

Updated

Beaumont Hospital gives notice it will not participate with Blue Care Network after Jan. 12, 2012, unless agreement is reached

Blues Remain Committed to Providing Access to Quality Care without Excessive Costs

Beaumont Hospital has given notice to Blue Care Network that it would no longer participate in hospital networks serving BCN health plans on or after Jan. 12, 2012, unless the Blues agree to a double-digit percentage increase in payments. This large increase is intolerable.

For nearly a year, Blue Cross Blue Shield of Michigan and Blue Care Network have proactively engaged in talks with Beaumont Hospital about reimbursement. BCBSM and BCN could not accept the double-digit increase as our customers and subscribers struggle with the cost of health care services that drive up premiums.

The Blues proposed an increase to Beaumont that fairly covers the cost of medical services they provide to Blues members and delivers a fair financial margin (profit) to the hospital. Blue Cross also proposes a value-based incentive arrangement that rewards the hospital when it develops initiatives that provide quality care at a lower cost.

General Questions

1. When could my employees with BCN coverage be affected?

Until January 12, 2012, there will be no difference in reimbursement for services your employees receive at Beaumont hospitals.

2. What will happen when Beaumont Hospitals are no longer participating in the BCN networks?

Services provided by Beaumont hospitals are available at other nearby hospitals that participate with Blue Care Network. BCN is working with physicians to make sure members are directed to nearby participating hospitals. BCN will only pay for elective services at Beaumont if they are pre-authorized by BCN. However, if Beaumont becomes a non-participating hospital, BCN members will be responsible for paying the hospital's charges for non-emergency services unless the services are approved as an out-of-network service by BCN. Emergency services will still be covered.

3. What can I advise my group members if they ask about this?

- Your employees can continue receiving services at Beaumont hospitals and there is no change at this time. Agreements are in place until January 12, 2012, with Beaumont hospitals.
- BCN members have broad access to 144 other hospitals across the state.
- Blues' network hospitals help your employees save out-of-pocket costs.

- In almost all cases, your employees can get the same procedure at another BCN participating hospital.

4. Why hasn't an agreement been reached with these hospitals?

Beaumont has asked for a 20 percent increase in hospital reimbursement over two years, which we could not accept as our customers struggle with the cost of health care services that drive up premiums. This demand is intolerable.

5. What was the Blues' response to the hospitals' demands?

The Blues provided Beaumont with a proposed increase that is very fair. It gives Beaumont hospitals a fair financial margin (profit) on the Blues' members they see. Blue Cross also proposes a value-based incentive arrangement that rewards the hospital when it develops initiatives that provide quality care at a lower cost.

6. What about elective surgery and other services for BCN members?

If the hospitals are not in the network, BCN will no longer cover elective surgeries and services at Beaumont, unless the procedures involve designated services that are not available locally except at Beaumont. Because other nearby hospitals provide many of the same services, we anticipate that there will be very few, if any, elective procedures that BCN will need to continue to pay for at Beaumont.

Physicians must get pre-approval to provide the designated services for reimbursement at Beaumont. Members who continue to use Beaumont for nondesignated, elective services will have to pay whatever the hospitals charge for care, which can be substantial.

7. What about services that are only available at Beaumont?

Almost all services are available at other acute care hospitals located in southeast Michigan. We anticipate the instances of services that are only available at Beaumont to be few.

8. Are services provided in a physician's office affected?

No. BCN will pay for covered physician and professional services as long as the physician participates with BCN. Beaumont's action does not affect primary care physicians or specialists' offices. Additionally, many BCN participating physicians have privileges to practice at other high quality hospitals other than Beaumont.

9. Are outpatient services as well as inpatient services at Beaumont affected?

Yes both are affected.

10. What about emergency care for BCN members at a non-network hospital?

BCN members are encouraged to use participating hospitals for emergency care whenever possible. However, emergency care at out-of-network hospitals is a BCN covered benefit and is covered minus members' applicable copayments and deductibles. BCN members requiring additional services may be transferred to a participating (network) hospital.

11. What about elective surgery and other services for BCN members at a non-network hospital?

BCN will continue to pay for certain services, however, a physician referral and plan authorization are required. BCN will not authorize elective services that can be provided at other participating (network) hospitals.

12. What about BCN members who are already in a course of treatment and are using these hospitals?

BCN permits members to continue treatment in certain situations for a specified period of time. For example, expectant mothers who are in their second or third trimester as of the hospital contract expiration date may continue care at the affected hospitals. Additional details will be provided at a later date.

13. Will BCN make payments to the non-network hospitals or do payments go to the Blues member?

BCN will continue to make payments directly to out-of-network hospitals for plan-authorized care. Payments for emergency services are paid directly to the hospital or to the member.

14. Are services to members enrolled in BCBSM products affected?

The Beaumont notice to leave the network only cited BCN. BCBSM members enrolled in PPO, Traditional and Health Savings Account products are not affected. BCBSM Medicare Advantage members are not affected. Only members with Blue Care Network coverage are affected.

15. Are services to members enrolled in BCN Medicare Advantage or MyBlue Medigap products affected?

BCN Medicare Advantage and MyBlue Medigap products are **not** affected.

16. How can I receive information updates?

BCN has established a web page that members can visit for updates at **mibcn.com/blueupdate**. Go there for the most recent information.

This document is based on information available at the time. BCN and BCBSM reserve the right to update/correct this information as appropriate.

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