



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

February 2, 2015

Pennsylvania Insurance Department
Commissioner Teresa Miller
1326 Strawberry Square
Harrisburg, PA 17120

Dear Commissioner Miller:

As you know, the House Insurance Committee is afforded the ability to review a merger or consolidation application submitted for departmental approval by Act 284 of 1921.

Highmark and Blue Cross of Northeastern Pennsylvania filed a Form A proposing a change of control/merger in February of 2014. To the credit of each of these organizations, efforts to raise awareness and provide requested information have provided the citizens with detailed information about the potential merger impacts. There has been much community outreach to educate citizens on how this proposed merger would impact the health care insurance availability in Northeastern Pennsylvania.

The Pennsylvania Insurance Department is in receipt of multiple public comments supporting this proposed merger, including two letters from 16 state legislators from throughout Northeast and North Central Pennsylvania supporting the merger application. In a bipartisan manner, our colleagues and the both of us have supported this proposed merger. It affords our citizens more health care options, increase in availability of plans and through economies of scale, hopefully, spreads the rising cost of healthcare across a broader population.

We understand that citizens at the public hearing voiced their support for the merger proposal in November of 2014. The community and its legislators stand informed, prepared and support the merger, and await the Department's decision.

We understand that with the current timeframes the merger cannot receive final approval until, at the earliest, sometime in late May of 2015. While it is our understanding that the companies intend to file the potential plan benefits of the proposed merged company for

departmental review in conjunction with the federal filing deadline in April 2015, if the May 2015 approval is further delayed, the citizens of Northeastern Pennsylvania may have to wait until 2017 to see any of these potential plan benefits. Such a further delay would be unfortunate and may be detrimental to the citizens and health care consumers in the region.

As the Majority and Minority Chairman of the House Insurance Committee, we are writing to express our support for the current merger and to advise that the Committee will not be exercising our rights under Article 14, Section 1403.1(b)(4) of Act 284 of 1921. It is our intent to not convene a meeting to review this application, and not submit comments and recommendations.

Thank you for your diligent and prompt review of the application.

Sincerely,



State Representative Tina Pickett
110th Legislative District
Majority Chair
House Insurance Committee



State Representative Anthony M. DeLuca
32nd Legislative District
Minority Chair
House Insurance Committee