

Health Matters

by Nancy Glicksman



A NEWSLETTER CONCERNING COVERAGE AND BENEFITS WINTER 2012 Volume 1 Issue 5

Highmark and UPMC renegotiate for a one year period

Although this is not a permanent fix, it extends the time that Highmark subscribers can use UPMC physicians and facilities. Hopefully things can work out for the long haul. Please read article below taken from Pittsburgh Tribune Review, 12/22/11

Pittsburgh Tribune-Review UPMC, Highmark contract extension not seen as final solution by Alex Nixon

UPMC backed down from its threat to terminate contracts between its 3,000 doctors and Highmark Inc. next year and reached an agreement with the state's largest health insurer to extend those contracts to June 30, 2013, the same day contracts for UPMC facilities will end.

The deal, brokered by Gov. Tom Corbett with the help of a mediator, was announced this morning by the two health care giants in a joint statement and marked the first significant movement in a more than six-month-old stalemate.

"The agreement we saw this morning . . . is a positive step but a very small step," state Rep. Dan Frankel, D-Squirrel Hill, said this morning during a previously scheduled news conference Downtown to discuss a House bill that could force UPMC and Highmark into binding arbitration.

"It is a clear shot across the bow," Frankel said of House Bill 2052, sponsored by Rep. Randy

Vulakovich, R-Shaler. Vulakovich and other lawmakers said this morning they believed the bill put pressure on UPMC to restart negotiations with Highmark.

The contract extension ensures that the 2 million Highmark subscribers in the region potentially affected by the dispute will pay in-network prices for treatment by UPMC's physicians for the next 18 months.

"The additional time period will provide certainty for UPMC patients and Highmark subscribers," the companies said in the statement.

The delay also allows regulatory agencies time to review Highmark's proposed \$475 million acquisition of West Penn Allegheny Health System, UPMC said. UPMC, the dominant hospital system in the region, has cited that acquisition as a chief reason for walking away from negotiations.

In a separate statement, UPMC said this morning's deal was not a permanent solution. "This date certain provides 18 months for UPMC patients and Highmark subscribers to review the multiple competitive health insurance options now available to assure that their care will continue uninterrupted with UPMC physicians and hospitals."

But Highmark said it would continue to pursue a long-term contract with UPMC and thanked lawmakers for their help.

"Actions by the Pennsylvania House of Representatives and state Senate have been instrumental in achieving this result on behalf of

Highmark members and UPMC patients," the insurer said.

House Bill 2052 was approved on a 186-6 vote last week in the state House and awaits Senate action. Local state representatives pledged to keep pushing for the bill to become law and to press for continued talks between UPMC and Highmark.

"This is the beginning of the end of this problem," said Rep. Frank Dermody, D-Oakmont.

Tribune-Review staff writers Luis Fabregas and Andrew Conte contributed to this report.

*Alex Nixon can be reached at anixon@tribweb.com or 412-320-7928. *This was reprinted with Alex's permission.*

UPMC'S New Individual Product

I recently attended a UPMC broker meeting where I learned the following: UPMC is supposedly coming out with an individual product that will be medically underwritten for individuals over the age of 19 years. This will be called Individual Advantage and is geared towards individuals and families who do not get insurance through an employer. The individual products will be EPO's- Exclusive Provider Organizations. While you do not need referrals, you do need to stay in the UPMC network except in the event of an emergency. They will be offering plans with copays and deductibles as well as plans with high deductibles that are HSA compatible. It is still unclear when these plans will be approved and available. Please call me if you would like more information on these plans and/or if you are interested in getting a quote once they are available.

Getting Ready for Medicare

When you are first eligible for Medicare due to turning 65 years of age, you have a 7 month initial enrollment period to sign up for Part A

(Hospital Insurance) and Part B (Medical Insurance). This 7 month period begins 3 months before you turn 65 years of age, the month of your birthday, and 3 months following your birthday. You will be eligible to start receiving Medicare benefits the first of the month in which you turn 65 years of age. So, for example, if your birthday is March 25th, you are eligible to start receiving benefits on March 1st. The first step prior to signing up for a supplemental plan is to be enrolled in parts A and B. You can apply online at social security or visit your local social security office. A great website to visit is www.medicare.gov Once you have your card showing that you have parts A and B, we can meet to discuss enrolling in part C, which is a Medicare Advantage Plan that usually includes part D, prescriptions. While this can be very complicated, remember I am here to help you navigate and understand the complexities of Medicare. As always, feel free to call me with any questions or if you need assistance with this process.

