BEFORE THE INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA

Statement Regarding the Acquisition of Control of or Merger with Domestic Insurers:

Highmark Inc.; First Priority Life Insurance Company, Inc.;
Gateway Health Plan, Inc.; Highmark Casualty Insurance Company;
Highmark Senior Resources Inc.; HM Casualty Insurance Company;
HM Health Insurance Company, d/b/a Highmark Health Insurance Company;
HM Life Insurance Company; HMO of Northeastern Pennsylvania, Inc.,
d/b/a First Priority Health; Inter-County Health Plan, Inc.;
Inter-County Hospitalization Plan, Inc.; Keystone Health Plan West, Inc.;
United Concordia Companies, Inc.; United Concordia Dental Plans of Pennsylvania, Inc.;
United Concordia Life and Health Insurance Company

By UPE, a Pennsylvania nonprofit corporation

RESPONSE TO SUPPLEMENTAL REQUEST 5.1.3.1 FROM THE PENNSYLVANIA INSURANCE DEPARTMENT

SUPPLEMENTAL REQUEST 5.1.3.1 (via letter from the PID dated September 26, 2012):

- 5.1.3 Explain the current or anticipated use by or among one or more Highmark and WPAHS Entities of "most favored nation" clauses or similar provisions ("MFN's"), whether or not currently used, in any contract by or among one or more Highmark and WPAHS Entities, including, but not limited to, provider and/or health care services payment or reimbursement contracts. Provide samples of MFN language used in existing provider or other agreements. Explain the impact of the Transaction on existing or contemplated MFN agreements.
- 5.1.3.1 Provide the same information required under Request 5.1.3 for each UPE Entity not included in the list of entities covered by the request in Request 5.1.3. This Supplemental Filing Request is not intended to require additional disclosure of materials previously filed with the Department.

RESPONSE:

Protoco PPI LLC and Protoco Supply Chain Services LLC (collectively, "ProtoCo") enter into contracts with vendors on behalf of hospitals that are participating in ProtoCo's group

purchasing organization for the purchase of supplies and products needed by the hospitals. ProtoCo's standard contracts with its vendors include provisions requiring that the prices, terms and conditions that the vendor offers to ProtoCo's participating hospital members shall at all times be at least as good as those offered to any other customer, except the Federal government; provided, such other customer purchases a comparable volume of products or services and has made comparable purchasing commitments. It is not anticipated that the Supplemented Transaction will impact any of ProtoCo's existing agreements with MFN provisions.

Except as described above or as previously disclosed to the Department, none of UPE, UPE Provider Sub or any other Highmark Entity utilizes MFNs.

UPE 120 Fifth Avenue Pittsburgh, PA 15222