

January 22, 2024

RE: Anthem-University of California Health (California) Contract Negotiations

Dear Valued Anthem Partner:

I'm writing to provide you with an update on where Anthem Blue Cross (Anthem) stands in our ongoing contract negotiations with University of California Health (UC Health).

We remain firmly at the negotiating table and committed to reaching an agreement that maintains our members' access to affordable in-network care at UC Health facilities and doctors. Our goals are to reach an agreement that accomplishes that objective, simplifies our healthcare system, fairly compensates UC Health, and offers cost predictability for employers and their employees.

We have offered UC Health reasonable payment increases that are in line with those accepted by other health systems in California. We've also asked them to work with us to simplify administrative and payment processes, lowering costs for all involved, and giving providers more time with patients. Unfortunately, to date, UC Health has refused to accept the offered rate increases or to modernize burdensome administrative processes.

As required by the State of California, we recently notified Anthem HMO members assigned to a UC Health PCP that they will be reassigned a new PCP effective March 1, 2024, if an agreement can't be reached. To avoid the understandable concern these notices would create for our members and clients, Anthem repeatedly offered UC Health opportunities to extend our contract expiration date to avoid them, but to date UC Health has refused those offers.

As you know, these discussions are a normal and routine part of the health care industry and something both Anthem and UC Health have done several times in the past with no issues. Anthem and UC Health have a long history of partnership, and our commitment stands firm to establish a new agreement with UC Health before March 1. We remain optimistic that goal can be accomplished, and we believe UC Health shares our dedication to this objective.

As these negotiations continue, my team and I will continue to communicate regularly with you about progress. You can find additional information and stay updated by visiting www.anthem.com/ca/uhealth or contact your Anthem representative.

Sincerely,

Beth Andersen
President, Commercial Business
Anthem Blue Cross of California