1267

Brackbill, Robert

From: Brackbill, Robert
Sent: Monday, March 04, 2013 1:50 PM
To: Brackbill, Robert
Subject: FW: Highmark
Attachments: Email Dated 11-08-2007.pdf; Direct Blue Brochure.pdf; Highmark Medicare Plans Descriptions.pdf; Highmark Provider Agreement.pdf

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From: David Blue [mailto:dblue@eipmri.com]
Sent: Monday, February 25, 2013 09:28 AM Eastern Standard Time
To: dwhite@pasen.gov <dwhite@pasen.gov>
Cc: Johnson, Stephen
Subject: FW: Highmark

Dear Senator White,

I read with great interest the Saturday article in the Pittsburgh Tribune-Review regarding questions you and other State officials have regarding how Highmark on the one hand can rescue the nearly bankrupt West Penn Allegheny Health System while on the other had pursue a long-term provider contract with UPMC. You and others correctly question Highmark's ability to drive referral volume to save West Penn when consumers have out-of-network options and can choose to see UPMC doctors and be treated in UPMC hospitals. I believe Highmark intends to continue its business practice of tacitly threatening contracted providers with the loss of their provider contract if the provider goes against Highmark's tacit directives. Please see my email below regarding this Highmark practice of which I have first-hand knowledge. This email was sent to the PA Insurance Commissioner's office at the time the Commissioner was reviewing the proposed Highmark/Independence merger.

It is my opinion, if Highmark acquires West Penn Allegheny Health System, based on past practice, there is a high probability Highmark will use its dominant position in the marketplace to threaten its contracted physician providers to direct referral volume to West Penn facilities, even if the consumer has out-of-network benefits. West Penn is in dire financial condition and Highmark appears to have the best chance of saving the health system. However, safeguards must be put in place to prevent Highmark's deceptive business practices when it comes to directing patients to Highmark/West Penn facilities through coercion of physician providers when these patients paid a premium to have out-of-network benefits which they are unknowingly not able to use to the fullest degree due to Highmark's business practices.

David Blue

From: David Blue [mailto:d.blue@eipmri.com]
Sent: Wednesday, October 15, 2008 3:58 PM
To: 'ra-in-consumer@state.pa.us'
Subject: FW: Highmark/Independence Merger

Below is an email I sent to the PA Insurance Commission regarding a Highmark BCBS business practice. This was the only email address I could find on the AG's website. Please forward to the appropriate person. Thank you.

David Blue
Executive Vice President
EIP
4500 Brooktree Road
Wexford, PA 15090
724.933.6502 (office)
724.933.3373 (fax)

04

From: David Blue [mailto:d.blue@eipmri.com]
Sent: Wednesday, October 15, 2008 3:49 PM
To: 'rbrackbill@state.pa.us'
Subject: FW: Highmark/Independence Merger

Mr. Brackbill,

I sent the below email to you on September 30, 2008 but never received an acknowledgement of receipt. Could you please confirm it was received? Thank you.

David Blue
Executive Vice President
EIP
4500 Brooktree Road
Wexford, PA 15090
724.933.6502 (office)
724.933.3373 (fax)

From: David Blue [mailto:d.blue@eipmri.com]
Sent: Tuesday, September 30, 2008 3:15 PM
To: 'rbrackbill@state.pa.us'
Subject: Highmark/Independence Merger

Dear Mr. Brackbill,

I'm writing to express my objection to the contemplated Highmark/Independence merger. I believe Highmark currently engages in deceptive business practices in an effort to reduce its healthcare costs and utilization. Such practices are detrimental to consumers and need to be investigated and prosecuted if found to be illegal. I believe this practice will continue and grow with the acquisition of Independence BCBS.

I work for a healthcare company in the Pittsburgh area that provides sub-specialty diagnostic imaging (podiatric specific MRI) services to patients referred to our facility by the patient's physician. My company is not a participating provider in Highmark's provider network. Nonetheless, we market our sub-specialty MRI service to local podiatrists and provide our services to Highmark member's on an out-of-network basis. However, there have been numerous times our referring physicians have been contacted by Highmark "reminding" the physician that in accordance with the physician's provider agreement with Highmark, the physician is not to refer a patient out-of-network for imaging services (see attached email dated November 8, 2007). This has occurred even though the patient is covered by a Highmark insurance plan that provides out-of-network privileges, or "Choice" per Highmark marketing literature (see attached DirectBlue brochure and Highmark Medicare Plans Description).

Highmark is marketing and selling its PPO, POS and PFFS insurance products which provide out-of-network privileges to employers and consumers. These employers and consumers are paying a higher premium for these out-of-network privileges or "Choice", but Highmark is taking this "Choice" away through their provider agreements with physicians. Highmark's provider agreement requires the physician provider to "comply with [Highmark's] other referral policies and programs, including those for...certain selected outpatient services, and for the provision of ancillary health care services." The Highmark provider agreement further states relative to the Highmark Non-Gatekeeper PPO Program, "except in emergency situations or with the prior approval of [Highmark], Provider agrees to make any necessary referrals exclusively to other Participating Providers." (See copy of Keystone Health Plan West Health Care Specialist Provider Agreement attached hereto as Highmark Provider Agreement) As noted above, my company has received feedback from referring podiatrists who have been contacted by Highmark for referring patients for imaging services to my out-of-network imaging center even though these patients were covered by Highmark insurance plans which permitted out-of-network services. The costs to the patient for imaging services provided by my company were no more than the costs which would be incurred with an in-network imaging center. Highmark contacts these physician providers and references the provider agreement when "reminding" the physician they are required to refer patients to other participating in-network providers. The physician provider's tacit understanding of this "reminder" from Highmark is their provider agreement may be at risk if out-of-network referrals continue. Understandably, these physician providers are concerned about not complying with Highmark's directives even though they realize the patient has out-of-network options. The physician providers do not want to "rock the boat" given the potential risk this entails for their practice.

So, on the one hand Highmark is selling insurance plans that provide out-of-network options and "Choice" and charging a premium for these options but on the other hand they are taking these out-of-network options away from the consumer through their provider agreements with physicians who make the referrals for diagnostic imaging services. Most patients will follow their physician's referral recommendation without questions even though their insurance plan provides the option to go out-of-network and going out-of-network may be in their best interest as determined by their physician. The patient (consumer) is never the wiser that he/she is being referred exclusively to an in-network provider under the physician provider agreement.

These deceptive business practices by Highmark need to be investigated and prosecuted if determined to be illegal.

Thank you.

David Blue
Executive Vice President
EIP
4500 Brooktree Road
Wexford, PA 15090
724.933.6502 (office)
724.933.3373 (fax)

Choose your own doctors and specialists!

Wealth of health care benefits!

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NO referrals!

Up to $5 MILLION in health care coverage!

HIGHMARK.
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An Individual Preferred-Provider Program

It's your LIFE.

It's your CHOICE.

It's your *DirectBlue*

For:
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Self-Employed
Anyone under age 65 without group health insurance

Life is about choice. Choice about your career. Your home. Your friends. Your vacation. Now there's an affordable health care plan that gives you the freedom of choice.

It's time to discover DirectBlue, the health care plan that gives you a wealth of health care benefits, a world of choices ... with No Referrals Needed!

Physicians ... *You Choose!*

Choose from over 2,600 family physicians from the DirectBlue physician network.† You're covered with no initial deductible,‡ and you'll pay just 10%. No need to even file a claim!

What if your favorite doctor isn't in our network? No problem. Just make your appointment — you'll simply pay an initial deductible and 30% of the costs.

Specialists ... *You Choose!*

Our roster includes 4,200 specialists, all available to you without a referral. Or, you can choose out-of-network specialists, too!

Ob/Gyn ... *You Choose!*

Forget those health plans that require permission. Just book your appointments with the physician you trust for your Ob/Gyn care. It's as simple as that!

Hospitals ... *You Choose!*

Take your pick, from top medical centers to your community hospital. You can go nearly anywhere — and be covered.

Physician Choice And So Much More!

Why limit choice when it comes to your health or your family's well-being? Instead, discover all the advantages of DirectBlue. Discover not only the freedom to choose your own doctors, but also the wealth of health care benefits, the value and the service.

Plus, you'll get coverage up to $5 million! That's welcome peace of mind in today's world.

DirectBlue is backed by the financial strength and experience of Highmark Blue Cross Blue Shield, one of the area's most respected names in quality health care insurance. It's quality you can count on, today and tomorrow.

Request Your FREE Information Kit Today!

Discover why so many western Pennsylvanian individuals and families depend on DirectBlue for quality health care coverage. Your FREE DirectBlue Information Kit is yours without any obligation. And, there's no physical exam needed to qualify.

For your free copy:

- Return the postage-paid reply card – and share the other with a friend, or
- Call 1-800-851-7678, or
- Visit www.highmarkbcbs.com

Take a look at what's covered with DirectBlue:

- ✓ Routine physicals
- ✓ Pediatric care
- ✓ Ob/Gyn care
- ✓ Mammogram screenings
- ✓ X-rays and MRIs
- ✓ Blood work
- ✓ Allergy tests
- ✓ Immunizations
- ✓ Emergency care
- ✓ Hospital stays
- ✓ Prescription drugs on DirectBlue formulary
- ✓ Maternity care
- ✓ Surgery, including outpatient care
- ✓ Plus lots more!

Plus, you'll have access to:

- ✓ Generous discounts on vision and dental care
- ✓ Big savings on sporting goods and health club memberships
- ✓ Expert advice on nutrition, stress management and lifestyle issues
- ✓ Free enrollment in programs to help stop smoking
- ✓ And more!

* Coverage is subject to terms of the benefit plan. Your rate is determined by your age and the number of family members covered.
† DirectBlue utilizes the Keystone Health Plan West network of providers.
‡ With the exception of prescription drugs, which have an annual deductible of $50.

FREE INFORMATION REQUEST FOR A FRIEND

HIGHMARK. DirectBlue
An Individual Preferred-Provider Program

For faster service, call toll free 1-800-851-7678

❑ **YES,** please send me more information to see if I qualify for DirectBlue.

Type of Coverage Desired:
❑ Individual
❑ Individual and Spouse
❑ Individual and Child(ren)
❑ Individual, Spouse and Child(ren)
❑ Child(ren) Only

First Name _____ Middle Initial ____ Last Name _____

Home Address _____

City _____ State _____ Zip _____

Marital Status _____ ❑ Male ❑ Female No. of Children (under age 19) _____

Age _____ Date of Birth ___/___/___ Email Address _____

Daytime Phone (____) _____ Evening Phone (____) _____

Current Health Coverage? ❑ Yes ❑ No If Yes, What Carrier? _____

Spouse's Name (if applicable) _____

❑ Male ❑ Female Date of Birth ___/___/___ Age _____

Easy Reference Number: 67ABC (Please have this number ready when you call.)

FREE INFORMATION REQUEST FOR YOU

HIGHMARK. DirectBlue
An Individual Preferred-Provider Program

For faster service, call toll free 1-800-851-7678

❑ **YES,** please send me more information to see if I qualify for DirectBlue.

Type of Coverage Desired:
❑ Individual
❑ Individual and Spouse
❑ Individual and Child(ren)
❑ Individual, Spouse and Child(ren)
❑ Child(ren) Only

First Name _____ Middle Initial ____ Last Name _____

Home Address _____

City _____ State _____ Zip _____

Marital Status _____ ❑ Male ❑ Female No. of Children (under age 19) _____

Age _____ Date of Birth ___/___/___ Email Address _____

Daytime Phone (____) _____ Evening Phone (____) _____

Current Health Coverage? ❑ Yes ❑ No If Yes, What Carrier? _____

Spouse's Name (if applicable) _____

❑ Male ❑ Female Date of Birth ___/___/___ Age _____

Easy Reference Number: 67ABC (Please have this number ready when you call.)

Discover *DirectBlue*... All Choice, All the Time!

Now there's a health care plan that lets you choose any physician, including specialists, in network or out of network. There's no need for a referral, either. Just book your appointment and you're covered ... anytime, anywhere.

DirectBlue is the affordable, sensible health care plan for people under age 65 without group health insurance who want the freedom of choosing their own doctors.

Process Immediately

NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES

BUSINESS REPLY MAIL
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POSTAGE WILL BE PAID BY ADDRESSEE

HIGHMARK BLUE CROSS BLUE SHIELD
PO BOX 1039
PITTSBURGH PA 15230-9539

Process Immediately

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BUSINESS REPLY MAIL
FIRST-CLASS MAIL PERMIT NO. 4204 PITTSBURGH PA

POSTAGE WILL BE PAID BY ADDRESSEE

HIGHMARK BLUE CROSS BLUE SHIELD
PO BOX 1039
PITTSBURGH PA 15230-9539

Take time to review all the facts of this choice-friendly approach to personal health care.

For your FREE DirectBlue Information Kit, detach and return this postage-paid card and give the other to a friend!

For faster service, visit our Web site at **www.highmarkbcbs.com** or call us at **1-800-851-7678.**

- Up to $5 MILLION in health care coverage
- No physical exam to qualify
- No initial deductibles,[1] and you'll pay just 10% for in-network services
- No claim forms to complete for in-network coverage
- Choose from a network of over 6,800 family physicians and specialists
- Maternity and preventive care included
- Much, much more!

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HIGHMARK

Medicare Plans

Highmark offers a variety of health care coverage plans for people with Medicare. Do you want to supplement - or fill in the gaps of - Original Medicare? Do you want a Medicare Advantage plan that gives you all the benefits of Medicare plus valuable additional benefits, like vision and hearing coverage? Do you need Part D coverage for prescription drugs? Review the plans below to find out which plan is best for you. If you're not sure where to start, check out Match Plans to Needs to see a summary of options.

You also may want to use our helpful tools in the "Quick Resources" box to request additional information and receive personal attention: Find a Town Meeting, Request Enrollment Kit and Request a Call.

Match Plans to Needs GO ›

Highmark has the products to meet your health care needs. But how do you know which plan is best for you? We can't tell you which plan to choose, but we can help you figure out the type of plan that fits your preferences. See how each plan matches what you may be looking for.

SecurityBlue GO ›

SecurityBlue℠ is a Medicare Advantage Health Maintenance Organization (HMO). It covers all of the health care you need, including preventive care, doctor visits, hospital stays, surgery, and most plans cover prescription drugs. Plus, you get added benefits like vision and hearing care. With SecurityBlue, you get all covered care from its large network of providers in 17 counties of western Pennsylvania.

FreedomBlue PPO GO ›

FreedomBlue℠ PPO is a Medicare Advantage Preferred-Provider Organization (PPO). It covers all of the health care you need, including preventive care, doctor visits, hospital stays, surgery, and prescription drugs. Plus, you get added benefits like vision and hearing care. FreedomBlue PPO lets you choose where you receive your care, **in the network** of 62 Pennsylvania counties and throughout all counties in West Virginia, or **out of the network**.

FreedomBlue PFFS GO ›

FreedomBlue PFFS is a Medicare Advantage Private Fee-for-Service plan from Highmark Blue Cross Blue Shield. It offers dependable health care coverage for a broad range of services without the restrictions you may encounter with a provider network. It gives you the freedom to choose your healthcare providers anywhere in the country as long as they participate with Medicare and agree to our payment terms and conditions.

HIGHMARK. Blue Cross Blue Shield

ABOVE & BEYOND EDUCATION

Medicare Plans
Match Plans to Needs
SecurityBlue
FreedomBlue PPO
Benefit Details & Premiums
Enroll Online
FreedomBlue PFFS
BlueRx
MedigapBlue
Signature 65

Home / Medicare / Medicare Plans / FreedomBlue PPO

FreedomBlue PPO

FreedomBlue℠ PPO is the Highmark Blue Cross Blue Shield Medicare Advantage Preferred-Provider Organization (PPO). It's available to individuals who are entitled to Medicare Part A and enrolled in Medicare Part B who live in 62 Pennsylvania counties. Click here to view the counties where FreedomBlue PPO is available.

FreedomBlue PPO covers all Medicare-covered benefits, including preventive care, doctor visits, hospital stays, surgery, durable medical equipment, and more. Plus, you get added benefits like vision, hearing and dental care. Most plans also include Medicare Prescription Drug Coverage.

FreedomBlue PPO members are free to choose where they receive care. Use the large network of physicians, hospitals and other professional providers in the Highmark Medicare Advantage PPO Network or go to providers and facilities outside the network to receive eligible care at the lower level of reimbursement. In or out-of-network, referrals are never required - you may go directly to any doctor who accepts Medicare.

Learn more about FreedomBlue PPO or other Highmark Medicare plans. Click here to locate and register to attend a town meeting near you.

Advantages

- Flexibility to use doctors and hospitals throughout Pennsylvania and the United States
- No referrals needed
- Coverage for valuable preventive, hearing and vision care
- SilverSneakers® Fitness Program membership
- Minimal, predictable out-of-pocket costs when network providers are used
- Choice of different plans to meet your individual needs, including plans with Medicare Prescription Drug Coverage and dental care benefits
- Member Service Representatives who live in the community and specialize in knowing all about

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Story 2

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Medicare. Click here to learn more about Highmark Medicare Member Service.

Benefit Details & Premiums

Review the list of services covered by FreedomBlue PPO, including deductibles, copayments and coinsurance you are responsible for paying.

FreedomBlue PPO is also available through employer group policies. Ask your group administrator if they offer this plan.

Use the Quick Resources links in the box to your right to:

- Verify that your doctors and hospital are in our FreedomBlue PPO network or select a provider near you,
- Search among over 64,000 pharmacies that accept FreedomBlue PPO,
- Determine if the drugs you currently take are covered by FreedomBlue PPO,
- Find a Town Meeting in your area.

Enroll Online
Have all of the information you need? Enroll in FreedomBlue PPO online, or print out a paper application in the Forms / Documents section below to send at your convenience.

Forms/Documents
Here is everything you need to enroll in FreedomBlue PPO and understand how the plan works, including what is and what is not covered, what to do if you have a complaint and how to end your coverage.

For those who are eligible for Low Income Subsidy, please click here to view your rates.

To determine if you are eligible or to recertify your Low Income Subsidy status with the Federal Government, please click here .

 Click the button to the left if you need a free copy of Acrobat Reader to view the files listed here.

- Enrollment Application
- Summary of Benefits
- Evidence of Coverage
- Additional Information

H3957_H3916_H9793_S5593_08_0502 (07/2008)

Medicare Plans
Match Plans to Needs
SecurityBlue
FreedomBlue PPO
FreedomBlue PFFS
Benefit Details & Premiums
Enroll Online
BlueRx
MedigapBlue
Signature 65

FreedomBlue PFFS

FreedomBlue PFFS is a Medicare Advantage Private Fee-for-Service plan that is available to Medicare beneficiaries in 62 Pennsylvania counties. Click here to view a list of counties where FreedomBlue PFFS is offered. You must be entitled to Medicare Part A and continue to pay your Part B premium. As a private-fee-for-service plan member, you can receive covered services from any Medicare provider or facility within the United States.

FreedomBlue PFFS covers all Medicare-covered benefits, including preventive care, doctor visits, hospital stays, surgery, durable medical equipment, and more. Plus, you get added benefits like vision and hearing care. You'll just pay a small copayment for most services. Most FreedomBlue PFFS plans include Medicare Prescription Drug Coverage. But if you currently have a stand-alone drug plan, like Highmark Blue Shield's BlueRx, you can enroll in the FreedomBlue PFFS Choice option, without built-in Part D coverage, and keep your stand-alone Part D plan. Simple. Easy. Flexible.

A Medicare Advantage Private Fee-for-Service plan works differently than a Medicare supplement plan. Your doctor or hospital is not required to agree to accept the plan's terms and conditions, and thus may choose not to treat you, with the exception of emergencies. If your doctor or hospital does not agree to accept our payment terms and conditions, they may choose not to provide health care services to you, except in emergencies. Providers can view the plan's terms and conditions by clicking here.

Learn more about FreedomBlue PFFS or other Highmark Medicare plans. Click here to locate and register to attend a town meeting near you.

Advantages

- Choice of different plans to meet your individual needs, including plans with Medicare Prescription Drug Coverage, and a plan without drug coverage that lets you keep your stand-alone Part D plan
- Flexibility to use doctors and hospitals anywhere in the United States - no network restrictions

- Coverage for valuable preventive, vision and hearing care
- SilverSneakers® Fitness Program membership
- Low monthly premium and predictable out of pocket costs

Benefit Details & Premiums

Review the list of services covered by FreedomBlue PFFS, including copayments you are responsible for paying.

FreedomBlue PFFS is also available through employer group policies. Ask your group administrator if they offer this plan.

Use the Quick Resources links in the box to your right to:

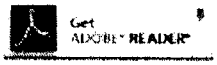
- Search among over 64,000 pharmacies that accept FreedomBlue PFFS,
- Determine if the drugs you currently take are covered by FreedomBlue PFFS,
- Find a Town Meeting in your area.

Enroll Online
Have all of the information you need? Enroll in FreedomBlue PFFS online, or print out a paper application in the Forms / Documents section below to send at your convenience.

Forms/Documents
Here is everything you need to enroll in FreedomBlue PFFS and understand how the plan works, including what is and what is not covered, what to do if you have a complaint and how to end your coverage.

For those who are eligible for Low Income Subsidy, please click here to view your rates.

To determine if you are eligible or to recertify your Low Income Subsidy status with the Federal Government, please click here .



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- Enrollment Application
- Summary of Benefits
- Evidence of Coverage
- Additional Information

H3957_H3916_H9793_S5593_08_0502 (07/2008)

Last updated 07/18/2008

KEYSTONE HEALTH PLAN WEST
HEALTH CARE SPECIALIST PROVIDER AGREEMENT

This Health Care Specialist Provider Agreement (hereinafter referred to as "this Agreement") is made and entered into as of the _____ day of _____, 19____, between the Specialist Provider(s) identified on the Application for Health Care Specialist Provider Participation (hereinafter individually and collectively referred to as "Provider"), and Keystone Health Plan West, Inc. (hereinafter referred to as "KHPW"), a health maintenance organization organized under the laws of the Commonwealth of Pennsylvania.

NOW, THEREFORE, intending to be legally bound hereby, and in consideration of the mutual promises contained herein, the parties hereto agree as follows:

I. DEFINITIONS

A. Covered Services means those Medically Necessary and Appropriate medical and hospital services and benefits to which Members are entitled under the terms of the applicable individual Member or group contract issued or administered by KHPW.

B. Medically Necessary and Appropriate means those services or medical supplies provided that, based on the opinion of the Primary Care Physician and/or Keystone Health Plan West, are determined to be:

a. Appropriate for the symptoms and diagnosis or treatment of the Member's condition, illness, disease, or injury; and
b. Provided for the diagnosis, or the direct care and treatment of the Member's condition, illness, disease, or injury; and
c. In accordance with standards of good medical practice; and
d. Not primarily for the convenience of the Member, or the Member's Provider; and
e. The most appropriate supply or level of service that can safely be provided to the Member. When applied to hospitalization, this further means that the Member requires acute care as an inpatient due to the nature of the services rendered or the Member's condition, and that the Member cannot receive safe or adequate care as an outpatient.

C. Member means an individual, and the eligible dependents of such individual, who has entered into a contract (or on whose behalf a contract has been entered into) with KHPW for the coverage of medical and hospital services, or with Blue Cross of Western Pennsylvania and Pennsylvania Blue Shield for the coverage of medical and hospital services administered by KHPW. This includes, but is not limited to, Members covered by Health Maintenance Organization (HMO), Point of Service (POS), or Preferred Provider Organization (PPO) products; a Medicare contract with the U.S. Health Care Financing Administration, such as TEFRA Risk or TEFRA Cost contracts; or any federal, state, or private program administered by KHPW with appropriate approval from the Department of Health and the Department of Insurance of the Commonwealth of Pennsylvania.

II. GROUP PRACTICE

Provider may enter into this contract as a state licensed health care individual specialist provider or as a legal entity. If contracting as a legal entity, Provider represents that it is duly authorized to contract on its own behalf and on behalf of two or more state licensed specialist providers practicing together as a total group. These providers, listed on the Application for Health Care Specialist Provider Participation, shall be shareholders, partners, employees, or associates of the Provider that has entered into this Agreement to provide certain Covered Services to Members.

Provider agrees to notify KHPW in writing of any subsequent changes to the list of providers prior to the effective date of each change. Provider acknowledges and agrees that the participation of each provider is subject to (i) his/her agreement to be governed by the terms of this Agreement as if a signatory hereto and the policies and procedures adopted by KHPW, from time to time, and (ii) his/her ability to meet at all times, the credentialing criteria of KHPW for participation in the Specialist Provider Program.

III. OBLIGATIONS OF PARTIES

A. With respect to HMO programs administered by KHPW and utilizing the KHPW network: Provider agrees to provide Covered Services within his/her medical specialty to Members of the **HMO Program**, which shall include traditional HMO and Medicare Programs including but not

limited to TEFRA Risk, TEFRA Cost, and Medicare Carve-Out, upon prior referral by the Member's Primary Care Physician, and to make reports to KHPW and the Member's Primary Care Physician concerning such services. Provider further agrees: (a) to provide only those health services authorized by the Primary Care Physician; (b) not to refer Members to other health service providers, including hospitals, except in emergencies, without first receiving authorization from the Member's Primary Care Physician; (c) that KHPW shall not be responsible for payments for services not specifically authorized by the Member's Primary Care Physician; and (d) to comply with KHPW's other referral policies and programs, including those for the preauthorization of all inpatient hospitalizations and certain selected outpatient procedures, and for the provision of ancillary health care services.

B. With respect to POS programs administered by KHPW and utilizing the KHPW network: Provider agrees to provide Covered Services within his/her medical specialty to Members of the **POS Program**, with or without a Primary Care Physician referral. POS Members may voluntarily elect not to obtain a referral from their Primary Care Physician and seek care directly from any Participating Provider or Non-Participating Provider. If the POS Member seeks care from Provider with a Primary Care Physician referral, then Provider further agrees: (a) to provide only those health services authorized by the Primary Care Physician; (b) not to refer Members to other health service providers, including hospitals, except in emergencies, without first receiving authorization from the Member's Primary Care Physician; (c) that KHPW shall not be responsible for payments for services not specifically authorized by the Member's Primary Care Physician; and (d) to comply with KHPW's other referral policies and programs, including those for the preauthorization of all inpatient hospitalizations and certain selected outpatient procedures, and for the provision of ancillary health care services.

If the POS Member seeks care from Provider without a Primary Care Physician referral, the Member will be obligated to pay a higher deductible and/or copayment amount for Covered Services. Provider agrees to make every reasonable effort to have the Member obtain a Primary Care Physician referral and/or to educate the Member as to the consequences of failing to obtain a referral. Provider further agrees to obtain preauthorization for all inpatient hospitalization and certain selected outpatient procedures.

C. Provider agrees to provide Covered Services to Members of the Non-Gatekeeper **PPO Program** within his/her medical specialty without a Primary Care Physician referral. Non-Gatekeeper PPO Members need not select, and are not assigned to, individual Primary Care Physicians. Non-Gatekeeper PPO Members may seek care directly from any Participating or Non-Participating Provider. Provider is required to obtain preauthorization for all inpatient hospitalization and certain selected outpatient procedures. Except in emergency situations or with the prior approval of KHPW, Provider agrees to make any necessary referrals exclusively to other Participating Providers, including hospitals. Provider shall notify KHPW of any referral to a Non-Participating Provider and shall document the reason for such in the Member's records.

D. KHPW may impose financial penalties or other sanctions on Providers who fail to meet quality standards or who fail to follow administrative procedures, such as the preauthorization requirements, as set forth in this Agreement. Providers shall have the right to appeal such penalties pursuant to the appeal procedures outlined in the policies and procedures of KHPW.

E. Providers who are physicians shall maintain active staff privileges with at least one hospital that contracts with KHPW as a Participating Hospital Provider.

F. Provider agrees to comply with KHPW's credentialing process and quality improvement, utilization review, peer review, and grievance programs and procedures, and to provide KHPW access to physician offices and such medical, financial, and administrative information as may be necessary for compliance by KHPW with state and federal laws, as well as for program management purposes. Provider will further provide to KHPW and to the Pennsylvania Department of Health and any external quality review organization approved by the Department of Health, and to any other authorized state and federal agencies such access to medical records of Members as is needed to assess the quality of care rendered to such Members.

G. Provider agrees to comply with KHPW's guidelines, procedures, and policies, as in effect from time to time, and the terms of all applicable subscriber agreements as heretofore or hereafter adopted or entered into by KHPW.

H. Provider agrees that all duties performed hereunder shall be consistent with the proper practice of medicine, and that such duties shall be performed in accordance with the customary rules of ethics and conduct of applicable state and professional licensure boards and agencies.

I. Provider agrees that KHPW may use Provider's name, address, phone number, picture, type of practice, applicable practice restrictions, and an indication of Provider's willingness to accept additional Members, in KHPW's roster of Participating Providers and other KHPW materials. Provider shall not reference KHPW in any publicity, advertisements, notices, or promotional material, or in any announcement to the Members, without the prior review and written approval of KHPW.

J. To the extent that KHPW participates in national or interregional networks of other health maintenance organizations, Provider shall provide services, including urgent care or emergency services, to persons who have coverage under such program when requested by KHPW.

K. Provider warrants and represents that all information and statements given to KHPW in connection with the application and credentialing processes, and any information relative to this Agreement, are true, accurate, and complete. The Application for Health Care Specialist Provider Participation is hereby incorporated by reference into this Agreement.

L. Provider agrees to notify KHPW immediately if any change occurs relative to Provider, regarding the status of hospital privileges or state license to practice medicine, or otherwise provide services hereunder.

M. Provider will submit referral, encounter, and/or claim data, as well as certain clinical data, to KHPW or, as appropriate, to other providers using media, format, and coding structures as may from time to time be required by KHPW.

N. Provider agrees to comply with all state and federal regulations relating to advance directives and to provide Members receiving services with advance directive notifications required under law.

O. KHPW and Provider will meet and confer in good faith to resolve any problems or disputes that may arise under this Agreement with regard to the denial by KHPW of payment for a medical or hospital service rendered to a Member. Provider shall have the right to appeal such denial pursuant to the appeal procedures outlined in the policies and procedures of KHPW.

P. Provider agrees to operate in accordance with all applicable federal, state, and local laws and regulations.

IV. FEES

Provider agrees to accept KHPW's Maximum Allowable Fee Schedule, as in effect from time to time, as payment in full for all Covered Services rendered to Members. Notwithstanding the foregoing, for Covered Services rendered to Medicare Members or those Members covered under the Medicare Carve-Out Program, KHPW's Maximum Allowable Fee is that fee allowed by Medicare.

For all Covered Services rendered to Members by the Provider, the reimbursement amount from KHPW will be based upon the reimbursement allowance set forth in the Maximum Allowable Fee Schedule, less any applicable copayment amount and any other party liability. Under the Medicare Carve-Out Program, the Provider will accept payment directly from Medicare for Medicare covered services for which Medicare is the responsible payor, together with compensation paid by KHPW as provided herein, plus any applicable copayment amount, as payment in full.

V. SUBSCRIBER HOLD HARMLESS

Provider agrees that in no event, including, but not limited to, non-payment by KHPW or insolvency or breach of this Agreement by KHPW, shall the Provider bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any

recourse against a Member or person(s) other than KHPW acting on the Member's behalf for Covered Services. This provision shall not prohibit collection of coinsurances, deductibles or copayments in accordance with the terms of the applicable Member/Subscriber Agreement.

Provider further agrees that (1) the hold harmless provision herein shall survive the termination of this Agreement, regardless of the cause giving rise to such termination, and that (2) this hold harmless provision supersedes any oral or written contrary agreement now existing or hereafter entered into between the Provider and the Member or person(s) acting on his or her behalf.

Any modification, addition, or deletion to the provisions of this section shall become effective on a date no earlier than fifteen (15) days after the Secretary of Health has received written notice of such proposed changes.

VI. RESTRICTIONS ON COLLECTION OF PAYMENT

Provider agrees not to seek reimbursement from a Member for services that are not Covered Services unless the Member is advised in writing by the Provider, prior to receiving the services, that such services will not be covered and the Member subsequently acknowledges that such services will not be covered and chooses to receive such service.

Provider shall not collect charges from Members for Covered Services, with the exception of applicable copayments, prior to receipt of claim disposition from KHPW.

Provider shall not bill or collect from a Member, or from KHPW, charges itemized and distinguished from the medical and health care services provided. Such charges include, but are not limited to, insurance surcharges, overhead fees or facility fees, or fees for completing claim forms or submitting additional information to KHPW. Provider shall, in no case, bill or collect charges for services determined not to be Covered Services or for amounts greater than the plan allowance, without the written informed consent of the Member.

VII. COST EFFECTIVENESS

Provider shall render Covered Services in the most cost effective manner and in the least costly setting required for the appropriate treatment of the Member.

VIII. INSURANCE

Provider agrees to provide and maintain general liability insurance and professional liability (malpractice) insurance to insure Provider against any claim or claims for damages arising by reason of personal injury or death occasioned, directly or indirectly, in connection with the performance of any service by Provider. The amounts and extent of such insurance coverage shall be subject to the determination and approval of KHPW but shall not be less than Two Hundred Thousand Dollars ($200,000) per claim and Six Hundred Thousand Dollars ($600,000) per year, including any additional coverage as required by KHPW. All Providers not licensed in Pennsylvania are required to have equivalent insurance subject to the approval of KHPW. Provider shall provide evidence of such insurance coverage to KHPW.

IX. COORDINATION OF BENEFITS

Provider agrees to provide to KHPW information for the collection and coordination of benefits when a Member holds other coverage that is deemed primary for the provision of service to said Member and to abide by KHPW's coordination of benefits and duplicate coverage policies. This shall include, but not be limited to, permitting KHPW to bill and process forms for any third party payor on the Provider's behalf for Covered Services and to retain any sums received.

X. CONFIDENTIALITY

Provider agrees to protect and maintain the confidentiality of all information relative to Members or KHPW in compliance with all applicable laws and regulations governing the use and disclosure of confidential medical records, and will not disclose or permit the disclosure of any information, including fees, expenses, and utilization derived from, through, or provided by KHPW.

XI. ASSIGNABILITY

This Agreement, being intended to secure the services of, personal to, the Provider, shall not be assigned or transfe Provider without the prior written consent of KHPW. Any att assignment by the Provider in contravention of this provision s void. KHPW may assign this Agreement to an affiliated compa

XII. LIABILITY

None of the provisions of this Agreement are intended to create, or be deemed or construed to create, any relationship between the pa hereto other than that of independent entities contracting with each o hereunder solely for the purpose of effecting the provisions of Agreement. Neither of the parties hereto, nor any of their respect shareholders, partners, employees, or associates, shall be construed to the agent, employer, employee, or representative of the other, nor w either party have an expressed or implied right of authority to assume create any obligation or responsibility on behalf of, or in the name o the other party. Neither Provider nor KHPW shall be liable to any othe party for any act, or any failure to act, of the other party to thi Agreement.

A Provider performing services for Members is not an employee o KHPW, and KHPW shall do nothing to interfere with the customary provider-patient relationship in such cases. KHPW shall not be liable or responsible to anyone or any person whatsoever as a result of any negligence, misfeasance, malfeasance or malpractice on the part of any Provider performing services for Members.

XIII. MODIFICATION

This Agreement may be amended or modified in writing as mutually agreed upon by the parties. In addition, KHPW may modify any provision of this Agreement upon thirty (30) days prior written notice to Provider. Provider's acceptance of KHPW payments subsequent to such notice shall be deemed to constitute acceptance of KHPW's modification, if Provider fails to object to such modification, in writing within the thirty (30) day notice period. This Agreement may be amended without prior notice in order to comply with statutory and regulatory requirements.

XIV. TERM

This Agreement shall be effective only when accepted by KHPW. The initial term of this Agreement shall be for one (1) year from the date of acceptance of Provider's Application. This Agreement will be automatically renewed from year to year thereafter. This Agreement may be terminated by either party at any time upon sixty (60) days advance written notice, except that KHPW may terminate this Agreement immediately on written notice in the event of Provider's material breach of this Agreement.

XV. NOTICE

Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be hand delivered or sent by first class mail, postage prepaid, to the address set forth for each party on the signature page hereto. Notice shall be deemed to be effective when mailed, but notice of change of address shall be effective upon receipt.

XVI. GOVERNING LAW

This Agreement shall be governed in all respects by the laws of the Commonwealth of Pennsylvania. The invalidity or unenforceability of any terms or conditions hereof shall in no way affect the validity or enforceability of any other terms or provisions. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach or violation thereof.

XVII. ENTIRE AGREEMENT

This Agreement, together with any attachments hereto, constitutes the entire Agreement between the parties, and supersedes all other proposals, understandings or agreements, whether written or oral.

XVIII. CONTRACTING PARTY

This Agreement is between the Provider and KHPW only. KHPW is a licensed controlled affiliate operating under a license from the Blue Cross and Blue Shield Association ("the Association"), which is a national association of independent Blue Cross and Blue Shield Plans throughout the United States. Although all of these independent Blue Cross and Blue Shield Plans operate under separate licenses from the Association, each of them is a separate and distinct corporation. The Association allows KHPW to use the familiar Blue Cross and Blue Shield words and symbols. KHPW, which is entering into this Agreement, is not contracting as an agent of the national Association. Only KHPW shall be liable to the Provider for any of the obligations under this Agreement. This paragraph does not add any obligations to this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day of the year first written above.

SPECIALIST PROVIDER

REDACTED

REDACTED

REDACTED

KEYSTONE HEALTH PLAN WEST, INC.
Foster Plaza VI, 681 Andersen Drive
Pittsburgh, Pennsylvania 15220

By:_____
Signature of authorized representative of KHPW

_____
Name and Title

ADDITIONAL PRACTICE LOCATION ADDRESSES (if applicable)

1._____

_____

_____

2._____

_____

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