



Communications

02/28/2011 Update on PeaceHealth St. Joseph Medical Center and Regence negotiations

We told you last month about our negotiations with PeaceHealth St. Joseph Medical Center (PHSJ) for 2011 reimbursement rates. Today I want to update you on those discussions.

Although we've not been able to reach an acceptable agreement yet, we continue to negotiate and remain hopeful that a resolution will be reached in the next several weeks. However, because the contract is still on track to end on March 31, 2011, we have started notifying our members of the potential termination.

Members in Whatcom, Skagit and San Juan counties will begin receiving letters the first week of March explaining their options for receiving care from network facilities in the area, as well as from PeaceHealth after it becomes a non-participating provider on April 1, 2011. The letter also outlines how members' choices will impact their financial responsibility, and how claims from PeaceHealth will be processed after March 31.

Our goal is to minimize the disruption for our members. We're currently working out a transition-of-care process for members who are undergoing an active course of treatment for cancer, pregnancy or other ongoing conditions. In the letter we encourage those members to call us at the number on the back of their member card for assistance.

While we understand that the loss of PeaceHealth St. Joseph Medical Center and the PeaceHealth Medical Group from our provider network will be difficult for some of our members, we believe we have an obligation to do everything we can to keep costs under control. We cannot in good conscience agree to the double-digit increase that PeaceHealth is requesting.

As the situation progresses, we'll continue to keep you informed. Please feel free to contact me with questions or concerns.