



Francis S. Soistman, Jr.
President and Chief Executive Officer

March 3, 2003

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

Dear Mr. Volavka:

HealthAmerica of Pennsylvania, Inc. and Health Assurance of Pennsylvania, Inc. hereafter referred to as HealthAmerica, appreciates having the opportunity to preview and comment on the Plan's Clinical Outcomes as they will be reported in the 2003 *Managed Care Performance Report*. HealthAmerica is again represented in the Report with two product lines of business, HealthAmerica Commercial HMO and HealthAssurance Commercial POS. We are most supportive of this important initiative to provide the public with a statewide comparison of health plan performance information.

The report expresses a number of positive performance indicators for the HealthAmerica commercial managed care products. We are most pleased with the acknowledgement awarded HealthAmerica's performance in the 2003 HEDIS Report by the National Committee of Quality Assurance with the inclusion of the Plan as one of the "Top 15 Health Plans in the Nation". The Plan continues to be recognized by receiving an "Excellent" accreditation status for the HMO, POS and Medicare products for 2002. Through an active partnership with our physicians and our members, the Plan continues to strive to provide quality, accessible health care for our members. HealthAmerica's quality improvement committees and Health Management Program teams, which include health plan staff as well as network primary care physicians and specialists, utilize the data provided through the annual HEDIS report and the PHC4 reports to evaluate our ongoing initiatives and to develop new programs to meet the health and preventive care needs of our membership.

HealthAmerica is pleased overall with our performance as displayed in the 2003 PHC4 Report. However, the Plan's hysterectomy and the diabetes admission rates are two issues about which there remains additional opportunity to improve performance.

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The preauthorization process for these procedures, which are performed by our participating physicians and surgeons who are duly licensed and fully credentialed, are based on nationally accepted criteria and are reviewed frequently to remain consistent with local and national standards. We believe that the higher incidence of hysterectomies compared to the statewide average may be reflective of the fact that HealthAmerica operates across the Commonwealth rather than on a regional basis. We will continue to analyze our internal data to either confirm this theory or uncover another explanation.

HealthAmerica's HEDIS scores for diabetic members are among the best in the region and the nation; however, continued effort in this area is required and will be pursued. HealthAmerica will continue to work in a concerted effort with our primary care and specialist practices to improve the status of our members with diabetes.

HealthAmerica is supportive of the efforts of the Council to further refine and clarify the information reported. Through discussions with the Council staff, the Plan has been able to provide a larger volume of data for the reporting year of this Performance Report (2001). It is expected that the same effort has been exerted by the other plans participating in this annual endeavor so that comparisons may be considered equivalent. HealthAmerica will continue to support the Council's efforts to provide accurate and fair reporting for all plans for all measures.

The 2003 *Managed Care Performance Report* confirms the Plan's belief that the Council places great importance on the quality of health care in the Commonwealth, and HealthAmerica will look forward to continuing the partnership with the Council in these important initiatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Francis Soistman, Jr.", with a stylized flourish at the end.

Francis S. Soistman, Jr.
President and Chief Executive Officer
HealthAmerica Pennsylvania, Inc.
HealthAssurance Pennsylvania, Inc.