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Brackbill, Robert

From: pearlreapaf@comcast.net
Sent: Wednesday, August 01, 2012 5:00 PM
To: Brackbill, Robert
Subject: Highmark tapping the lowest denominator

Good Afternoon,

I may be considered "deadwood" in some of Highmark's management's eyes but this "deadwood" has found a new field to plant her roots and am growing to new heights and more beautiful than they could ever imagine. I still however, care for the common person and those less fortunate. Compassion and empathy is in my bloodstream.

Last week Highmark announces that it is going to drop a "special care" coverage and at the same time a possible agreement with Jefferson Regional Hospital and Health System to be part of their medical group. Now in today's (8-5-12) Pittsburgh Post-Gazette there is a big article about them asking for a rate increase on the policies for the people who can least afford it. With the reasoning that only Michael Weinstein, the guru of Highmark's media contacts, "Highmark's proposed rate increases for each product are due to increases in health care costs for people in these programs driven primarily by higher hospital prices, and increase in physician and hospital costs and increase prescription drug costs." Part of these higher costs are partly attributable to the contract extension between Highmark and UPMC.

Now Highmark has providers and facilities that are part of their network under the label as "participating" Then there are others that are not part of their network and they are indicated as "non-participating" All these providers sign a contract to accept the amount Highmark is willing to pay them for the length of the contract.

It was just a few months ago that Mr. Weinstein had stated that Highmark has been keeping their administrative costs within the range as set by the new Health Care Law for awhile now. He did not mention years or months but just said awhile. Now if Highmark has cut costs to the level acceptable by the federal government by laying off more and more of their employees and sending the work overseas and out of Pennsylvania., then go to the state insurance department to increase rates on the coverages that were designed for the low income citizens. Does that mean all that money is going to be used strictly for their coverage and benefits?

Why does Highmark worry about the costs at hospitals, physician offices and drug stores? They don't own all of them. Yet. They are a provider of coverage to the customers who go to these places who provide services. Does Getgo care what Walmart charges for jeans, tools or pet supplies? No they don't they have nothing to do with them except provide the gas that enables the people to get to Walmart to purchase what they need. The same goes for Highmark or any other insurance company. They provide the coverage so people can purchase it in order to go to the hospital, doctor and/or drugstore when they need to. Worrying about their costs is none of the insurance companies business.

During negotiations Highmark sales reps and the various providers will go back and forth and what they are offering and what they want. You can be guaranteed that the providers never get everything they ask for and Highmark does not get away the least amount they are willing to pay. Think of them as a car dealer and a buyer.

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Bottom line is part of these rate increases will be financing all these new projects that are going on all over the area. The reserve has to be large enough to protect all members in case of a major disaster and Highmark's system crashes. Highmark is required to be able to pay at least 1 claim per member in case of a major disaster that effects the entire area. It is the law of all Blues. Do the math and think about how much it costs for one simple visit.

Again, the need to slow Highmark down and pull in the spending and expansion train must happen now before something going fiscally majorly wrong and hurt those who can not afford to be hurt.

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

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