

Situation:

Despite negotiations that have been ongoing for more than 6 months, it appears the Anthem Blue Cross contract to pay for patient care at UC Davis Health will end on February 29, 2024. The first week of January, Anthem Blue Cross started mailing letters to their HMO patients that responsibility for their care would be transferred to other health care providers.

Unfortunately, there has not been an agreement for a new contract, despite months of meetings. UC needs single-digit rate increases to cover the costs of inflation, increasing costs for medical supplies, salary increases, and upkeep for our facilities. Meanwhile, Anthem has been charging premium increases averaging around 20%, and their parent company has been recording record profits. We believe Anthem can and should cover the increased costs of care for their members.

Impact to HMO Patients

We understand Anthem / Anthem Blue Cross has mailed letters to its HMO plan members who are assigned to UC Davis Medical Group, informing them their care will be assigned to a different provider, as of March 1, if no agreement is reached.

If UC Davis Health is excluded from Anthem Blue Cross' network beginning on March 1, 2024, patients with Anthem Blue Cross HMO health plans will be unable to access care at UCDH through their Anthem plan unless the patient is approved for Continuity of Care.

Patients can still see their UC Davis doctor and get treatments at UC Davis Health until February 29, 2024, without any changes.

We will be contacting impacted Anthem Blue Cross HMO patients in mid-January to ensure they know how to request Anthem Blue Cross's approval for Continuity of Care (to continue ongoing or current treatment plans with you, their preferred healthcare provider).

Patients impacted by the block transfer can apply to Anthem Blue Cross for Continuity of Care by completing and mailing a form to Anthem Blue Cross. The decision for Continuity of Care is complete up to Anthem. It is also likely that Anthem will not respond to patients in a timely manner, as there are likely to be tens of thousands of requests from patients for Continuity Care (since UC cares for more patients who are chronically ill).

We look forward to continuing to serve these patients with exceptional care until that date. After that date, patients may continue to see UC Davis Health providers if they qualify for Continuity of Care.

Impact to PPO Patients

For Anthem PPO patients, UC Davis Health providers will be out of network starting on March 1. They can still receive care from UC Davis Health, just with a significantly higher share of cost as

the patient's responsibility unless they qualify for Continuity of Care. Appointments for Anthem PPO patients should not be cancelled, but these patients need to be informed their share of cost changes on and after March 1, and their share of cost will be significantly higher, due to Anthem's actions.

We will be contacting Anthem PPO patients in February to make sure they are aware of Anthem's actions, the impact that it is likely to have on their costs for care at UC Davis Health, and to make sure they are aware of how to apply for Continuity of Care.

Continuity of Care applies to all Anthem patients except for Medicare Advantage and original Medicare. The majority of UC Davis Health patients with Anthem health insurance coverage are PPO patients.

Impact to UC Beneficiaries

People who receive their benefits through UC Davis, including retirees, are not impacted.

Q: What is happening?

A: Anthem Blue Cross said it is terminating its agreement with UC Health, effective February 29, 2024, jeopardizing in-network access to care for millions of Californians at UC Davis Health and all UC Health locations across the state. UC Davis Health is in negotiations for a new agreement with Anthem Blue Cross that covers the exceptional care we provide to Californians covered by Anthem Blue Cross. We hope to reach a new agreement before the current contract expires, but if no agreement is reached, Anthem Blue Cross HMO patients will be moved by Anthem to other providers and patient costs for care at UC Davis Health will increase significantly.

Q: When does the current in-network agreement with Anthem end?

A: Our agreement expires after February 29, 2024. This date reflects a two-month extension of the termination date. While this date has changed, the overall agreement with Anthem Blue Cross remains under negotiation.

Q: Which Anthem health plans are affected by the negotiations?

A: The following patients are impacted by the negotiations:

- Patients who selected an Anthem Blue Cross plan through the California Public Employees' Retirement System
- Patients who selected an Anthem Blue Cross plan through their employer
- Patients who purchased an Anthem Blue Cross plan in the Covered California marketplace
- Patients with Medicare Advantage plans administered by Anthem Blue Cross
- Patients with Medi-Cal plans administered by Anthem Blue Cross
- UC medical residents and fellows who are enrolled in the Anthem UC Medical Residents and Fellows HMO plan (We do not have residents and fellows in this plan at UC Davis Health. Residents and fellows who receive benefits through other UC Health campuses will be impacted by this change.)

This termination does not affect the in-network availability of UC Health facilities and providers for UC employees, UC students with UC SHIP coverage, UC medical residents and clinical fellows in the Anthem UC Medical Residents and Fellows PPO plan or UC retirees. Their health plans are governed by separate UC-Anthem Blue Cross agreements.

Q: How does Continuity of Care work? What does UCDH do?

Patients may request Continuity of Care through Anthem's form <https://www.anthem.com/ca/forms/>, under the 'Benefits and Continuity of Coverage' heading.. We have also posted the form on our site at ucdavis.health/anthem to make it easier to find. UC Davis Health will assist with completing the parts of the form where we can be of assistance. Continuity of Care allows patients with certain chronic or acute conditions to continue to see their current treating provider, even after a contract terminates. However, the decision to allow a patient to see a UCDH provider is entirely up to Anthem and the forms must be submitted by the patient or their caregiver.

Q: Which UC health care professionals and facilities are impacted?

A: All University of California hospitals, facilities and health care professionals rely on this agreement with Anthem Blue Cross.

Q: I have an Anthem plan. What does this mean for me?

A: For now, nothing changes. You can still see your doctor and get care at UC Davis Health until February 29, 2024, without any changes. Due to Anthem Blue Cross's decision to terminate our contract, we cannot guarantee you will have this same access to in-network care after February 29, 2024. Being 'out of network' starting on March 1 means you will have to pay a larger

portion, or potentially all, of the costs of your care, depending upon your specific Anthem health plan.

Q: Why is it important for UC Davis Health to have a contract with Anthem?

A: A contract between UC Davis Health and Anthem outlines how the health plan will pay for care provided to its members. Without a contract, the health plan considers a provider to be 'out of network', which means a patient pay for some, or all, of the care provider themselves – not covered by their health insurance. Anthem Blue Cross is using its strength and size to demand unfair contractual arrangements for our services, even as it consistently raises member premiums and reports record profits for shareholders.

Q: Why haven't UC and Anthem reached an agreement?

A: UC is asking for single-digit cost increases to cover the costs of inflation, increased costs for medical supplies, and cost-of-living increases for our employees. While UC's requests for reasonable increases have been generally dismissed by Anthem, the company has been significantly increasing health plan premium costs for its members, and its parent company, [Elevance](#), has been reporting [record profits](#) and [promising investors more in the future](#).