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Corporate & Financial Regulation

MAR 28 2013

**Pennsylvania**  
**Insurance Department**

March 26, 2013

Mr. Stephen J. Johnson  
Deputy Insurance Commissioner  
Commonwealth of Pennsylvania  
1326 Strawberry Square  
Harrisburg, PA 17120

**Re: Highmark Inc. July 2013 – June 2014 Fiscal Year Community Health Reinvestment Proposal**

Dear Deputy Commissioner Johnson:

Please accept the proposal for anticipated community health reinvestment activities during the July 2013 – June 2014 fiscal year as required by Article XXV of The Insurance Company Law of 1921, as added by section 9 of Act 62 of 2008 (“Act 62”) for Highmark Inc. (“Highmark”). If you would like to discuss the projected amounts on page 2, or have any other questions, I can be reached at 412-544-8322, or through Tija Hilton Phillips at 717-302-3971.

Sincerely,

Nanette P. DeTurk  
Executive Vice President Finance, Chief Administrative and Financial Officer

Cc: Dan Onorato, Chief External Affairs & Communications Officer, Highmark  
Tija Hilton Phillips, Regulatory Affairs, Highmark  
Michael F. Consedine, Insurance Commissioner

*Corporate Offices:*

Camp Hill PA 17089  
Fifth Avenue Place • 120 Fifth Avenue • Pittsburgh PA 15222-3099  
www.highmark.com

LHP-004 (R3-05)

**PLAN PROPOSAL FOR  
COMMUNITY HEALTH REINVESTMENT ACTIVITIES**

Proposal for Fiscal Year July 2013 - June 2014

FEIN: 23-1294723

NAIC: 54771-PA

**I. Hospital Plan Corporation or Professional Health Service Plan Corporation Name and Address:**

Highmark Inc.  
1800 Center Street  
Camp Hill, PA 17011

**II. Planned Expenditures:**

	<b>Projected Expenditures</b>
<b>1. Proposed annual community health reinvestment activities for health care coverage for persons unable to pay for coverage (list and describe proposed endeavors below):</b>	
a. Projected underwriting losses on the CHIP and Direct Pay programs for uninsured children above the CHIP income guidelines	\$ 5,960,257
b. Projected underwriting losses on the guaranteed issue Direct Pay, HCTC & HIPAA, Medigap and Special Care low-income programs	\$ 30,475,782
<b>2. Proposed annual community health reinvestment activities for health care services for persons uninsured and unable to pay for services (list and describe proposed endeavors below):</b>	
a. Projected activities and expenditures are included in Line 3a	\$ -
<b>3. Proposed annual community health reinvestment activities for programs for prevention and treatment of disease or injury or the promotion of health or wellness (list and describe proposed endeavors below):</b>	
a. Projected grants and donations that support improving health in Pennsylvania and addressing issues such as, but not limited to, health disparities, chronic diseases (such as asthma), health screenings, community health initiatives and influenza shots for seniors.	\$ 6,036,714
b. Charitable contributions to Jefferson Regional Medical Center Foundation to be used to support activities and ventures that supplement the activities of Jefferson Regional Medical Center ("JRMC") and provide health care related services in the Jefferson community.	\$ 32,100,000
c. Grant to JRMC to fund capital projects such as renovations to its Ambulatory Surgery/Outpatient Center and Emergency Department.	\$ 12,000,000
d. Contribution to Saint Vincent Health System ("SVHS") to support the capital and operating needs of SVHS and Saint Vincent Health Center ("SVHC").	\$ 20,000,000
e. Grant to SVHS to finance capital projects at certain facilities to support the historic health care mission of Sister of St. Joseph of Northwestern PA members, including operation of mobile medical van.	\$ 5,000,000
<b>4. Community health reinvestment activities proposed in your application under paragraph 3 of the Agreement dated February 5, 2005 and published at 35.Pa.B. 4155 or any successor or other agreements (list and describe proposed endeavors below):</b>	
a. None	\$ -
<b>5. Other proposed annual community health reinvestment activities (list and describe proposed endeavors below):</b>	
a. None	\$ -
<b>TOTALS</b>	<b>\$ 111,572,753</b>
<b>Community health reinvestment activities not included in Fiscal Year 2013 proposal:</b>	
Charitable contributions to JRMC Foundation to be used consistent with JRMC Foundation's charitable corporate purposes and grant to JRMC to be used for such charitable purposes as JRMC determines.	\$ 66,509,178
<b>GRAND TOTAL</b>	<b>\$ 178,081,931</b>