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A MESSAGE FROM

Robin Young



## We're taking action to negotiate lower prices with providers

Recently I wrote to you about the ways we can address your and your employees' need for affordability. I shared that one powerful tool to deliver savings is our provider networks, and I wanted to give you an update on the actions we are taking to keep costs down.

In July, we offered new contracts to several providers who are being paid much higher rates than their peers. These providers practice at, but aren't directly employed by, hospitals that participate in our network – think emergency physicians, anesthesiologists, radiologists, and others. We are asking these providers to accept fair market rates that bring them in line with similar providers in our networks.

Our new contract offers would deliver an estimated \$65 million in annual savings, which will directly lower your medical costs for your members and help us offset premium increases. (As we've shared, we set premiums each year based on what we expect to pay for the medical services our members need.)

And most importantly, because these providers work in hospitals that do belong to our networks, members won't have to seek care elsewhere, and they won't face higher costs.

You may be wondering how we got here.

Over the years, providers in these specialties have often threatened to end their contracts with us and then balance bill our members to boost their profits. Receiving an out-of-network charge for a visit to an in-network hospital has been one of the most confusing and frustrating experiences for our members. So to protect our members, we have historically responded to balance billing threats by agreeing to higher rates than we wanted to.

Now that the law protects our members from balance billing from out-of-network providers who work at in-network facilities, we have a responsibility to move these and other outlier providers to fair market rates.

Our goal is to get better pricing on your behalf, ultimately lowering costs for customers and members.

I wanted to make sure you heard about these changes from us first, as we expect you could hear about this in your local market. We are confident this is the right approach to respond to your needs – especially since your employees won't have to change providers or face surprise bills.

My team and I are here if you have any questions. Please don't hesitate to reach out.

**Robin**

Senior Vice President, Operations, & Chief Marketing Officer

## Questions or comments?

Want to learn more about something I shared today? Have a question or concern to share with BlueCross leadership? We'll get back to you promptly.

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