



News for Immediate Release

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Governor Corbett Announces Agreement Between Highmark and UPMC

Harrisburg – Governor Tom Corbett today announced that Highmark and the University of Pittsburgh Medical Center have reached an agreement through the end of 2014, promising continuity of coverage for patients and their families throughout western Pennsylvania.

The agreement will provide in-network access to all UPMC hospitals and physicians for Highmark Commercial and Medicare Advantage members.

“Both UPMC and Highmark worked diligently toward this amicable resolution for the benefit of UPMC patients, Highmark subscribers and the millions of citizens impacted by the uncertainty of their dispute,” Corbett said. “I, along with the citizens of western Pennsylvania, am pleased with this outcome.”

The agreement will extend the existing relationship by 32 months from today, through Dec. 31, 2014.

Corbett appointed a mediator to assist in negotiations, David F. Simon, Executive Vice President and Chief Legal Officer of Jefferson Health System in Southeastern Pennsylvania. Simon was tapped by Corbett to work with the governor’s staff and involved parties over the past few weeks to craft a solution.

“David’s expertise in insurance and health system finance was vital. Having a neutral third party was essential and I appreciate David’s effort on this important matter,” Corbett said.

Recognizing special community needs, Highmark and UPMC will be negotiating access to unique UPMC services beginning in 2015, including Western Psychiatric Institute, certain oncological services and community hospitals.

Current agreements stay in place for UPMC Children’s Hospital. For 2015, the parties will also negotiate continued coverage and services for vulnerable populations, including those enrolled in the Children’s Health Insurance Program (CHIP), Special Care and PA Fair Care, Pennsylvania’s plan for persons with pre-existing conditions.

“What this agreement means is that medical insurance protection will continue for our state’s most vulnerable citizens, including those that rely on Pennsylvania’s health care plans for their children and other family members,” Corbett said.

Governor Corbett also thanked several members of the General Assembly for their involvement in this matter, including Sen. Donald C. White (R-Armstrong) and Sen.

Jay Costa (D-Allegheny), as well as Rep. Mike Turzai (R-Allegheny), Rep. Frank Dermody (D-Allegheny) and Rep. Randy Vulakovich (R-Allegheny).

For more information, visit www.pa.gov.

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Editor's Note: A joint statement explaining the agreement follows:

Highmark and UPMC are pleased to announce that they have reached an agreement in principle to provide for in-network access to all UPMC hospitals and physicians for Highmark Commercial and Medicare Advantage members until December 31, 2014.

In addition, in recognition of special local community needs and certain unique services offered by UPMC, and to minimize access to care and rate disputes, Highmark and UPMC have agreed to negotiate rates and terms for continued Highmark member access to certain UPMC services on an in-network basis starting in 2015, including Western Psychiatric, certain oncological services, UPMC Bedford, and UPMC Venango. Highmark members in a continuing course of treatment at UPMC will also continue to have in-network access to UPMC hospital and physician services.

Current Highmark-UPMC arrangements regarding UPMC Mercy and Children's Hospital are unaffected by this agreement and will remain in effect. The current Highmark-UPMC arrangements regarding UPMC Hamot, which expire on June 30, 2013 with an additional one-year run-out period, will be extended by six months to December 31, 2014.

As part of its community benefit mission, UPMC will also continue to provide in-network hospital and physician services at preferred rates for certain Highmark plans which serve vulnerable populations, specifically Special Care, PA Fair Care, CHIP and Guaranteed Issue plans, for such time as these plans continue to be offered by Highmark.

The contractual extension until the end of 2014 will provide for sufficient and definite time for patients to make appropriate arrangements for their care and eliminate the need for any possible governmental intervention under Act 94. Highmark has agreed not to seek or support such intervention in return for UPMC's agreement to the extension.

This agreement was reached with the assistance of a mediator designated by Governor Corbett and the support of interested legislators. The agreement in principle is binding and will be implemented through formal agreements to be completed by June 30, 2012.

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