

Bybee, Cressinda

From:

Chronister, Ronald [ronald.chronister@bipc.com]

Sent:

Thursday, April 19, 2012 10:07 AM

To:

Bybee, Cressinda

Subject:

Response to Public Comment from Donald Balla

Attachments:

ScannedFile.pdf

Ms. Bybee: I am attaching a response from UPE to the comment received by the Insurance Department from Donald Balla. I am also copying Mr. Balla with the response by mail at the address appearing in his letter in support of the affiliation of Highmark Inc. and the West Penn Allegheny Health System.

TAX ADVICE DISCLAIMER: Any federal tax advice contained in this communication (including attachments) was not intended or written to be used, and it cannot be used, by you for the purpose of (1) avoiding any penalty that may be imposed by the Internal Revenue Service or (2) promoting, marketing or recommending to another party any transaction or matter addressed herein. If you would like such advice, please contact us.

Above email is for intended recipient only and may be confidential and protected by attorney/client privilege.

If you are not the intended recipient, please advise the sender immediately.

Unauthorized use or distribution is prohibited and may be unlawful.

0560

BEFORE THE INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA

Statement Regarding the Acquisition of Control of or Merger with Domestic Insurers:

Highmark Inc.; First Priority Life Insurance Company, Inc.;
Gateway Health Plan, Inc.; Highmark Casualty Insurance Company;
Highmark Senior Resources Inc.; HM Casualty Insurance Company;
HM Health Insurance Company, d/b/a Highmark Health Insurance Company;
HM Life Insurance Company; HMO of Northeastern Pennsylvania, Inc.,
d/b/a First Priority Health; Inter-County Health Plan, Inc.;
Inter-County Hospitalization Plan, Inc.; Keystone Health Plan West, Inc.;
United Concordia Companies, Inc.; United Concordia Dental Plans of Pennsylvania, Inc.;
United Concordia Life and Health Insurance Company

By UPE, a Pennsylvania nonprofit corporation

Response of UPE to Comment of Donald Balla Dated April 11, 2012

UPE is responding to the comment from Donald Balla dated April 2, 2012. The comment is numbered as Document 0431 on the Highmark/West Penn Cumulative Log page of the Pennsylvania Insurance Department website.

Mr. Balla, Managing Principal of the Group Benefits Division at Simpson & McCrady, LLC, has expressed his support for the proposed affiliation of Highmark Inc. ("Highmark") and West Penn Allegheny Health System ("WPAHS"). Mr. Balla states that this transaction will preserve competition in the marketplace, ultimately leading to lower costs and better quality care for consumers. Mr. Balla further highlights Highmark's historical commitment to these objectives citing its successes with the Community Blue network prior to 2002.

UPE is in agreement with Mr. Balla's comments and believes that this transaction will help maintain the market dynamics that drive the industry to provide better products and service to regional employers and consumers. The ultimate plan is to build a new integrated health system that will deliver value, choice, and high-quality health care services to the Western Pennsylvania community.

UPE would like to thank Mr. Balla for his comments and support.

UPE

120 Fifth Avenue Pittsburgh, PA 15222

DATE: April 19, 2012

cc: Donald Balla

03