



## **FAQ: East End Health Alliance Negotiation**

*Updated October 12, 2009*

### ***What is the status with East End Health Alliance (EEHA)?***

Negotiations between Empire BlueCross BlueShield and the East End Health Alliance (EEHA) have been ongoing for several months. The parties were able to reach agreement on EEHA's participation in Empire's MediBlue Medicare product. *While we are pleased that we have been able to reach an agreement for MediBlue customers, we are disappointed that EEHA remains out of network for members in all other plans as we continue contract negotiations with EEHA.* Therefore, as of 12:01AM on Saturday, August 1, 2009, the three EEHA hospitals are no longer part of Empire's extensive hospital network for commercial HMO, EPO, POS, PPO or indemnity products.

Empire continues to offer the EEHA hospitals a secure new multi-year contract to provide these facilities reasonable reimbursement with substantial annual increases. But as of yet the EEHA has not been willing to discuss market rates that reflect an appropriate balance between access and cost. Indeed, over the course of the last several months, Empire has attempted to negotiate in good faith and has offered to compromise on numerous occasions, only to be repeatedly rebuffed by a "take or leave it" position of the hospitals.

This means that ***except for emergency care or as otherwise outlined below***, Empire commercial members will need to seek care from alternate facilities in order to obtain full in-network benefits.

### ***What hospitals are impacted?***

- Eastern Long Island Hospital
- Peconic Bay Medical Center
- Southampton Hospital

Again, Empire MediBlue members (Medicare Advantage) members may continue receive routine, non-emergency services with full in-network benefits at these facilities.

### **Special "In-for-Out" Network Access Rules**

In recognition of our members who reside on the Eastern most part of Long Island, special arrangements have been made to ensure all Empire members who reside in the zip codes that would require travel 30 or more miles to an alternate participating hospital have local access to their most critical care, as well as most needed routine services. Including:

- Needed emergency care and emergency admissions are, as always, covered in any facility
- Deliveries will be considered in network for all Empire plans, regardless of whether the member is currently pregnant
- Dialysis will be covered in network for current dialysis patients
- Chemotherapy will be covered in network
- In addition, for frail patients or patients that otherwise have clinical circumstances that require frequent inpatient admissions or outpatient visits requiring hospital based

care, we will consider in network exceptions on a case by case basis. Your physicians need only contact us, as appropriate, for consideration of exceptions in these circumstances.

Members that live within specific zip codes are eligible to continue accessing EEHA facilities as in-network per this arrangement, as well as certain adjoining towns, including: 11930, 11931, 11932, 11935, 11937, 11939, 11944, 11947, 11948, 11952, 11954, 11956, 11957, 11958, 11962, 11963, 11964, 11965, 11968, 11969, 11970, 11971, 11975, 11976 (the "Exception Zip Codes")

Members with additional questions should contact their benefit administrator or call Empire at **800-495-9323**.

***I am a physician with sole admitting privileges at EEHA. What does this mean to me?***

Empire reached out to all physicians potentially impacted by the hospital's termination, and based on input received has decided to allow all physicians currently participating in our Commercial products to remain in network regardless of hospital affiliation. This means that members can continue to receive in network benefits for services provided by these physicians in their offices, at the locations of other Empire participating providers or at EEHA facilities if an in network exception applies (**SEE** "In-For-Out Network Access Rules" above.)

We hope that member disruption will be minimal given that all physician office care, and all critical or special needs care, requiring hospital based services will be covered as in network. In addition, there are many other local participating providers who can continue to provide routine outpatient services and many members on Eastern Long Island already choose to use other Long Island and New York City Hospitals for elective and scheduled treatments.

***What members could be affected by this termination?***

Any fully-insured or self-insured Empire commercial members with the following plans are impacted by this termination:

- HMO
- EPO
- POS
- PPO
- Child Health Plus
- Healthy New York
- Indemnity

Empire MediBlue plan members are NOT impacted and may continue to receive services at the three facilities as "in-network."

PPO and POS members have the choice of using in-network or out-of-network providers for their care. However, PPO and POS members will receive the highest level of benefit coverage if they use an in-network provider which means they will have lower costs and will not be subject to balance billing.

***If EEHA is not a participating hospital network, will I be covered if I receive emergency care services?***

**Yes. In all instances, emergency services at any facility or hospital will continue to be covered in accordance with member benefit contracts and governing state and federal laws.** This includes EEHA facilities. It is also important to understand that there will be no immediate interruption of care that is already underway at EEHA.

***What if I am scheduled for a procedure at an EEHA facility now that the contract with Empire has terminated?***

Please remember, any needed emergency care and emergency admissions are, as always, covered in any facility. Except for the in network special network access rules described above and transitional care services, as described below, any surgeries or procedures that you may have scheduled at EEHA after August 1, 2009, unless authorized in advance by Empire, should be performed at a hospital or facility that continues to participate in Empire's broad network in order for you to receive in network benefits. This will ensure that those services are covered at the highest possible level of benefit.

***What if I am pregnant, can I receive maternity care services at EEHA?***

Yes, Empire will continue to cover maternity services related to the delivery of your child and post-partum care directly related to the delivery, on an in network basis at EEHA facilities. This applies regardless of whether you are currently pregnant or become pregnant at a future date.

***What if I live out on the Eastern tip of Long Island?***

Because we recognize that some of our members do reside on the Eastern most part of Long Island, Empire is making special arrangements to ensure those living in zip codes that require travel of 30 or more miles to an alternate participating hospital have local access to most critical, as well as most needed routine care. Including:

- Baby Deliveries and post-partum care directly related to the delivery will be considered in-network for all products, regardless of whether the member is currently pregnant
- Dialysis will be covered in-network for current dialysis patients
- Chemotherapy will be covered in-network
- Any frail patients or those patients that otherwise have clinical circumstances that require frequent inpatient admissions or outpatient visits to the hospital will be considered in-network exceptions on a case-by-case basis. We will encourage physicians to contact us, as appropriate, for an exception in these circumstances.
- All physicians currently part of Empire's physician network (regardless of hospital affiliation) will be covered as in-network for any procedure or service that is provided in-office or at another provider location (i.e., MRI center) that is participating in Empire's broad network, consistent with a member's benefit plan

***How can I find out what other facilities are in the Empire network?***

Empire proudly maintains a very broad, robust network of providers and hospitals. There are several hospitals within relative proximity to EEHA facilities that remain available to members for both emergency and non-emergency care as we continue our negotiations

past the contract expiration. Most physicians in Empire's network have privileges at these other nearby non-EEHA hospitals as well as at EEHA facilities to serve our member's needs. For the most current listings, you can call the phone number listed on your membership ID card. Please see the attached list of alternative hospitals on Long Island that remain participants in our network.

***Why won't you pay reimbursement rates comparable to other insurance companies, like EEHA says?***

We can't and won't agree to higher reimbursement rates simply because the hospital's claim that's what other payers may have agreed to. That would break commitments and contract obligations to our members, our employer groups and unions. To do so, would be the opposite of what Government co-op options (like the NYS Empire Plan and Federal Employee Plan) require from us contractually. In the middle of our serious national reform debate in which health care costs are central, a 70% increase over 2 years would be unconscionable.

***What is your response to the statements by Congressman Tim Bishop in July that he is going to have you investigated for unfair business practices?***

We have not heard of any such action by Congressman Bishop, and in fact we look forward to discussing this important issue with Mr. Bishop, his staff and others in more factual detail. The fact is that a 60 percent increase at these hospitals would **add roughly 25-30% to the cost of coverage for Long Islanders** who use these hospitals. This clearly does not represent a serious attempt to achieve the improvements and cost savings cited in the Berger commission report\* that suggested that several Eastern Long Island institutions could improve by merging.

This kind of increase is unacceptable to every Empire member, their family, employers and unions that pay for coverage. This is particularly true given the fact that Empire already reimburses these hospitals at amounts comparable to Empire's reimbursement to like facilities on Long Island and the New York City metro area.

*\*The Commission on Health Care Facilities in the 21st Century (Berger Commission)<sup>1</sup> was created as a broad-based, non-partisan panel created by former Governor Pataki and the New York State Legislature to undertake a rational, independent review of health care capacity and resources in New York State, and overseen by Chairman Stephen Berger. It was created to ensure that the regional and local supply of hospital and nursing home facilities is best configured to appropriately respond to community needs for high-quality, affordable and accessible care, with meaningful efficiencies in delivery and financing that promote infrastructure stability. The Commission released its final recommendations on rightsizing New York State's hospitals and nursing homes in December, 2006. These recommendations included possible consolidation, closure, conversion, and restructuring of institutions, and reallocation of local and statewide resources. Once approved by the Governor and the Legislature, they became law, and must be implemented by the Commissioner of Health.*

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<sup>1</sup> <http://www.nyhealthcarecommission.org/>

***I still have questions – what do I do?***

Members with specific questions may call **the phone number printed on their membership card** or **800-495-9323**. There is also a complete listing of our network providers at [www.empireblue.com](http://www.empireblue.com).

***Media can contact Craig Andrews, Public Relations Director, at 212-476-7007 or via email at [craig.andrews@empireblue.com](mailto:craig.andrews@empireblue.com).***