations division. Then in membership area, all the membership agents and the accounts receivable auditors. You need to keep in mind that the membership division dealt one on one with the benefits administrators, brokers, sales reps, and in

0628

some areas, direct customers. But since everything fell under membership no one looked at these areas differently. So by August 2011 all the jobs were sent to India. When open enrollment season came along in October and it is the busiest time of the year when most companies reopen their coverage for their employees. This time there were an unbelievable number of errors and problems with the staff in India. This is after months of training here and in India. As a result of so many problems, all of the membership jobs that were sent over came back but no one was called back. Highmark hired interns and had whoever was left behind to work 60 hour weeks. For a company trying to save money they just wasted millions on training people from India, millions on severance pay, their unemployment percentage has gone up, the cost of training people has gone up. So there was no saving of money.

When SOX and SAS70 came in effect, and the company was required to keep records on how, when and where the mail went and when there was any government guidelines to share with the various units. Instead we went through multi months of hearing "It's a SOX issue" or "because of SAS70"----- but never received a clear explanation how and why. The fear of the federal government was being instilled in us instead. I personally did not let it bother me based on previous experience and my own research on the laws. We wasted so much time and man power because of their lack of information management.

Then there is the fact they are not pro-union. Twice will I was there a union group tried to get into the company and we were told if any of us brought any of their handouts up to our floors we would be sent to human resources for a lecture and some kind punishment if not being fired.

There has been other poor management decisions made over the years. Like promoting based on grade level and not skills and abilities, not taking into consideration any prior work history when some one starts working in an area, how supervisors, unit managers are selected and the general communication system.

I have a concern for the employees of West Penn /Allegheny. My family and I have a long personal connection with the hospitals and they all are positive. Their doctors and staff members have always treated us very well and are all very patient focused. I really hate to have Highmark get involved with them and possibly change all that. I really do not think Highmark is the answer and there is no way UPMC is either. Another source of support must be found.

Since Highmark is not going to take care of the debt and pension it sounds like they are dealing mostly with management issues. So what they need is I feel is an outside source to go over their finances to find out how such a well respected health care facilities can be losing so much revenue and then fix it. Then put in place a sound secure accounting system. While that is going on put in place a management team that has no connection with health insurance or any type of health care. The hospitals need to be looked at like a business which they are. With neutral parties handling their affairs they are not vulnerable to a particular carrier.

Think about it deeply. We are talking patients, peoples lively-hoods, and neighborhood icons. I really do not believe Highmark is thinking along those lines. if they were they would not have as their mission to be the best of the best. A little self centered if you ask me.

Peg Bittner
2351 Brownsville Rd
South Park PA 15129
412-854-3472
pearlreapaf@comcast.net

04

0628

a person makes a title, a title does not make a person. I respect the person.

04