



COMMONWEALTH OF PENNSYLVANIA
INSURANCE DEPARTMENT
1326 STRAWBERRY SQUARE
HARRISBURG, PA 17120

July 3, 2014

THE COMMISSIONER

The Honorable Michael B. Carroll
Chair, Northeast Delegation
300 Main Capitol
P.O. Box 202118
Harrisburg, PA 17120-2118

Dear Representative Carroll:

Thank you and the members of the Northeast Delegation for your letter requesting public hearings regarding the proposed merger between Highmark and Blue Cross of Northeastern Pennsylvania (BC NEPA). The Pennsylvania Insurance Department's (Department) highest priority when reviewing this proposed merger is to see that consumers will be protected and the impacted health insurers remain financially strong and the market competitive should the merger be approved.

The Department prioritizes public transparency and input when reviewing such transactions. In an aim to achieve such transparency, the Department plans to convene stakeholders through an extensive period of public comment, which is open now and ongoing, as well as a public hearing. The public hearing process allows interested parties to voice their perspective and hear others' comments. To ensure stakeholders are able to seize the opportunity to be heard, the Department plans to continue its historical process of holding at least one hearing session outside of typical working hours in addition to the hearing session that will be held during the day. We are also considering engaging participants virtually, including an intention to stream the hearing live via the web.

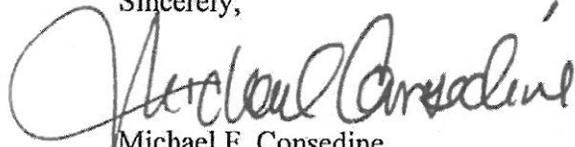
The Department has not yet determined the specific public hearing logistics for the proposed merger, but upon determination, the Department will provide the hearing information to the public and representatives from your offices. Your request for at least two hearings will certainly be considered as part of our planning process. We would also highlight that Act 62 of 2008 authorizes the certain legislative committees to hold hearings to obtain information relating to proposed mergers involving a hospital plan corporation or professional health services plan corporation. (40 P.S. § 991.1403a(b)(3)).

We welcome working with the appropriate members of the General Assembly to coordinate our respective efforts to ensure not only maximum transparency and public outreach but to also ensure that the review of this transaction is completed in a reasonable period of time.

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Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael F. Consedine". The signature is written in a cursive style with a large initial "M" and a distinct "F".

Michael F. Consedine
Insurance Commissioner