Overview

Anthem Blue Cross and Stanford Health Care (henceforth “Stanford”) have been engaged in negotiations for several months to reach reasonable contractual language and reimbursement rates that are beneficial to both organizations. Unfortunately, Anthem Blue Cross and Stanford were unable to reach agreement and the contract terminated effective September 1, 2019. The following Stanford entities are affected by this termination:

Hospitals
- Stanford Healthcare (050441)
- Lucile Packard Children’s Hospital (053305)

Medical Groups (PPO only)
- University Healthcare Alliance Medical Group
- Lucile Packard Medical Group
- Stanford Healthcare Medical Group

How Members are Affected

1. What Anthem Blue Cross products are affected by this hospital termination?

   This termination affects the out-of-pocket obligations for most Anthem Blue Cross members who are enrolled in Commercial PPO, EPO, HMO, and POS benefit plans and receive care at Stanford. Members with a Medicare supplemental policy for Part A and Part B (Medigap), are not affected by this contract termination.

2. Will members be notified about the contract termination?

   Within five days (no later than September 6th) after the hospital’s termination from the network, Anthem Blue Cross will notify members who personally accessed or had a covered family member access Stanford within the last 12 months. In addition, members authorized or scheduled for a service or procedure at Stanford will be notified. The letters instruct members to call the Customer Service number on their ID card if they are in a current course of treatment at Stanford or have questions or concerns about the contract termination. The Department of Managed Health Care (DMHC) letters state the following legally-required message regarding completion-of-covered-services/continuity-of-care:

   If you have been receiving care from a health care provider, you may have a right to keep your provider for a designated time period. Please contact the Anthem Blue Cross customer service department, and if you have further questions, you are encouraged to contact the Department of Managed Health Care (DMHC), which protects HMO/PPO consumers, by telephone at its toll-free number, 1-888-HMO-2219, or at a TDD number for the deaf or hard of hearing at 1-877-688-9891, or online at www.hmohelp.ca.gov.

   Note: Anthem Blue Cross does not mail notices to members enrolled in ASO, JAA, MCS, or other self-funded plans (however, this does not preclude member eligibility for continuation of covered services). A template notice is available that can be forwarded to clients for their use in notifying their associates about the contract termination.
3. How are Anthem Blue Cross HMO members affected by Stanford’s contract termination?

All non-emergency hospital services must be approved by the HMO member’s participating medical group/IPA. If approved, Anthem Blue Cross will cover the claim at the member’s in-network benefit levels. If not approved by the member’s participating medical group/IPA, the claim will be denied, as stated in the members’ Evidence of Coverage (EOC).

4. How do members know if their doctor will be affected by this hospital termination?

Many doctors have admitting privileges at more than one hospital. Just because a member’s doctor may have admitting privileges at Stanford, does not necessarily mean that a doctor cannot treat his or her patients at another participating hospital.

Physicians, Medical Groups, and Alternate Hospitals

5. What other participating hospitals are located in the Stanford service area?

Anthem Blue Cross has a statewide hospital network of over 300 acute care facilities. The Find a Doctor function at www.anthem.com/ca can be used to locate a participating hospital in a specific area. The following is a partial list of alternate participating general acute care hospitals in the Stanford service area:

**Stanford Hospital:**
- El Camino Hospital-Mountain View, 2500 Grant Road, Mountain View, CA 94040
- Menlo Surgical Hospital, 570 Willow Rd, Menlo Park, CA 94025
- Mills Peninsula Medical Center-San Mateo, 100 S. San Mateo Dr., San Mateo, CA 94401
- Sequoia Hospital, 170 Alameda De Las Pulgas, Redwood City, CA 94062
- St. Rose Hospital, 27200 Calaroga Ave., Hayward, CA 94545
- UCSF Benioff Children’s Hospital, 505 Parnassus Ave., San Francisco, CA 94143
- UCSF Medical Center, 505 Parnassus Ave., San Francisco, CA 94143

**Lucile Packard Children’s Hospital:**
- Eden Medical Center, 20103 Lake Chabot Road, Castro Valley, CA 94546
- El Camino Hospital-Mountain View, 2500 Grant Road, Mountain View, CA 94040
- El Camino Hospital-Los Gatos, 815 Pollard Road, Los Gatos, CA 95032
- Menlo Surgical Hospital, 570 Willow Rd, Menlo Park, CA 94025
- Mills Peninsula Medical Center-Burlingame/San Mateo, 1501 Trousdale Dr., Burlingame, CA 94010 & 100 S. San Mateo Dr., San Mateo, CA 94401
- O’Connor Hospital, 2105 Forest Ave., San Jose, CA 95128
- Regional Medical Center of San Jose, 225 N. Jackson Ave., San Jose, CA 95116
- Santa Clara Valley Medical Center, 751 S. Bascom Ave., San Jose, CA 95128
- Sequoia Hospital, 170 Alameda De Las Pulgas, Redwood City, CA 94062
- St. Rose Hospital, 27200 Calaroga Ave., Hayward, CA 94545
- UCSF Benioff Children’s Hospital-Oakland, 747 52nd St., Oakland, CA 94609
- UCSF Benioff Children’s Hospital-San Francisco, 505 Parnassus Ave., San Francisco, CA 94143

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• Washington Hospital, 2000 Mowry Ave., Fremont, CA 94538

Note, the alternate hospitals may not be participating in all Anthem networks. Anthem members have been advised to verify with both their provider and the Anthem Blue Cross website at www.anthem.com/ca that the alternate facility is participating in their benefit plan’s network. For a complete list of contracting hospitals, as well as ambulatory surgical centers and other ancillary facilities, please visit the Anthem Blue Cross website at www.anthem.com/ca. Customer Service representatives can check the provider database for a physician’s admitting privileges at another nearby in-network facility. Members should confirm the information they receive with their treating physician. Every effort will be made to assist members in determining their choices and understanding the potential financial consequences of seeking care with a provider that is not in the Anthem Blue Cross provider network.

6. Will Anthem Blue Cross notify PPO physicians and admitting HMO medical groups about the contract termination?

On August 5, 2019, Anthem Blue Cross mailed Pre-Termination letters to admitting HMO medical groups and PPO physicians who maintain privileges/affiliations at Stanford, informing them of the pending termination. These letters encouraged physicians to obtain alternate admitting privileges and/or arrange for the redirection of members to alternate participating hospitals.

Additional letters to admitting HMO medical groups and contracted physicians will be mailed not later than September 6th to inform them that the contract did in fact terminate, while again asking physicians to gain alternate admitting privileges if they have not already done so.

In addition, the letters describe the conditions concerning when members can be admitted to Stanford. The California Department of Managed Health Care (“DMHC”) required Anthem to inform admitting physicians and medical groups that patients with a benefit plan regulated by the DMHC can continue to be referred Stanford for services after the September 1, 2019 contract termination date under the following circumstances:

**Stanford Hospital:**

a. any medically necessary services available at Stanford Hospital, but not available or cannot be scheduled in a timely manner consistent with good professional practice at an Alternate Hospital or other in-network contracted hospital facility within a reasonable geographic distance, or

b. any medically necessary services available at Stanford Hospital where an in-network provider holds admitting privileges at Stanford Hospital and is unable to admit enrollees to an Alternate Hospital or other in-network contracted hospital facility within a reasonable geographic distance in a timely manner consistent with good professional practice, or

 c. any medical necessary services available at Stanford Hospital which, due to insufficient capacity, an enrollee may not be able to access at an Alternate Hospital or other in-network contracted hospital facility within a reasonable geographic distance in a timely manner consistent with good professional practice.

Additionally, Anthem will allow affected enrollees/patients with a DMHC regulated benefit plan to continue accessing Stanford Hospital with his or her associated transplant providers throughout the completion of all medically necessary transplant and post-transplant care. This includes, but is not limited to, care related to Blood/Marrow, Heart/Lung, Kidney, Liver, Liver/Kidney, if the enrollee meets any of the following conditions prior to or on September 1, 2019:

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1. has been evaluated or identified as a transplant patient by Stanford Hospital,
2. is on a list for a transplant to be delivered,
3. is scheduled to receive or undergo a transplant procedure at Stanford Hospital, or
4. is currently receiving post-transplant care at Stanford Hospital.

Lucile Packard Children’s Hospital:
   a. any medically necessary services available at Lucile Packard Children’s Hospital, but not available or cannot be scheduled in a timely manner consistent with good professional practice at an Alternate Hospital or other in-network contracted hospital facility within a reasonable geographic distance, or
   b. any medically necessary services available at Lucile Packard Children’s Hospital where an in-network provider holds admitting privileges at Lucile Packard Children’s Hospital and is unable to admit enrollees to an Alternate Hospital or other in-network contracted hospital facility within a reasonable geographic distance in a timely manner consistent with good professional practice, or
   c. any medical necessary services available at Lucile Packard Children’s Hospital which, due to insufficient capacity, an enrollee may not be able to access at an Alternate Hospital or other in-network contracted hospital facility within a reasonable geographic distance in a timely manner consistent with good professional practice.

Additionally, Anthem will allow affected enrollees/patients with a DMHC regulated benefit plan to continue accessing Lucile Packard Children’s Hospital with his or her associated transplant providers throughout the completion of all medically necessary transplant and post-transplant care. This includes, but is not limited to, care related to Bone Marrow/Stem Cell, Heart, and Liver, if the enrollee meets any of the following conditions prior to or on September 1, 2019:

   a. has been evaluated or identified as a transplant patient by Lucile Packard Children’s Hospital,
   b. is on a list for a transplant to be delivered,
   c. is scheduled to receive or undergo a transplant procedure at Lucile Packard Children’s Hospital, or
   d. is currently receiving post-transplant care at Lucile Packard Children’s Hospital.

HMO medical groups and PPO physicians have agreed in their contracts to admit members to Anthem Blue Cross participating hospitals to ensure that each member receives the maximum benefit level under his or her benefit agreement.

As the Prudent Buyer Participating Physician Agreement (the “Provider Agreement”) requires PPO physicians to maintain privileges at a participating hospital, physicians with exclusive admitting privileges to Stanford have been informed that they need to obtain admitting privileges at an alternate participating hospital prior to September 1, 2019 in order to continue the Provider Agreement. This ensures that any necessary transition is as smooth and seamless as possible for them, their patients (our members) and the alternate participating hospital. If PPO physicians have questions or need additional information on how Anthem can help with this transition process, please contact the Anthem Blue Cross Network Relations Department at CAContractSupport@anthem.com.
Post-Termination Care

7. What if a member was in-patient at Stanford on the day the contract terminated?

If a member is in-patient at 11:59 PM the day before the contract terminated, then the member will continue to receive uninterrupted care at Stanford until he or she is discharged. In addition, the member’s in-network benefit levels will apply for the entire in-patient stay.

8. What about members who need to complete a course of treatment, have a scheduled procedure, or need an out-of-network referral for medically necessary services at Stanford following the termination?

California law provides for completion of covered services/continuity of care for certain medical conditions following a provider’s termination if, among other things, the provider and the plan agree on a rate of payment. The current contract between Anthem Blue Cross and Stanford has provisions that cover members for continuity of care/completion of covered services after the contract terminates. It is always Anthem Blue Cross’s intent to be prepared by having a Continuity-of-Care Agreement in place sufficient to meet the requirements of Health & Safety Code Section 1373.96. Anthem Blue Cross will comply with applicable requirements for completion of covered services/continuity of care in accordance with the law. If a member began a course of treatment at Stanford before the contract termination date, for one of the following conditions, the member or his/her physician can request continuity of care by calling the Anthem Blue Cross Customer Service Department:

- Members in an active course of treatment for an acute medical or behavioral health condition
- Members in an active course of treatment for a serious chronic condition
- Members who are pregnant, regardless of trimester
- Members with a terminal illness
- Members who are newborn children between the ages of birth and 36 months
- Members with a surgery or other procedure that was authorized by Anthem or a delegated provider (HMO medical group) prior to the termination date and scheduled to occur within 180 days after the termination date.

Eligibility for continuity of care depends on factors outlined in the member’s EOC. Continuity of care/completion of covered-services will be considered by the Anthem Blue Cross Transition Assistance Department on a case by case basis. When a case is approved, the claim(s) is/are processed at in-network benefit levels.

Note: HMO members and physicians wishing to request continuity of care/completion of covered services would not contact Anthem because all medical management is delegated to the provider group. HMO members and physicians should contact their participating medical group.

9. What if the member does not qualify for an out-of-network referral? Can the member choose to go to Stanford anyway?

PPO and Traditional (Indemnity) Members:
Members enrolled in a DMHC regulated benefit plan who elect to receive care at a non-contracting facility may be responsible for higher out of pocket expenses depending on benefit plan design for non-authorized services as stated in the member’s EOC. Note: There may be different arrangements for CDI-regulated benefit plans, ASO groups, or other self-insured clients.
EPO Members:
Members enrolled in a DMHC regulated benefit plan must stay within the EPO hospital network aside from true emergency situations.

HMO Members:
All services must be approved by the member’s participating medical group/IPA. If approved, the claim will be covered at the member’s in-network coverage schedule of benefits. If not approved by the member’s participating medical group/IPA, and services are received at Stanford, the claim may be denied as stated in the member’s EOC.

PPO physicians and HMO participating medical groups and IPAs that admit patients to Stanford have been informed about the contract termination so that Anthem Blue Cross members will be admitted to participating network facilities following the contract’s termination date.

10. If a member does not have access to an alternate participating provider or a particular service is not available elsewhere, can he or she receive that service from Stanford?

Anthem Blue Cross assures its members that they will have timely access to care. If a service is not available at an alternate participating provider, PPO members may request an out-of-network referral by contacting Customer Service. Requests will be reviewed on a case by case basis pursuant to the Anthem Blue Cross out-of-network referral policy. When an out-of-network referral is approved by Anthem Blue Cross, the member’s in-network benefit levels will apply. However, because Stanford will no longer participate in the Anthem Blue Cross provider network, members may be responsible for higher out of pocket expenses, depending on their benefit plan. Every effort will be made to assist members in understanding the potential financial consequences of the decision to seek services from a non-participating provider.

11. What about members who need emergency medical care at Stanford following the contract’s termination date?

A hospital’s emergency medical services do not require pre-authorization, regardless of where they are delivered. Stanford must provide services for members requiring emergency care. Coverage will be provided according to the member’s policy benefits.

NOTE: Any members seeking emergency services at Lucile Packard Children’s Hospital would be sent to Stanford Hospital which has both adult and pediatric wings for emergency care. Please keep in mind that emergency services do not require pre-authorization regardless of where the services are delivered.

Anthem Blue Cross encourages 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.

Contract Negotiations

12. What is the status of the negotiations between Anthem Blue Cross and Stanford?

Anthem Blue Cross does not share details of its confidential contract negotiations with the public. Our primary goal during contract negotiations is to ensure we are compensating hospitals fairly, while assuring the best access to health care.
care at an affordable price for our members. We take protecting our members from exceedingly high medical costs very seriously and cannot agree to a contract that puts further pressure on the rising cost of health care paid by our customers.

13. Don’t hospital negotiations usually work themselves out after the contract termination date?

Negotiations often do work themselves out after the contract termination date, but that is not always the case. Anthem is working collaboratively with Stanford as well as the PPO physicians and medical groups that maintain admitting privileges to the hospital, to ensure a smooth transition for our members.