

June 19, 2015

Jack M. Stover, Esquire
Buchanan Ingersoll & Rooney PC
409 North Second Street
Suite 500
Harrisburg, PA 17101-1357

Re: Request for approval of a Financial Commitment in the form of a grant or grants up to a total of \$175 million pursuant to Conditions 10 and 11(C) of the Pennsylvania Insurance Department's Approving Determination and Order (Order No ID-RC-13-06) (the "2013 Order")¹

Dear Mr. Stover:

On March 9, 2015, Highmark Inc. ("Highmark") filed (the "March 9 Filing") a request for approval of a Financial Commitment (as defined in the 2013 Order) in the form of a grant or grants of up to \$175 million (the "AHN Financial Commitment") to Allegheny Health Network, formerly known as UPE Provider Sub, a Pennsylvania nonprofit corporation ("AHN").

On May 4, 2015, the Department held a public informational hearing (the "May 2015 Informational Hearing") regarding, among other things, Highmark's request for the AHN Financial Commitment.

Section I. Approval Of AHN Financial Commitment

Based on the Department's review of the March 9 Filing, the May 2015 Informational Hearing, additional public comments and the additional information provided to the Department and its advisors by or for Highmark and AHN, the Department approves the AHN Financial Commitment; provided, however, that this approval is expressly subject to the Approval Conditions (individually an "Approval Condition" and collectively the "Approval Conditions") set forth in Section III of this letter. This letter, subject to the Approval Conditions, is referred to as the "Approval Letter." In issuing this Approval Letter, the Department is expressly relying on assurances by Highmark and AHN that the information provided by or on behalf of Highmark and AHN in connection with the March 9 Filing and in the May 2015 Informational Hearing is true, accurate and complete.

Section II. Background

¹ Any capitalized terms not defined in this letter shall have the meaning ascribed to them in Appendix 1 (Definitions) to the 2013 Order.

A. Pertinent Provisions of the 2013 Order

Highmark's request for approval of the Financial Commitment² relating to the AHN Financial Commitment was submitted to the Department for approval pursuant to Condition 11(C) of the 2013 Order, which applies to actions of both Highmark and AHN, as each is a UPE Entity.

(1) Financial Commitment

(a) Section 11(C) of the 2013 Order states:

C. Transactions Requiring Department Approval.

Without the Approval of the Department, no Domestic Insurer shall make or agree, directly or indirectly, to make any Financial Commitment if: (i) the amount thereof, together with all other Financial Commitments made or agreed to be made directly or indirectly by all of the Domestic Insurers within the immediately preceding consecutive twelve (12) months, equals or exceeds \$250,000,000; (ii) the amount thereof is made in connection with a Financial Commitment made or agreed to be made to a Person (including but not limited to any Affiliates), together with all other Financial Commitments between or among one or more of the UPE Entities, on the one hand, and such Person (including but not limited to any Affiliates), on the other hand, aggregate \$250,000,000 or more; or (iii) the RBC Rating of Highmark is, or as a result of the Financial Commitment is likely to be, 525% or below.

(b) The term "Financial Commitment" is defined in Appendix 1 to the 2013 Order as follows:

"Financial Commitment" means any direct or indirect payment or transfer of any cash or other property, any Donation, provision of services, encumbrance upon or granting of any security interest in or to any assets or properties, or the direct or indirect guaranty or incurrence of any contractual obligation or liability. The term "Financial Commitment" includes, but is not limited to, the acquisition of any assets or properties of or interests in, the merger, consolidation or affiliation with, or the entering into of any financial or contractual relationship with, any Person, except for: (i) any Financial Commitment made in the ordinary and usual course of the UPE Entity's business; or (ii) any amounts expressly required to be paid without any further consent of any Person and pursuant to the current provisions of the Affiliation Agreement,

² Highmark has requested approval of the AHN Financial Commitment pursuant to Condition 11(C) of the 2013 Order. However, the \$175M grant is also a "Donation" under Condition 10 of the 2013 Order requiring approval as well. This letter will evaluate the request for approval under both Conditions 10 and 11(C).

JRMC Affiliation Agreement and/or any affiliation agreement between Highmark and SVHS acceptable to the Department. Without limiting the generality of the foregoing, (i) until June 30, 2017, a Financial Commitment shall include but is not limited to (A) any advance payment by a Domestic Insurer to a WPAHS Entity pursuant to or in connection with a contract or arrangement for the payment or reimbursement for Health Care Services; or (B) an increase in contractual rates pursuant to or in connection with a contract or arrangement for the payment or reimbursement for Health Care Services between or among any Domestic Insurer and any WPAHS Entity in excess of the level of increase set forth in the Base Case Financial Projections; and (ii) in no event shall any Financial Commitment relating to the acquisition of any assets or properties of or interests in, the merger, consolidation or affiliation with, or any Donation to or investment in, any Person in connection with the IDN Strategy, as it may be renamed, modified or replaced, be considered to be in the ordinary course of business.

(2) Donation

(a) Section 10 of the 2013 Order states:

Without the Approval of the Department, no Domestic Insurer shall make, or agree to make, directly or indirectly, any Donation, which together with all other Donations made or agreed to be made by that Domestic Insurer within the twelve (12) consecutive months immediately preceding such Donation equals or exceeds the lesser of: (i) 3% of the Domestic Insurer's surplus as regards policyholders, as shown on its latest annual statement on file with the Department; or (ii) 25% of the Domestic Insurer's net income as shown on its latest annual statement; provided, however, if UPE has filed pursuant to Condition 15 a WPAHS Corrective Action Plan, any Donation made or agreed to be made by any Domestic Insurer to any UPE Entity shall be restricted solely for use in connection with implementing the Financial Commitments under and to the extent provided in the WPAHS Corrective Action Plan, until such time as all Financial Commitments related to the WPAHS Corrective Action Plan are satisfied. A Domestic Insurer may not make or agree to make a Donation which is part of a plan or series of like Donations and/or other transactions with other UPE Entities, the purpose, design or intent of which is, or could reasonably be construed to be, to evade the threshold amount set forth in this Condition and thus avoid the review that would occur otherwise. Notwithstanding the foregoing, and in addition to the requirements of (i) and (ii) of this Condition 10, in no event shall Highmark have any right, directly or indirectly, to make any Donation under this Condition if the RBC Rating of Highmark is, or as a result of the Donation is likely to be, 525% or below. This Condition 10 shall not apply to a Donation made from a Domestic Insurer that is a direct or indirect subsidiary of Highmark to Highmark or any subsidiary of Highmark. No Approval of the Department

shall be required under this Condition if Department approval for the Financial Commitment has been obtained under 40 P.S. § 991.1405.

(b) The term “Donation” is defined in Appendix 1 to the 2013 Order as follows:

“Donation” means any contribution, grant, donation, distributions under 40 P.S. § 991.1405 or other transfer or payment of funds, property or services (or a commitment to make a Donation), whether made directly or indirectly, in cash or in kind, by any UPE Entity to any other UPE Entity or to any other Person; provided, however, that “Donation” shall not include any transfer or payment made in exchange for the fair value of goods or services received by the transferring or paying Person. An expenditure made for a Community Health Reinvestment Activity is not a “Donation”, so long as the expenditures are for the direct provision of community health services and direct funding of projects that improve health care or make health care more accessible. Donations that are in furtherance of the Affiliation Agreement, the JRMC Affiliation Agreement and any affiliation agreement with SVHS; and/or are capital expenditures related to the IDN or the IDN Strategy are not to be considered as Community Health Reinvestment Activity for the purposes of this definition of “Donation.”

B. Highmark’s Request for Approval of the AHN Financial Commitment

(1) Highmark, UPE, a Pennsylvania nonprofit corporation, now known as Highmark Health (“Highmark Health”), and AHN (collectively, the “Highmark Health Parties”) entered into an Affiliation Agreement (the “Affiliation Agreement”) dated as of October 31, 2011, as amended as of January 22, 2013, with West Penn Allegheny Health System, Inc. (“WPAHS”), Canonsburg General Hospital, Alle-Kiski Medical Center and the other WPAHS affiliates as specified therein (collectively, the “WPAHS Parties”), pursuant to which the Highmark Health Parties and the WPAHS Parties agreed to enter into an affiliation transaction that formed an integrated health care financing and delivery system (“IDN”) now operating in Western Pennsylvania. The affiliation transaction was consummated on April 29, 2013.

(2) In the March 9 Filing, Highmark states that the Affiliation Agreement originally submitted to the Department contemplated an estimated cost of approximately \$1 billion to build the IDN³ and funds projected to be spent on the IDN Strategy have been used to help fill gaps in patient care, as well as provide care closer to communities in which Highmark subscribers reside. The specific uses of funds provided for IDN development have included:

(i) various critical investments made at West Penn Hospital (“WPH”) to improve the emergency

³ In its report to the Department, Blackstone Advisory Partners L.P., the financial advisor to the Department (“Blackstone”), estimated that the cost of implementing the IDN strategy was approximately \$1,800,000,000.

department along with cardiac and women's health capabilities; (ii) funds to build-out trauma capabilities at Forbes Hospital, to install a hybrid operating room at Allegheny General Hospital ("AGH") and to provide various other critical equipment, renovations and information technology enhancements across WPAHS; and (iii) funds to cover operational cash flow needs at WPAHS based on the steep turnaround that was required.

(3) Highmark is requesting approval to make a grant or grants to provide further financial support to AHN to carry out the IDN Strategy and, in support of the AHN Financial Commitment, Highmark advances the following: (i) based upon its further evaluation of the Western Pennsylvania healthcare delivery market, Highmark has determined that further additional capital investments in the IDN are needed to ensure accessible, affordable and quality healthcare to Highmark's insureds; (ii) recent utilization trends in the region have led to lower volumes at AHN-affiliated hospitals than previously anticipated and AHN is not able at this time to make all of these investments while maintaining a certain minimum days' cash on hand; (iii) the AHN Financial Commitment is needed to ensure that AHN has the funding to meet these commitments; (iv) Highmark does not expect to request any further funding for AHN over the next twelve-(12) month consecutive period; and (v) Highmark has the financial stability to provide the additional \$175 million of funding and maintain its risk-based capital ("RBC"), which it asserts is well within a range deemed to be appropriate by the Department.

(a) Pursuant to the AHN Financial Commitment, Highmark proposes to make a grant or grants of up to \$175 million to AHN; which funds, according to the March 9 Filing, will be used:

"...to fund additional capital investments at AHN in order to continue to enhance the level of services, capabilities and access for AHN patients and Highmark subscribers. . . The target areas that will receive funding including women's health and prenatal care, outpatient centers, trauma and emergency services, and system-wide renovations and enhancements, including those at [WPH and AGH]."

(b) Under a confidential filing made with the Department, Highmark has described the general terms of its capital investment plan for which the grant or grants made pursuant to the AHN Financial Commitment are to be incurred or utilized.

C. May 2015 Informational Hearing

(1) To further evaluate Highmark's request, the Department announced on April 20, 2015 that it would hold the May 2015 Informational Hearing on Monday, May 4, 2015 at 10 a.m., in Harrisburg, Pennsylvania. The hearing was open to comments on Highmark's and AHN's current and projected financial condition, and Highmark's development and operation of the IDN. The notice was also posted on the Department's website and published in the *Pennsylvania Bulletin* on April 18, 2015. *45 Pa. B. 2025*.

(2) Representatives from Highmark Health, Highmark and AHN provided testimony in support of the AHN Financial Commitment, summarized the status and developments at AHN and of the IDN and responded to questions posed by the Commissioner and the Department's staff. Among other things, Highmark Health representatives testified in support of the IDN and the AHN Financial Commitment that: (i) "the financial condition of Highmark Health is strong and stable" [David Holmberg, President and CEO of Highmark Health]; (ii) [Highmark Health's] "integrated financing and delivery system has accomplished significant and obvious improvements in the delivery of health care in Western Pennsylvania, permitting Highmark to remain a competitive health insurer in Western Pennsylvania..." [Karen Hanlon, Executive Vice-President and Chief Financial Officer of Highmark Health]; and (iii) "[t]he request before [the Department] and specifically the additional \$175 million investment in Allegheny Health Network will directly benefit Highmark Health Plan. The capital improvements will continue to allow Allegheny Health Network to provide high quality of care in the communities where our customers live and work." [Deborah Rice-Johnson, President of Highmark Health Plans for Highmark.]

(3) In addition to the Highmark Health, Highmark, and AHN officers and a Blackstone representative, fifteen (15) people testified at the hearing and 26 others provided written testimony, with approximately 85% expressing support for the IDN, one or more of the AHN-affiliated hospitals or the additional funding for AHN.

(4) Those providing support included several members of the Pennsylvania General Assembly, health care professionals and business leaders. They expressed either specific or more general supporting comments about AHN or its affiliated hospitals or the desire for AHN to continue as a viable competitor in the Western Pennsylvania market, so as to offer increased patient choice or increased availability and quality of health care. Those expressing opposition or concerns regarding the IDN or the additional funding for AHN included other members of the General Assembly and business leaders. These negative comments primarily related to the need for greater transparency of information or for a better understanding of the benefits of and need for the additional investment. Further transparency and information regarding the benefits of and need for the AHN Financial Commitment will be addressed by the Approval Conditions.

Section III. Approval Conditions

The Department's approval of the AHN Financial Commitment is expressly subject to the following Approval Conditions:

A. Prior to the earlier of (i) the transfer of any portion of the AHN Financial Commitment from Highmark or (ii) within thirty (30) days after the date of this Approval Letter, Highmark shall file with the Department (x) a list specifying each proposed use of the funds to be donated, granted or otherwise transferred as part of the AHN Financial Commitment (individually a "Specific Scheduled Use" and collectively the "Specific Scheduled Uses"); and

(y) the outcome(s) and benefit(s) proposed to be achieved by each Specific Scheduled Use. The Specific Scheduled Uses must be consistent in all material respects, in the opinion of the Department, with the general purposes previously described to the Department in the March 9 Filing. A public version of the information required to be filed pursuant to this Approval Condition A also shall be filed with the Department.

B. Highmark shall notify the Department no later than thirty (30) days prior to implementation of any decision to change any Specific Scheduled Use. A public version of the information required to be filed pursuant to this Approval Condition B also shall be filed with the Department.

C. Highmark shall file with the Department periodic reports (each an "AHN Financial Commitment Expenditure Report") as provided for in this Approval Condition C.

(1) An AHN Financial Commitment Expenditure Report shall be filed on or before August 31, 2015 and then within thirty (30) days after the end of each calendar quarter beginning with the calendar quarter ending on September 30, 2015. AHN Financial Commitment Expenditure Reports shall continue to be filed until all amounts of the AHN Financial Commitment have been expended. A public version of each AHN Financial Commitment Expenditure Report shall be filed with the Department.

(2) Each AHN Financial Commitment Expenditure Report shall set forth (u) the amount donated, granted or otherwise transferred as part of the AHN Financial Commitment in the period since the date of last AHN Financial Commitment Expenditure Report filed with the Department, together with the total amount donated, granted or otherwise transferred since the date of this Approval Letter; (v) the Specific Scheduled Uses for which such funds were donated, granted or otherwise transferred; (w) how much of the funds donated, granted or otherwise transferred since the date of this Approval Letter have been expended; (x) a comparison of the amount of funds projected to be spent for each Specific Scheduled Use and the amount of funds expended to date for such purpose; (y) a certification that the funds have been expended only for Specific Scheduled Uses; and (z) beginning with the AHN Financial Commitment Expenditure Report due on or before January 30, 2016, the status of the results actually achieved or realized in relation to the strategy set forth in the Final AHN Corrective Action Plan (as defined below), together with a description of the reasons for any variance.

D. Highmark Health shall continue to file quarterly with the Department the Required WPAHS Financial and Operational Information pursuant to Condition 14 of the 2013 Order for each quarter through the period ended June 30, 2019 and thereafter annually on July 1 of each year. Beginning with the quarterly financial statements required to be filed for the period ended September 30, 2015 and for all quarters thereafter through December 31, 2017, Highmark Health shall benchmark (the "Benchmark Report") the actual results for such quarter against the projections contained in the Final Corrective Action Plan, as defined in Approval Condition H.

A public version of each the information required to be filed pursuant to this Approval Condition D also shall be filed with the Department.

E. The audited financial statements of Highmark Health that are required to be filed annually pursuant to Condition 13 of the 2013 Order as a public record shall include a footnote (or disclosure in another manner as required by generally accepted accounting principles) that discloses the balance sheets and income statements of Highmark, AHN and Highmark Health (Parent Only) separately and shall provide consolidating adjustments totaling to the audited consolidated balance sheet and income statement of Highmark Health.

F. Simultaneously with the submission to the Department pursuant to the 2013 Order of any notice of or request to approve any future Financial Commitment which, individually or in a series of one or more related transactions, exceeds \$100 million, Highmark shall provide to the Department, in addition to all other information required or requested by the Department, a calculation of the affect or impact of the proposed Financial Commitment on the RBC of Highmark and any other Domestic Insurers proposing to make the Financial Commitment and a “downside” or “stress” analysis of such effect on the RBC of Highmark and such other Domestic Insurers. Highmark shall provide such calculations for the current calendar year in the manner requested by the Department based upon commercially reasonable assumptions. Highmark shall promptly and fully respond to questions or requests of the Department for information in connection with such notice and shall promptly update such projections, if any of the projected effects differ in any material respect.

G. Effective as of June 1, 2015, First Priority Life Insurance Company, Inc. and HMO of Northeastern Pennsylvania, Inc., d/b/a First Priority Health also shall be considered “Domestic Insurers” for all purposes under the 2013 Order.

H. Highmark Health shall submit to the Department a corrective action plan for AHN and its Affiliates setting forth the information required by this Approval Condition H, together with such information necessary to make such plan full, accurate and complete (the “AHN Corrective Action Plan”). The AHN Corrective Action Plan submitted may be in the form of (i) a confidential and a non-confidential (public) version of the AHN Corrective Action Plan; or (ii) one AHN Corrective Action Plan with appropriate redactions of confidential information; provided, however, that all information so redacted shall be provided to the Department. A preliminary version of the required AHN Corrective Action Plan (the “Preliminary AHN Corrective Action Plan”) shall be filed with the Department no later than July 15, 2015 and the final and complete AHN Corrective Action Plan (the “Final AHN Corrective Action Plan”) shall be filed with the Department no later than September 30, 2015.

(1) The AHN Corrective Action Plan shall provide, among other items:

(a) A description of the specific steps and investment of funds and changes to AHN and the AHN Entities that have already been taken to carry out or implement

the IDN Strategy since the close of the Affiliation Agreement; specifically including: (A) a description of the category of the IDN program changes, projects or investments that have been incurred or implemented (the "Changes Implemented"); (B) the cost thereof; (C) the specific locations at which the Changes Implemented were made; (D) the reason(s) why such changes or investments were required or advisable;

(b) The specific results or benefits/cost savings sought to be obtained by the Changes Implemented, including a quantification of value, if available, and comparison of the actual benefits/cost savings obtained to date in comparison to those anticipated as of the date that such Changes Implemented were incurred or implemented;

(c) A description of any steps, initiatives or plans that were proposed, but not implemented, and the reasons for not implementing such plans or proposals;

(d) The specific objectives or goals of all strategies, plans and actions comprising the AHN Corrective Action Plan, including the timeline for the accomplishment of these objections (the "Plan Objectives");

(e) Detailed operating and financial projections on a quarterly basis for the period of July 1, 2015 through December 31, 2017 and the following operating and financial projections, together with a description of the assumptions underlying such projections which must be reasonable and likely attainable:

(i) Projected inpatient discharges and outpatient registration volume for each AHN Entity, along with projected occupancy rates and in connection therewith:

(A) Provide written commentary explaining why the Board of Directors of Highmark Health (the "Highmark Health Board") and the Board of Directors of AHN and their management believe these volumes to be achievable.

(B) Discuss the impact of the current University of Pittsburgh Medical Center Consent Decree upon these projections.

(ii) Projected income statements, displaying a level of detail consistent with the Base Case Financial Projections for the AHN Entities submitted by Highmark in connection with the 2013 Order.

(iii) Projected balance sheets, displaying a level of detail consistent with the Base Case Financial Projections for the AHN Entities.

(iv) Projected cash flow statements, displaying a level of detail consistent with the Base Case Financial Projections for the AHN Entities.

(v) A detailed schedule of anticipated capital expenditures for all of the AHN Entities' facilities, including:

(A) For each AHN facility, a specific list of significant projects and the timing of these projects, including each Specific Scheduled Use;

(B) A list of strategic initiatives, including potential acquisitions of other businesses or entities, including, hospitals, physician groups, laboratories or other enterprises; and

(C) A schedule of anticipated future spending by AHN or any AHN Entity for its or their affiliated community hospitals and the strategic rationale for such spending.

(vi) A schedule of projected salaried and non-salaried employees on a full-time equivalent basis for the AHN Entities in total and for each primary AHN Entity operating segment or component, together with an explanation of how each primary operating segment or component is defined.

(vii) A description of any plans to downsize, close or repurpose, in whole or in part, any facility or operation owned or operated by any AHN Entity and provide a schedule of the timing and cost/benefit analysis associated with these plans.

(viii) A schedule of any anticipated future Financial Commitments from any Domestic Insurer to any direct or indirect AHN Entity along with the purpose of such Financial Commitments.

(ix) A calculation of AHN's projected Days Cash on Hand (the "DCOH") as defined in the Master Trust Indenture dated May 1, 2007, as amended, relating to the West Penn 2007A Series Bonds (the "Trust Indenture") for each quarter through December 31, 2017.

(x) A calculation of AHN's projected Debt Service Coverage Ratio as defined in the Trust Indenture for each quarter through December 31, 2017.

(xi) Provide functional excel backup to each set of financial projections requested in items H.(1)(e)(i) – (x) above.

(xii) A list of any projected future changes in Specific Scheduled Uses of the AHN Financial Commitment.

(2) As part of the AHN Corrective Action Plan, Highmark Health shall provide a description of the diligence process that the Highmark Health Board pursued in order to ultimately approve the AHN Corrective Action Plan, including a description of the following:

(a) The manner in which the AHN Corrective Action Plan was prepared and how the projections were assessed or made at each facility;

(b) The material issues or concerns that the Highmark Health Board or management expressed with regard to earlier drafts of the AHN Corrective Action Plan; and

(c) The changes that were made to the AHN Corrective Action Plan in order to ultimately obtain approval by the Highmark Health Board.

(3) Prior to submission of the Final AHN Corrective Action Plan to the Department, Highmark Health shall have the Final AHN Corrective Action Plan reviewed at its sole cost and expense by an independent external financial expert experienced in these matters who was not involved with, and who did not otherwise participate in the preparation of or provide any analysis for, the Preliminary AHN Corrective Action Plan or the Final AHN Corrective Action Plan (the "Financial Commitment Reviewer"). The Financial Commitment Reviewer shall provide an opinion as to the reasonableness of the Final AHN Corrective Action Plan, the sufficiency of the Final AHN Corrective Action Plan to accomplish the Plan Objectives and the specific level of benefits and costs to be borne by Highmark's policyholders, as distinct from any franchise benefits accruing to Highmark in the form of higher enrollment, revenue and market share, and an opinion as to the reasonableness of the value assigned by Highmark Health and/or Highmark to Highmark's investments in AHN. A copy of such report shall be submitted to the Department as part of the Final AHN Corrective Action Plan and a public version of such report also shall be submitted to the Department.

(4) Highmark Health shall respond to all questions from the Department and its advisors relating to the Preliminary AHN Corrective Action Plan and the Final AHN Corrective Action Plan within the timeframe requested by the Department. The Department may impose, upon notice to Highmark Health, an obligation to update the Final AHN Corrective Action Plan or extend the period covered by the Final AHN Corrective Action Plan.

(5) The Final AHN Corrective Action Plan shall specifically identify any Financial Commitments (including Donations) contemplated by the Final AHN Corrective Action Plan. A review by the Department of the Preliminary AHN Corrective Action Plan and/or the Final AHN Corrective Action Plan shall not constitute an approval of any such Financial Commitments (including Donations, if any) unless: (i) Highmark specifically shall request approval of such Financial Commitments (including Donations, if any) and provide the information relating thereto to fully describe the nature and purposes for such Financial Commitment (including Donations, if any) and (ii) the Department shall specifically grant approval of such Financial Commitments (including Donations, if any) pursuant to the approval requirements of the 2013 Order.

(6) Highmark Health may substitute the Final AHN Corrective Action Plan for the WPAHS Corrective Action Plan required to be submitted to the Department pursuant to

Condition 15 of the 2013 Order. If Highmark Health substitutes the Final AHN Corrective Action Plan for the WPAHS Corrective Action Plan, the Final AHN Corrective Action Plan shall constitute the WPAHS Corrective Action Plan for all purposes under the 2013 Order.

I. Upon making transfers of all funds representing the AHN Financial Commitment, or if payments of the funds representing the AHN Financial Commitment are to be made in one or more installments, upon the making of the first installment and each subsequent installment of the funds representing the AHN Financial Commitment, Highmark shall deliver to the Department a full and complete copy of all documents between or among Highmark, AHN and any of their Affiliates which relate to the terms and conditions of the AHN Financial Commitment. Any amendments to or replacements of documents relating to the terms and conditions of the AHN Financial Commitment shall be transmitted to the Department within ten (10) days after any such amendment or replacement is executed.

J. Prior to the transfer of any funds representing the AHN Financial Commitment, Highmark, Highmark Health and AHN shall submit to the Department, in a form acceptable to the Department, a written agreement signed by an authorized officer of each entity that: (x) each of them agrees to fully and promptly comply with the terms of each Approval Condition, to the extent applicable to such entity; (y) each of them, as applicable, shall cause each UPE Entity to comply with each Approval Condition, to the extent applicable to each UPE Entity; and (z) that each of them and each UPE Entity shall remain subject to the jurisdiction of the Department as provided in the 2013 Order for purposes of compliance with and enforcement of this Approval Letter. Nothing in this Approval Letter is intended to create or enlarge the right of any Person to enforce, seek enforcement of, and/or seek compliance by the UPE Entities with the terms and conditions of this Approval Letter.

Sincerely,



Teresa D. Miller
Insurance Commissioner
Commonwealth of Pennsylvania