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Butler Hospital Contract Settlement

As you may have heard, for the past several months Highmark and Butler Memorial Hospital have been negotiating new contract and payment terms for the commercial managed care and indemnity agreements between the two organizations.

I am pleased to inform you that we have reached an agreement with Butler Memorial Hospital. The new contract will be effective from July 1, 2009 to June 30, 2013. Importantly, this was accomplished with no disruption to any of our members.

Several weeks ago, we sent letters to Highmark members who had recently received care at Butler Hospital and to their employers, letting them know about the ongoing negotiations. In late June, we then sent follow-up letters to several employer groups whose coverage renews in August and whose employees would have been among the first to be affected if we had been unable to reach an agreement. We are in the process of sending another letter to these groups announcing that we have reached an agreement. The letter explains that, with the new agreement, Highmark members will continue to receive full coverage for covered health care services performed at Butler Memorial Hospital and its freestanding sites.

We appreciate the cooperation of Butler Memorial Hospital in working through the issues surrounding the new agreement and look forward to continuing our long-standing relationship.

Please share this information with your sub-producers. If you have any questions, please contact your Highmark client manager.

If you have any questions concerning the new organization, please contact me or your Account Manager.

Sincerely,

Reginald E. Brown
Director, Producer Affairs, West