

PATIENT CARE ASSURANCE PLAN

Major Issues for Resolution in the UPMC/Highmark Unwind

Joint Statement

Among UPMC's highest priorities is providing timely and accurate information to our patients and the community in general to reduce their anxiety and frustration and enable them to make informed decisions regarding their health insurance options. To this end, it is our belief that UPMC and Highmark should prepare and release a joint statement informing the public accurately and fairly about how they will be impacted by the expiration and run out provisions of the Hospital Contracts, the termination of Physician Contracts, and the associated unwinding and transition process. The statement should, at a minimum, provide clarity concerning Medicare and Medicaid coverage, unaffected physicians and facilities, the continuation of UPMC provider participation in certain Highmark products, and the financial responsibilities of Highmark members when UPMC services are out-of-network. In order to issue such a statement many underlying issues need to be promptly resolved (see below).

QUESTIONS FOR HIGHMARK

- JS-1: Will Highmark agree to issue a joint statement with UPMC about the important issues identified above?
- JS-2: What process would Highmark propose to generate this statement?
- JS-3: Time is of the essence in this communication. Will Highmark commit to a date by which to release this joint statement?

Continuity of Care for Patients Undergoing Treatment

The provisions of the current Highmark/UPMC Physician Contracts provide for cooperation regarding members that may be affected by the separation because they are undergoing an ongoing course of treatment or are otherwise active patients. Not surprisingly, we have and continue to receive queries from our patients as to how their individual situations will be impacted.

Examples of patients who are or will be seeking guidance are those who: are pregnant and will deliver after June 30, 2012; must be tracked by physicians for an extended period according to the defined clinical protocol for an injury or illness; are in an approved rehabilitation program that extends beyond June 30, 2012; will have surgery before June 30, 2012 but will require post-operative follow-up after that date; will be inpatients on June 30, 2012, but not otherwise ready for discharge; may be hospitalized for intensive care or neonatal intensive care for extended periods that straddle June 30, 2012; are ventilator dependent; or will be in active clinical trials on June 30, 2012. UPMC is prepared to work with Highmark to identify patients undergoing an active course of treatment and maintain an ongoing census of such patients.

ISSUES TO BE ADDRESSED/QUESTIONS FOR HIGHMARK

- CC-1: Will Highmark develop an authorization process for services required by patients in ongoing courses of treatment?
- CC-2: If yes, when will Highmark put this process in place and who will be the points of contact at Highmark for patient issues/authorizations?
- CC-3: If yes, within what time frame will Highmark give such authorizations?
- CC-4: If yes, how and when will Highmark let patients and UPMC know about its determinations?
- CC-5: Under the Hospital Contracts, it is agreed by the parties that Highmark members will be able utilize UPMC hospitals at current contract rates during the run-out period. Under terminated Physician Contracts, Highmark members undergoing an active course of treatment will be able to utilize UPMC physicians at contract rates. How will this be communicated to Highmark members?
- CC-6: Will Highmark establish a mechanism for members to identify themselves for consideration as being in an active course of treatment as of June 30, 2012?

Care for Patients with Chronic Diseases and/or Conditions that Require Ongoing Care

A major concern to our patients is how Highmark will address patients with chronic diseases and/or conditions that require ongoing care such as cancer patients; HIV patients, transplant candidates listed for transplant and transplant patients; patients with chronic diseases such as hypertension and diabetes; patients in clinical pathways; Cystic Fibrosis patients and Sickle Cell patients. UPMC is prepared to work with Highmark to identify patients with chronic conditions and maintain an ongoing census of such patients so that UPMC and Highmark can ensure that these patients have timely, complete and accurate information about their care and coverage.

QUESTIONS FOR HIGHMARK

- CD-1: Is Highmark prepared to establish criteria to identify members who have chronic conditions and/or conditions that require ongoing care and will Highmark authorize their continued use of established UPMC providers? UPMC stands ready to work with Highmark to jointly develop these criteria.
- CD-2: If yes, will Highmark make these determinations on a case-by-case basis or identify classes of patients for which it will a priori authorize ongoing care?
- CD-3: If yes, within what time frame will Highmark give such authorization?
- CD-4: If yes, how and when will Highmark let patients and UPMC know about its determinations?
- CD-5: For authorized hospital services or physician services for Highmark members who have chronic diseases and/or conditions requiring ongoing follow-up that will be out-of-network, how much of the out-of-network costs will Highmark absorb and how much will it pass on to patients? Will Highmark discuss those out-of-network costs and that pass-through with UPMC?
- CD-6: Will Highmark establish a mechanism for members to identify themselves for consideration as having a chronic condition and/or a condition requiring ongoing follow up?

Vulnerable Populations

Our community remains concerned about use of UPMC facilities by the elderly and other vulnerable populations after June 30, 2012. We feel that it is incumbent on both organizations to eliminate any such concerns and to jointly confirm to the public what already appears to be the subject of agreement: that these vulnerable populations will not be affected by this transition.

Both Highmark and UPMC have publicly stated that they will continue to honor in-network rates for Medicare members. See, e.g., <http://highmarkchoicematters.com/people-with-medicare/>. We believe that UPMC and Highmark should sign a physician services agreement to provide continued in-network care for Medicare members.

UPMC is also willing to enter into new hospital and physician agreements with Highmark to ensure continued in-network access for CHIP members to UPMC providers.

In addition, Highmark offers certain guaranteed-issue and other "last-resort" product lines for members who are unable to obtain coverage elsewhere, including individuals with preexisting conditions (at least until January 1, 2014, when certain provisions of the Affordable Care Act take effect). UPMC is willing to enter into new hospital and physician agreements with Highmark to guarantee in-network coverage through December 31, 2013 for members of these product lines.

QUESTIONS FOR HIGHMARK

- VP-1: Will Highmark sign physician services agreements with UPMC guaranteeing in-network care for Medicare members?
- VP-2: If yes, what process does Highmark suggest that we jointly use to inform Medicare beneficiaries?
- VP-3: Will Highmark sign new agreements with UPMC guaranteeing in-network care for CHIP members?
- VP-4: If yes, what process does Highmark suggest that we jointly use to inform CHIP members?
- VP-5: Will Highmark sign new agreements with UPMC guaranteeing in-network coverage for members of Highmark's guaranteed-issue and last-resort product lines through December 31, 2013?
- VP-6: If yes, what process does Highmark suggest that we jointly use to inform guaranteed issue and "last resort" product line members?

Out-of-Network Usage of UPMC Facilities and Physicians

UPMC's facilities and physicians are preferred by many consumers in the region. UPMC and Highmark should negotiate the process for out-of-network usage of facilities such as UPMC Passavant, UPMC St. Margaret, the Hillman Cancer Center, Magee-Womens Hospital, Western Psychiatric Institute and Clinic of UPMC and other facilities with contracts expiring on June 30, 2012 as well as physicians whose contracts will be terminated effective June 30, 2012.

QUESTIONS FOR HIGHMARK

- ON-1: Discuss and agree upon a process for selectively authorizing Highmark members to use UPMC facilities and physicians once they are non-participating providers in Highmark's network.
- ON-2: What will be the process and time frame in which Highmark will authorize its members to use UPMC facilities and physicians?
- ON-3: How and when will Highmark let patients and UPMC know about its determinations?

Emergency Care and Transfers

UPMC and Highmark should jointly formalize plans and processes for coordination of emergency care and transfers.

EXAMPLES OF ISSUES THAT NEED TO BE ADDRESSED

- EC-1: UPMC operates one of the busiest Level I trauma centers in the Commonwealth at UPMC Presbyterian (PUH). UPMC fully complies with EMTALA and turns away no patient requiring emergency care. Highmark and UPMC should jointly develop protocols for Highmark patients that come to UPMC Presbyterian and other non-participating UPMC Hospital emergency departments after June 30, 2012 and subsequently require non-emergent services or inpatient care. Will Highmark agree to jointly develop protocols as to how these patients should be handled? Will Highmark establish policies detailing the patients' responsibility, if any, for paying for the non-emergency and/or inpatient components of care and for physician services?
- EC-2: If yes, how will Highmark let its members know about these protocols and policies?
- EC-3: UPMC accepts transfers from outside facilities and has developed a patient transfer center (MedCall) to facilitate seamless transfer. Is Highmark prepared to work with UPMC to jointly develop a fast-track review/approval process for Highmark members being transferred from outside facilities to UPMC after June 30, 2012?
- EC-4: There are a number of pediatric related programs and services that involve technology at PUH. Will Highmark agree to jointly develop protocols as to how these patients should be handled? Will Highmark establish policies detailing the patients' responsibility, if any, for paying for these types of programs and services?

Transition Planning

UPMC and Highmark should formalize an orderly transition plan to minimize disruption of care and costs to Highmark members during the run-out period and afterwards as well as after termination of the Physician Contracts. The transition plan should include formal dispute resolution provisions for addressing and resolving disputes regarding the transition in an orderly and timely fashion. In addition to the issues previously described, issues that need to be included are:

- **Medical Records.** UPMC and Highmark should develop protocols for hospital and physician medical records.
- **Approvals.** Highmark’s approval for Hospital Services during the run-out period is required by the Hospital Contracts. It is unclear whether and how Highmark intends to request Hospital Services for its members during the run-out period. UPMC and Highmark should develop an approval process for Highmark to request and approve its members’ use of the UPMC Hospitals during the run-out period.
- **Physician Services.** UPMC and Highmark should determine how to minimize disruption to patients and Highmark members when Physician Services are no longer available under the Hospital Contracts and no longer reimbursable by Highmark under terminated Physician Contracts. Additionally, for those UPMC physicians that remain participating providers, a streamlined process to credential new physicians should be developed.
- **UPMC East.** Although UPMC and Highmark do not and will not have a contract for this facility, which is scheduled to open in July 2012, UPMC and Highmark should enter into an agreement that will ensure that Highmark’s Medicare and CHIP members as well as subscribers to its guaranteed-issue and other “last resort” product lines have broad access to this facility.
- **Publications.** Highmark cannot identify the eight UPMC Hospitals with expiring Hospital Contracts as “participating providers” in Highmark’s network in any Highmark publications describing network benefits beyond July 1, 2012. UPMC and Highmark should determine how these publications will identify UPMC.
- **Billing Issues.** UPMC and Highmark should work together to resolve billing issues, including pre-authorization, co-pays, and balance billing, during and after the run-out period when the UPMC Hospitals and UPMC physicians are non-participating providers.
- **Cut Off Period for Authorization of Care.** For procedures, radiology, surgeries, and other services that have to be scheduled and authorized in advance, and that cross the expiration date threshold, we should jointly define the process and timelines.
- **Other Contracts and Joint Ventures.** We should address UPMC contracts with outside entities for services that may impact Highmark members. In addition, issues arising with UPMC’s joint ventures with community hospitals (e.g. cancer centers) should be reviewed.

- **Blue Cross Blue Shield Affiliates.** We should address the process by which members of all other Blue Cross and Blue Shield plans are notified regarding the non-participating provider status of UPMC providers.

QUESTIONS FOR HIGHMARK

- T-1: Is Highmark prepared to work with UPMC to develop a transition plan addressing these issues?
- T-2: If yes, are there other items that should be included in the transition plan?

Physician Contracts

The Physician Contracts between Highmark and the physician groups owned by UPMC are terminable with 60-days’ written notice. UPMC intends to terminate certain Physician Contracts with Highmark effective July 1, 2012. As it relates to termination of the Physician Contracts, the parties should meet to discuss:

- **Groups.** The identification of UPMC physician groups to be terminated in whole or in part.
- **Restructuring.** Physician groups or individual physicians whose agreements should not be terminated and any necessary restructuring of Physician Contracts, including for physicians practicing at Children’s Hospital of Pittsburgh of UPMC, UPMC Mercy and UPMC Hamot.
- **Participating/Non-Participating Issues.** Physician issues related to participation status at Children’s Hospital of Pittsburgh of UPMC, UPMC Mercy and UPMC Hamot after the expiration date. Physicians may practice in multiple hospitals where contracts expire prior to others.

ISSUES TO BE ADDRESSED/QUESTIONS FOR HIGHMARK

- PC-1: Is Highmark prepared to meet with UPMC to address the above?
- PC-2: Discuss whether the Physician Contracts may be terminated at a time and in a fashion that could minimize disruption of benefit plans.
- PC-3: If yes, are there other items that should be included in this discussion?