

[Commercial Agreements with Butler Memorial Hospital Expiring](#)

For the past few months, Highmark and Butler Memorial Hospital have been discussing a new contract and payment terms for the commercial managed care and indemnity agreements between the two organizations. However, the two organizations have not reached an agreement and the current contract will expire on June 30, 2009. As a result, we have begun to notify groups and members who may be affected if Butler Memorial Hospital and Highmark cannot agree on new contracts.

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Balance fair reimbursement with need to control costs

Highmark is working to reach a new agreement that achieves a delicate balance: fair and equitable reimbursement for providing appropriate care for Highmark members, while also recognizing the need to maintain comprehensive and affordable health benefit programs for its customers.

The growing cost of medical care is the primary barrier that prevents many employers and trust funds, especially small organizations, from offering health care coverage to their employees or members. Highmark group customers and members could expect to see significantly higher medical care claims costs if Highmark accepted Butler Memorial Hospital's proposed reimbursement levels.

Butler Memorial Hospital, as a leading health care institution, and Highmark, as the area's largest health insurance company, are important elements in the delivery and financing of health care in Butler County and surrounding areas. For decades, the two organizations have worked together to help meet the medical care and health care coverage needs of Butler County residents.

Groups and members to receive letters

Your affected clients and members will learn about this issue in a letter from Highmark that is being mailed this week. This preliminary notice is general in nature and does not address each member's specific situation, which will depend on the type of coverage the member has and the renewal timeframe for the member's group contract. Members will get more details in follow-up letters to be mailed in late June.

Please share this information with your sub-producers and office staff. If you have questions about any of these changes, please contact your Highmark client manager.

Sincerely,

A handwritten signature in black ink, appearing to read "Reginald E. Brown". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Reginald E. Brown
Director, Producer Affairs, West

Attachments: 0