

1286

Bybee, Cressinda

From: Chronister, Ronald [ronald.chronister@bipc.com]
Sent: Tuesday, March 19, 2013 9:45 AM
To: Bybee, Cressinda
Cc: dblue@eipmri.com
Subject: Response to Public Comment from David Blue
Attachments: HBG1_GENERAL-1649954-v1-Response to Public Comment (D. Blue).DOCX

Ms. Bybee,

Attached is a response to the public comment received by the Insurance Department from David Blue. I am providing Mr. Blue with a copy of the response with this email.

Ron Chronister

TAX ADVICE DISCLAIMER: Any federal tax advice contained in this communication (including attachments) was not intended or written to be used, and it cannot be used, by you for the purpose of (1) avoiding any penalty that may be imposed by the Internal Revenue Service or (2) promoting, marketing or recommending to another party any transaction or matter addressed herein. If you would like such advice, please contact us.

Above email is for intended recipient only and may be confidential and protected by attorney/client privilege.

If you are not the intended recipient, please advise the sender immediately.

Unauthorized use or distribution is prohibited and may be unlawful.

03

**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 of UPE to
Comment of David Blue dated February 25, 2013

UPE is responding to the comment from Mr. David Blue. The comment is numbered as Document 1267 on the Highmark/West Penn Cumulative Log page of the Pennsylvania Insurance Department website.

Mr. Blue, Executive Vice President of EIP, has expressed his concern regarding the proposed affiliation of Highmark Inc. ("Highmark") and West Penn Allegheny Health System ("WPAHS"). Specifically, Mr. Blue alleges that Highmark requires contracted providers to refer their patients only to other in-network contracted providers. This statement is not correct. Highmark provider contracts are subject to review and approval by both the Pennsylvania Insurance Department and the Pennsylvania Department of Health. As such, a provision forbidding providers from referring patients to out-of-network providers where a member's contract indicates otherwise would not be permitted or approved.

Highmark does maintain certain managed network products; these would include Premier Blue Shield and Keystone Health Plan West HMO products. By their specific design as managed network products, these types of contracts do require providers to refer their patients to other in-network providers. However, even under these contracts, out-of-network referrals are permitted with proper justification and documentation. Premier Blue Shield and Keystone Health Plan West HMO products are the only contract types that have this requirement for providers, all other provider contracts have no such

restriction, and providers may refer their patients to either an in-network or out-of-network provider without penalty. Typically, it is in a patient's financial best interest to see an in-network provider as there is customarily a lower co-payment, deductible, and coinsurance amount associated with these in-network providers, but patients are ultimately the ones who determine which provider they would like to use for services.

Mr. Blue's primary concern, that patients retain provider choice, is precisely why UPE seeks the proposed affiliation with WPAHS. UPE strongly believes that this transaction will ensure the continued vitality of WPAHS, maintain provider choice in our community, and help control rising medical costs. The resulting entity will build a new integrated health system that will deliver value, choice, and high-quality health care services to the Western Pennsylvania community.

UPE would like to thank Mr. Blue for his comments.

UPE
120 Fifth Avenue
Pittsburgh, PA 15222

DATE: March 19, 2013

cc: David Blue
Pennsylvania Senator Donald White