



Highmark, UPMC Reach Transition Agreement Consent Decree Terms to Protect Highmark Patients and Consumers

July 2014

Highmark and UPMC reached a comprehensive agreement on how and where patients can receive health care after the contract between the two organizations expires on January 1, 2015. The agreement is not a contract extension. The five-year accord provides continued in-network access under certain conditions for some Highmark members to all UPMC providers, to some UPMC providers under limited conditions and a limited number of providers for most covered medical conditions. The agreement was filed with Commonwealth Court as part of a Consent Decree. The agreement was announced last Friday by Pennsylvania Governor Tom Corbett and Attorney General Kathleen Kane.

Access to In-Network Care at UPMC Hospitals and other Providers:

For many Highmark members, access to in-network care through UPMC flagship facilities and doctors that practice out of UPMC facilities will end January 1, 2015. Here are lists of UPMC hospitals that show in-network and out-of-network access for most Highmark members.

In-network Access: UPMC Facilities and physicians that are In-network for Highmark members include:

- **Children's Hospital of Pittsburgh** through June 2022
- **Mercy Hospital** through June 30, 2016
- **Western Psychiatric Institute and Clinic**
- UPMC Hospitals outside of Allegheny County and immediately surrounding counties including **UPMC Bedford, UPMC Northwest, UPMC Altoona, UPMC Hamot, UPMC Horizon**
- **Hillman Cancer Center** and **UPMC Cancer System** for oncology patients, but continues only if the treating physician makes that determination and the patient or the patient's representative agrees. (A recent UPMC release states that care is not in-network).

Out-of network access: UPMC facilities and physicians that on January 1, 2015 will be out-of-network for Highmark members, except for services covered by the consent decree include:

- **Magee-Womens**
- **Montefiore**
- **Passavant**
- **Presbyterian**
- **Shadyside**
- **St. Margaret**
- **McKeesport**
- **UPMC East (Monroeville)**

Terms of the Consent Decree:

Emergency and trauma services: UPMC and Highmark are to negotiate in good faith to reach an agreement on In-network rates and patient transfer protocols for emergency and trauma services for **hospitals, physician and appropriate continuity of services at all UPMC and Allegheny Health Network Hospitals**. This does not mean that patients are in-network for purposes or services other than treating the emergency condition or receiving trauma services – For example, a patient admission by a treating physician may not be considered as in-network unless it is considered as continuity of care, care received at unique/exception hospitals or oncology. UPMC shall not balance bill consumers until the emergency agreement is resolved.



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Vulnerable Populations:

UPMC and Highmark agree that vulnerable populations include (i) consumers age 65 or older who are eligible or covered by Medicare, Medicare Advantage, (ii) Medigap health plans, (iii) Medicaid and (iv) CHIP (Children's Health Insurance Program). For this Highmark covered population, UPMC will continue to contract with Highmark at in-network rates for all UPMC Hospital, physician and continuity of care services for CHIP, Highmark Signature 65, Medigap and commercial retiree carve out plans as long as Highmark does not materially change these programs. UPMC will treat all Medicare consumers as in-network regardless of whether they have Medicare as primary or secondary insurance.

Local Community Needs:

Highmark members will continue to have ongoing access to unique UPMC providers and services where the patient's treating physician believes the patient needs such services and the Department of Health (DOH) determines that they are not available from another source, and the member is out-of-network. UPMC will not balance bill the member and Highmark and UPMC will negotiate a payment that is not greater than out-of-network rates established by the Consent Decree.

Oncology and Cancer Services:

Highmark members will have ongoing access to **UPMC services, providers facilities and physicians** for cancer treatment, as if in-network, if a patient's treating physician makes the determination that a patient who is diagnosed with cancer should be treated by a UPMC oncologist and the patient agrees. UPMC and Highmark shall negotiate an agreement for treatment of illnesses which result from cancer treatment. That may include mental health, endocrinology, orthopedics and cardiology. This includes **all UPMC joint ventures, physician services provided at or on behalf of independent hospitals (whether related to oncology or not), including services provided through Hillman and at Magee**. Services shall be considered in-network and UPMC shall not balance bill consumers until this agreement is resolved. (Note: Last Friday, UPMC released a statement that UPMC Hillman Cancer Center is not in-network. We will contact you when this is resolved).

Unique/Exception Hospitals and Physicians:

UPMC and Highmark are to negotiate in good faith to reach an agreement for hospital, physician services and follow-up care at:

- **Western Psychiatric Institute and Clinic;**
- **UPMC Bedford;**
- **UPMC Venango (Northwest), Hamot and Altoona;** and
- Other UPMC provider services that may be delivered outside the Greater Pittsburgh area (counties of Allegheny, Beaver, Butler, Washington and Westmoreland) or any future acquired hospital by UPMC determined by the DOH to be essential to local community needs.

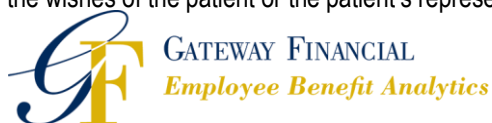
Out-of network services:

For care to Highmark subscribers not covered by the consent decree, beginning January 1, 2015, UPMC will provide services on an out-of-network basis. Generally, UPMC reimbursement rates for out-of-network services shall not exceed 60% of charges if paid promptly and provided UPMC informs the consumer of such charges before rendering services.

UPMC will provide out-of-network access for Highmark members (other than for certain services including emergency and trauma services, oncology listed above). UPMC facilities including **Magee-Womens, Montefiore, Passavant, Presbyterian, Shadyside, St. Margret, McKeesport** and **UPMC East** will be out-of-network and conditioned on whether the treating physician deems care necessary and whether treatment from another source is available.

Continuity of Care:

Continuation of care of a Highmark member in the midst of a course of treatment at UPMC shall be on an in-network basis at in-network rates. The need for a continuing course of treatment shall be determined, in the first instance, by the treating physician in consultation with the wishes of the patient or the patient's representative. While undergoing a continuing course of treatment with UPMC, the services related



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to that treatment, including testing and follow-up care. If Highmark disputes the opinion of the treating physician that continuation of care is medically appropriate, or disputes the scope of that care, the DOH or its representative will review the matter and make a final determination.

Safety Net:

UPMC and Highmark mutually agree to establish a one-year safety net beginning January 1, 2015 for any existing UPMC patient and Highmark subscriber who:

- a) Used UPMC physicians and services in-network during the 2014 calendar year,
- b) Is not in a continuing course of treatment, and
- c) Is unable to find alternative physicians service during the one-year period.

UPMC and Highmark shall hold such consumers harmless if they continue to use such physicians and services prior to January 1, 2016. Rates for the safety net period shall be determined under the dispute resolution process. The safety net is not a contract extension.

Advertising:

UPMC and Highmark agree not to engage in unclear or misleading advertising

Monetary Terms:

Consumer Education Fund and Costs: Highmark and UPMC will, within 60 days of the consent decree, each contribute \$2 million for the Commonwealth to use for outreach and education during the transition and to cover costs its agencies incur in reaching agreements.

Rates:

For the period, January 1, 2015 to December 31, 2015, rates for all in-network services covered in the consent decree, except for rates currently being arbitrated by UPMC and Highmark, shall revert to the last mutually agreed upon rates or fees by Highmark and UPMC with the "market basket index" (MBI) applied January 1, 2015.

Action Plan

We understand that this consent decree is complicated and may raise more questions as many aspects still must be worked out between Highmark and UPMC. As additional details become available, our Consultants and Client Managers can review the Highmark and UPMC transition agreement with you and discuss how your employees may be affected.

For additional information contact: Edwin R. Weeber, Jr., CEBS, CLU, ChFC nweeber@gatewayfinancial.biz



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