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Northeast Delegation

RECEIVED
Corporate & Financial Regulation

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Luzerne County

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Harrisburg, PA 17120

OCT 14 2014

**Pennsylvania
Insurance Department**

Members:

September 29, 2014

Berks County

Thomas R. Caltagirone
Mark Rozzi

Ms. Bybee:

Lehigh County

Daniel T. McNeill
Michael H. Schlossberg

As members of the Northeast Democratic Delegation of the Pennsylvania House of Representatives, we have closely followed the proposed merger between Highmark, Inc. and Blue Cross of Northeastern Pennsylvania (BCNEPA). The availability and quality of health care is of the utmost importance for us and our constituents, as are the livelihoods of the more than 700 citizens employed by BCNEPA in its 13 county service area. After careful consideration, we would like to offer our support for the merger.

Lackawanna County

Frank Farina
Marty Flynn
Kevin Haggerty
Sid Michaels Kavulich

BCNEPA has admirably served the people of Northeastern and North Central Pennsylvania since 1938. However, in a rapidly changing healthcare landscape the exciting new innovations and technology inevitably coincide with increased costs and challenges for healthcare providers. While the Affordable Care Act has made coverage more accessible and convenient for millions of Americans, it has increased federal regulatory oversight and introduced systemic changes to which smaller providers may have a difficult time adapting. By merging with Highmark, BCNEPA will have the resources and infrastructure necessary to keep pace with progress and continue to provide affordable health care of the highest quality for decades to come.

Luzerne County

Gerald J. Mullery
Phyllis Mundy
Eddie Day Pashinski

For over 75 years, Highmark and BCNEPA have enjoyed a mutually beneficially business relationship. Highmark provides BCNEPA with claims processing and data center services and the two organizations jointly administer commercial and Medicare products throughout BCNEPA's service area. We are confident that, due to this long established and fruitful partnership, the proposed merger and subsequent transition will be efficient, seamless and non-disruptive.

Lycoming County

Richard Mirabito

Northampton County

Robert L. Freeman
Steve Samuelson

We are obviously concerned about the more than 700 employees currently working for BCNEPA. However, Highmark has committed to maintaining regional operations in Northeastern Pennsylvania and making every effort to preserve the existing jobs. They will make efforts to maintain local staffing levels for at least four years post-merger, attempt to create new employment opportunities in our area and provide protections for individual BCNEPA employees. BCNEPA and Highmark have proven their commitment to the communities they serve. Through merging together, they will be able to provide even stronger support to their subscribers, their employees and the greater public.

Schuylkill County

Neal P. Goodman

Charles M. Lopresto
Regional Caucus Director
717 772 3687

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In the interest of the health and well-being of our constituents and citizens all across the commonwealth, we, the Representatives of Pennsylvania's Northeast Democratic Delegation, endorse the proposed merger between Highmark, Inc. and Blue Cross of Northeastern Pennsylvania.

Signed,



Rep. Mike Carroll
118th Legislative District



Rep. Richard Mirabito
83rd Legislative District



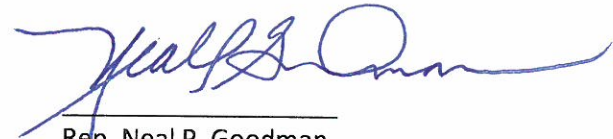
Rep. Frank Farina
115th Legislative District



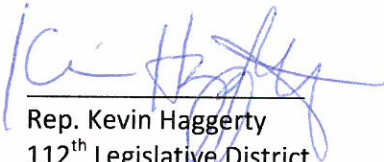
Rep. Marty Flynn
113th Legislative District



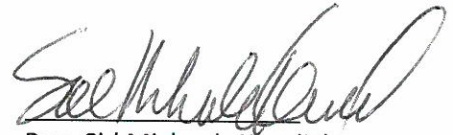
Rep. Eddie Day Pashinski
121st Legislative District



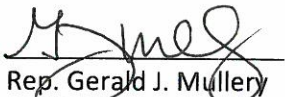
Rep. Neal P. Goodman
123rd Legislative District



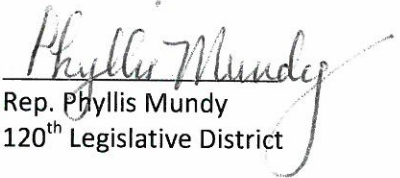
Rep. Kevin Haggerty
112th Legislative District



Rep. Sid Michaels Kavulich
114th Legislative District



Rep. Gerald J. Mullery
119th Legislative District



Rep. Phyllis Mundy
120th Legislative District