

## Overview

**Dignity Health** issued a notice to terminate its Contracting Hospital Agreement with Anthem Blue Cross. It is Anthem Blue Cross's intent to reach reasonable contractual language and reimbursement rates that are beneficial to both organizations. Unfortunately, to date, Anthem Blue Cross and Dignity Health have been unable to reach agreement and it appears that our hospital contract with Dignity Health **may terminate effective July 15, 2021**. Anthem Blue Cross continues to negotiate in good faith with Dignity Health in an effort to reach an agreement before the termination date. Dignity Health includes the following hospitals located in throughout California:

- Bakersfield Memorial Hospital (050036)
- California Hospital Medical Center (050149)
- Community Hospital of San Bernardino (050089)
- Dominican Santa Cruz Hospital (050242)
- French Hospital Medical Center (050232)
- Glendale Memorial Hospital & Health Ctr (050058)
- Marian Regional Med Ctr-Arroyo Grande (0050LP)
- Marian Medical Center (050107)
- Mark Twain St Joseph's Hospital (050366)
- Mercy General Hospital (050017)
- Mercy Hospital of Bakersfield (050295)
- Mercy Hospital of Folsom (050414)
- Mercy Medical Center – Mt Shasta (050419)
- Mercy Medical Center – Redding (050280)
- Mercy Medical Center Merced (050444)
- Mercy San Juan Medical Center (050516)
- Methodist Hospital of Sacramento (050590)
- Northridge Hospital Medical Center (050116)
- Sequoia Hospital (050197)
- Sierra Nevada Memorial Miners Hospital (050150)
- St Bernardine Medical Center (050129)
- St Elizabeth Community Hospital (050042)
- St Francis Memorial Hospital (050152)
- St. John's Pleasant Valley Hospital (0056L4)
- St John's Regional Medical Center (050082)
- St Joseph's Medical Center of Stockton (050084)
- St Mary Medical Center Long Beach (050191)
- St Mary's Medical Center (050457)
- Woodland Memorial Hospital (050127)

## How Members are Affected

### **1. What Anthem Blue Cross products will be affected by Dignity Health's contract termination?**

This hospital contract termination could affect the out-of-pocket obligations for most Anthem Blue Cross members who are enrolled in Commercial PPO, EPO, HMO, and POS benefit plans and receive care at Dignity Health. Members who have Medicare Part C are affected, however, those with a Medicare supplemental policy for Part A and Part B (Medigap) are not affected by this contract termination.

### **2. Will members be notified about the contract termination?**

Within five days after the hospital's termination from the network, Anthem Blue Cross will notify subscribers that personally accessed or had a covered family member access Dignity Health within the last 12 months. In addition, members authorized or scheduled for a service or procedure at Dignity Health will be notified. The letters will instruct members to call Anthem Blue Cross at the toll-free customer service number, 1-844-971-0117, or the toll-free member services number on their ID card if they are in a current course of treatment at Dignity Health or have questions or concerns about the contract termination. The DMHC letters will state the following legally-required message regarding completion-of-covered-services/continuity-of-care:

*If you have been receiving care from a health care provider, you may have a right to keep your provider for a designated time period. Please contact Anthem Blue Cross at the toll-free customer service number, 1-844-971-0117, or the toll-free member services telephone number on your identification card, and if you have further questions, you are encouraged to contact the Department of Managed Health Care, which protects consumers, by telephone at its toll-free number, 1-888-466-2219, or at a TDD number for the hearing and speech impaired at 1-877-688-9891, or online at [www.dmhca.ca.gov](http://www.dmhca.ca.gov).*

*Note: Anthem Blue Cross does not mail notices to members enrolled ASO, JAA, MCS, or other self-funded plans (however, this does not preclude member eligibility for continuation of covered services). A template notice is available that can be forwarded to clients for their use in notifying their associates about the contract termination.*

**3. How will Anthem Blue Cross HMO members be affected by Dignity Health's contract termination?**

All non-emergency hospital services must be approved by the member's participating medical group/IPA. If approved, Anthem Blue Cross will cover the claim at the member's in-network benefit levels. If not approved by the member's participating medical group/IPA, the claim will be denied, as stated in the members *Evidence of Coverage* (EOC).

**4. How do members know if their doctor will be affected by this hospital termination?**

Many doctors have admitting privileges at more than one hospital. Just because a member's doctor may have admitting privileges at Dignity Health does not necessarily mean that a doctor cannot treat his or her patients at another participating hospital.

## Physicians, Medical Groups, and Alternate Hospitals

**5. What other participating hospitals are located near Dignity Health?**

Anthem Blue Cross has a statewide hospital network of over 300 acute care facilities. The *Find a Doctor* function at **[www.anthem.com/ca](http://www.anthem.com/ca)** can be used to locate a participating hospital in a specific area. The following is a partial list of alternate participating general acute care hospitals in the Dignity Health service area:



2021\_Dignity Health Alternate Hospital List 6.15.21.zip

***Note, the alternate hospitals may not be participating in all Anthem networks. Anthem members will be advised to verify with both their provider and the Anthem Blue Cross website at [www.anthem.com/ca](http://www.anthem.com/ca) that the alternate facility is participating in their benefit plan's network.*** For a **complete** list of contracted hospitals, as well as ambulatory surgical centers and other ancillary facilities, please see the Anthem Blue Cross website at [www.anthem.com/ca](http://www.anthem.com/ca). Customer Service representatives can check the provider database for a physician's admitting privileges at another nearby in-network facility. Members should confirm the information they receive with their treating physician. Every effort will be made to assist members in determining their choices and understanding the potential financial consequences of seeking care with a provider that is not in the Anthem Blue Cross provider network.

**6. Will Anthem Blue Cross notify PPO physicians and admitting HMO medical groups about the contract termination?**

On June 15, 2021, Anthem Blue Cross mailed letters to admitting HMO medical groups and physicians who maintain privileges/affiliations at Dignity Health explaining the pending contract termination. These letters encourage physicians to obtain alternate admitting privileges and/or arrange for the redirection of members to alternate participating hospitals. If applicable, *additional letters to admitting HMO medical groups and PPO physicians will be mailed immediately following the hospital's termination to inform them that the contract did in fact terminate while again asking that they gain alternate admitting privileges if they have not already done so.*

HMO medical groups and PPO physicians have agreed in their contracts to admit members to Anthem Blue Cross participating hospitals to ensure that each member receives the maximum benefit level under his or her benefit agreement.

As the *Prudent Buyer Participating Physician Agreement* (the "Provider Agreement") requires PPO physicians to maintain privileges at a participating hospital, physicians with exclusive admitting privileges to Dignity Health will need to obtain admitting privileges at an alternate participating hospital prior to July 15, 2021 in order to continue the Provider Agreement. This will ensure that any necessary transition is as smooth and seamless as possible for them, their patients (our members) and the alternate participating hospital, should our contract with Dignity Health terminate. If PPO physicians have questions or need additional information on how Anthem can help with this transition process, please contact the Anthem Blue Cross Network Relations Department at [CACContractSupport@anthem.com](mailto:CACContractSupport@anthem.com).

## Post-Termination Care – Dignity Health

**7. What if a member is in-patient at Dignity Health on the day the contract terminates?**

If a member is in-patient at 11:59 PM the day before the contract terminates, then the member will continue to receive uninterrupted care at Dignity Health until he or she is discharged. In addition, the member's in-network benefit levels will apply for the entire in-patient stay.

**8. What about members who need to complete a course of treatment (continuity of care) at Dignity Health after the contract termination date?**

California law provides for completion of covered services/continuity of care for certain medical conditions following a provider's termination if, among other things, the provider and the plan agree on a rate of payment. The current contract between Anthem Blue Cross and Dignity Health has provisions that cover members for continuity of care/completion of covered services after the contract terminates. If a member began a course of treatment at Dignity Health before the contract termination date for one of the following conditions, the member or his or her physician can request continuity of care by calling Anthem Blue Cross at the toll-free customer service number, 1-844-971-0117, or the toll-free member services telephone number on their identification card:

- Members in an active course of treatment for an acute medical or behavioral health condition
- Members in an active course of treatment for a serious chronic condition
- Members who are pregnant, regardless of trimester

- Members with a maternal mental health condition diagnosed by their treating health care provider
- Members with a terminal illness
- Members who are newborn children between the ages of birth and 36 months
- Members with a surgery or other procedure that was authorized by Anthem Blue Cross or a delegated provider (HMO medical group) prior to the termination date and scheduled to occur within 180 days after the termination date.

Eligibility for continuity of care depends on factors outlined in the member's EOC. Continuity of care/completion of covered-services will be considered by the Anthem Blue Cross on a case by case basis. When a case is approved, the claim is processed at in-network benefit levels.

When a case is approved for continuity of care through Anthem Blue Cross, the claim is processed at in-network benefit levels. Once a member is determined to be eligible for Continuity of Care, the member is only financially responsible for applicable deductibles, coinsurance and/or co-payments. If an Anthem Blue Cross member has one of the conditions that qualify for Continuity of Care listed above, but Anthem Blue Cross does not approve the request (i.e. the member service was not planned and/or authorized prior to termination at one of the Dignity facilities before the termination date), a continuity of care approval will not be provided. In this situation, the provider will be considered out-of-network and the member, if he or she chooses to receive care from the provider, may incur significant out-of-pocket expense, depending on their benefit structure.

**9. What if the member does not qualify for completion of covered services / continuity of care? Can the member receive care from Dignity Health anyway?**

PPO and Traditional (Indemnity) Members:

Members enrolled in a DMHC-regulated benefit plan who elect to receive care at a non-contracting facility may be responsible for higher out of pocket expenses depending on benefit plan design for non-authorized services as stated in the member's EOC. Note: There may be different arrangements for CDI-regulated benefit plans, ASO groups, or other self-insured clients.

EPO Members:

Members enrolled in a DMHC-regulated benefit plan must stay within the EPO hospital network aside from true emergency situations.

HMO Members:

As the Dignity Health HMO Medical Groups are also terminating on July 15, 2021, HMO members and physicians wishing to request continuity of care/completion of covered services would contact should contact their new participating medical group or PCP or they may call Anthem Blue Cross using the toll-free customer service number, 1-844-971-0117, OR the toll-free member services number on their current ID card for assistance from a Customer Service representative.

**NOTE:** PPO physicians and HMO participating medical groups and IPAs that admit patients to Dignity Health will be informed about the contract termination so that Anthem Blue Cross members will be admitted to participating network facilities following the contract's termination date.

**10. If a member does not have access to an alternate participating provider or a particular service is not available elsewhere, can he or she receive that service from Dignity Health?**

Anthem Blue Cross assures its members that they will have timely access to care. If a service is not available at an alternate participating provider, and benefit available for out-of-network, PPO members may request an out-of-network referral by contacting Anthem Blue Cross at the toll-free customer service number, 1-844-971-0117, or the toll-free member services number on their ID card. Requests will be reviewed on a case-by-case basis pursuant to the Anthem Blue Cross out-of-network referral policy. When an out-of-network referral is approved by Anthem Blue Cross, the member's in-network benefit levels will apply. However, because Dignity Health will no longer participate in the Anthem Blue Cross provider network, members may be responsible for higher out of pocket expenses, depending on their benefit plan. Every effort will be made to assist members in understanding the potential financial consequences of the decision to seek services from a non-participating provider.

**11. What about members who need emergency medical care at Dignity Health following the contract's termination date?**

A hospital's emergency medical services do not require pre-authorization, regardless of where they are delivered. Dignity Health must continue to provide services for members requiring emergency care. Coverage will be provided according to the member's policy benefits.

Anthem Blue Cross encourages members to make informed decisions about when to use urgent care as opposed to emergency room care. Urgent care is appropriate when a member needs a physician's attention for a condition that is non-life threatening. Any member needing urgent care, but whose physician or network provider is unavailable, should go to the nearest immediate or urgent care facility.

## Contract Negotiations

**12. What is the status of the negotiations between Anthem Blue Cross and Dignity Health?**

Good faith negotiations with Dignity Health continue. Anthem Blue Cross does not share details of its confidential contract negotiations with the public. Our primary goal during contract negotiations is to ensure we are fairly compensating providers, while assuring the best access to health care at an affordable price for our members. We take protecting our members from exceedingly high medical costs very seriously and cannot agree to a contract that puts further pressure on the rising cost of health care paid by our customers.

**13. Don't hospital negotiations usually work themselves out as a contract termination date draws closer?**

Negotiations often do work themselves out as the contract termination date gets closer, but that is not always the case. Anthem Blue Cross is doing everything it can to work collaboratively with Dignity Health, as well as the PPO physicians and medical groups that maintain admitting privileges at Dignity Health, to ensure a smooth transition for our members if an agreement cannot be reached.