



## Blue Shield News Flash

**Subject:** Stanford Health contract expires; negotiations continue

**Date deployed:** May 2, 2018

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### Stanford Health hospital contract terminates while negotiations continue

Blue Shield of California and Stanford Health (Stanford) are engaged in discussions to renegotiate the terms of Stanford's hospital agreement (HMO/PPO) for Stanford Medical Center/Stanford Healthcare-University Healthcare Alliance PPO professional services, Valleycare Medical Center, and Valley Memorial Hospital (LTC) serving Alameda and Santa Clara counties. Since we have not reached a new agreement, our contract for Stanford Medical Center/Stanford Healthcare-University Healthcare Alliance PPO professional services has expired, effective April 30, 2018, at 11:59 p.m. The contracts for Valleycare Medical Center, and Valley Memorial Hospital (LTC) remain in effect through May 31, 2018. Lucile Salter Packard Children's Hospital is not part of this contract termination. Members who have used Stanford Medical Center/Stanford Healthcare-University Healthcare Alliance PPO professional services in the last 12-month period will receive notification of this termination on May 4, 2018, providing them with alternate network facilities and advising of our continuation of covered services options.

Affinity Medical Group (now part of Stanford Health) is also part of the contract negotiation. Though the current contract for Affinity Medical Group remains in effect until June 30, 2018, the Department of Managed Health Care (DMHC) regulations require Blue Shield to notify HMO members of a change to their medical group and if applicable, primary care physician (PCP), 60 days in advance of a potential termination. Therefore, because we have not reached an agreement with Stanford Health, letters were mailed to HMO members assigned to Affinity Medical Group on May 1, 2018. If we reach an agreement later, members will be notified and may request to be assigned back to the Affinity Medical Group and their Affinity PCP.

### Who is affected?

Our Stanford Medical Center/Stanford Healthcare-University Healthcare Alliance PPO professional services and Affinity Medical Group contract affects Small Business, Core, Premier, and CalPERS market segments. Medicare members are not affected.

### How does a contract termination with Stanford Medical Center/Stanford Healthcare-University Healthcare Alliance PPO professional services affect our members?

#### Commercial HMO/POS members

Since our commercial HMO agreements with Affinity Medical Group is scheduled to expire on June 30, 2017, and we have not reached a new agreement, Blue Shield commercial HMO members accessing Stanford Health will need to know the following:

- Blue Shield sent notifications to commercial HMO/POS members assigned to PCPs with Affinity on May 1, 2018, to advise them that they will be reassigned to an

alternate medical group for a July 1, 2018 effective date. Members can call the Member Services number on the back of their Blue Shield member ID card to select a different PCP other than the one assigned to them.

- Blue Shield members assigned to an Affinity PCP who are receiving care from an Affinity physician on July 1, 2018, or who have a procedure scheduled to be performed by Stanford within 180 days of July 1, 2018, can request continuity of care through Blue Shield for ongoing treatment with their provider. These members can call the Blue Shield Member Services number on their Blue Shield ID card.

Stanford is generally used as a high-level, tertiary, and quaternary care facility.

### **Palo Alto Medical Foundation (PAMF) is not affected**

PAMF uses Stanford as a primary admitting facility. PAMF (all pods) enrollees are not affected by this contract termination because our PAMF enrollment will continue accessing Stanford hospitals as a network facility. A contract termination will not affect Blue Shield members assigned to PAMF.

Please use this [link](#) to see the affected facilities and medical group as well as our complete listing of alternate providers.

### **Continuity of Care**

#### **HMO members**

HMO members who are currently in a course of treatment or who have a procedure scheduled at a Stanford Medical Center/Stanford Healthcare-University Healthcare Alliance PPO professional services within 180 days of **May 1, 2018**, can request continuity of care by calling the Member Services number on the back of their Blue Shield ID card. We will work closely with the IPAs to facilitate these requests. If eligible for continuity of care, applicable network copays will apply.

#### **PPO members**

PPO members who are currently receiving or who have a procedure scheduled at a Stanford Medical Center/Stanford Healthcare-University Healthcare Alliance PPO professional services within 180 days of **May 1, 2018**, can request continuity of care for an ongoing course of treatment, and if eligible, receive the higher, preferred benefit level. These members can call the Blue Shield customer service telephone number on their Blue Shield ID card. They may also access Blue Shield's [Continuity of Care](#) online.

- PPO members may continue to seek professional and/or hospital services from Stanford Medical Center and professional providers after the contract termination date. However, reimbursement for any such services, other than emergency services, will be reimbursed at the lower "Non-Preferred Provider" benefit level. Members will be responsible for all additional charges, up to the professionals' and hospitals' usual billed charges.
- PPO members who wish to have their provider care and visits covered at the higher, preferred benefit level must receive care from a Blue Shield contracted provider. These members can call the Blue Shield customer service telephone number on their Blue Shield ID card or go online to Blue Shield's [Find a Doctor](#) page.

## **POS members**

Blue Shield's Point of Service (POS) plans combine both HMO and PPO service delivery features. A POS member's network determination or eligibility for continuity of care would be governed according to either the HMO or PPO definitions above, depending on which network the member is accessing.

## **Medicare members**

Medicare members are not affected by this contract termination.

## **Emergency services**

Blue Shield members who need emergency services should call 911 or seek care at the nearest emergency room, including Stanford. Blue Shield will provide the full emergency care level of benefits for these services.

We encourage members to make informed decisions about when to use urgent care as opposed to emergency room care. Urgent care is appropriate when a member needs a physician's attention for a condition that is non-life threatening. Any member needing urgent care but whose physician or network provider is unavailable should go to the nearest immediate or urgent care facility. Members can access a list of nearby urgent care facilities online at [Find a Doctor](#).

## **Our commitment to affordably priced health coverage**

We appreciate your patience as we work to secure the best possible outcome for our members. Blue Shield negotiates in good faith, and we remain focused on our mission of providing Californians access to quality health care at an affordable price.

## **Communications**

- Letters to commercial HMO/POS members assigned to an Affinity Medical Group or PCP were sent on May 1, 2018.
- Letters to members who have used Stanford Medical Center/Stanford Healthcare-University Healthcare Alliance PPO professional services in the most recent 12-month period will be sent within five days of termination, or no later than May 4, 2018.
- Members who have used Valleycare Medical Center or Valley Memorial Hospital in the most recent 12-month period will be sent within five days of termination or no later than June 5, 2018.

To review the regulated member letter sent to those with an [Affinity PCP](#), or to access the regulated member letter sent to those who have used [Stanford Medical Center](#)/Stanford Healthcare-University Healthcare Alliance PPO professional services, please use the appropriate links.

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