



UPMC/University of Pittsburgh Schools of the Health Sciences



Statement on PA Supreme Court's Medicare Advantage Decision

PITTSBURGH, July 18, 2018 – Today, the Pennsylvania Supreme Court unanimously reversed the January 29, 2018 Commonwealth Court ruling and re-affirmed that contracts between UPMC and Highmark for seniors' in-network Medicare Advantage access in the Greater Pittsburgh and Erie areas will end on June 30, 2019, concurrent with the expiration of the 2014 Consent Decrees.

“In summary, we conclude that the runout provision of the Provider Agreement satisfies UPMC’s obligation to contract for in-network access to its facilities for Highmark’s MA Plan subscribers through June 30, 2019. Accordingly, we reverse the order of the Commonwealth Court.”

Today’s ruling provides much-needed clarity to seniors a full three months prior to the start of this October’s Medicare Advantage open enrollment period. UPMC is grateful the Supreme Court expeditiously reached this decision, allowing seniors ample time to make the best choices for their health care. For seniors who choose to switch Medicare Advantage insurers in any given year, the Centers for Medicare & Medicaid Services (CMS) provides rigorous oversight during the open enrollment period and has many transition rules in place to protect those seniors. Today, the marketplace has benefitted from more choice and competition, and the majority of seniors in western Pennsylvania already subscribe to Medicare Advantage programs with insurers other than Highmark, including Aetna, Cigna, United Healthcare and UPMC Health Plan.

This year, 2018, is the last full calendar year that UPMC is a part of Highmark’s Security Blue or Freedom Blue Medicare Advantage networks in the Greater Pittsburgh and Erie areas. Seniors who choose those Highmark products for 2019 will have in-network access to UPMC in those areas through

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June 30, 2019 only. In-network access to UPMC's world-class primary and specialty care doctors and hospitals for the entire 2019 plan year and future years will be available to seniors through UPMC Health Plan and a multitude of Medicare Advantage insurers other than Highmark.

Backgrounder:

Expiration of the UPMC & Highmark Consent Decrees ... A Seven-Year Transition

On May 2, 2012, UPMC and Highmark launched what would become a seven-year transition to the end of their relationship by executing a Mediated Agreement designed to extend in-network access to UPMC hospitals and physicians for Highmark commercial and Medicare Advantage members from June 30, 2012 to December 31, 2014. Indeed, UPMC and Highmark recognized that the Mediated Agreement was designed to "provide for sufficient and definite time for patients to make appropriate arrangements for their care."

On July 1, 2014, with the Mediated Agreement about to expire at year-end, UPMC, Highmark and the Commonwealth of Pennsylvania (represented by the Governor's Office, Office of the Attorney General, Department of Health and the Pennsylvania Insurance Department) entered into Consent Decrees that extended the transition period for another five years, until June 30, 2019.

This seven-year transition gave businesses and consumers substantial time to prepare for the end of the UPMC-Highmark relationship in western Pennsylvania. During that period, the region's insurance marketplace transformed from one of the nation's most highly concentrated and least competitive to one of the most competitive and pro-consumer markets in the nation with some of the lowest cost health plans available. More and more businesses continue to offer alternative, affordable plans other than Highmark so their employees can choose insurance products that allow them full, unfettered access to the UPMC hospitals and physicians they desire.

Seniors choosing a Medicare Advantage product now have more options and enjoy the benefits increased competition provides in terms of pricing and plan design. In fact, four years ago, Highmark introduced its own narrow network \$0 premium/\$0 deductible Community Blue product that did not include UPMC hospitals and physicians. UPMC Health Plan and the national insurers also offer a wide range of highly competitive plans. Last year, seniors in Allegheny County, for example, had the option to select from 36 plans, many of which had \$0 premiums and \$0 deductibles.

UPMC is western Pennsylvania's most preferred provider, best serving the needs of patients. Inpatient beds are filled on a daily basis, with an increasing number of referrals for advanced care coming from throughout Pennsylvania, across the nation, and around the world. UPMC Health Plan has grown to become the largest insurer in western Pennsylvania. Other institutions from around the state and elsewhere are increasingly looking to UPMC for affiliation opportunities and the same kind of critical support that UPMC has offered to recently merged UPMC Altoona, UPMC Hamot, UPMC Pinnacle and UPMC Susquehanna. Extending the benefits of our integrated payer-provider model to the regions served by these hospitals allows more patients to benefit from UPMC's world renowned primary and specialty care.

The Pennsylvania Supreme Court re-affirmed that 2018 is the last full calendar year that UPMC will be a part of Highmark's Security Blue or Freedom Blue Medicare Advantage networks. Thus, in-network access in the Greater Pittsburgh and Erie areas to UPMC's world-class primary and specialty care doctors and hospitals for the entire 2019 plan year will be available to seniors through UPMC Health Plan and a multitude of Medicare Advantage insurers other than Highmark.