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Brackbill, Robert

From: Brackbill, Robert
Sent: Monday, July 09, 2012 9:48 AM
To: 'jack.stover@bipc.com'
Cc: 'Chronister, Ronald'
Subject: UPE/Highmark Form A Filing: Letter from Deputy Commissioner Steve Johnson
Attachments: 20120709093439820.pdf

Mr. Stover,

Please see the attached letter concerning the subject filing from Deputy Commissioner Steve Johnson.

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July 9, 2012

Jack M. Stover, Esquire
Buchanan Ingersoll & Rooney PC
One South Market Square
213 Market Street, 3rd Floor
Harrisburg, PA 17101-2121

RE: Department responses to UPE's May 18, 2012 Responses
to Pennsylvania Insurance Department's January 9, 2012 Information Request
("1/9/2012 Request")

Dear Mr. Stover:

The Pennsylvania Insurance Department (the "Department") has made a preliminary review of UPE's May 18, 2012 Responses to the Department's 1/9/12 Request.

The purpose of this letter is to focus on issues requiring UPE/Highmark's immediate attention and to review several issues in more detail. A discussion of a specific issue in this letter does not diminish the priority or necessity of UPE responding to the other requests set forth in the 1/9/12 Request.

As UPE has requested expedited treatment of the filing, the Department requests that you respond to this letter on or before July 23, 2012.

Request 3.8 – Press Releases or Public Announcement

A. Request 3.8 provides:

3.8 Provide a full and complete copy of any press release or public announcement, issued by the Applicant or any Highmark and WPAHS Entity regarding or referencing the Transaction.

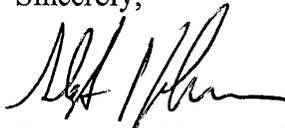
B. Highmark provided a press release of February 13, 2012 in which Dr. Keith Ghezzi indicated that his "future plans for West Penn Hospital include expanding the hospital's overall capacity to 300-350 private patient rooms; further expansion and renovation of its labor and delivery facilities; the return of cardiovascular services; remodeling of the hospital's lobbies and waiting rooms; and renovation or reorganization of hospital's Mellon Pavilion to accommodate more physician practices and better coordinate patient services."

- C. Required Action: Please (i) describe how much has been undertaken regarding West Penn Hospital expansion; (ii) provide an estimate of the cost of the above expansion steps; (iii) provide a statement confirming that the cost of this expansion is reflected in the existing financial projections; and (iv) provide a statement confirming that these and all other expansion plans are fully documented in WPAHS' responses to Request 4.2.14 (regarding plans to expand or terminate products or services).

Based on assurances from counsel for UPE, Highmark and WPAHS that additional submissions will be made on a rolling basis, the Department may not comment in this letter regarding specific Responses where only partial information has been received.

Please be advised that the Department reserves the right to request additional information and documentation, above and beyond the requests set forth in the 1/9/12 Request and in this letter, based on its continued review of the Form A filings, including all of UPE's and WPAHS' current and future responses. These requests are continuing requests and the Applicant should promptly update its responses as soon as new information becomes available.

Sincerely,



Stephen J. Johnson, CPA
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation