

**STATEMENT OF RONALD A. BAKER ON BEHALF OF:  
THE CAMBRIA COUNTY COMMISSIONERS,  
THE CAMBRIA COUNTY HEALTHCARE COMMITTEE,  
AND  
TOWNSHIPS AND BOROUGHES WITHIN THE CAMBRIA COUNTY  
CONSORTIUM  
TO THE  
PENNSYLVANIA INSURANCE COMMITTEE**

**July 20, 2010 @ 10:00 a.m.  
Penn Hills Public Library, DeLuca Room, Penn Hills, PA**

Thank you, Mr. Chairman, for allowing us to make a brief presentation to you today concerning issues that we, as taxpayers in the Commonwealth and local government officials, have been attempting to address as far back as 2008. Quite frankly, our issues with Highmark, Inc. reached its pinnacle this year. But, you are well aware that these type of issues on healthcare costs and how the state handles insurance carriers, especially Highmark, Inc., are by no means new events; just a sad ongoing saga that seems to have no one with the authority to initiate meaningful change and willing to address the issues.

Here with me today are representatives from Cambria County who represent a cross section of our local communities. Among this group are representatives from six labor unions representing Cambria County employees. They also represent thousands of other members that work all across our Commonwealth. In addition, we have eleven (11) representatives from local governments on the Township and

Borough levels. This group is a group of ordinary people who work hard everyday trying to change lives for the positive in their communities.

For those of you who do not know of our struggles with Highmark, you may wonder about the connections between our County Commissioners, Unions who represent our employees, and other local government leadership. It is specifically geared to recent rate hikes by Highmark. When we say recent, these local governments have been living with it for years. We just want to define our understanding of “recent” for the Committee when it comes to this issue.

Mr. Chairman, the recent rate increases of Highmark and the escalating healthcare premiums have gone beyond the realm of acceptable with nowhere for these and other small governments to turn.

Mr. Chairman, I am sure that the “nowhere to turn” scenario might raise some skepticism from the State and, quite possibly by several if not all, of the members of this Committee. However, it is a true and accurate statement.

Mr. Chairman, as hard as it may be to hear, the insurance industry in Pennsylvania is a glowing example of “no place to turn” for the small businessperson, employers,

employees, and individuals seeking coverage. Highmark sets the rules and the PA legislature and all its subordinate departments follow those that they set.

- In November 2008, Cambria County created a Healthcare Consortium along with ten townships and boroughs under Section 2307 of the 2001 State-Enacted Inter-Governmental Cooperation Act. Its purpose was to legally, under a Consortium health group structure, rescue these struggling townships and boroughs from financial ruin as they tried to pay for health benefits for their several employees at rates they could no longer sustain. Mr. Chairman, they were at a crossroads. Do they water-down benefits to a meaningless level in order to offset the cost of these outrageous premium increases? Do they eliminate the benefit all together in order to keep employees on the job, or do they lay off some employees so that those that remained could continue with meaningful coverage? No option was good. So beginning in January of 2009, after extensive discussion with Highmark in the latter months of 2008, and the legal concurrence of these local governments, we initiated the Cambria County Healthcare Consortium with the advice of our Solicitor.

Highmark covered the Consortium, which included Cambria County employees and 40 or so other employees from 10 Townships and Boroughs,

for all of 2009. However, in January of 2010, Highmark abruptly announced that it would not continue to cover the Consortium in 2011. At first, Highmark claimed they were not aware of its existence at all, but Mr. Chairman, we had ample documentation that they not only knew, but actively participated in the process of administratively establishing the group. Why did they cover it then and not now? Because we had left them in 2008, to go with UPMC, and in our opinion to include the Consortium under our plan was a small price to pay for them to agree to recapture our business in 2009. They knew it was part of our group and never objected or raised any concern. They now may claim risk and they now may cite regulations, but they have covered Cambria County's own independent local government Authorities under our Subgroup 40 for over a decade. Employees of our Authorities are not County employees either. Their argument that covered lives under the plan must be linked to "employees of the employer" doesn't work when it comes to recognizing this Consortium.

Mr. Chairman, it's not about HIPAA, insurance regulations, or risk as they now profess. It's about not having the unilateral unquestioned right to quote whatever rates they desire whenever they decide, in small groups. The vast majority of these represented small local government groups were experiencing monthly premium rates hundreds and thousands of dollars

above larger groups with nearly identical coverage. I submit to this Committee an analysis of the Highmark rates associated with our Consortium members prior to them joining the Consortium in 2009. This sampling of nine of these local governments' rates show the wide disparity on rates in small versus large groups. Mr. Chairman, we believe that this outline is but a microcosm of what is occurring. I will not take the time to cover the analysis, but some of these small group government rates are over 100% above the quoted rates for larger groups with essentially the same coverage. Please keep in mind when reviewing our data that we are comparing the smaller local government 2008 rates to the County's 2009 rates. This makes these results even more staggering in that these small groups could not afford to pay based on the 2008 rates, let alone what they would have experienced had 2009 rate increases applied. We will let this Committee be the judge of the data and what it may indicate.

- Mr. Chairman, every avenue of redress on this issue, including the PA Insurance Department has been for not. Numerous of our state legislators bemoan the fact that they cannot dictate that Highmark recognizes our Consortium even though it's a legal avenue for local governments and their entities under the law.

- Mr. Chairman, we thank you for opening this meeting to the public. More of these should occur so that healthcare consumers can speak about their personal experiences and the anxiety they experience in trying to balance a budget when there is no cap on what these carriers may charge. But, quite honestly, and with all due respect, it comes with little or no real hope of arriving at a resolution to this terrible crisis because we have already written scores of letters, spent countless hours on the phone to the PA Insurance Department and with numerous legislative offices, to no avail. We have attended more meetings than we can count.

One thing is clear from our perspective, Highmark sets the rules and everyone in this extensive chain of state authority on all levels simply abides by its terms.

- Why can Highmark scoff at the law and refuse to abide by the terms of state-enacted Intergovernmental Cooperation Act of 2001?

Because, they believe, as they well should, that they do not have to.

- Why does Highmark believe that they can increase rates as they please on a take-it-or-leave-it-basis, impacting employers, employees, small and large businesses without any oversight by the state?

Because that is the way it has always been and they know they can, and no one has ever stopped them.

Mr. Chairman, according to an April 2010, Post Gazette article, Highmark holds 3.4 billion dollars in “excess income”.

Mr. Chairman, that’s well over 10% of the recently passed state budget needed to run the entire Commonwealth for a year! I’m sure that it falls within the generous Risk Based Capital (RBC) ratio standards that have been set by the Insurance Department with the carrier. Does anyone really analyze what goes into this RBC ratio formula for this carrier? Does any outside agency really analyze the RBC formula and its respective parts? Do they ever question the carrier’s data?

- Why do PA healthcare consumers get lip service when it comes to complaints?

Because the PA insurance department is the industry advocate not the industry overseer. So, I ask you; who is the advocate for the consumer?

Mr. Chairman, Cambria County and its Townships and Boroughs in its Consortium have hit a brick wall on all levels of state government. The unfortunate thing is that this wall was built brick-by-brick with the full understanding by this state, the PA Insurance Department and the State Legislature, that no one controls this industry and it maneuvers in its own sphere and without much regard to the taxpayers or their communities.

Yes, they will claim they give millions back to the community. Mr. Chairman, compare the cost of their so-called philanthropy with the amount of their holdings and the picture becomes clearer. Besides, should they not be required to do so since they hold a coveted non-profit status with this state? This state and the nation have never fully recovered from the 2008 downturn in this economy. Pennsylvania's unemployment and underemployment rate is at a record high with those lucky enough to be employed living with stagnant wages or reduced earnings. Local governments, who derive their operating revenue from real estate and local occupational taxes, are in a dilemma in most areas.

This State is swimming in red ink, desperately trying to figure out how to pay the bills. None of the choices to bridge this fiscal gap on any level are easy and most deal with the unfortunate knowledge that any remedy will largely impact the lives of those



who can least afford it: State employees, Commonwealth taxpayers, local governments, small businesses, and consumers of much needed state funded services.

Yet, with all this, Highmark operates as if these communities, local governments, the state, the counties, and employers in general, are flush with cash, when in reality they have been reduced in many cases to fiscal rubble in the market decline of 2008, and there is no foreseeable end in sight. The individual taxpayer can only sit back and hope for better days when their personal savings may crawl back to their previous values. Government investments also took a proportioned hit. Yet these corporations continue their double-digit rate increases year after year that the rest of the world is just expected to somehow absorb. It has been and will continue to be a one-sided balancing act where carriers like Highmark put on their community economic blinders and operate as if they are the first to be paid and everyone and everything else can just adjust. This state has allowed this culture to flourish at the expense of taxpayers, businesses and local governments that can no longer afford to meet these financial hurdles. We are all at a crossroads. All those entities listed above have reduced employee benefits in one way or another or required those who can least afford it to pay more so that they can balance their checkbooks. However, in our opinion, this industry is now at its best place ever: higher rates than ever before and less risk against its sponsored plans than ever: the perfect storm. Unfortunately, those who are sinking are Commonwealth taxpayers.

Mr. Chairman, this is a state recognized non-profit corporation who is setting the rules. Their product is an essential service and one that consumers must have. I know we will hear about free markets and competition and taking our business elsewhere if we don't like it, but in these rural counties competition is virtually non-existent. Highmark and its Blues cousins operating in the state even set their own sales boundaries via their National Association. There is not even competition between the three (3) other Blues carriers and Highmark when it comes to groups domiciled in their corporately set sales area. They ban competition internally and taxpayers pay for it. They set it up that way and this state has done nothing about it but acquiesce to their plans.

Mr. Chairman, look for yourself on any of the Blues websites or call them as we have done on numerous occasions seeking alternative quotes for coverage. They outwardly proclaim the boundaries of their coverage areas. They will not quote small or larger groups outside their corporately established marketing boundaries. Yet, their behavior, in our opinion, is duplicitous because when it benefits any one of them, they cross these self-imposed boundaries. Case in point; Highmark on June 17, 2010, announced it has recently secured the PPO business from Capital Blue for state employees covered under the Pennsylvania Employees Benefit Trust Fund or PEBTF. This Trust is located in the Capital Blue marketing area in Harrisburg, PA. How is it

that Highmark crossed over their Association's own self-proclaimed boundary to compete with its sister Blues company when local governments cannot get a quote on coverage from any Blue's plan, except the one in their area? You see, Mr. Chairman, they do what they want, when it suits them, and when it doesn't, they invoke their own internal rules as a reason why they can't. It is a façade and nothing more than a state-sanctioned regionalized monopoly that drives costs through the roof because the industry itself has stymied competition. Yet Mr. Chairman, as they continue to evoke their standard line about their Association's set market areas, Highmark itself, in its 2009 annual report touts, among its over 4 million members in the Commonwealth, nearly one million in Central PA/Lehigh Valley, 355,000 in Northeastern PA, and over 200,000 in Southeastern PA. So, which is it? Is Highmark or Capital limited by marketing region or not? Is Highmark truly competitive or not? We've seen the answer from our own experiences. This Committee should look into Highmark's marketing practices, which leave smaller employers disadvantaged, and subject to no access to competitive pricing as larger employers may access.

Mr. Chairman, taxpayers have had to tighten their belts and run household budgets on less and less; why should Highmark not at least be empathetic to this economic calamity? At the end of this year, as you know, rate caps on electricity will expire and taxpayers will have to absorb those costs. Where does it all end? Is the final chapter one that requires less and less people covered by health insurance, while corporations

like Highmark continue to hold billions in “excess income”? In their own 2009 annual report, Highmark’s Board Chairman speaks about the economy wherein he states, “Meanwhile, the ripple effects persist from the most severe economic downturn since the Great Depression. Job losses across American business and government at all levels have led to declining membership for many health insurance companies and increasing pressure to hold down costs.” Yet, Mr. Chairman, you can see no dip whatsoever in the rates of this carrier during this “most severe economic downturn since the Great Depression.” Just an acknowledgement that job losses have led to declines in “membership” for many health plans. Mr. Chairman, they doubled their profits in 2009 from 2008 while they admittedly, in their own reports, lost about 100,000 covered members. Rate increases on those that remained had to account for a substantial way they covered their revenue shortfalls. Having nearly 100,000 less members and doubling your gains in one year from the previous speaks volumes about the financial health of a carrier who has never slowed down on its rate increases even during these dire times.

Mr. Chairman, this Committee needs to know that while we may appear to be just a few disgruntled ordinary taxpaying, working people from some rural PA County, we believe this feeling is widespread across this state. It would behoove this Committee to seek out the voices of other local governments, businesses, etc... who have the same problems. Then, and only then, will the true impact of these ridiculous rate increases

be truly known. Taxpayers continue to pay the bills, while corporations like Highmark get top class treatment from our legislators, as well as through the Agencies and Departments of this state that are responsible for their oversight. What is the answer? Well, from this group of ordinary taxpayers, it seems fairly simple and straightforward.

If you are a non-profit insurance carrier in this state, you should be required to:

- Abide by all legislative enactments of the state, including the creation of Consortiums in healthcare so that small local governments and businesses can benefit from larger group pooled rates.
- File their corporate information in an area readily accessible to the taxpaying public and not on some convoluted state website hosted by the PA Insurance Department that has most taxpayers throwing up their hands in frustration.

We do not guide or create state policy. But if it were up to us, this state should not permit any carrier to set their own sales areas governed by their own corporate association at the expense of competition. If they want to be a non-profit, then require them to compete and have this state require adequate and meaningful oversight ensuring that they are operating as independent companies as they do so. We always hear that competition is good, but as a state we do not require these insurance carriers

to win contracts based on price, service, and efficiency. They get them because there is no meaningful competition. Thus, in most cases, they set the rates they want, where they want, and upon whom they decide.

This Committee should spearhead legislative efforts to change the culture of the PA Insurance Department and require it to be the real overseer of the industry, rather than appearing to be its advocate.

Mr. Chairman, if this proves impossible, we believe the PA Insurance Department should be abolished and the savings should come as tax relief for PA taxpayers. Right now, we believe the department puts the industry at the top of its list and taxpayers, local governments, employers, and all others are a far distant second; in fact, not even an honorable mention.

Mr. Chairman, we all know that healthcare is not free. But this Committee and this state must at least attempt to make the playing field more level. These tremendous rate increases by a corporation that holds over 3 billion dollars in “excess income” or “surplus reserves” or whatever they call it, is putting people out of work or reducing their levels of coverage and currently and sadly there is no one to turn to for relief.

Mr. Chairman, these leaders of local government gathered here today don't get paid big salaries. These are community people that devote countless volunteer hours to make sure that basic services in their townships and boroughs are provided to those that live within their boundaries. Mr. Chairman, in our area, there are slots for township and borough positions that no one is running for because so much needs done with so little financial resources to cover the need. These folks are not lawyers or people with prominent elected positions. They are your grass roots community heroes that get the work done. Each of you on this Committee knows many out there from your own areas. You know the difficult work they do and you know their financial limitations. They need your help and the help of this state legislature to ensure that this ever rising unchecked cost of healthcare coverage does not continue to erode their already tenuous financial position. County governments need the same help. Our Consortium did that. It was legal and is legal, just unrecognized by this carrier. Not because it's a bad idea. As a matter of fact, it is a good legally appropriate state created opportunity for small groups. Our own medical loss ratio never moved its needle in 2009 due to their inclusion – so much for the “risk” argument from Highmark. The carrier's unspoken reasons to abolish it is because it limits their ability to charge what they want on whomever they please, especially in small groups.

On behalf of the Cambria County Commissioners; P.J. Stevens, Milan Gjurich, and Salvatore Valenty; the Cambria County Healthcare Committee; and the leaders of our

townships and boroughs, we thank this entire Committee for holding this hearing. I provide to you my statement and all the backup material as referenced herein.



**RATE COMPARISONS ON THE TOWNSHIPS/BOROUGHES PRIOR TO THEIR ENTERING THE CONSORTIUM (Note their 2008 rate from Highmark\* versus the County's 2009 rate from Highmark when part of the Consortium)**

Name of Township / Borough	Number of Employees	Level of Coverage	Rates for their plan prior to 2009 entry (per month)	Cambria County's 2009 rates (per month)	Difference per month by entering Consortium	% of Increase
Clearfield Township	2	Single	* \$640.34	\$381.86	\$258.48	68%
Conemaugh Township	2	Single	* \$800.00	\$381.86	\$418.14	110%
Ferndale Borough	6	Single	* \$510.88	\$381.86	\$129.02	34%
		Family	* \$1,532.18	\$1,181.46	\$350.72	30%
Lilly Borough	3	Parent & Children	* \$1,244.49	\$918.75	\$325.74	35%
		Two Person	* \$1,655.20	1,028.73	\$626.47	61%
		Family	* \$1,725.71	\$1,181.46	\$544.25	46%
Lower Merion Township <i>The plan quoted was from Columbia and was not a plan comparable with the Highmark plan</i>	5	Single	\$423.76	\$381.86	\$41.90	11%
		Parent & Child	\$593.26	Nonmatching rate		
		Parent & Children	\$847.52	\$918.75	(\$71.23)	8%
		Two Person	\$1,017.02	\$1,028.73	(\$11.71)	1%
		Family	\$1,148.35	\$1,181.46	(\$33.11)	3%
Southmont Borough	5	Single	\$464.23	\$381.86	\$82.37	22%
		Two Person	\$1,263.54	\$1,028.73	\$234.81	23%
Susquehanna Township	2	Single	* \$767.99	\$381.86	\$386.13	101%
		Parent & Child	* \$1,535.97	\$918.75	\$617.22	67%
		Two Person	* \$2,111.96	\$1,028.73	\$1,083.23	105%
		Family	* \$2,303.95	\$1,181.46	\$1,122.49	95%
West Carroll Township	1	Single	* \$465.94	\$381.86	\$84.08	22%
Northern Cambria Borough	12	Single	\$683.93	\$381.86	\$302.07	79%
		Parent & Child	\$1,367.86	\$918.75	\$449.11	49%
		Two Person	\$1,880.81	\$1,028.73	\$852.08	83%
		Family	\$2,051.80	\$1,181.46	\$870.34	74%

\*These rates are those of the Townships/Boroughs 2008 plan year. These Townships/Boroughs anticipated double digit rate renewal increases for 2009 on top of their 2008 rates.



**pennsylvania**

GOVERNOR'S CENTER FOR  
LOCAL GOVERNMENT SERVICES

# Intergovernmental Cooperation Law

Area Government and Intergovernmental Cooperation

~~58 Pa. C.S. Chapter 23~~

~~Includes all amendments through the act of May 30, 2001, P.L. 102, No. 13.~~

# Intergovernmental Cooperation Law

## Area Government and Intergovernmental Cooperation

### 53 Pa. C.S. Chapter 23

Includes all amendments through the act of May 30, 2001, P.L. 102, No. 13

The act contained herein is believed to be correct and to contain all amendments to the act through the most recent amendatory act listed above. However, there is no guarantee, express or implied, as to accuracy of the information contained herein. The Department of Community and Economic Development assumes no responsibility for errors and omissions nor any liability for damages resulting from the use of the information contained herein. In addition, the Department of Community and Economic Development assumes no obligation to provide updates if such acts are updated, revised or repealed.

#### Sec.

- 2301. Scope of subchapter.
- 2302. Definitions.
- 2303. Intergovernmental cooperation authorized.
- 2304. Intergovernmental cooperation.
- 2305. Ordinance.
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- 2315. Effect of joint cooperation agreements.
- 2316. Recognition by Commonwealth departments and agencies.

**Cross References.** Subchapter A is referred to in sections 5611, 8002 of this title; section 8501 of Title 42 (Judiciary and Judicial Procedure).

#### § 2301. Scope of subchapter.

This subchapter applies to all local governments.

**§ 2302. Definitions.**

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Local government." A county, city of the second class, second class A and third class, borough, incorporated town, township, school district or any other similar general purpose unit of government created by the General Assembly after July 12, 1972.

**§ 2303. Intergovernmental cooperation authorized.**

- (a) General rule.—Two or more local governments in this Commonwealth may jointly cooperate, or any local government may jointly cooperate with any similar entities located in any other state, in the exercise or in the performance of their respective governmental functions, powers or responsibilities.
- (b) Joint agreements.—For the purpose of carrying the provisions of this subchapter into effect, the local governments or other entities so cooperating shall enter into any joint agreements as may be deemed appropriate for those purposes.

**§ 2304. Intergovernmental cooperation.**

A municipality by act of its governing body may, or upon being required by initiative and referendum in the area affected shall, cooperate or agree in the exercise of any function, power or responsibility with or delegate or transfer any function, power or responsibility to one or more other local governments, the Federal Government or any other state or its government.

**§ 2305. Ordinance.**

A local government may enter into intergovernmental cooperation with or delegate any functions, powers or responsibilities to another governmental unit or local government upon the passage of an ordinance by its governing body. If mandated by initiative and referendum in the area affected, the local government shall adopt such an ordinance.

**§ 2306. Initiative and referendum.**

- (a) Initiative.—An initiative under this subchapter shall be commenced by filing with the appropriate election officials at least 90 days prior to the next primary or general election a petition containing a proposal for referendum signed by electors comprising 5% of the number of electors voting for the office of Governor in the last gubernatorial election in each local government or area affected. The applicable election officials shall place the proposal on the ballot in a manner fairly representing the content of the petition for decision by referendum at the election. Initiative on a similar question shall not be submitted more often than once in five years.
- (b) Referendum.—The question shall be placed on the ballot as a referendum and shall become effective by a majority vote of the electors voting thereon.

**§ 2307. Content of ordinance.**

The ordinance adopted by the governing body of a local government entering into intergovernmental cooperation or delegating or transferring any functions, powers or responsibilities to another local government or to a council of governments, consortium or any other similar entity shall specify:

- (1) The conditions of agreement in the case of cooperation with or delegation to other local governments, the Commonwealth, other states or the Federal Government.
- (2) The duration of the term of the agreement.
- (3) The purpose and objectives of the agreement, including the powers and scope of authority delegated in the agreement.

- (4) The manner and extent of financing the agreement.
- (5) The organizational structure necessary to implement the agreement.
- (6) The manner in which real or personal property shall be acquired, managed, licensed or disposed of.

~~(7) That the entity created under this section shall be empowered to enter into contracts for policies of group insurance and employee benefits including Social Security for its employees.~~

**§ 2308. Bids for certain joint purchases.**

All joint purchases involving an expenditure of more than \$10,000 shall be made by contract, in writing, only after notice for bids once a week for two weeks in at least one and not more than two newspapers of general circulation in the joining local governments. All contracts shall be let to the lowest responsible bidder. Every contract for the construction, reconstruction, alteration, repair, improvement or maintenance of public works shall comply with the provisions of the act of March 3, 1978 (P.L.6, No.3), known as the Steel Products Procurement Act.

**§ 2309. Direct purchases.**

In addition to joint purchases authorized by section 2308 (relating to bids for certain joint purchases), local governments may make direct purchases from vendors or suppliers of goods, materials or equipment without compliance with existing and otherwise applicable statutory requirements governing competitive bidding and execution of contracts as follows:

- (1) Any county may by appropriate resolution, and subject to such reasonable regulations as it may prescribe, permit any local government within the county to participate in or purchase off contracts for goods, materials or equipment entered into by the county.
- (2) Any local government desiring to participate in purchase contracts shall file with the county purchasing agency and with the county solicitor a certified copy of an ordinance or resolution of its governing body requesting that it be authorized to participate in purchase contracts of the county and agreeing that it will be bound by the terms and conditions as the county prescribes and that it will be responsible for payment directly to the vendor under each purchase contract.
- (3) The county may permit participation by local governments only where the solicitation for bids and specifications for the county contracts, and the contracts themselves, expressly provide for and inform prospective and successful bidders that the contract to be let is intended to be subject to this subchapter and to regulations adopted by the county.
- (4) Among the terms and conditions as the county may specify, it shall prescribe that all prices shall be F.O.B. destination.

**§ 2310. Joint purchases with private educational establishments.**

Any local government may, by ordinance, authorize joint purchases of materials, supplies and equipment with any private school, parochial school, private college or university or nonprofit human services agency within the local government. The ordinance shall require that the school, college or agency shall be bound by the terms and conditions of purchasing agreements which the local government prescribes and that the school, college or agency shall be responsible for payment directly to the vendor under each purchase contract. Schools, colleges and agencies shall be exempt from any existing statutory requirements governing competitive bidding and execution of contracts with respect to purchases under this section.

**§ 2311. Written or telephonic price quotations required.**

Written or telephonic price quotations from at least three qualified and responsible contractors shall be requested for all contracts that exceed \$4,000 but are less than the amount requiring advertisement and competitive bidding, or, in lieu of price quotations, a memorandum shall be kept on file showing that fewer

than three qualified contractors exist in the market area within which it is practicable to obtain quotations. A written record of telephonic price quotations shall be made and shall contain at least the date of the quotation, the name of the contractor and the contractor's representative, the construction, reconstruction, repair, maintenance or work which was the subject of the quotation and the price, written price quotations, written records of telephonic price quotations, and memoranda shall be retained for a period of three years.

**§ 2312. Division of transactions provided.**

No local government shall evade the provisions of section 2308 (relating to bids for certain joint purchases) as to advertising for bids or purchasing materials or contracting for services piecemeal for the purpose of obtaining prices under \$10,000 upon transactions which should in the exercise of reasonable discretion and prudence be conducted as one transaction amounting to more than \$10,000. This provision is intended to make unlawful the practice of evading advertising requirements by making a series of purchases or contracts each for less than the advertising requirement price or by making several simultaneous purchases or contracts each below such price when in either case the transaction involved should have been made as one transaction for one price.

**§ 2313. Penalty.**

Any member of a governing body of a local government who votes to unlawfully evade the provisions of section 2308 (relating to bids for certain joint purchases) and who knows that the transaction upon which he so votes is or ought to be a part of a larger transaction and that it is being divided in order to evade the requirements as to advertising for bids commits a misdemeanor of the third degree for each contract entered into as a direct result of that vote.

**§ 2314. Review of agreement by Local Government Commission.**

Every agreement between a local government and the Commonwealth, any other state, government of another state or the Federal Government under the provisions of this subchapter shall, prior to and as a condition precedent to enactment of an ordinance, be submitted to the Local Government Commission for review and recommendation. The commission shall within 60 days of receipt of the agreement determine whether it is in proper form and compatible with the laws of this Commonwealth. Failure of the commission to make recommendations within 60 days of receipt of the agreement shall constitute a recommendation in favor of the agreement.

**§ 2315. Effect of joint cooperation agreements.**

Any joint cooperation agreement shall be deemed in force as to any local government when the agreement has been adopted by ordinance by all cooperating local governments. After adoption by all cooperating local governments, the agreement shall be binding upon the local government, and its covenants may be enforced by appropriate remedy by any one or more of the local governments against any other local government which is a party to the agreement.

**§ 2316. Recognition by Commonwealth departments and agencies.**

All Commonwealth departments and agencies in the performance of their administrative duties shall deem a council of governments, consortiums or other similar entities established by two or more municipalities under this subchapter as a legal entity.

**SUBCHAPTER B  
ENVIRONMENTAL ADVISORY COUNCILS**

Sec.

- 2321. Scope of subchapter.
- 2322. Establishment of environmental advisory council.
- 2323. Composition and organization of council.
- 2324. Powers and duties of council.
- 2325. Records and reports.
- 2326. Appropriations for expenses of council.
- 2327. Status of existing agencies unaffected.
- 2328. Assistance from State Conservation Commission.
- 2329. Assistance from Department of Community and Economic Development.

§ 2321. Scope of subchapter.  
This subchapter applies to all municipal corporations.

§ 2322. Establishment of environmental advisory council.

The governing body of any municipal corporation or group of two or more municipal corporations may by ordinance establish an environmental advisory council to advise other local governmental agencies, including, but not limited to, the planning commission, park and recreation boards and elected officials, on matters dealing with protection, conservation, management, promotion and use of natural resources, including air, land and water resources, located within its or their territorial limits.

§ 2323. Composition and organization of council.

- (a) **Composition.**—An environmental advisory council shall be composed of no less than three nor more than seven residents of the municipal corporation establishing the council, who shall be appointed and all vacancies filled by the governing body. Where two or more municipal corporations jointly establish an environmental advisory council, the members shall be appointed in the same manner by each of the respective municipal corporations establishing the council, each constituent municipal corporation to have equal membership on the joint council.
- (b) **Term of office.**—Council members shall serve for three years except that initial appointments shall be so staggered that the terms of approximately one-third of the membership shall expire each year, the terms of their successors to be of three years each.
- (c) **Compensation and expenses.**—Members shall receive no compensation for their services but shall be reimbursed for the expenses actually and necessarily incurred by them in the performance of their duties.
- (d) **Chairman.**—The appointing authority shall designate the chairman of the council except that in joint councils the chairman shall be elected by the duly selected members. Whenever possible, one member shall also be a member of the municipal planning board.

**§ 2324. Powers and duties of council.**

(a) **General rule.**—An environmental advisory council shall have the power to:

- (1) Identify environmental problems and recommend plans and programs to the appropriate agencies for the promotion and conservation of the natural resources and for the protection and improvement of the quality of the environment within its territorial limits.
- (2) Make recommendations as to the possible use of open land areas of the municipal corporations within its territorial limits.
- (3) Promote a community environmental program.
- (4) Keep an index of all open areas, publicly or privately owned, including flood-prone areas, swamps and other unique natural areas, for the purpose of obtaining information on the proper use of those areas.
- (5) Advise the appropriate local government agencies, including the planning commission and recreation and park board or, if none, the elected governing body or bodies within its territorial limits, in the acquisition of both real and personal property by gift, purchase, grant, bequest, easement, devise or lease, in matters dealing with the purposes of this subchapter.

(b) **Limitation.**—An environmental advisory council shall not exercise any powers or perform any duties which by law are conferred or imposed upon a Commonwealth agency.

**§ 2325. Records and reports.**

An environmental advisory council shall keep records of its meetings and activities and shall make an annual report which shall be printed in the annual report of the municipal corporation or, if none, otherwise made known and available.

**§ 2326. Appropriations for expenses of council.**

The governing body of any municipal corporation establishing an environmental advisory council may appropriate funds for the expenses incurred by the council. Appropriations may be expended for those administrative, clerical, printing and legal services as may be required and as shall be within the limit of funds appropriated to the council. The whole or any part of any funds so appropriated in any year may be placed in a conservation fund and allowed to accumulate from year to year or may be expended in any year.

**§ 2327. Status of existing agencies unaffected.**

This subchapter shall not be construed to require a municipal corporation to abolish an existing commission with a related responsibility or to prevent its establishment.

**§ 2328. Assistance from State Conservation Commission.**

The State Conservation Commission shall establish a program of assistance to environmental advisory councils that may include educational services, exchange of information, assignment of technical personnel for natural resources planning assistance and the coordination of State and local conservation activities.

**§ 2329. Assistance from Department of Community and Economic Development.**

The Department of Community and Economic Development shall establish a program of assistance to environmental advisory councils in planning for the management, use and development of open space and recreation areas.

**§ 2341. Short title and scope of subchapter.**

(a) **Short title of subchapter.**—This subchapter shall be known and may be cited as the Regional Planning Law.



- (b) **Scope of subchapter.**—This subchapter applies to all municipalities, but it shall not operate as a reenactment of any provisions repealed by section 1202 of the act of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania Municipalities Planning Code.

**§ 2342. Definitions.**

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Commission." A regional planning commission created in accordance with the terms of this subchapter.

"Governing body." The body or board authorized by law to enact ordinances or adopt resolutions for the municipality.

"Region." An area comprised of two or more municipalities which have joined in creating a regional planning commission.

**§ 2343. Declaration of policy.**

For the purpose of promoting health, safety, morals and the general welfare of the regions in this Commonwealth through effective development, the powers set forth in this subchapter for the establishment of regional planning commissions are granted.

**§ 2344. Establishment and organization of regional planning commission.**

- (a) **General rule.**—The governing body of two or more municipalities may, by ordinance or resolution, authorize the establishment or membership in and support of a regional planning commission. The number and qualifications of the members of any commission and their terms and method of appointment or removal shall be determined and agreed upon by the governing bodies. A majority of the members of the commission shall at the time of appointment to the commission and throughout the duration of their service on the commission be locally elected officials. Members of the commission shall serve without salary but may be paid expenses incurred in the performance of their duties. The commission shall elect a chairman whose term shall not exceed one year and who shall be eligible for reelection. The commission may create and fill other offices as it may determine.
- (b) **Rules and records.**—The commission shall adopt rules for the transaction of business and shall keep a record of its resolutions, transactions, findings and determinations, which shall be a public record.
- (c) **Assistance from municipality.**—Any municipality may, upon the request of the commission, assign or detail to the commission any employees of a municipality to make special surveys or studies requested by the commission.

**§ 2345. Finances, staff and program.**

- (a) **General rule.**—The governing bodies of municipalities may appropriate funds for the purpose of contributing to the operation of the commission. The commission may, with the consent of all the governing bodies, also receive grants from the Federal or State governments or from individuals or foundations and shall have the authority to contract therewith. The commission may appoint such employees and staff as it deems necessary for its work and contract with planners and other consultants for the services it may require. The commission may also perform planning services for any municipality which is not a member thereof and may charge fees for the work. The commission may also prepare and sell maps, reports, bulletins or other material and establish reasonable charges therefor.
- (b) **Planning assistance.**—The commission may provide planning assistance and do planning work, including surveys, land use studies, urban renewal plans, technical services and other elements of

comprehensive planning programs, for any municipalities within the region. For this purpose, the commission may, with the consent of all the governing bodies, accept any funds, personnel or other assistance made available by the Federal or State government or from individuals or foundations, and, for the purposes of receiving and using Federal or State planning grants for provision of urban planning assistance, the commission may enter into contracts regarding the acceptance or use of the funds or assistance.

**§ 2346. Commission to prepare master plan.**

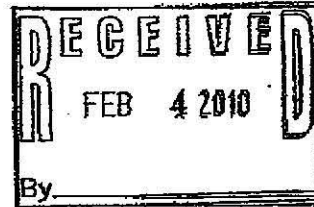
The commission shall prepare a master plan, and the surveys and studies essential thereto, for the guidance of the physical development of the region.

**§ 2347. Cooperation between commission, municipalities and others.**

The commission shall encourage the cooperation of the municipalities within the region in matters which concern the integrity of the master plan or maps prepared by the commission, and, as an aid toward coordination, all municipalities and public officials shall, upon request, furnish the commission within a reasonable time the available maps, plans, reports and statistical or other information it may require for its work.

**§ 2348. Interstate participation.**

Whenever a regional planning commission has been or is being established to serve the Pennsylvania portion of an area which, for planning purposes, constitutes a logical region as approved by the State Planning Board and which extends beyond the boundaries of this Commonwealth, the commission may admit to membership municipalities that are part of the same region but located in other states. Municipalities may participate, through membership and financial support, in commissions that have been or are being established in other states when the municipalities are part of the same region served by the out-of-State commission.



January 29, 2010

Mr. Bryan Beppler  
Assistant Human Resources Director  
County of Cambria  
401 Candlelight Drive  
Ebensburg, PA 15931

**Re: Cease and Desist Soliciting, Marketing and Selling Highmark Blue Cross Blue Shield Medical Insurance Coverage**

Dear Mr. Beppler:

Per your discussion with John Marron on January 29, 2010, we understand that you will not meet on this issue. As a result we feel it is prudent to send this letter via registered mail to ensure these serious risk issues are immediately addressed. It was our intention to continue our dialogue and to review this letter in draft form.

Highmark Blue Cross Blue Shield (Highmark) issued a medical policy of insurance to Cambria County, covering Cambria County employees. The policy was effective January 1, 2009 and renewed starting January 1, 2010. ~~It has now come to our attention that Cambria County has been soliciting, marketing and selling to other municipalities and entities the Cambria County insurance that was written to cover Cambria County employees only.~~ This presents a number of serious risk issues for Cambria County and Highmark that will be detailed within this letter. For these risk reasons, ~~Highmark demands that Cambria County cease and desist from continuing such practices. If Cambria County continues such practices it places both Cambria County and Highmark at great risk and Highmark will have no alternative but to seek whatever remedies may be available to it, legal and otherwise.~~

Risk to Cambria County's Insured Risk Pool: As most of the entities that Cambria County has approached for insurance have 50 or fewer enrolled employees, the common marketplace practice for developing rates for these employers is medical underwriting, demographic rating, or a combination of these. Therefore, the only time the Cambria County premium rates will be attractive to these potential employers is when the free market has determined that the risk/demographic developed rates are higher than Cambria County's rates. Simply put, this is a potentially disastrous strategy that is guaranteed to attract worse than average risk. Furthermore, the private marketplace

routinely audits for continued participation to ensure the group initially and on an ongoing basis enrolls the appropriate number of employees for the developed rates. Additionally, the practice of medical underwriting in the small group marketplace can end up in less than scrupulous producers looking to "dump" high-risk groups in other risk pools. The current contract and rate develop by Highmark for the Cambria County program does not support these activities.

Regulatory Risk to Cambria County: Based on the information we have, we believe that Cambria County has great potential liability. As far as we know, Cambria County is not licensed to solicit, market or sell insurance in Pennsylvania and, thus, is in violation of various Pennsylvania insurance laws. Cambria County certainly is not authorized to undertake such practices on behalf of Highmark and is violating Highmark's policies. Furthermore, if any of the municipalities and entities to which Cambria County has marketed and sold Highmark coverage fails to pay premiums, Highmark will look to Cambria County to pay those premiums.

Additional Risks to Cambria County: We also assume that Cambria County's actions with regard to soliciting, marketing, selling, collecting premiums and administering insurance for other non-county related entities would fall beyond the scope of any activities covered by Cambria County's general liability policies or any other applicable insurance policies because they are not within the bounds of normal county activity. Thus, for instance, if one of the municipalities or one of its members should sue Cambria County for something the County did or failed to do in collecting premiums or administering the coverage, Cambria County could be held liable and have no insurance that covers such conduct.

Possible Privacy Liability Concerns for Cambria County: Highmark does not know what services Cambria County provides to the other municipalities and entities, however, in the Consortium Participation Requirement and Parameters document a statement is made that the Consortium will share "utilization information and MLRs for the consortium as a whole." Without knowing the exact relationship between the Consortium, Cambria County, the municipalities and other entities, all of these parties could be in violation HIPAA and other applicable laws concerning the protection and confidentiality of Protected Health Information and, thus, have potential liability not only to each other and members, but also to the State and Federal government.

There is not a good answer for the best way to undo what has occurred. ~~Highmark believes that it has the right to terminate the insurance contract now.~~ However, it also believes that canceling would cause harm to members who have done nothing wrong. Therefore, Highmark is willing to continue the insurance policy through December 2010, at which time Cambria County could choose to stay with Highmark and obtain coverage solely for its employees, or it could seek coverage elsewhere. After 2010, Highmark would write separate coverage for each of the other municipalities and entities that Cambria County currently has counted within its coverage. ~~Of course, continuation of the Highmark policy through 2010 is conditioned on Cambria County not including anyone in its enrollment that is not a Cambria County employee or dependent.~~

I hope this letter helps to underscore the seriousness of the situation in which Cambria County has placed itself and Highmark. We hope that we can resolve this matter amicably and we are willing to work with you to that end.

Sincerely,

A handwritten signature in black ink that reads "Robert K. McGeown". The signature is written in a cursive style with a large initial "R" and "M".

Robert K. McGeown  
Director, Special Accounts

cc: Ronald Baker – Director of Human Resources – County of Cambria  
John Marron - Highmark

## Highmark: Net income doubled in 2009

Thursday, April 01, 2010  
By Bill Toland, Pittsburgh Post-Gazette

Continuing its evolution from a health insurer to a "health and wellness" company, Pittsburgh's Highmark Inc. reported that its retail vision and dental divisions helped buoy its overall performance last year, with total revenues and net income both improved over 2008.

Highmark's vision and dental subsidiaries, in fact, accounted for more than half of the company's operating 2009 income. Throw its reinsurance business into the mix, and those three *nonmainline divisions* tallied a net income of \$122 million.

"We had a strong performance in 2009 compared to 2008," Nanette DeTurk, Highmark's executive vice president and chief financial officer, said Wednesday. She also said the company planned to open this year four new Highmark Direct retail stores selling policies to individuals and small businesses, including three locally. An official announcement is expected this month.

For 2009, the insurer reported total net income of \$187.7 million, a doubling of its \$94.1 million in 2008 but still off the \$375.4 million mark set in 2007.

Total revenues were reported at \$13.7 billion, up about \$700 million over 2008.

Highmark's investments did better, and it reported lower impairments on some of the assets in its investment portfolio; as a result, investment income doubled from \$81 million to \$160.4 million.

The region's dominant health insurer also made a point -- as it does each year -- to show that its net income margin of 1.4 percent is well below that of the nation's largest insurers, such as Aetna, Cigna and WellPoint.

As a not-for-profit, private company, the Blue Cross-Blue Shield insurer is not required to make regular income reports available to the public but chooses to issue an annual report each year in late March or early April.

The company's surplus is now up to \$3.4 billion, while total health insurance membership dropped slightly -- from 4.8 million members to 4.7 million. Membership is expected to remain stagnant, despite a nice bump at the outset of 2010 as a result of the residual effect of PNC Financial Services' acquisition of National City Bank, which brought new employees onto Highmark's plans.

"Our projections are flat. We continue to see some growth in our individual business, particularly our stores, but we continue to expect slight declines" in group business accounts, Ms. DeTurk said.

The drop in business accounts was blamed on continued, elevated unemployment.

Insurance, this year as much as ever, is a changing business, and not just because of the landmark health-care reform bill that squeezed through Congress and onto the president's desk last month. Even without reform, the stagnant health care pool and ever-increasing health care costs have pushed insurers to try to trim both medical reimbursements and administrative expenses, while finding new revenue streams elsewhere.

Administratively, that means cutting down on paper statements, freezing pay, offering hundreds of buyouts or -- possibly -- outsourcing some jobs.

On the health side of things, Highmark has been exploring reinstating a form of medical reimbursement called "capitation," which resembles HMO reimbursement plans of old. The advantage of a "capped" reimbursement pact is that providers, such as doctors and hospitals, essentially work under a flat-rate, per-patient contract instead of on a fee-for-service basis.

Just three years ago, Highmark moved away from capped products, operating as fee-for-service insurer starting in January 2007. But several media outlets have reported that Highmark, Meadville Medical Center and Heritage Valley Health System are investigating a new capitation model as a way to reimburse the two suburban health systems.

It would not be a tectonic shift -- the Kaiser Family Foundation says a quarter of all Pennsylvanians still have some kind of HMO insurance -- and Highmark spokesman Michael Weinstein said the talks of "capitation" were preliminary and part of larger discussions about ways to save money.

"We are talking with some health systems in the area to see if there a shared, mutual interest [in] looking at new ways for health care delivery," he said. "We're in the very early stages."

Highmark also has spent the past year bolstering the local visibility of its retail vision segment. This winter, the company opened eight Visionworks outlets in Western Pennsylvania, including stores in The Mall at Robinson, Ross Park Mall and Monroeville Mall.

The growth of Highmark's for-profit subsidiaries has allowed the insurance side of the business to offer competitive rates, according to the insurer.

"We're excited over the growth of the vision company," said Highmark CEO Kenneth Melani. "Our subsidiaries have grown substantially over the last 10 years. Without them, we'd be hard pressed to underwrite insurance the way we do in the marketplace."

This week, Standard & Poor's Ratings Services withdrew its corporate credit rating on Eye Care Centers of America Inc. at the company's request. The retail vision chain is owned by HVHC Inc., itself a vision-care holding subsidiary of Highmark Inc. HVHC is refinancing debt it took on when it acquired the Texas-based vision company in 2008.

Also this week, the state's Commonwealth Court officially denied Highmark's request for a temporary restraining order in its lawsuit against the state Department of Insurance.

Highmark wanted the court to suspend an investigation into the state's Blue Cross-Blue Shield insurers and the health insurance marketplace, claiming that the department was about to reveal proprietary information and had no right to conduct an examination of such scope.

The suit was filed in March. A hearing on a permanent injunction is set for later this month.

Bill Tofand: [btoland@post-gazette.com](mailto:btoland@post-gazette.com) or 412-263-2525.

"Money Q&A" and "Company Town" are featured exclusively at [PG+](#), a members-only web site of the Pittsburgh Post-Gazette. Our [introduction to PG+](#) gives you all the details.



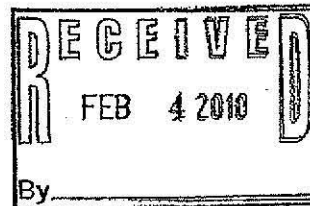
First published on April 1, 2010 at 12:00 am

**RATE COMPARISONS ON THE TOWNSHIPS/BOROUGH PRIOR TO THEIR ENTERING THE CONSORTIUM (Note their 2008 rate from Highmark\* versus the County's 2009 rate from Highmark when part of the Consortium)**

Name of Township / Borough	Number of Employees	Level of Coverage	Rates for their plan prior to 2009 entry (per month)	Cambria County's 2009 rates (per month)	Difference per month by entering Consortium	% of Increase
Clearfield Township	2	Single	* \$640.34	\$381.86	\$258.48	68%
Conemaugh Township	2	Single	* \$800.00	\$381.86	\$418.14	110%
Ferndale Borough	6	Single	* \$510.88	\$381.86	\$129.02	34%
		Family	* \$1,532.18	\$1,181.46	\$350.72	30%
Lilly Borough	3	Parent & Children	* \$1,244.49	\$918.75	\$325.74	35%
		Two Person	* \$1,655.20	1,028.73	\$626.47	61%
		Family	* \$1,725.71	\$1,181.46	\$544.25	46%
Lower Yoder Township <i>*The plan quoted was from Geisinger and was not a plan competitive with the Highmark plan</i>	6	Single	\$423.76	\$381.86	\$41.90	11%
		Parent & Child	\$593.26	No matching rate		
		Parent & Children	\$847.52	\$918.75	(\$71.23)	-8%
		Two Person	\$1,017.02	\$1,028.73	(\$11.71)	-1%
		Family	\$1,148.35	\$1,181.46	(\$33.11)	-3%
Southmont Borough	5	Single	\$464.23	\$381.86	\$82.37	22%
		Two Person	\$1,263.54	\$1,028.73	\$234.81	23%
Susquehanna Township	2	Single	* \$767.99	\$381.86	\$386.13	101%
		Parent & Child	* \$1,535.97	\$918.75	\$617.22	67%
		Two Person	* \$2,111.96	\$1,028.73	\$1,083.23	105%
		Family	* \$2,303.95	\$1,181.46	\$1,122.49	95%
West Carroll Township	1	Single	* \$465.94	\$381.86	\$84.08	22%
Northern Cambria Borough	12	Single	\$683.93	\$381.86	\$302.07	79%
		Parent & Child	\$1,367.86	\$918.75	\$449.11	49%
		Two Person	\$1,880.81	\$1,028.73	\$852.08	83%
		Family	\$2,051.80	\$1,181.46	\$870.34	74%

\*These rates are those of the Townships/Boroughs 2008 plan year. These Townships/Boroughs anticipated double digit rate renewal increases for 2009 on top of their 2008 rates.





January 29, 2010

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Assistant Human Resources Director  
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Robert K. McGeown  
Director, Special Accounts

cc: Ronald Baker – Director of Human Resources – County of Cambria  
John Marron - Highmark



**pennsylvania**

GOVERNOR'S CENTER FOR  
LOCAL GOVERNMENT SERVICES

# Intergovernmental Cooperation Law

Area Government and Intergovernmental Cooperation

53 Pa. C.S. Chapter 23

Includes all amendments through the act of May 30, 2001, P.L. 102, No. 13

# Intergovernmental Cooperation Law

## Area Government and Intergovernmental Cooperation

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Includes all amendments through the act of May 30, 2001, P.L. 102, No. 13

The act contained herein is believed to be correct and to contain all amendments to the act through the most recent amendatory act listed above. However, there is no guarantee, express or implied, as to accuracy of the information contained herein. The Department of Community and Economic Development assumes no responsibility for errors and omissions nor any liability for damages resulting from the use of the information contained herein. In addition, the Department of Community and Economic Development assumes no obligation to provide updates if such acts are updated, revised or repealed.

Sec.

- 2301. Scope of subchapter.
- 2302. Definitions.
- 2303. Intergovernmental cooperation authorized.
- 2304. Intergovernmental cooperation.
- 2305. Ordinance.
- 2306. Initiative and referendum.
- ~~2307. Content of ordinance.~~
- 2308. Bids for certain joint purchases.
- 2309. Direct purchases.
- 2310. Joint purchases with private educational establishments.
- 2311. Written or telephonic price quotations required.
- 2312. Division of transactions provided.
- 2313. Penalty.
- 2314. Review of agreement by Local Government Commission.
- 2315. Effect of joint cooperation agreements.
- 2316. Recognition by Commonwealth departments and agencies.

**Cross References.** Subchapter A is referred to in sections 5611, 8002 of this title; section 8501 of Title 42 (Judiciary and Judicial Procedure).

#### § 2301. Scope of subchapter.

This subchapter applies to all local governments.

**§ 2302. Definitions.**

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Local government." A county, city of the second class, second class A and third class, borough, incorporated town, township, school district or any other similar general purpose unit of government created by the General Assembly after July 12, 1972.

**§ 2303. Intergovernmental cooperation authorized.**

- (a) General rule.—Two or more local governments in this Commonwealth may jointly cooperate, or any local government may jointly cooperate with any similar entities located in any other state, in the exercise or in the performance of their respective governmental functions, powers or responsibilities.
- (b) Joint agreements.—For the purpose of carrying the provisions of this subchapter into effect, the local governments or other entities so cooperating shall enter into any joint agreements as may be deemed appropriate for those purposes.

**§ 2304. Intergovernmental cooperation.**

A municipality by act of its governing body may, or upon being required by initiative and referendum in the area affected shall, cooperate or agree in the exercise of any function, power or responsibility with or delegate or transfer any function, power or responsibility to one or more other local governments, the Federal Government or any other state or its government.

**§ 2305. Ordinance.**

A local government may enter into intergovernmental cooperation with or delegate any functions, powers or responsibilities to another governmental unit or local government upon the passage of an ordinance by its governing body. If mandated by initiative and referendum in the area affected, the local government shall adopt such an ordinance.

**§ 2306. Initiative and referendum.**

- (a) Initiative.—An initiative under this subchapter shall be commenced by filing with the appropriate election officials at least 90 days prior to the next primary or general election a petition containing a proposal for referendum signed by electors comprising 5% of the number of electors voting for the office of Governor in the last gubernatorial election in each local government or area affected. The applicable election officials shall place the proposal on the ballot in a manner fairly representing the content of the petition for decision by referendum at the election. Initiative on a similar question shall not be submitted more often than once in five years.
- (b) Referendum.—The question shall be placed on the ballot as a referendum and shall become effective by a majority vote of the electors voting thereon.

**§ 2307. Content of ordinance.**

The ordinance adopted by the governing body of a local government entering into intergovernmental cooperation or delegating or transferring any functions, powers or responsibilities to another local government or to a council of governments, consortium or any other similar entity shall specify:

- (1) The conditions of agreement in the case of cooperation with or delegation to other local governments, the Commonwealth, other states or the Federal Government.
- (2) The duration of the term of the agreement.
- (3) The purpose and objectives of the agreement, including the powers and scope of authority delegated in the agreement.

- (4) The manner and extent of financing the agreement.
- (5) The organizational structure necessary to implement the agreement.
- (6) The manner in which real or personal property shall be acquired, managed, licensed or disposed of.
- (7) ~~That the entity created under this section shall be empowered to enter into contracts for policies of group insurance and employee benefits, including Social Security, for its employees.~~

**§ 2308. Bids for certain joint purchases.**

All joint purchases involving an expenditure of more than \$10,000 shall be made by contract, in writing, only after notice for bids once a week for two weeks in at least one and not more than two newspapers of general circulation in the joining local governments. All contracts shall be let to the lowest responsible bidder. Every contract for the construction, reconstruction, alteration, repair, improvement or maintenance of public works shall comply with the provisions of the act of March 3, 1978 (P.L.6, No.3), known as the Steel Products Procurement Act.

**§ 2309. Direct purchases.**

In addition to joint purchases authorized by section 2308 (relating to bids for certain joint purchases), local governments may make direct purchases from vendors or suppliers of goods, materials or equipment without compliance with existing and otherwise applicable statutory requirements governing competitive bidding and execution of contracts as follows:

- (1) Any county may by appropriate resolution, and subject to such reasonable regulations as it may prescribe, permit any local government within the county to participate in or purchase off contracts for goods, materials or equipment entered into by the county.
- (2) Any local government desiring to participate in purchase contracts shall file with the county purchasing agency and with the county solicitor a certified copy of an ordinance or resolution of its governing body requesting that it be authorized to participate in purchase contracts of the county and agreeing that it will be bound by the terms and conditions as the county prescribes and that it will be responsible for payment directly to the vendor under each purchase contract.
- (3) The county may permit participation by local governments only where the solicitation for bids and specifications for the county contracts, and the contracts themselves, expressly provide for and inform prospective and successful bidders that the contract to be let is intended to be subject to this subchapter and to regulations adopted by the county.
- (4) Among the terms and conditions as the county may specify, it shall prescribe that all prices shall be F.O.B. destination.

**§ 2310. Joint purchases with private educational establishments.**

Any local government may, by ordinance, authorize joint purchases of materials, supplies and equipment with any private school, parochial school, private college or university or nonprofit human services agency within the local government. The ordinance shall require that the school, college or agency shall be bound by the terms and conditions of purchasing agreements which the local government prescribes and that the school, college or agency shall be responsible for payment directly to the vendor under each purchase contract. Schools, colleges and agencies shall be exempt from any existing statutory requirements governing competitive bidding and execution of contracts with respect to purchases under this section.

**§ 2311. Written or telephonic price quotations required.**

Written or telephonic price quotations from at least three qualified and responsible contractors shall be requested for all contracts that exceed \$4,000 but are less than the amount requiring advertisement and competitive bidding, or, in lieu of price quotations, a memorandum shall be kept on file showing that fewer

than three qualified contractors exist in the market area within which it is practicable to obtain quotations. A written record of telephonic price quotations shall be made and shall contain at least the date of the quotation, the name of the contractor and the contractor's representative, the construction, reconstruction, repair, maintenance or work which was the subject of the quotation and the price, written price quotations, written records of telephonic price quotations, and memoranda shall be retained for a period of three years.

**§ 2312. Division of transactions provided.**

No local government shall evade the provisions of section 2308 (relating to bids for certain joint purchases) as to advertising for bids or purchasing materials or contracting for services piecemeal for the purpose of obtaining prices under \$10,000 upon transactions which should in the exercise of reasonable discretion and prudence be conducted as one transaction amounting to more than \$10,000. This provision is intended to make unlawful the practice of evading advertising requirements by making a series of purchases or contracts each for less than the advertising requirement price or by making several simultaneous purchases or contracts each below such price when in either case the transaction involved should have been made as one transaction for one price.

**§ 2313. Penalty.**

Any member of a governing body of a local government who votes to unlawfully evade the provisions of section 2308 (relating to bids for certain joint purchases) and who knows that the transaction upon which he so votes is or ought to be a part of a larger transaction and that it is being divided in order to evade the requirements as to advertising for bids commits a misdemeanor of the third degree for each contract entered into as a direct result of that vote.

**§ 2314. Review of agreement by Local Government Commission.**

Every agreement between a local government and the Commonwealth, any other state, government of another state or the Federal Government under the provisions of this subchapter shall, prior to and as a condition precedent to enactment of an ordinance, be submitted to the Local Government Commission for review and recommendation. The commission shall within 60 days of receipt of the agreement determine whether it is in proper form and compatible with the laws of this Commonwealth. Failure of the commission to make recommendations within 60 days of receipt of the agreement shall constitute a recommendation in favor of the agreement.

**§ 2315. Effect of joint cooperation agreements.**

Any joint cooperation agreement shall be deemed in force as to any local government when the agreement has been adopted by ordinance by all cooperating local governments. After adoption by all cooperating local governments, the agreement shall be binding upon the local government, and its covenants may be enforced by appropriate remedy by any one or more of the local governments against any other local government which is a party to the agreement.

**§ 2316. Recognition by Commonwealth departments and agencies.**

All Commonwealth departments and agencies in the performance of their administrative duties shall deem a council of governments, consortiums or other similar entities established by two or more municipalities under this subchapter as a legal entity.



**SUBCHAPTER B**  
**ENVIRONMENTAL ADVISORY COUNCILS**

Sec.

- 2321. Scope of subchapter.
- 2322. Establishment of environmental advisory council.
- 2323. Composition and organization of council.
- 2324. Powers and duties of council.
- 2325. Records and reports.
- 2326. Appropriations for expenses of council.
- 2327. Status of existing agencies unaffected.
- 2328. Assistance from State Conservation Commission.
- 2329. Assistance from Department of Community and Economic Development.

§ 2321. Scope of subchapter.  
This subchapter applies to all municipal corporations.

§ 2322. Establishment of environmental advisory council.

The governing body of any municipal corporation or group of two or more municipal corporations may by ordinance establish an environmental advisory council to advise other local governmental agencies, including, but not limited to, the planning commission, park and recreation boards and elected officials, on matters dealing with protection, conservation, management, promotion and use of natural resources, including air, land and water resources, located within its or their territorial limits.

§ 2323. **Composition and organization of council.**

- (a) **Composition.**--An environmental advisory council shall be composed of no less than three nor more than seven residents of the municipal corporation establishing the council, who shall be appointed and all vacancies filled by the governing body. Where two or more municipal corporations jointly establish an environmental advisory council, the members shall be appointed in the same manner by each of the respective municipal corporations establishing the council, each constituent municipal corporation to have equal membership on the joint council.
- (b) **Term of office.**--Council members shall serve for three years except that initial appointments shall be so staggered that the terms of approximately one-third of the membership shall expire each year, the terms of their successors to be of three years each.
- (c) **Compensation and expenses.**--Members shall receive no compensation for their services but shall be reimbursed for the expenses actually and necessarily incurred by them in the performance of their duties.
- (d) **Chairman.**--The appointing authority shall designate the chairman of the council except that in joint councils the chairman shall be elected by the duly selected members. Whenever possible, one member shall also be a member of the municipal planning board.

**§ 2324. Powers and duties of council.**

- (a) **General rule.**—An environmental advisory council shall have the power to:
- (1) Identify environmental problems and recommend plans and programs to the appropriate agencies for the promotion and conservation of the natural resources and for the protection and improvement of the quality of the environment within its territorial limits.
  - (2) Make recommendations as to the possible use of open land areas of the municipal corporations within its territorial limits.
  - (3) Promote a community environmental program.
  - (4) Keep an index of all open areas, publicly or privately owned, including flood-prone areas, swamps and other unique natural areas, for the purpose of obtaining information on the proper use of those areas.
  - (5) Advise the appropriate local government agencies, including the planning commission and recreation and park board or, if none, the elected governing body or bodies within its territorial limits, in the acquisition of both real and personal property by gift, purchase, grant, bequest, easement, devise or lease, in matters dealing with the purposes of this subchapter.
- (b) **Limitation.**—An environmental advisory council shall not exercise any powers or perform any duties which by law are conferred or imposed upon a Commonwealth agency.

**§ 2325. Records and reports.**

An environmental advisory council shall keep records of its meetings and activities and shall make an annual report which shall be printed in the annual report of the municipal corporation or, if none, otherwise made known and available.

**§ 2326. Appropriations for expenses of council.**

The governing body of any municipal corporation establishing an environmental advisory council may appropriate funds for the expenses incurred by the council. Appropriations may be expended for those administrative, clerical, printing and legal services as may be required and as shall be within the limit of funds appropriated to the council. The whole or any part of any funds so appropriated in any year may be placed in a conservation fund and allowed to accumulate from year to year or may be expended in any year.

**§ 2327. Status of existing agencies unaffected.**

This subchapter shall not be construed to require a municipal corporation to abolish an existing commission with a related responsibility or to prevent its establishment.

**§ 2328. Assistance from State Conservation Commission.**

The State Conservation Commission shall establish a program of assistance to environmental advisory councils that may include educational services, exchange of information, assignment of technical personnel for natural resources planning assistance and the coordination of State and local conservation activities.

**§ 2329. Assistance from Department of Community and Economic Development.**

The Department of Community and Economic Development shall establish a program of assistance to environmental advisory councils in planning for the management, use and development of open space and recreation areas.

**§ 2341. Short title and scope of subchapter.**

- (a) **Short title of subchapter.**—This subchapter shall be known and may be cited as the Regional Planning Law.

- (b) Scope of subchapter.—This subchapter applies to all municipalities, but it shall not operate as a reenactment of any provisions repealed by section 1202 of the act of July 31, 1968 (P.L.805, No.247), known as the Pennsylvania Municipalities Planning Code.

**§ 2342. Definitions.**

The following words and phrases when used in this subchapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Commission." A regional planning commission created in accordance with the terms of this subchapter.

"Governing body." The body or board authorized by law to enact ordinances or adopt resolutions for the municipality.

"Region." An area comprised of two or more municipalities which have joined in creating a regional planning commission.

**§ 2343. Declaration of policy.**

For the purpose of promoting health, safety, morals and the general welfare of the regions in this Commonwealth through effective development, the powers set forth in this subchapter for the establishment of regional planning commissions are granted.

**§ 2344. Establishment and organization of regional planning commission.**

- (a) General rule.—The governing body of two or more municipalities may, by ordinance or resolution, authorize the establishment or membership in and support of a regional planning commission. The number and qualifications of the members of any commission and their terms and method of appointment or removal shall be determined and agreed upon by the governing bodies. A majority of the members of the commission shall at the time of appointment to the commission and throughout the duration of their service on the commission be locally elected officials. Members of the commission shall serve without salary but may be paid expenses incurred in the performance of their duties. The commission shall elect a chairman whose term shall not exceed one year and who shall be eligible for reelection. The commission may create and fill other offices as it may determine.
- (b) Rules and records.—The commission shall adopt rules for the transaction of business and shall keep a record of its resolutions, transactions, findings and determinations, which shall be a public record.
- (c) Assistance from municipality.—Any municipality may, upon the request of the commission, assign or detail to the commission any employees of a municipality to make special surveys or studies requested by the commission.

**§ 2345. Finances, staff and program.**

- (a) General rule.—The governing bodies of municipalities may appropriate funds for the purpose of contributing to the operation of the commission. The commission may, with the consent of all the governing bodies, also receive grants from the Federal or State governments or from individuals or foundations and shall have the authority to contract therewith. The commission may appoint such employees and staff as it deems necessary for its work and contract with planners and other consultants for the services it may require. The commission may also perform planning services for any municipality which is not a member thereof and may charge fees for the work. The commission may also prepare and sell maps, reports, bulletins or other material and establish reasonable charges therefor.
- (b) Planning assistance.—The commission may provide planning assistance and do planning work, including surveys, land use studies, urban renewal plans, technical services and other elements of

comprehensive planning programs, for any municipalities within the region. For this purpose, the commission may, with the consent of all the governing bodies, accept any funds, personnel or other assistance made available by the Federal or State government or from individuals or foundations, and, for the purposes of receiving and using Federal or State planning grants for provision of urban planning assistance, the commission may enter into contracts regarding the acceptance or use of the funds or assistance.

**§ 2346. Commission to prepare master plan.**

The commission shall prepare a master plan, and the surveys and studies essential thereto, for the guidance of the physical development of the region.

**§ 2347. Cooperation between commission, municipalities and others.**

The commission shall encourage the cooperation of the municipalities within the region in matters which concern the integrity of the master plan or maps prepared by the commission, and, as an aid toward coordination, all municipalities and public officials shall, upon request, furnish the commission within a reasonable time the available maps, plans, reports and statistical or other information it may require for its work.

**§ 2348. Interstate participation.**

Whenever a regional planning commission has been or is being established to serve the Pennsylvania portion of an area which, for planning purposes, constitutes a logical region as approved by the State Planning Board and which extends beyond the boundaries of this Commonwealth, the commission may admit to membership municipalities that are part of the same region but located in other states. Municipalities may participate, through membership and financial support, in commissions that have been or are being established in other states when the municipalities are part of the same region served by the out-of-State commission.

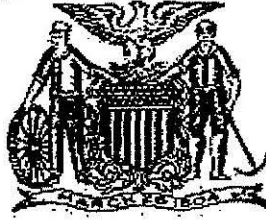
COMMISSIONERS

P.J. STEVENS  
PRESIDENT

MILAN GJURICH

SALVATORE "SAM" VALENTY

County of Cambria



RONALD A. BAKER  
DIRECTOR OF HUMAN RESOURCES

## Office of Human Resources

401 Candlelight Drive, Suite 239  
Ebensburg, PA 15931  
Telephone: (814) 472-1610  
Fax: (814) 472-2127

February 8, 2010

Robert K. McGeown, Director, Special Accounts  
Fifth Avenue Place, 120 Fifth Avenue  
Pittsburgh, PA 15222

Dear Mr. McGeown:

The County is in receipt of your letter dated January 29, 2010, which arrived at our County Office on February 4, 2010. Your letter contains numerous factual assertions and assumptions, which are incorrect. Initially, you claim that Highmark was not aware of the Consortium. This is entirely incorrect. John Marron, Highmark Client Manager (Johnstown), and Robert Sankey, New to Blue Account Executive, were aware of the Consortium in November 2008 before Highmark took on the account again. The County has proof of their knowledge, as well as the knowledge of your third party administrator and their staff, the Reschini Group. Therefore, any claims of the lack of knowledge from Highmark regarding this Consortium are without merit. Highmark was well aware of this Consortium and entered into this contract with that knowledge.

Highmark's coverage of the Consortium was agreed to by your representatives and created under a bona fide and legal enactment of State Law: The Intergovernmental Cooperation Act of 2001. Your threats of coverage curtailment in the future is an effort to move this County from the exercise of its legal rights under the Act. State Law supersedes your internal policies. Likewise, the actions of your agents and representatives supersede any policy Highmark may have since Highmark accepted this contract with knowledge of the Consortium. Additionally, Highmark has engaged in such practices with this County for over a decade, even before there was legislative authority to do so, in that it has always recognized independent local government authorities within this County and their employees under Subgroup 40 of our plan. These employees were never, and are not presently employees of the County. Mr. Marron has known that for over a decade as our Account Representative.

Highmark's assertions that "Cambria County has been soliciting, marketing and selling to other municipalities and entities insurance that was written to cover Cambria County employees only", is absurd. Highmark on every level knew the County's Consortium plans in November of 2008. These plans were discussed in detail with John Marron, Robert Sankey, Greg Bivens of the Reschini Group, as well as his associates, Allison Clevenger, and Cynthia Arcurio. All issues were discussed. Robert Sankey had his departmental Associate, Stephanie Barnyak, along with the Reschini Group personnel, work out the details. This included the most defined details of the transition of the Cambria County account from

UPMC to Highmark. This included in-depth conversations again on the Consortium members and Highmark applying different base-five group numbers to the Consortium members. Interestingly, we previously filed a complaint with the Insurance Commission regarding Highmark's unilateral change in our rates for 2010. Despite providing full disclosure to the Commission, they never raised any concern over "soliciting" as you allege. In sum, we find your claim in this regard baseless. Now the position of Highmark is that you intend to change the terms of the relationship by threatening the curtailment of coverage unless we dissolve the Consortium. We also view this letter as a threat to treat this County in an unfavorable rate review at the term of this contract because we will not acquiesce to your new position of the Consortium. Your letter is clear. If we do not do as Highmark requests, you are going to impose punitive economic actions in the form of increased rates or cancellation of coverage on this County. Threats of this nature will not be tolerated by the County and we too will exercise whatever legal option at our disposal to get Highmark to cease and desist in this type of activity now or in the future.

Your assertions on adverse risk is also without merit in that these Consortium members belong to a homogenous work group; Local Government. The risks encountered by their entry into our plan are handled as any other in a healthcare carrier relationship; at renewal time when the utilization and MLR's are viewed. In addition, no carrier, Highmark included, controls who we hire. This County hires new employees in numbers of between 50 and 100 each year. Each comes into the plan and each has the potential to dramatically impact the MLR due to existing conditions they may have or conditions that develop post hire within a plan year. As with any other event that impacts the MLR, it is adjusted at next year's renewal. Your assertion about adverse selection is also intended to build a defense in a defenseless attempt to terminate the Consortium.

As far as your issues with HIPPA, we are well aware of the rules regarding the rights to privacy. Group utilization information is not employee specific and is a tool that even Highmark uses daily to determine where the major cost centers for dispensed healthcare lie. The consumer group is also entitled to this information. Highmark themselves has refused to provide this County utilization information broken down by our various subgroups. Your claims have been that you cannot give us our own information because it is a violation of HIPPA. We believe the reason is so that we cannot effectively look at our plans and make meaningful changes in coverage in areas that will reduce our premium costs; specifically dropping certain coverage areas that our people do not use. In our opinion, our Consortium arrangements and internal policies associated with this process are sound and present us with no infringements on HIPPA regulations that could not arise in any other normal course of business; nonetheless, thank you for your concern on our behalf.

Attached, you will find documentation that goes back to November 2008. These include e-mails, jacket covers for Consortium coverage booklets produced by the carrier and other documentation. It is astounding that you and your representatives claim ignorance on this Consortium. This documentation and more at our offices from 2008 and 2009 point squarely and clearly to the fact Highmark knew and has known all along. Mr. Marron in one of his several conversations with the County since January 11, 2010 alluded to the fact that a broker for Northern Cambria Borough raised the complaint about Northern Cambria Borough coming into the Consortium. Mr. Kuzneski's displeasure is still not grounds for an about face by Highmark. Upon your review, you will find that all parties on your end were aware. You can believe the facts and address your representatives accordingly and honor the Consortium or you can dismiss them and carry forward with the knowledge that we cannot acquiesce to your attempts to threaten or coerce us into a change in our agreed upon relationship just because you now have second thoughts. We also do not plan to dismiss the facts surrounding the events that led to our present position; all knew

and all agreed. Quite frankly, we intend to pursue your letter of January 29, 2010 as Highmark's efforts to threaten this County with the curtailment of healthcare coverage for engaging in the lawful pursuit of our combined rights as local government entities under the Intergovernmental Cooperation Act of 2001. But even though it is our right to create the Consortium, we also understood that the carrier had the right to know as well as the right to set rates accordingly. Highmark knew and agreed and set our rate schedule accordingly. Now that the concept is viewed as the potential erosion of Highmark revenues and its unilateral ability to set rates without meaningful negotiations with any consumer group, the concept now defies legal standing.

Quite frankly, this is not about HIPPA, Adverse Selection, increased risk on the group plan, or your false claims about the County soliciting, selling, or marketing insurance. Highmark's fear is that such Consortia will erode their already lucrative revenue base by actually stimulating negotiations with consumers on rates; something that Highmark has never encountered. If in the aftermath of your agreement with the County, you find that brokers and others within your organization are not happy, that is something you need to address with them.

Sincerely,

A handwritten signature in cursive script that reads "Ronald Baker". The signature is written in black ink and is positioned above the printed name and title.

Ronald A. Baker  
Human Resources Director

cc: Tom Finn, Solicitor  
Cambria County Board of Commissioners  
Bryan Beppler, Assistant Director of Human Resources  
Cambria County Healthcare Committee Members

12/19/08

Bryan Beppler

From: stephanie.barnyak@highmark.com  
Sent: Tuesday, December 09, 2008 12:27 PM  
To: Bryan Beppler  
Cc: ~~robert.sankey@highmark.com~~  
Subject: County of Cambria- Group numbers  
Importance: High

— New to Blue Rep - that  
sat in our  
preliminary meetings  
that outlined  
Consortium



Group Numbers.xls

Bryan,

Please find the attached group numbers for The County of Cambria.

(See attached file: Group Numbers.xls)

Additionally, regarding the Hepatitis B titres, I clarified with our Clinical area for the benefit coverage and below is the benefit.

" Highmark covers 1 series of Hep B per lifetime for a member age 19 and older under the preventive schedule. The series consists of 3 or 4 shots and we accumulate towards this amount. In addition Highmark has a medical policy regarding Hepatitis which also indicates those who are insured through Highmark that work at a long term correctional facilities would be eligible for coverage. Again the service would come in as an immunization and would be subject to the series of 4 per lifetime."

Stephanie Barnyak  
Sales Coordinator  
New to Blue Sales  
412-544-2303  
412-544-2292 (fax)  
stephanie.barnyak@highmark.com

This transmission is intended only for the use of the individual or entity to which it is addressed. It may contain information that is privileged or confidential. If the reader of this transmission is not the intended recipient, or the employee or agent responsible for delivering the transmission to the intended recipient, you are notified that any dissemination, distribution or copying of this transmission is strictly prohibited. This transmittal may contain Protected Health Information and is being furnished to the Group Health Plan and not the Plan Sponsor.



OLD

Group  
Number

NEW

Group Number Group Name

Product

14495-15	015872-15	Correction Officers @ Cambria County Prison (UMWA Union)	\$100/ \$200
14495-16	015872-16	Public Defenders/District Attorneys	\$100/ \$200
14495-17	015872-17	RN's & LPN's (1199P Union)	\$5 copay
14495-26	015872-26	Pre-65 Retirees before 1/1/05	\$100/ \$200
14495-40	015872-40	Authorities	\$100/ \$200
14495-42	015872-42	Adult/Juvenile Probation Officers (CCAPE Union)	\$100/ \$200
14495-43	015872-43	Court-Related Union (PSSU Union)	\$100/ \$200
14495-44	015872-44	Court-Appointed Union (PSSU Union)	\$100/ \$200
14495-48	015872-48	Mgmt/1305 Union/Human Services Prof-Sup/Hum Serv Support	\$20 copay
14495-49	015872-49	Pre-65 Retirees before 1/1/05	\$100/ \$200
14495-50	015872-50	AFSCME Union/Sheriff Deputies (CCDSA Union)	\$100/ \$200
14495-51	015872-51	MH/MR, D&A (all in PSSU Union)	\$100/ \$200
14495-52	015872-52	C & Y (all in PSSU Union)	\$100/ \$200
14495-53	015872-53	AAA (all in PSSU Union)	\$100/ \$200
14495-60	015872-60	Detectives	\$100/ \$200
14495-62	015872-62	Pre-65 Retirees after 1/1/05	\$5 copay
14495-70	015872-70	Pre-65 Retirees before 1/1/05 - Cobra	\$100/ \$200
14495-71	015872-71	Correction Officers @ Cambria County Prison (UMWA Union) - Cobra	\$100/ \$200
14495-72	015872-72	Pre-65 Retirees after 1/1/05 - Cobra	\$20 copay
14495-75	015872-75	Pre-65 Retirees before 1/1/05 - Cobra	\$100/ \$200
14495-76	015872-76	Actives Cobra	

064482-  
00,01,02,03,04,05,0  
63342-00,-70 6,07 Signature 65

088479-75, 76, 77,  
58408-75,76,79 78, 79 Security Blue

81097-00,70 81097-00,70 Vision (still active)

015911-01  
015911-02  
015911-03  
015911-04  
015911-05  
015911-06

*Consortium  
members  
at beginning  
year 2009*

\$100/ \$200  
\$100/ \$200  
\$100/ \$200  
\$100/ \$200  
\$100/ \$200  
\$100/ \$200

12/23/08

Bryan Beppler

From: Allison Clevenger [mailto:aclevenger@escalg.com]

Sent: Tuesday, December 23, 2008 10:31 AM

To: Bryan Beppler

Subject: Group Numbers for 1/1/2009

Highmark (new to blue sales assistant to Robert Sarkey)

Good Morning Bryan,

I've been working with ~~Stephanie Barmak~~ and ~~Janet Craig~~ on making sure everything is in place for the transfer to Highmark. I've put together the attached spreadsheet showing all County group numbers effective 1/1/2009. Can you please confirm that the groups are set up as requested? If you notice any discrepancies, please let me know and I'll get them corrected.

United Concordia account rep / dental  
sub of Highmark

Thank you,  
Allison

PS - I left a message for you to return my call. I just wanted your confirmation on this group set-up.

This e-mail message is intended only for the person(s) or entity(s) to which it is addressed. The information contained may be confidential or otherwise protected from disclosure. Any review, dissemination or use of this e-mail message or any of its contents by anyone other than the intended recipient is strictly prohibited. If you are not the intended recipient of this communication, please notify the sender immediately by reply e-mail and delete this message, including any attachments. Thank you for your cooperation. This email was originally sent to Bryan Beppler at the address of bbeppler@co.cambridg.ma.us from Allison Clevenger at 23/12/2008

**Cambria County  
Group Numbers  
1/1/2009**

	<u>Product</u>	<u>Medical 1/1/2009</u>	<u>Basic Dental (Existing)</u>	<u>Buy Up Dental (Existing)</u>	<u>Basic Vision 1/1/2009</u>	<u>Buy Up Vision (Existing)</u>
<b><u>COUNTY EMPLOYEES</u></b>						
Correction Officers @ Cambria County Prison (UMWA Union)	\$100/\$200	15872-15	014495-015		15872-15	
Public Defenders/District Attorneys	\$100/\$200	15872-16	014495-016		15872-16	
RN's & LPN's (1199P Union)	\$100/\$200	15872-17	014495-017		15872-17	
Pre-65 Retirees before 1/1/2005	\$5 Copay	15872-26			15872-26	
Authorities	\$100/\$200	15872-40	014495-040		15872-40	
Adult/Juvenile Probation Officers (CCAPE Union)	\$100/\$200	15872-42	014495-042		15872-42	
Court-Related Union (PSSU Union)	\$100/\$200	15872-43	014495-043		15872-43	
Court-Appointed Union (PSSU Union)	\$100/\$200	15872-44	014495-044		15872-44	
Mgmt/1305 Union/Human Services Prof-Sup/Hum Serv Support	\$100/\$200	15872-48	014495-048		15872-48	
Pre-65 Retirees before 1/1/2005	\$20 Copay	15872-49	014495-049		15872-49	
AFSCME Union/sheriff Deputies (CCDSA Union)	\$100/\$200	15872-50	014495-050		15872-50	
MH/HR, D&A (all in PSSU Union)	\$100/\$200	15872-51	014495-051		15872-51	
C & Y (all in PSSU Union)	\$100/\$200	15872-52	014495-052		15872-52	
AAA (all in PSSU Union)	\$100/\$200	15872-53	014495-053		15872-53	
Detectives	\$100/\$200	15872-60	014495-060		15872-60	
Pre-65 Retirees before 1/1/2005	\$100/\$200	15872-62			15872-62	
Pre-65 Retirees before 1/1/2005 - COBRA	\$5 Copay	15872-70			15872-70	
Correction Officers @ Cambria County Prison (UMWA Union) - COBRA	\$100/\$200	15872-71	014495-071		15872-71	
Pre-65 Retirees after 1/1/2005 - COBRA	\$100/\$200	15872-72			15872-72	
Pre-65 Retirees before 1/1/2005 - COBRA	\$20 Copay	15872-75	014495-075		15872-75	
Actives - COBRA	\$100/\$200	15872-76	014495-076		15872-76	
				081098-000		81097-00
				081098-070		81097-70
 <b><u>TOWNSHIP/BORO EMPLOYEES</u></b>						
<del>...</del>	\$100/\$200	15911-01	015911-001	859820-001	15911-01	81435-01
<del>...</del>	\$100/\$200	15911-02	015911-002	859820-002	15911-02	81435-02
<del>...</del>	\$100/\$200	15911-03	015911-003	859820-003	15911-03	81435-03
<del>...</del>	\$100/\$200	15911-04	015911-004	859820-004	15911-04	81435-04
<del>...</del>	\$100/\$200	15911-05	015911-005	859820-005	15911-05	81435-05
<del>...</del>	\$100/\$200	15911-06	015911-006	859820-006	15911-06	81435-06
<del>...</del>	\$100/\$200	15911-07	015911-007	859820-007	15911-07	81435-07
<del>...</del>	\$100/\$200	15911-70	015911-070	859820-070	15911-70	81435-70



3/24/09

Marron's account

Service Manager

She works for Marron

Bryan Beppler

From: ~~ben.a.straub@highmark.com~~  
Sent: Tuesday, March 24, 2009 4:03 PM  
To: ~~beppler@conemaughpa.org~~  
Cc: john.marron@highmark.com  
Subject: Question regarding Township/Boro contracts  
Importance: High

Hello Bryan,

I received an inquiry from Document Production relative to the Township contracts. Their question follows.

For the group numbers listed below, may I send one contract for medical and one for vision... instead of creating a contract for each one?

Please advise as soon as possible.

Thanks!  
Kathy

1/1/09 Consortium members

- ~~15911-01 Clearfield Township~~
- ~~15911-02 Conemaugh Township~~
- ~~15911-03 Ferndale Boro~~
- ~~15911-04 Lilly Boro~~
- ~~15911-05 Lower Yoder township~~
- ~~15911-06 West Carroll Township~~
- ~~15911-07 South Mount Boro~~

Question was:

Do you want us to make up one Contract (Consortium group)

OR Separate?

- 15911-01 Clearfield Township
- 15911-02 Conemaugh Township
- 15911-03 Ferndale Boro
- 15911-04 Lilly Boro
- 15911-05 Lower Yoder township
- 15911-06 West Carroll Township
- 15911-07 South Mount Boro

Kathy Straub  
Account Service Manager  
Major Accounts

Phone: 814-871-6793  
Fax: 814-871-6810

www.highmark.com

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5/20/09

in Beppler

From: ~~Susan Beppler~~ [mailto:beppler@co.cambria.pa.us]  
Sent: Wednesday, May 20, 2009 12:37 PM  
To: ~~John Maron; Kathleen A. Straub~~ [mailto:kstraub@highmark.com]; Allison Glevenger  
[mailto:alevenger@reschmi.com]; Ingeise [mailto:ing@reschmi.com]  
Cc: Cheryl Botzer  
Subject: County of Cambria - New Group #'s ~~(Susquehanna Township), effective 6/1/09~~

ello all.

Please set up new group #'s for Susquehanna Township. This new group will be effective 6/1/09 and will be part of the Cambria County consortium (township/boroughs).

Medical / Standard Dental group #: 15911-08 / 15911-008  
Optional Dental group #: 859820-008  
Optional Vision group #: 81435-08

\*\*\* The medical / dental / vision products will mirror those found under other townships/ boroughs.

\*\*\* Any questions, please let me know.  
Thanks

Susan J. Beppler  
Cambria County  
Assistant Human Resources Director  
Phone: (814) 472-1610  
Fax: (814) 472-2127  
Email: sbeppler@co.cambria.pa.us

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9/15/09

Bryan Beppler

From: ~~Bryan Beppler [beppler@co.cambria.pa.us]~~  
Sent: Tuesday, September 15, 2009 8:48 AM  
To: ~~Monica Snickles [msnickles@beschini.com]; Mindy Geisel; Alison Cleverger; Straub; Kathleen A. Kathleen.A.Straub@highmark.com; John Marron~~  
Cc: ~~Sowers, Gina~~  
Subject: County of Cambria - New Group #'s (~~White Township~~), effective 10/1/09

Hello all.

Please set up new group #'s for White Township. This new group (1 employee at this time) will be effective 10/1/09 and will be part of the Cambria County consortium.

Medical, Basic Vision group #: 15911-10  
Basic Dental group #: 15911-010  
Optional Dental group #: 859820-010  
Optional Vision group #: 81435-10

\*\*\* The medical / dental / vision products will mirror the programs that currently exist for the other consortium participants.

\*\*\* Any questions, let me know.

Please advise when the Senior Activities Center of Cambria County and White Township groups have been set up.

Thanks

Bryan J. Beppler  
Cambria County  
Assistant Human Resources Director  
Phone: (814) 472-1610  
Fax: (814) 472-2127  
Email: bebpler@co.cambria.pa.us

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9/10/09

Bryan Beppler

From: Bryan Beppler [bbeppler@co.cambria.pa.us]  
Sent: Thursday, September 10, 2009 7:39 AM  
To: John Marron; Straub, Kathleen A.; Kathleen.A.Straub@rightmark.com; Allison Cleveland; Wendy Geise; ~~Suzanne Sina~~  
Cc: ~~Suzanne Sina~~  
Subject: County of Cambria - New Group #'s (Senior Activities Center of Cambria County, Inc.) effective 10/1/09

Hello all.

Please set up new group #'s for the Senior Activities Center of Cambria County, Inc. This new group will be effective 10/1/09 and will be part of the Cambria County consortium.

Medical, Basic Vision group #: 15911-09  
Basic Dental group #: 15911-009  
Optional Dental group #: 859820-009  
Optional Vision group #: 81435-09

\*\*\* The medical / dental / vision products will mirror the programs that currently exist for the other consortium participants.

\*\*\* Any questions, please let me know.  
Thanks

Bryan J. Beppler  
Cambria County  
Assistant Human Resources Director  
Phone: (814) 472-1610  
Fax: (814) 472-2127  
Email: bbeppler@co.cambria.pa.us

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12/16/09

Sowers

From: ~~Bryan Beppler [bbeppler@co.cambria.pa.us]~~  
Sent: Wednesday, December 16, 2009 8:34 AM  
To: ~~John Mason [kamte@highmark.com]~~  
Cc: ~~Mindy Geiser, Allison Clevenger, Sowers, Cambria~~  
Subject: County of Cambria - New Group #s (~~Northern Cambria Borough~~), effective 1/1/10

Hello all.

Please set up new group #'s for ~~Northern Cambria Borough~~.  
This new group will be effective 1/1/10 and will be part  
of the Cambria County consortium.

Medical, Basic Vision group #: 15911-11  
Basic Dental group #: 15911-011  
Optional Dental group #: 859820-011  
Optional Vision group #: 81435-11

\*\*\* The medical / dental / vision products will mirror the programs  
that currently exist for the other consortium participants.

\*\*\* Please send me an updated benefit grid for our active plan.

Any questions, please let me know.  
Thanks

Bryan J. Beppler  
Cambria County  
Assistant Human Resources Director  
Phone: (814) 472-1610  
Fax: (814) 472-2127  
Email: bbeppler@co.cambria.pa.us

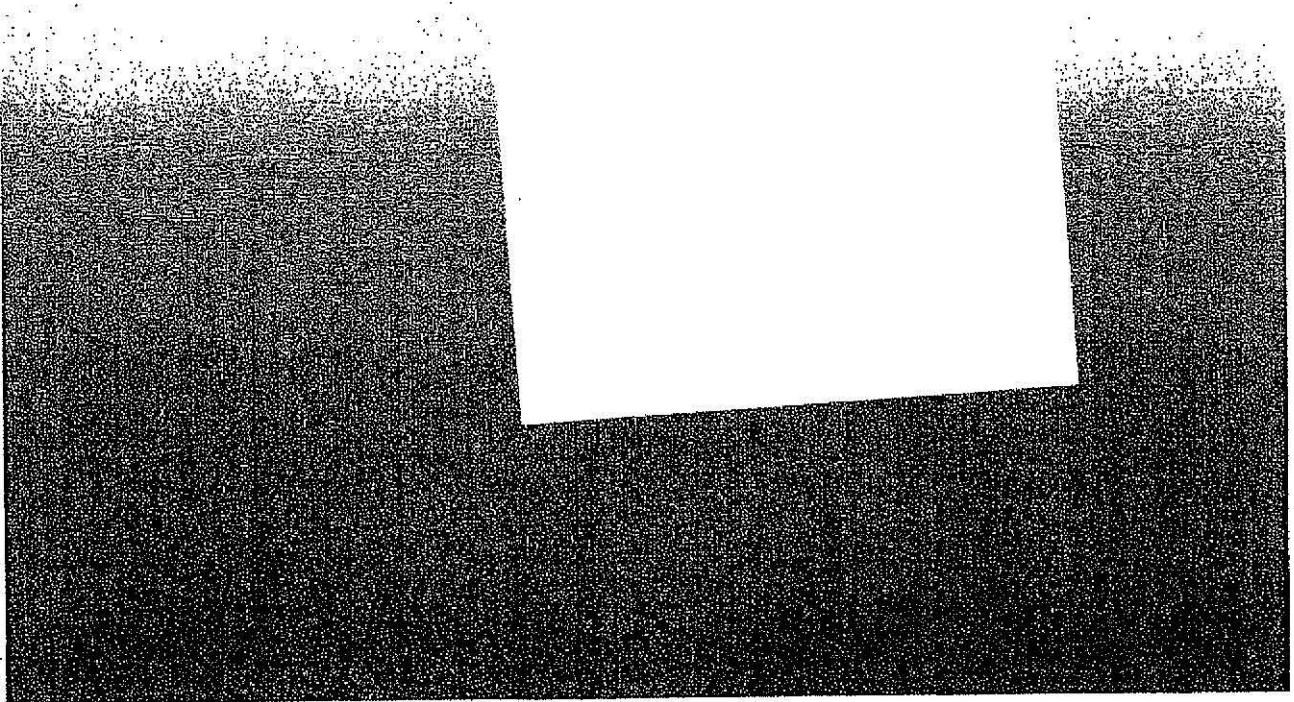
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# PPOBlue<sup>SM</sup>

## PPO PROGRAM

**Cambria County Consortium  
Southmont Borough  
Group 15911-07, 70  
Effective January 1, 2009  
Printed August, 2009**



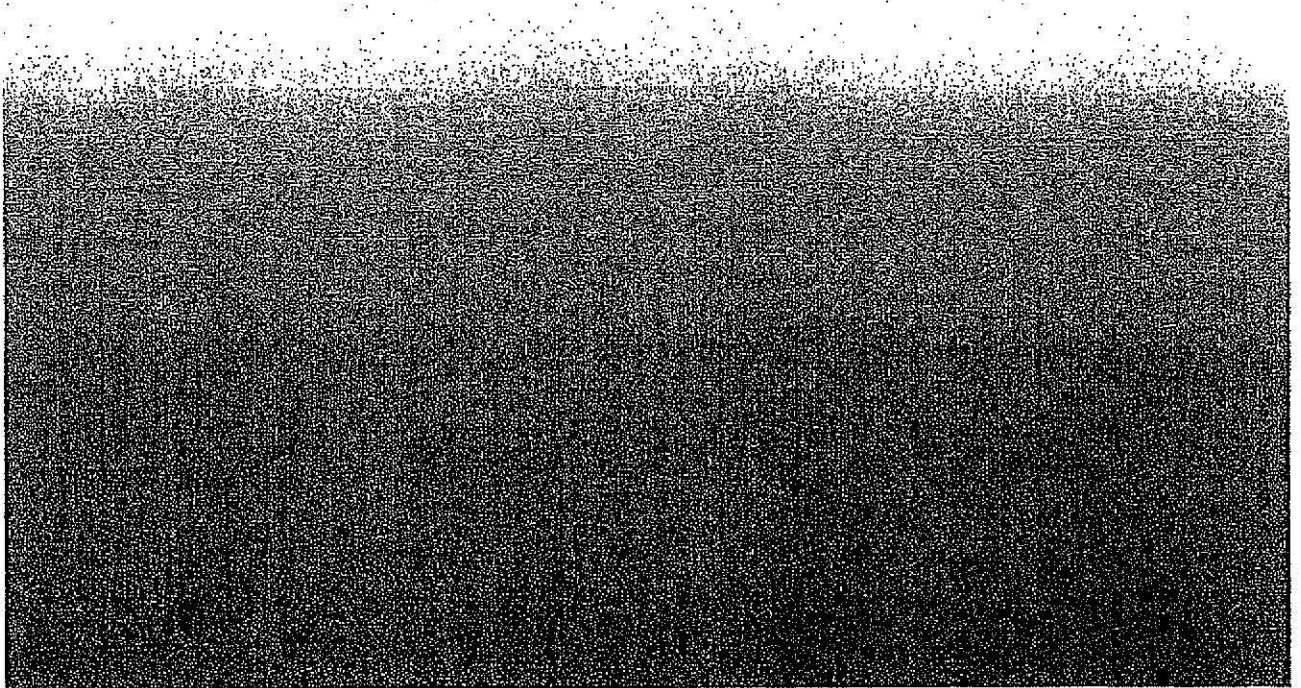
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PPOBlue<sup>SM</sup>    
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of the Blue Cross and Blue Shield Association.*

# PPOBlue<sup>SM</sup>

## PPO PROGRAM

**Cambria County Consortium  
West Carroll Township  
Group 15911-06, 70  
Effective January 1, 2009  
Printed August, 2009**



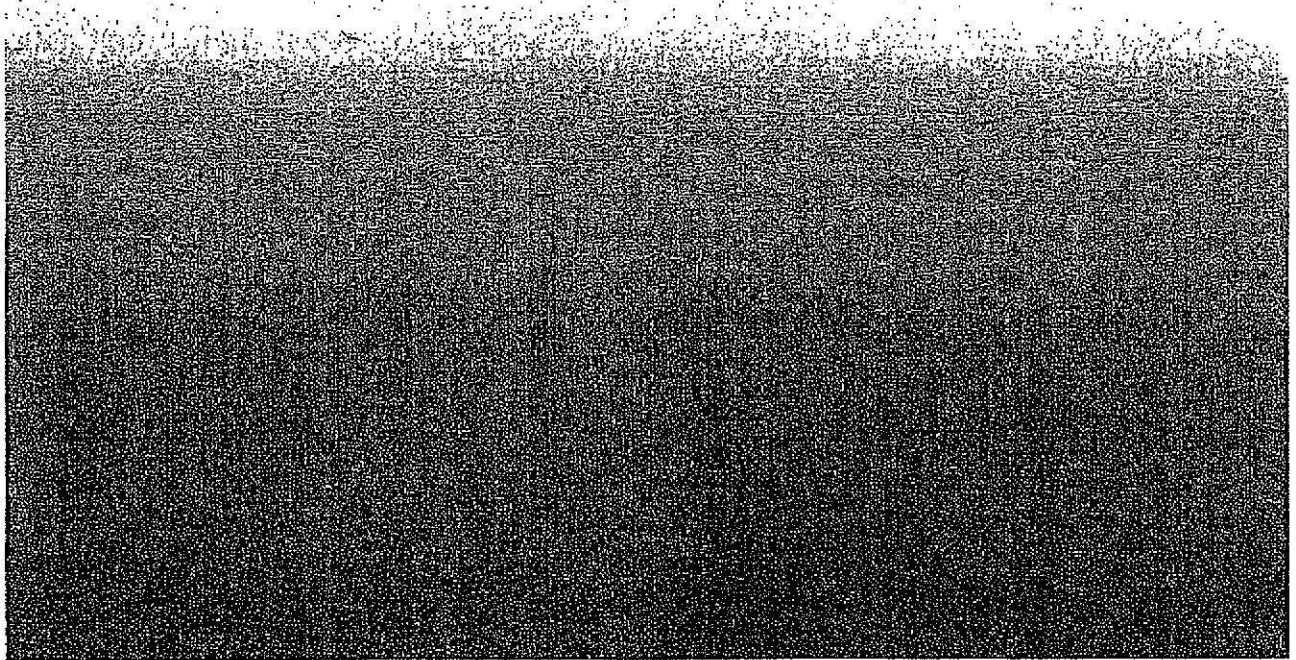
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PPOBlue<sup>SM</sup>    
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# PPOBlue<sup>SM</sup>

## PPO PROGRAM

**Cambria County Consortium  
Lilly Borough  
Group 15911-04, 70  
Effective January 1, 2009  
Printed August, 2009**

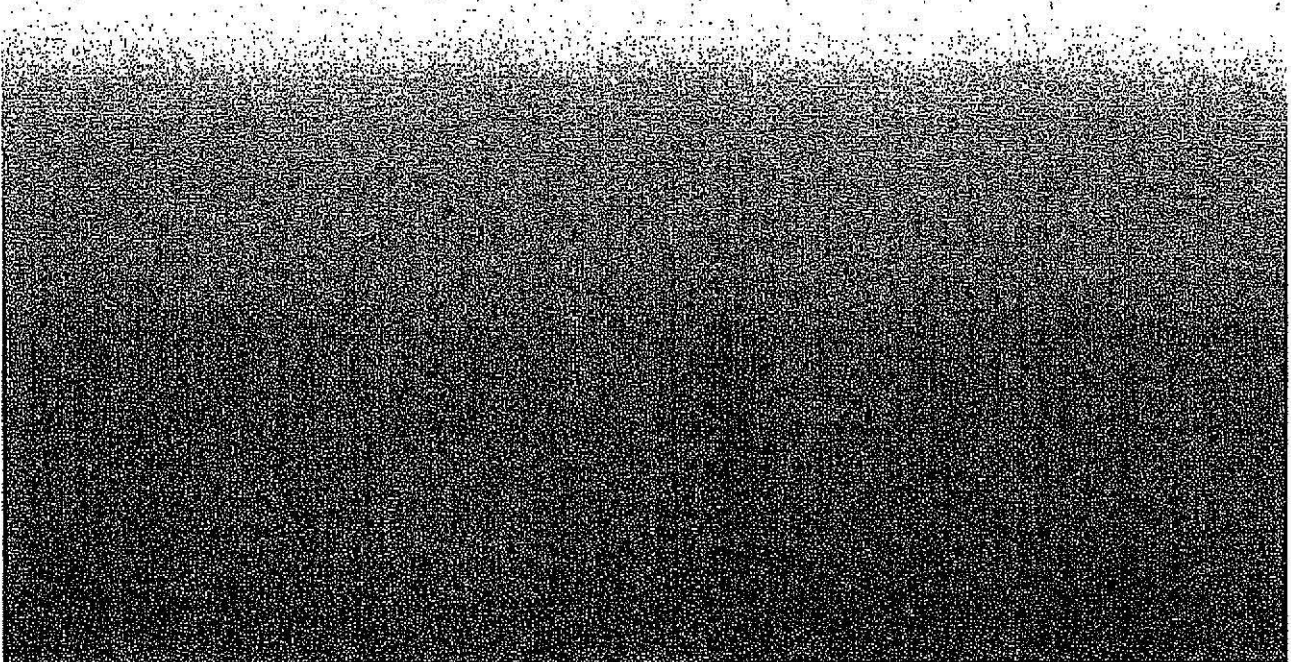


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# PPOBlue<sup>SM</sup>

## PPO PROGRAM

**Cambria County Consortium  
Ferndale Borough  
Group 15911-03, 70  
Effective January 1, 2009  
Printed August, 2009**



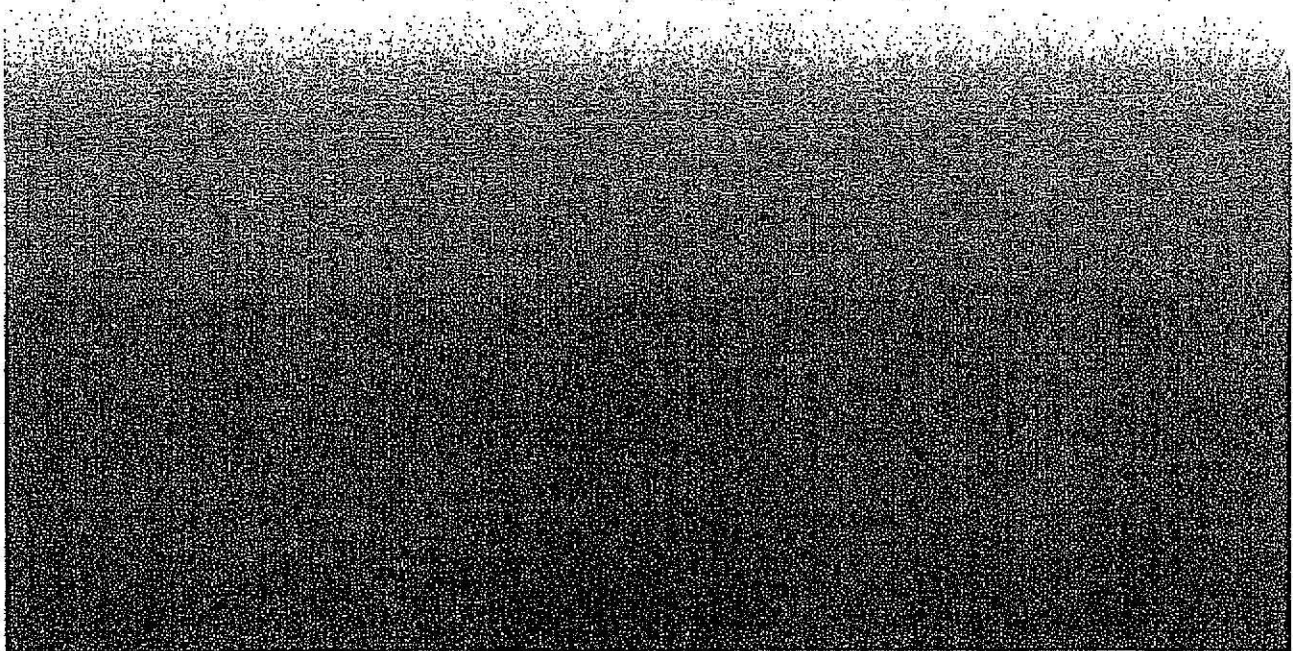
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# PPOBlue<sup>SM</sup>

## PPO PROGRAM

**Cambria County Consortium  
Conemaugh Township  
Group 15911-02, 70  
Effective January 1, 2009  
Printed August, 2009**



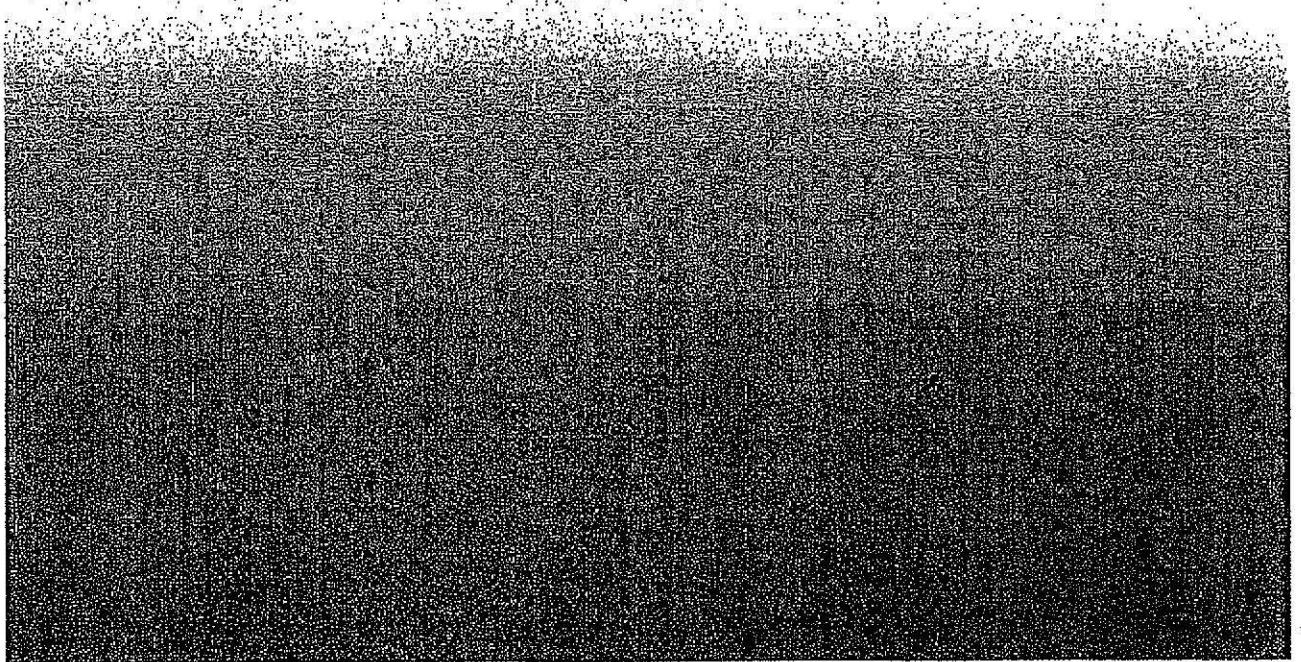
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## PPO PROGRAM

**Cambria County Consortium  
Clearfield Township  
Group 15911-01, 70  
Effective January 1, 2009  
Printed August, 2009**



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About Highmark

## Press release: June 17, 2010

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### Highmark

#### Highmark Inc. awarded Pennsylvania Employee Benefit Trust Fund contract

June 17, 2010 | Camp Hill, Pa. —

The Pennsylvania Employee Benefit Trust Fund (PEBTF) has awarded a three-year health benefits contract to Highmark Inc., effective January 2011. As one of the company's largest group customers, Highmark will administer health insurance coverage to about 140,000 new members.

"I believe we were chosen because of our overall value to the PEBTF," said Deborah Rice, Highmark's executive vice president for Health Services. "Highmark recognizes that the PEBTF wants to provide superior, high quality service to its members and we will deliver that to them. The new agreement covers state employees and their families throughout Pennsylvania."

This new membership means Highmark's enrollment in Central Pennsylvania will reach a new level. "Highmark's membership in the region will approach 1 million members," said Mike Fiaschetti, market president of Highmark's central region. "The company is the leader in terms of service capabilities to our customers, and the PEBTF is the latest organization to validate this by joining Highmark as a customer."

While the new contract does not officially begin until January, implementation meetings begin later this month to help ensure a smooth transition.

#### About Highmark Inc.

As one of the leading health insurers in Pennsylvania, Highmark Inc.'s mission is to provide access to affordable, quality health care enabling individuals to live longer, healthier lives. Based in Pittsburgh, Highmark serves 4.7 million people through the company's health care benefits business. Highmark contributes millions of dollars to help keep quality health care programs affordable and to support community-based programs that work to improve people's health. Highmark exerts an enormous economic impact throughout Pennsylvania. A recent study states that Highmark's positive impact exceeded \$2.5 billion. The company provides the resources to give its members a greater

hand in their health.

*Highmark Inc. is an independent licensee of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans. For more information, visit [www.highmark.com](http://www.highmark.com).*

**For more information, contact:**

Leilyn Perri  
Highmark Inc.  
717-302-4243  
[leilyn.perri@highmark.com](mailto:leilyn.perri@highmark.com)

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Recently lost your group health care coverage? Highmark can help.

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Highmark Blue Cross Blue Shield serves the 29 counties of Western Pennsylvania. Highmark Blue Shield serves the 21 counties of Central Pennsylvania and the Lehigh Valley as a full-service health plan. It also provides services in conjunction with Blue Cross of Northeastern Pennsylvania in Northeastern Pennsylvania and Independence Blue Cross in Southeastern Pennsylvania.

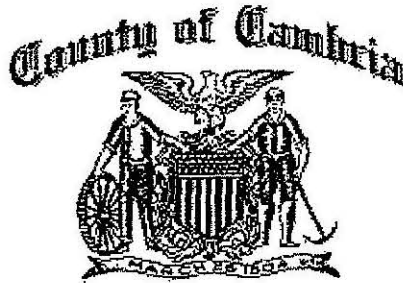


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## Office of Human Resources

401 Candlelight Drive, Suite 239  
Ebensburg, PA 15931  
(814) 472-1610  
Fax (814) 472-2127

January 27, 2010

PA State Representative Anthony M. DeLuca

32<sup>nd</sup> Legislative District  
7205 Saltsburg Road  
Pittsburgh, PA 15235

Dear State Representative DeLuca:

We write you first regarding our concerns with Highmark Blue Cross/Blue Shield specifically and various issues that have arisen over the course of the last month or so.

First, this County, as well as numerous other local government entities throughout this Commonwealth, are having the worst economic times in decades. Our County, Cambria, like others, grapple yearly with rate renewals on healthcare coverage premiums. Budgets, as you know, are tight and revenue sources cannot be pressed further as a means to meet these increases. Unlike other counties, Cambria County has a very active Healthcare Committee which has the ability, under contracts with its unions, to recommend plan changes each year to our Commissioners to address health insurance rate renewal increases. In addition, beginning several years ago, we took an active approach to directly negotiating our rates with carriers without a broker. This was an effort to save money on the broker fees and it has proven more cost effective on the rate renewal side also.

With the full knowledge and acceptance by Highmark, we created, under the Intergovernmental Cooperation Act under Section 2307 (7), a consortium of local governments where healthcare is dispensed under the County Plan and these struggling townships, boroughs, and municipalities pay the premium rates through the consortium structure. Prior to Highmark taking over this County in January 2009, we spoke with all the principles personally, updated each on every move we made, Highmark and its representatives created new group numbers, defined the groups by township name, printed booklets entitled "Cambria County Consortium, \_\_\_ Borough/Township", whatever was the case.

Our last group, Northern Cambria Borough, which entered our consortium on January 1, 2010, raised a concern with Highmark because the carrier received a call from a prominent insurance broker out of Indiana, PA, Indiana County.

Highmark's upper echelon apparently got involved and told the regional agent, John Marron from Johnstown, to cancel this consortium member's insurance because "they were not County employees". We spoke with him and reminded him of our 2009 discussions and the practice since

2009 under the consortium structure, which was created in conjunction with the Act, previously mentioned. We have written correspondence and received confirmation that all involved in this process knew and it is proven by virtue of the carrier processing these local government entities into the consortium all throughout 2009. The problem here is not about the legality of the consortium as the carrier claims; its about fees, premium rates, and broker commissions.

Representative DeLuca, the consortium has 50 employees of 11 different townships and boroughs of the County. Highmark's indifferent attitude on all levels is due to the fact that they have no meaningful competition. It's their way or look elsewhere and there is nowhere else to look. As a result, they have had the ability to take advantage of employers and their employees who have no other viable health carrier options.

The fact that the Blues are licensed regionally in the State even prevents competition within their own chartered structures. If Capital Blue Cross Blue Shield has a better deal, they cannot sell us their product because we fall into the jurisdiction of Highmark's sales area. This further eliminates competition and secures a particular Blues product sales area, a great advantage for Highmark. Their non-profit status, compliments of state government, also ensures them a built in advantage over other private sector enterprises. In essence, a built-in profit margin. Yet, there is no ability for consumers to look for comparable prices in the marketplace and the product they provide is not one that can be considered a convenience that people can readily go without. So, when you couple their non-profit status, their near monopoly in the marketplace, and a service that is essential to people, you end up with the unfettered ability to impose what you choose on any group at whatever rates you desire.

Representative DeLuca, as chairman of the Insurance Committee, we wish to advise you that both public and private sector employers are being battered and financially depleted by a structure that gives this carrier and any carrier such advantages in marketing. There must continue to be avenues open to employers, such as consortiums or insurance alliances, so that there is at least some meaningful bargaining over rates each year. Mere numbers in a group at least gives employers some type of bargaining leverage on rates. Small employers with no options are at the mercy of the carrier. Yes, there are carrier-produced groups like MBET and EMAP, but these offer little, if any, relief to employers. It has gotten to the point where employers must choose jobs or coverage. Many have downsized their employee numbers so those that remain can have healthcare. We would like for you to take the time to listen in more detail to our issues. The conversation the other day with Mr. Art McNulty from your staff was greatly appreciated. There is so much more to say and we know your time is precious. Our healthcare group has worked diligently on healthcare related issues for the last four years as a team. If the carriers can dictate all the rules, including eliminating competition and group alliances/consortiums, local governments will not be able to maintain these plans for their employees.

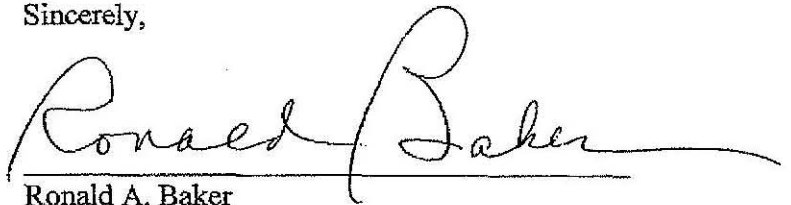
Highmark's tax-exempt status in this state should make them at least reasonably responsible for being good community stewards and they should be subjected to reasonable standards of operation, including applying reasonable renewal rates to Pennsylvania consumers of their services. However, we see the tail wagging the dog in most cases with these large carriers. They have unfettered latitude and use it daily to their advantage at the expense of those who can least resist. That is why there needs to be effective change and ongoing oversight of the Insurance Industry in the State and legislation that clearly outlines the right of homogeneous industries to create alliances/coalitions that must be recognized by the large non-profit insurance corporations. How can any insurer, regardless of who they are, with such large untapped reserve balances, even remotely justify rate increases in the double digits, let alone twenty (20) percent or more, which are not atypical?

We have several other serious issues outstanding with Highmark from our last renewal negotiations. Among them are the changing of rates post negotiations and providing us with incorrect information regarding their filed and approved plans with the Pennsylvania Insurance Commission. These are important issues also, but we will dispense with the details of these until a later date in the hopes we can arrange a face-to-face meeting with your staff.

Included with this correspondence is information relative to the Cambria County Consortium, which validates our position that Highmark was fully aware of its creation and participated in the recognition and processing of each entity's introduction into the group. Also included is a copy of the State's Intergovernmental Cooperation Act of 2001.

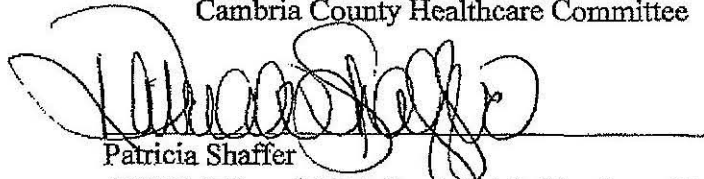
We look forward to hearing from your office.

Sincerely,



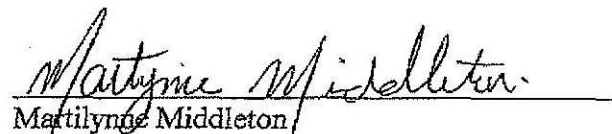
Ronald A. Baker

Human Resources Director & Chair Person of the  
Cambria County Healthcare Committee



Patricia Shaffer

AFSCME Local 2411 President & Member of the  
Cambria County Healthcare Committee



Martylne Middleton

Business Agent, PSSU Local 668 & Member of the  
Cambria County Healthcare Committee

RAB/nk

cc: file  
Cambria County Commissioners  
Healthcare Committee Members

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Wednesday, March 31, 2010

# Highmark posts \$13.7B revenue in 2009

Pittsburgh Business Times - by [Kris B. Mamula](#)

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Robust investment returns helped lift health insurance giant **Highmark Inc's** total revenue to \$13.7 billion in 2009, a \$692.2 million increase from the previous year, despite a membership decline of around 100,000 people due to the stuttering economy, the Downtown Pittsburgh-based insurer reported on Wednesday.

Investment income rose to \$160.4 million in 2009, a near doubling from \$81

million in 2008, while net income increased to \$187.7 million, up from \$94.1 million in 2008. During the same period, the company increased its surplus to \$3.4 billion from \$3.1 billion.

Well over 50 percent of improvements to Highmark's bottom line during 2009 was due to the rebounding investment market, according to Nanette DeTurk, executive vice president and CFO. "The story line is 2008 was just a horrific year as far as the market," she said.

Highmark's surplus was midrange in the required amount set by the state Insurance Department, De Turk said.

Highmark's operating margin for the year was 2.5 percent, or 2.5 cents for every dollar of revenue, which is typical for nonprofit blues companies, but well below the 10 percent to 12 percent for for-profit carriers, she said. Ninety cents of every Highmark premium dollar goes to pay medical costs for members; nine cents goes to administrative costs; and the remaining one cent is profit.

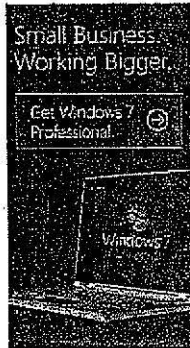
Also lifting Highmark's results were its vision and dental subsidiaries, which contributed \$122 million in net income, according to the company.

DeTurk attributed 2009's membership loss to the soft economy and continuing layoffs, but said the company had regained last year's membership loss in January. The gains came mostly in western Pennsylvania and national markets and about half of the increase came from existing accounts.

The company is continuing to adapt to federal health care reforms with plans to open four more retail sales outlets this year where individuals under 65 can buy coverage, DeTurk said. The new law requires everyone to have health insurance and in recent years the company has shifted its focus to individual from group sales.

Separately, ratings agency A.M. Best affirmed its financial strength rating of A, excellent, and credit rating of "a" for Highmark and its subsidiaries on Wednesday. Best also affirmed Highmark's senior debt rating of "a-." The outlook for these ratings was negative.

The agency also noted the positive impact of investment returns on Highmark's bottom line. "With the improvement in the capital markets, Highmark's investment portfolio has regained market value, which has strengthened its capital position," according to Best. "Capital levels also benefit from the retention of positive net income as retained earnings."



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**HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDING DECEMBER 31, 2007  
OF THE CONDITION AND AFFAIRS OF THE**

**Highmark Inc.**

NAIC Group Code 0812 (Current Period) 0812 (Prior Period) NAIC Company Code 54771 Employer's ID Number 23-1294723

Organized under the Laws of Pennsylvania State of Domicile or Port of Entry Pennsylvania

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Dental Service Corporation [ ]  
 Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [ ]  
 Hospital, Medical & Dental Service or Indemnity [ X ] Is HMO, Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized 12/06/1996 Commenced Business 12/06/1996

Statutory Home Office 1800 Center Street Camp Hill, PA 17011  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 120 Fifth Avenue Suite 924  
(Street and Number)  
Pittsburgh, PA 15222-3024 412-544-7000  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

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Pittsburgh, PA 15222-3024 412-544-6902  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address http://www.highmark.com

Statutory Statement Contact Janine Kopas Colinear 412-544-6902  
(Name) (Area Code) (Telephone Number) (Extension)  
janine.colinear@highmark.com 412-544-8674  
(E-mail Address) (FAX Number)

**OFFICERS**

Name	Title	Name	Title
<u>Kenneth Rudolph Melani, M.D.</u>	<u>President and CEO</u>	<u>Nanette Paden DeTurk</u>	<u>Treasurer and CFO</u>
<u>Gary Richard Trull, Esquire</u>	<u>Corporate Secretary</u>		

**OTHER OFFICERS**

<u>John Robert Baum, Ph.D.</u>	<u>Chairperson of the Board</u>	<u>Steven Tyrone Alexander, Sr.</u>	<u>Executive Vice President</u>
<u>Robert Clark Gray (Retired 1/2/2008)</u>	<u>Executive Vice President</u>	<u>James Meade Kingensmith, Sc.D.</u>	<u>Executive Vice President</u>
<u>David Michael O'Brien</u>	<u>Executive Vice President</u>	<u>Elizabeth Ann Frankbacher</u>	<u>Senior Vice President</u>
<u>Michael Anthony Romano</u>	<u>Senior Vice President</u>	<u>Aaron Arnold Walton</u>	<u>Senior Vice President</u>
<u>Joseph Frank Reichard</u>	<u>Assistant Treasurer</u>	<u>Carnie Joy Pecht, Esquire</u>	<u>Assistant Secretary</u>

**DIRECTORS OR TRUSTEES**

<u>Cynthia Gertrude Ayers, M.D.</u>	<u>John Robert Baum, Ph.D.</u>	<u>David Arthur Blandino, M.D.</u>	<u>Thomas John Castellano, M.D.</u>
<u>John Sanderson Cramer</u>	<u>Don Parke Foster, Esquire</u>	<u>Rufus Ayers Fulton, Jr.</u>	<u>William Michael George</u>
<u>Mary Steven Gerber</u>	<u>Joseph Clinton Guyaux</u>	<u>Gretchen Frances Robinson Haggerty, Esquire</u>	<u>Mark Scott Kamlet, Ph.D.</u>
<u>David Michael Matier</u>	<u>Glen Theodore Meahem</u>	<u>Kenneth Rudolph Melani, M.D.</u>	<u>Thomas John Rohner, Jr., M.D.</u>
<u>Victor Alvarez Roque</u>	<u>Susan Weiss Shoel</u>	<u>William John Staffkamp</u>	<u>William Elton Trueheart, Ed.D.</u>
<u>Doris Annette Carson Williams</u>			

State of Pennsylvania and  
 County of Allegheny

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein classified assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except in the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kenneth Rudolph Melani, M.D.  
 President and CEO

Nanette Paden DeTurk  
 Treasurer and CFO

Gary Richard Trull, Esquire  
 Corporate Secretary

Subscribed and sworn to before me this  
28 day of February, 2008  
28th  
twenty-eight

Sara Marie Malara  
 Notary Public  
 September 12, 2010

a. Is this an original filing? Yes [ X ] No [ ]  
 b. If no,  
 1. State the amendment number

2. Date filed  
 3. Number of pages attached

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Highmark Inc.

NOTES TO FINANCIAL STATEMENTS

20. Other Items

A. Extraordinary Items

None.

B. Troubled Debt Restructuring: Debtors

None.


C. Other Disclosures

On March 28, 2007, the Corporation's Board of Directors and the Board of Directors of Independence Blue Cross (IBC) approved a consolidation of the two companies to form a new Pennsylvania nonprofit corporation (the resulting corporation). The consolidation was approved by the Corporation's corporate members on April 26, 2007. Various other conditions precedent to the consolidation, including approval by the Department of the change in control of certain subsidiaries of the Corporation and IBC, remain to be satisfied, and a closing date has not been set. If the consolidation is consummated, the resulting corporation will succeed to all assets and liabilities of the Corporation and IBC.

In July 2007, UPMC repaid the entire outstanding principal amount of the \$163,600,000 Allegheny County Industrial Development Authority Hospital Revenue Drawdown Note held by the Corporation (together with accrued interest thereon).

In June 2007, West Penn Allegheny Health System repaid the \$117,500,000 principal balance of an original \$125,000,000 note held by the Corporation (together with accrued interest thereon), and a related general reserve on long-term other invested assets of \$35,000,000 was reversed.

In February 2006, the Corporation entered into agreements with IBC pursuant to which the Corporation agreed to transfer ownership of HSR to a holding company that would be owned 50% by the Corporation and 50% by Ameri-Health Inc. (Ameri-Health), a wholly owned subsidiary of IBC. Ameri-Health was simultaneously to contribute to the holding company a company that, like HSR, offers Medicare Part D prescription drug coverage in Pennsylvania and West Virginia. The Corporation and IBC terminated these agreements effective July 31, 2007.

The Commissioner has issued a Determination and Order that an appropriate sufficient operating surplus range for the Corporation is 55% to 75% of the health RBC ratio or the Department's consolidated risk factor ratio, whichever is lower. As long as the Corporation operates above the 55% ratio, the Corporation will not be permitted to include a risk and contingency factor in its filed premium rates. If the Corporation's ratio exceeds 75%, it will be required to justify its surplus level and could be required to submit a plan to bring its surplus within the designated appropriate sufficient operating surplus range. At December 31, 2007 and 2006, the Corporation's health RBC ratios were within the appropriate sufficient operating surplus range of the Department.

The Corporation is party to a six-year Community Health Reinvestment Agreement with the Department, which established the Corporation's annual Community Health Reinvestment (CHR) commitment based on certain Pennsylvania direct written health premiums and quantified the Corporation's minimum social mission commitment at approximately \$100,000,000 and \$95,000,000 for 2007 and 2006, respectively. Sixty percent of the CHR is directed by Pennsylvania and dedicated to programs for uninsured persons of low income. Forty percent of the CHR is directed by the Corporation, subject to approval by the Department, and dedicated to permitted community endeavors. The Corporation recorded a Pennsylvania-directed net obligation of \$59,327,928 and \$62,028,255 in other expense at December 31, 2007 and 2006, respectively. These amounts were calculated based on certain historical Pennsylvania direct written health premiums and were net of the estimated amounts of certain credits. The estimated receivable for such credits was \$724,883 and \$200,042 at December 31, 2007 and 2006, respectively.

D. Uncollectible Receivable Balances

At December 31, 2007 and 2006, the Corporation had admitted assets of \$310,553,340 and \$322,897,534, respectively, in accounts receivable for insured and uninsured plans. The Corporation routinely assesses the collectability of these receivables. Based upon the Corporation's experience, less than 1% of the balance may become uncollectible, and the potential loss is not material to the Corporation's financial condition.

E. Business Interruption Insurance Recoveries

None.

F. State Transferable Tax Credits

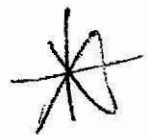
None.

*Exhibit*

HIGHMARK  
2009 ANNUAL REPORT

EVERY  
HAND COUNTS





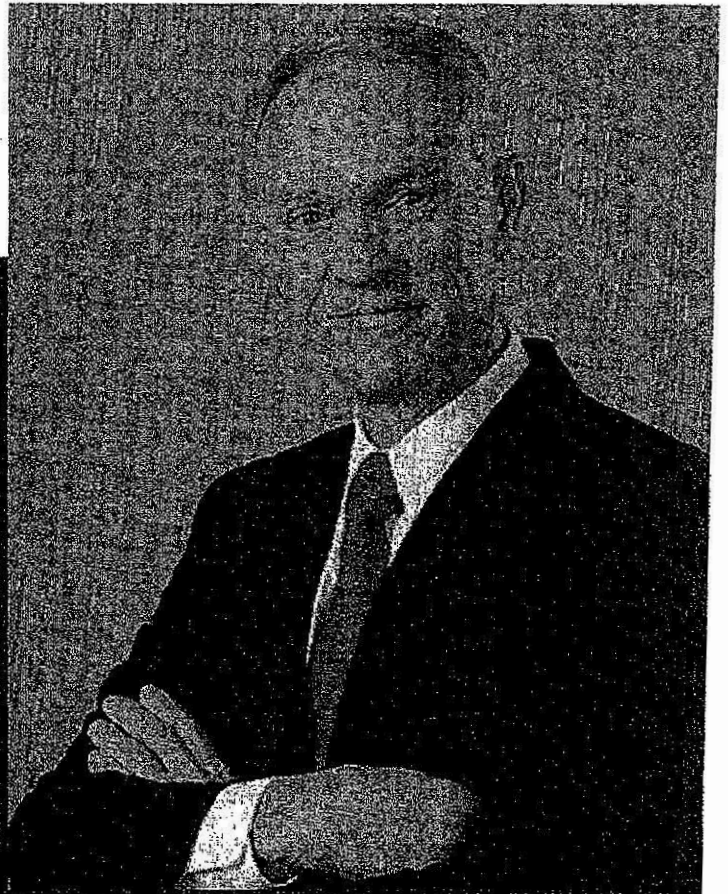
## LETTER FROM THE CHAIRMAN OF THE BOARD

Following a rousing debate during the past year, the decades-long quest for federal health care reform has become a reality. From the beginning, Highmark has supported the need for comprehensive reform of our nation's health care system, but, at the same time, there is a need to reduce medical costs and improve quality and patient safety.

Health care reform brings a number of challenges to the insurance industry — and Highmark is well positioned to meet them. We've made the strategic decisions to preserve our long-term business interests, while simultaneously meeting our mission to the community.

In addition to the widespread impact that the new legislation will have in the coming years, the nation's health care system continues to undergo rapid change. New health care deliver models such as telemedicine and retail and worksite clinics are sprouting up across the country.

Consequently, consumers are taking a more active role in all aspects of health care. Since they are more responsible for their costs, they have a greater incentive to view medical services and health benefits much like purchases of other goods and services. Therefore, they expect health insurance



companies to provide more information about costs and quality of care among physicians and hospitals, so they can incorporate price differences into decisions concerning providers to use and services to obtain.

Meanwhile, the ripple effects persist from the most severe economic downturn since the Great Depression. Job losses across American business and government at all levels have led to declining membership for many health insurance companies and increasing pressure to hold down costs.

The public sector's role in our health care system also continues to grow. The aging of baby boomers means an impending enrollment surge in Medicare. The health care reform legislation expands Medicaid coverage to more lower-income Americans. And the steady erosion of employer-sponsored health care coverage keeps alive the calls of a "moral imperative" for government-sponsored universal health insurance.



As far as Highmark is concerned, we remain financially stable and are prepared to meet the changing industry dynamics.

We owe our success to a business strategy that focuses on understanding the unique needs of our customers — employers and individual members — and tailoring products and services to meet their needs. One-size-fits-all products and services are ill-suited to meet the needs of today's demanding consumer.

Highmark's marketing approaches are increasingly built around more personalized and differentiated products and services offered to targeted customer segments, using multiple communications channels, including the Internet, social networking and other electronic means.


Our emphasis on retail marketing is preparing the company for what will be a new setting for buying a health plan — "exchanges" or "gateways" that allow consumers and small businesses to compare their health insurance options based on price and other important factors.

Another strategic element is leveraging the strengths of our subsidiary companies to grow our business, both nationally and in our core markets of Pennsylvania and West Virginia. Highmark today competes with much larger, diversified for-profit insurers that can offer entire portfolios of products.

To maximize our opportunities, we are developing an enterprise, integrated sales approach for all our lines of business and strengthening our cross-selling efforts with an eye toward being the premier one-stop shop for our group customers' employee benefit needs.

We are mindful that, moving forward, market innovation must be coupled with administrative efficiency. In 2009, we took a number of steps to control administrative costs, while strengthening our information systems and technology capabilities.

Reducing our administrative costs is an ongoing business imperative in order to grow our membership in the years ahead. Importantly, we will continue to utilize our resources wisely to address the complex cost, quality and health care access issues that face our business partners and communities in the new health care landscape.



J. ROBERT BAUM, PH.D.  
CHAIRMAN OF THE BOARD

# 2009 HIGH POINTS

As a leading provider of health care services, we're committed to helping our members achieve their best health. We're proud to offer a wide range of services, including medical, dental, vision, and life insurance, all designed to help our members live healthier, longer lives. We're also committed to providing exceptional customer service and support, so our members can get the most out of their health care experience.

**TOTAL INDIVIDUALS  
SERVED BY HIGHMARK INC.**



**32  
MILLION**

**HEALTH CARE 4.7 MILLION**

3.1 MILLION

815,000

355,160

208,160

265,000

**DENTAL 7.7 MILLION**

**VISION 15.9 MILLION**

**CUSTOMIZED  
SUPPLEMENTAL  
HEALTH CARE 3.7 MILLION**

Highmark provides \$143 million in support of our members' health care needs. We're committed to providing exceptional customer service and support, so our members can get the most out of their health care experience.

**\$2.5 billion** in annual revenue from our health care services, including medical, dental, vision, and life insurance.

**\$13.7 billion** in annual revenue from our other services, including property and casualty insurance.

**\*A+ rating from Standard & Poor's and A.M. Best** for our health care services, including medical, dental, vision, and life insurance.

**79.4 million** people live in the states where we provide health care services.

**20,500 people** are employed by Highmark, including our members and their families.

**5.7 million** people are members of our health care services, including medical, dental, vision, and life insurance.

For more information about Highmark, visit our corporate website at [www.highmark.com](http://www.highmark.com).

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Pittsburgh Post-Gazette

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Dining

## Highmark to run fund for state's employees

Friday, June 18, 2010

By Bill Toland, Pittsburgh Post-Gazette

The Pennsylvania Employees Benefit Trust Fund has selected Highmark Inc. to run its largest statewide health insurance program, a net gain of more than 70,000 subscribers, plus spouses and dependents, for the Pittsburgh insurance leader.

The trust fund administers health benefits to state employees. In reworking its menu of insurance offerings, it shifted responsibility for its main preferred provider organization away from Harrisburg-based Capital BlueCross to rival Highmark. It did so because its previous administrative contracts were set to expire, necessitating new bid requests.

In all, the Highmark deal amounts to about 140,000 covered lives. With all those new policies and customers may come new jobs at Highmark, said Mike Fiaschetti, president of central markets.

"It's a real big win for us," he said. Because of Highmark's size and expertise in dealing with Fortune 500 clients, "We've built some capabilities that Capital can't duplicate. ... This takes a lot of membership from Capital BlueCross."

Capital BlueCross ran, and continues to run, the PPO contract from Jan. 1, 2006, until the end of 2010. Highmark's contract begins in January 2011 and is good for three years, plus two optional one-year renewals, meaning the full contract could run until the end of 2015.

Neither Highmark nor the trust fund divulged the amount of the winning bid.

Highmark also was a bidder in 2005, competing to get the contract to administer the trust fund's statewide PPO, but lost out to Capital that time around.

Of the fund's roughly 100,000 current and non-Medicare-eligible retirees, about 66 percent of them choose to receive coverage through the trust fund's statewide PPO, which is why the PPO service contract is the most valuable of those agreed to by the fund.

There are no major changes in the new PPO contract, and co-payments for policyholders will remain the same, too.

HMOs (health maintenance organizations) will continue to be offered on a regional basis through various vendors; Highmark's Keystone Health Plan West will cover Western Pennsylvania HMO members. Capital BlueCross will have customers in the midstate; Geisinger Health Plan, in northeastern Pennsylvania; and Aetna's HMO will be offered in the Philadelphia region. United Healthcare will offer "consumer-driven health plans" -- such as those utilizing health savings accounts and health reimbursement accounts -- to statewide trust fund customers.

A Capital BlueCross spokesman said the company was disappointed to lose the PPO business, but noted that the midstate HMO was still a big chunk of business, perhaps more than 15,000 members, given that so many state employees live in and around Harrisburg.

"Many days, we bring home the prize -- that's how we got to be the leader in our market," said spokesman Joe Butera. "Other days we are on the short end. And other days still are like this one -- where we won less than we hoped for but still won something substantial."

In other news, for-profit Highmark subsidiary HM Insurance Group announced Thursday that it had agreed to acquire Mutual of Omaha's employer stop-loss division for an undisclosed amount. The acquisition, effective July 1 pending regulatory approval, will add about \$100 million in premiums to HM's existing portfolio, expanding HM's stop-loss business by about 25 percent and making it one of the largest stop-loss carriers in the country. Stop-loss is a form of second-party re-insurance, taken out by self-insured companies that want to limit their own exposure to larger-than-expected insurance claims.

Bill Toland: btoland@post-gazette.com or 412-263-2625.

"Money Q&A" and "Company Town" are featured exclusively at PG+, a members-only web site of the Pittsburgh Post-Gazette. Our [introduction to PG+](#) gives you all the details.



First published on June 18, 2010 at 12:00 am

Mandated benefits are questioned

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← Rec'd 02/16/10  
RTKL-00416  
Due 02/23/10

**From:** Bryan Beppler  
**To:** IN, Agency Open Records Officer  
**Subject:** Cambria County - Right to Know (Open Record Request)  
**Date:** Tuesday, February 16, 2010 12:29:42 PM

This memo serves as our formal request under the Right to Know Law.

Please provide the following information:

- 1) 2009 and 2010 Highmark Blue Cross Blue Shield's base rate filings for all their Non-Medicare PPO plans. In addition, please provide documentation about the benefit levels & benefit grids associated with each plan's base rate filing.
- 2) Highmark Blue Cross Blue Shield's public financial filings for 2007 and 2008 that are required as a Non-profit corporation operating within the Commonwealth of PA.
- 3) Highmark's annual report that provides Highmark's financial history in 2007, 2008 with accompanying untapped reserve amounts.
- 4) The documentation, policy, or state legislative authority that sets premium increase parameters on the base rates established under any insurance carrier's plans.
- 5) The documentation, policy, or state legislative authority that sets forth the operating or marketing responsibilities of any Non-profit insurance carrier in the state of PA.
- 6) Any filing with the state of PA by Highmark Blue Cross Blue Shield that covers any multi-employer groups under Highmark's coverage plans, such as associations, that by virtue of its membership could fall under a Highmark umbrella policy or consortium.
- 7) The names of any Highmark Blue Cross Blue Shield alter egos licensed to sell any type of insurance other than health insurance within the state of PA, such as i.e. vision, dental, or disability insurance.
- 8) Why are we barred from securing business with other Blue Cross Blue Shield plans within the state of PA (i.e. Capital BCBS, Independence BCBS, BCBS of Northeastern PA) which would enable meaningful competition between the Blues within the state?
- 9) Highmark Blue Cross Blue Shield's file and approved benefit variations to standard plan designs allowed under their Non-Medicare PPO plans.
- 10) Are there any statues under HIPAA that prevent Cambria County from obtaining group specific (county's nursing home) information (i.e. claims information, loss ratio) under their account with Highmark BCBS?

If you have any questions, please contact me.  
Thank you.

Bryan J. Beppler  
Cambria County  
Assistant Human Resources Director  
401 Candlelight Drive, Suite 239  
Ebensburg, PA 15931  
Phone: (814) 472-1610  
Fax: (814) 472-2127  
Email: bbepler@co.cambria.pa.us

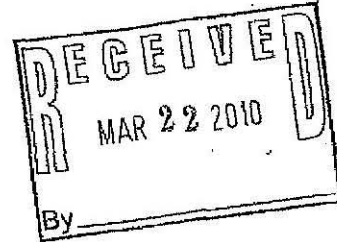
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*Response in  
attached document.*



March 17, 2010

Mr. Bryan Beppler  
Assistant Human Resources Director  
Cambria County  
401 Candlelight Drive, Suite 239  
Ebensburg, PA 15931



Re: Right-to-Know Law Request

Dear Mr. Beppler:

On 2/16/2010, the Pennsylvania Insurance Department (Department) received your request for information pursuant to the Pennsylvania Right-To-Know Law, 65 P.S. §§ 67.101, *et seq.* (RTKL), wherein you asked for the following (our response is in **bold**). On February 23, 2010, the Department requested a 30-day extension. This is in response to that request. A copy of your request is attached.

Your request is granted in part. These records are available through publicly accessible electronic means and you may access them at the following link and typing Highmark in the insurance company name block: [http://www.insurance.state.pa.us/dsf/rf\\_filings.html](http://www.insurance.state.pa.us/dsf/rf_filings.html).

1) 2009 and 2010 Highmark Blue Cross Blue Shield's base rate filings for all their Non-Medicare PPO plans. In addition, please provide documentation about the benefit levels & benefit grids associated with each plan's base rate filing.

In a previous request, received on January 26, 2010 and responded on January 27, 2010 (see attached) the Department stated that the information request is on our Website. We provided instructions on how to find the information. Our response to request one is the same. All Highmark's rate and form filings from February 2008 to present are located here.

2) Highmark Blue Cross Blue Shield's public financial filings for 2007 and 2008 that are required as a Non-profit corporation operating within the Commonwealth of PA.

3) Highmark's annual report that provides Highmark's financial history in 2007, 2008 with accompanying untapped reserve amounts.

Questions 2 and 3 appear to be the same. The 2007 and 2008 annual statements, which include the reserve amounts, are enclosed. Pursuant to the fee provisions established by the Office of Open Records, duplication fees for the records provided have been charged at \$.25 per page (116 pages) and postage of \$4.99, for a total of \$33.99. Kindly remit payment in that amount to the Pennsylvania Insurance Department, 1326 Strawberry Square, Harrisburg, PA 17120, with a check made payable to the Commonwealth of Pennsylvania (see enclosed invoice). Further, please note that failure to pay for records provided in response to a RTKL request to any executive agency will preclude you from obtaining further records from another executive agency, pursuant to the provisions of

Unable to  
access  
in web  
service





section 901 of the RTKL and Section IV (D) of our agency RTKL Policy, as published on our website:

[http://www.portal.state.pa.us/portal/server.pt/document/706593/rtkl\\_policy\\_webfinal\\_0909.pdf](http://www.portal.state.pa.us/portal/server.pt/document/706593/rtkl_policy_webfinal_0909.pdf)

4) The documentation, policy, or state legislative authority that sets premium increase parameters on the base rates established under any insurance carrier's plans.

Section 3 of the act 159 of 1996, known as the Accident and Health Filing Reform Act (1996, Dec.18, P.L. 1066, No.159), set the guidelines. You may obtain a copy of this act through the Legislative Reference Bureau (LRB) at 649 Main Capitol Bldg, Harrisburg, PA 17120. It may also be found in Purdon's at 40 P.S. 3803, relating to required filings.

5) The documentation, policy, or state legislative authority that sets forth the operating or marketing responsibilities of any Non-profit insurance carrier in the state of PA.

The Operating authority is 40 Pa.C.S.A. §§6106 *et. seq.*, §§6301 *et. seq.* There is no provision in the statutes that governs marketing. Please contact the LRB for copies.

7) The names of any Highmark Blue Cross Blue Shield alter egos licensed to sell any type of insurance other than health insurance within the state of PA, such as i.e. vision, dental, or disability insurance.

Schedule Y in the emailed annual statements include an organization chart listing all Highmark's subsidiaries.

9) Highmark Blue Cross Blue Shield's file and approved benefit variations to standard plan designs allowed under their Non-Medicare PPO plans.

Our response to request number 1 applies here. All the rate and form filings and any variations are on the Department's website.

The Department does not have the following records that you requested in its possession, under its custody or its control.

8) Why are we barred from securing business with other Blue Cross Blue Shield plans within the state of PA (i.e. Capital BCBS, Independence BCBS, BCBS of Northeastern PA) which would enable meaningful competition between the Blues within the state?

The Department does not have a document that responds to this request. The servicing areas for each of the Blues are established by the National Association of Blue Cross/Blue Shield and not the Department.

10) Are there any statues under HIPAA that prevent Cambria County from obtaining group specific (county's nursing home) information (i.e. claims information, loss ratio) under their account with Highmark BCBS?

HIPAA is a Federal Statute and the Department has no documents that are responsive to this request.

Pursuant to the Office of Open Records Final Decision in *Jenkins vs. Pennsylvania Department of State*, Docket # AP 2009-065, it should be noted that: "It is not a denial of access



when an agency does not possess records and [there is no] legal obligation to obtain them (*see, e.g. section 67.506 (d)(1)*)."

The Department has denied your request (#6) because trade secrets and confidential propriety information are exempt from disclosure.

6) Any filing with the state of PA by Highmark Blue Cross Blue Shield that covers any multi-employer groups under Highmark's coverage plans, such as associations, that by virtue of its membership could fall under a Highmark umbrella policy or consortium.

The RTKL at 65 P.S. § 67.708(b)(11) exempts from access records which constitute or reveal a trade secret or confidential proprietary information. Group specific rates are considered Trade Secrets and/or confidential propriety information. Therefore, these documents are not public records.

You have a right to appeal this denial of information in writing to Terry Mutchler, Executive Director, Office of Open Records (OOR), Commonwealth Keystone Building, 400 North Street, 4th Floor, Harrisburg, Pennsylvania 17120. If you choose to file an appeal you must do so within 15 business days of the mailing date of this response and send to the OOR:

- 1) this response;
- 2) your request; and
- 3) the reason why you think the agency is incorrect in its response.

Also, the OOR has an appeal form available on the OOR website at: <https://www.dced.state.pa.us/public/oor/appealformgeneral.pdf>.

Sincerely,

A handwritten signature in cursive script that reads "Peter J. Salvatore".

Peter J. Salvatore  
Agency Open Records Officer  
1326 Strawberry Square  
Harrisburg, PA 17120  
717.787.4429

Attachment: RTKL request