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Bybee, Cressinda

From: Ferraro, Michael [MFerraro@tcmedc.org]
Sent: Thursday, July 03, 2014 5:54 PM
To: Bybee, Cressinda
Subject: BCNEPA-Highmark merger

Dear Ms. Bybee,

I am writing to express support for the proposed merger between Highmark and Blue Cross Northeastern Pennsylvania.

I've come to realize that Blue Cross of Northeastern Pennsylvania has been the healthcare insurance leader in this region for my entire 32 year clinical career. I've had the opportunity to both personally and professionally watch this organization grow. As a practitioner of Ob-Gyn, BCNEPA and their medical directors have been sensitive to the physicians clinical needs. This has trickled down to the excellent provider and patient satisfaction BCNEPA has today. Personally, my peers and I have never swayed from healthcare coverage through this organization. It provides a high level of comfort for patients in times of their healthcare needs. If this merger is approved, Highmark will have an excellent local infrastructure capable of navigating the changes and needs of Northeastern Pennsylvania's complex healthcare environment.

BCNEPA not only provides sound healthcare coverage but a noteworthy visionary quality has been this organization's role as a partner to The Commonwealth Medical College (TCMC) since its inception. I believe that Blue Cross of Northeastern Pennsylvania assistance helped establish and stabilize the Commonwealth Medical College contributing to the school's early success. In May 2014, TCMC graduated its second class of Medical Doctors (MD) and its fifth class of Masters of Biomedical Sciences (MBS) students. I am sure that success might have been difficult without BCNEPA. Importantly, it was the organization's understanding of regional health care needs and its commitment to the community it serves that resulted in BCNEPA taking clear steps to bridge the growing physician gap in the region while also improving the quality of our healthcare delivery system. It's clear to me that quality driven healthcare insurers need to have the financial resources and size necessary to take on a greater risk for the investments in technology and new care models that are required in today's healthcare markets. A BCNEPA-Highmark merger will allow the joint company to expand the already significant BCNEPA footprint and further invest in ways to operate more efficiently and provide healthcare delivery in this region. This can be through innovative arrangements with healthcare providers that encourage high quality care and outcomes, preventative care, and cost-effective care management.

As an active physician in this area I am hopeful and encouraged that with this merger with Highmark will also be a strong community partner with the physicians of our region-- and specially TCMC--as the joint efforts will further the development of skilled and compassionate physicians to practice in Northeastern Pennsylvania and beyond. It is my understanding that the Highmark - BCNEPA merger agreement contains a covenant that Highmark will continue to cooperate with TCMC on projects that are in the best interest of both organizations in the

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community. As an active physician I am pleased by this prospect and hope that this relationship will be ensured by the agreement for years to come. I believe that Highmark is now signaling its intention to continue BCNEPA's role as a leader in improving the quality of life health in our region by agreeing to transfer up to \$100 million through a charitable foundation to benefit this region. Those investments will help us continue to build the community health infrastructure of this area.

Thank you for this opportunity to submit my views regarding the proposed BCNEPA-Highmark merger.

Michael Ferraro MD FACOG

Past President Medical Staff
Board member WBGH-Community Health Services