

James R. Godfrey PRESIDENT

August 7, 2000

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

Dear Marc:

Per your request, below are HealthGuard's comments relating to the Managed Care Performance Report.

Our only comment is in relation to the measure of the percentage of members who filed a complaint. The results reported are that 20.5% of HealthGuard's members filed a complaint. This result was higher than expected. The Council verified that the data for this measurement was taken from the 1998 calendar year CAHPS survey question 42. This question reads "In the last 12 months have you called or written your health plan with a complaint or problem?" This question does leave some room for interpretation by the member for the definition of a complaint or problem. What one member considers a problem may be a question for another member. This may be correlated with the 65% rating of the members that felt the complaint or problem was settled to the member's satisfaction. Some may have been questions.

In addition, HealthGuard has earned the reputation of being member friendly. This may make our members more comfortable contacting us than other health plans.

Should you have any questions, please do not hesitate to contact us.

Very truly yours,

James R. Godfrey

Cc: Thomas H. Bargmann

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