



MASSACHUSETTS

January 2009

Dear Business Partner:

Tufts Medical Center Affiliated Physician Provider Agreement

As you are most likely aware, negotiations with a subset of New England Quality Care Alliance (NEQCA) physician practices affiliated with Tufts Medical Center broke down on Monday, January 5, 2009. After previously agreeing to extend our existing contract term so we could come to agreement on a new contract, NEQCA called to tell us that they were ending negotiations, therefore letting the participation status of approximately 100 primary care physicians (PCPs) and 340 specialists expire. This means that effective February 1, 2009, these physicians will no longer be part of our HMO and PPO participating provider networks, including HMO Blue[®], Access Blue,SM Network Blue,[®] Blue Choice[®] (POS), Blue Care ElectSM (PPO), Preferred Blue PPO[®], and Managed Blue for Seniors.SM These physicians will continue to be part of our indemnity provider network for one year from the date the provider notified their patients that they were terminating their participation in this product. Blue Cross Blue Shield of Massachusetts Medicare Advantage members are not affected.

To be clear, our current contract with the hospital is not affected by this action and is effective through September 2009. Fortunately, there are many other contracted providers for our members to choose from in close proximity to the small number of providers who intend to leave our network February 1.

We deeply regret this unfortunate action, which places our members and their patients in the middle of a contract dispute just days before it terminates. This subset of NEQCA physicians have declined a fair contract offer, demanding a rate increase that is three times the rate of general inflation in the first year alone of their multi-year agreement. We believe their position is unreasonable and not justified in the current environment. We are very disappointed that this situation has escalated to this degree, and regret that a year of negotiation has ended so abruptly at the expense of our customers.

We continue to believe that the best way to level the playing field among providers and slow medical cost growth is to reimburse doctors and hospitals based on higher quality, better coordinated, and more effective care. The contract terms we proposed would allow these physicians to achieve their financial goals, if they can demonstrate high levels of performance on quality and efficiency.

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Affected Member Support

We will work with you and your employees to ensure that affected members do not experience loss of access to care. We will offer provisions for members' continuity of care with terminating NEQCA physicians as follows:

- If a member's PCP is a terminating NEQCA physician, coverage for care by that PCP will continue for 30 calendar days after February 1, 2009.
- If, as of February 1, 2009, a member is in her second or third trimester of pregnancy, and her provider is a terminating NEQCA physician, coverage will continue through her postpartum period (including, but not limited to, her first postpartum visit).
- If a member is undergoing active treatment for a chronic or acute medical condition, he or she can continue to seek treatment with a terminating NEQCA physician through the current period of active treatment, or 90 calendar days after February 1, 2009, whichever comes first.
- Finally, if a member is terminally ill as defined by law and is being treated by a terminating NEQCA provider, that member may continue to receive care.

Members with a doctor in this subset of physicians may have received, or soon will receive, a letter from their doctor stating that the member won't be able to see him or her for covered services as of February 1, 2009. We are writing to affected members and advising them that they can call our dedicated toll-free number, **1-888-404-9846**, for assistance with continuity of care concerns and for help in choosing a new provider. Members can also find a list of affected physicians and choose a new physician online by visiting **www.bluecrossma.com/membercentral**. You can view copies of the letters we are sending to members as well as a list of affected providers at **www.bluecrossma.com/employer** in the What's New at Blue Cross section.

As the state's largest health insurance company, we expect to be at the center of the health care payment reform debate and we look forward to playing a constructive role in ensuring this progress is sustained, and wherever possible, accelerated. Our most important consideration will always be to put our members' health first by ensuring that they have access to the care they need from the over 19,000 providers in our statewide network.

If you have any questions, please contact your account executive.

Sincerely,

Tim O'Brien
Senior Vice President
Sales Division