

February 25, 2005

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

Dear Mr. Volavka:

Highmark would like to thank you for providing us with the opportunity to comment on the Pennsylvania Health Care Cost Containment Council's (PHC4's) report, "Measuring the Quality of Pennsylvania's HMOs - CY 2003 Report." Highmark is represented through the KeystoneBlue commercial HMO.

Highmark has placed great emphasis on continuous quality improvement and is pleased with a number of performance measures, including the management of high blood pressure with hospitalization rates for three out of the past four years being lower than expected. Additionally, hospitalization for pediatric asthma is lower that expected. We believe that Highmark's educational efforts for asthmatic members, and its quality incentive program for providers have played a significant role in improving use of anti-inflammatory medications, resulting in better outcomes.

Although hysterectomy rates are higher than the state average, it is important to note that Highmark precertifies all hysterectomy requests using criteria consistent with community quality standards. Additionally, age demographics within the Keystone Health Plan West network reveal a generally older commercial population. It must also be noted that quality measurement standards for appropriate rates of hysterectomy have never been established.

Be assured that we have thoroughly reviewed the information in the 2003 report and paid particular attention to areas in which Highmark appears to have variations from the norm, both favorable and unfavorable. It is our goal to continue to assure that the best care available is provided to our members. All of the information provided in the PHC4 report is regularly reviewed with our six Quality Improvement Committees that consist of internal staff and network physicians. Through the suggestions of these committees, initiatives are often developed focusing on improvements in care.

Highmark has been recognized in the 2003 version of "Quality Compass®" by the National Committee for Quality Assurance (NCQA) as exceeding the majority of its "Effectiveness of Care Measures" concerning immunizations, screenings, and other preventive and chronic measures, both nationally and regionally. In an effort to improve outcomes for members with heart disease, Highmark has offered the Dr. Dean Ornish Program for Reversing Heart Disease as a covered benefit since 1997. The Program has been shown to slow, stop and reverse heart

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disease and was voted as the first quarter 2004 BlueWorks Winner for Engaging Consumers by the Blue Cross Blue Shield Association. In the area of patient satisfaction, Highmark has maintained a pattern of excellence based on the results of the Consumer Assessment of Health Survey (CAHPS), ranking among the top 10 health plans nationally according to the National Committee for Quality Assurance's (NCQA) 2004 "The State of Health Care Quality" report.

Highmark is pleased with the continued efforts that PHC4 has made in managed care reporting, as represented by this report. As always, we remain committed to assisting the PHC4 to ensure that the Council's reports are as accurate and useful as possible for all Pennsylvanians.

Sincerely,

Donald R. Fischer, MD, MBA

Senior Vice President and Chief Medical Officer

Highmark, Integrated Clinical Services