

November 11, 1999

Marc P. Volavka
Executive Director
Pennsylvania Health Care Cost and Containment Council
225 Market Street, Suite 400
Harrisburg, PA 17101

Dear Mr. Volavka,


I would like to thank you for offering HealthAmerica the opportunity to review the information contained in the soon-to-be-publicly released report on diabetes: *The Role of HMOs in Managing Diabetes*. Following review of this information, HealthAmerica would like to offer the following comments:

1. Please note that the Company name for all three lines of business should state HealthAmerica/HealthAssurance/Advantra. While we recognize that this is not the legal filing name for the company, this will reflect the way that the Plan is recognized in the community and the local market.
2. The name of the plan for the Commercial POS line of business should state HealthAssurance, not HealthAmerica-HealthAssurance.
3. Regarding the statistics for the hospitalization rates for members with diabetes, we acknowledge that the rates we reported are accurate; however, we feel that this category under-reports the actual number of members hospitalized due to diabetes and its numerous complications as it is based on coding for diabetes as a principal diagnosis only. Frequently, the principal diagnosis is not listed as diabetes, even though this is the underlying condition.

Please feel free to contact me at (412) 497-5801 or e-mail at pboody@cvty.com if you have any questions or require clarification regarding the above comments. It has been a pleasure working with the Pennsylvania Health Care Cost Containment Council on this very important project. We look forward to receiving the final report.

Thank you.

Sincerely,


Patricia Boody, R.N., Director, Quality Improvement

cc: Val Slayton, M.D., M.P.P., Vice President Medical Affairs, Western Region

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