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Northeast Delegation

RECEIVED

Michael B. Carroll
Chair
Luzerne County

June 3, 2014

300 Main Capitol
PO Box 202118
Harrisburg, PA 17120-2118
717 787 3589

Michael F. Consedine
Commissioner
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120

JUN 03 2014

**INSURANCE DEPARTMENT
LEGISLATIVE OFFICE**

Members:

Berks County
Thomas R. Caltagirone
Mark Rozzi

Lehigh County
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Michael H. Schlossberg

Lackawanna County
Frank Farina
Marty Flynn
Kevin Haggerty
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Robert L. Freeman
Steve Samuelson

Schuylkill County
Neal P. Goodman

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Regional Caucus Director
717 772 3687

Commissioner Consedine:

The Northeast Delegation respectfully requests your assistance in scheduling two public hearings on the proposed merger between Highmark and Blue Cross of Northeastern Pennsylvania, to be conducted in advance of any decisions related to the proposal.

The news of Highmark's potential merger with BCNEPA brings with it the potential for more efficient and effective medical care for citizens all across the Commonwealth. We recognize that in a rapidly evolving environment, the quality, accessibility and affordability of treatment is paramount. However, a merger of this magnitude also brings concerns and questions that can only be answered through a transparent, open process of public review and comment.

The proposed merger could have a significant impact on the lives and livelihoods of citizens in Northeastern Pennsylvania. Currently, BCNEPA employs 750 workers in the Northeast. Though the merger filing pledges to maintain a "significant workforce in Northeastern and North Central Pennsylvania," and to "make efforts to maintain local staffing levels," it also states that "it does anticipate limited reductions within the ranks of the BCNEPA management teams and staff," and that other cuts may come by not filling positions when employees quit or retire. Further, many specific details of the merger regarding premiums, health care providers and other issues are still unknown. Our communities will be deeply affected by this proposed merger and deserve to have a say in these proceedings.

To this end, the Pennsylvania Insurance Department has promised a period of public comment and evaluation of the planned merger, followed by public hearings in which the citizens of Northeastern Pennsylvania can voice their apprehensions and have their questions answered. In a House Appropriations Committee Hearing in February of 2014, you stated that "the public hearing process is very important to [the Department]" in order to understand the reactions and concerns of the communities who will be affected by the merger. We wholeheartedly agree.

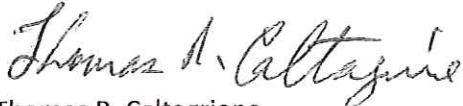
Subsequently, the Northeast Delegation requests a series of two hearings to be conducted in Williamsport and Scranton, two cities which will be impacted by the potential merger and are representational of the entire Northeastern community. The stakes are high for both those insured and employed by BCNEPA and it is our duty to ensure that that Department will keep the best interests of our citizens in mind when making their calculations on this merger.

Thank you in advance for your consideration of our request.

Sincerely,



Michael B. Carroll
Chair
118th Legislative District



Thomas R. Caltagirone
127th Legislative District



Frank Farina
115th Legislative District



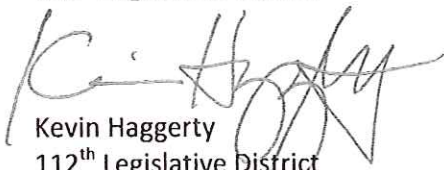
Marty Flynn
113th Legislative District



Robert L. Freeman
136th Legislative District



Neal P. Goodman
123rd Legislative District



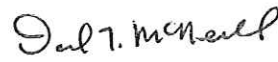
Kevin Haggerty
112th Legislative District



Sid Michaels Kavulich
114th Legislative District



Richard Mirabito
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83rd Legislative District



Daniel T. McNeill
133rd Legislative District



Gerald J. Mullery
119th Legislative District



Phyllis Mundy
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135th Legislative District



Michael H. Schlossberg
132nd Legislative District



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