

UPDATE: Anthem Blue Cross and Blue Shield of Indiana Announces an Early Warning Termination for Union Hospital, Inc.

June 30, 2009

Anthem Blue Cross and Blue Shield of Indiana (Anthem) is disappointed by the lack of progress in negotiations with Union Hospital. In response to letters recently distributed by the hospital, Anthem supplied the attached Frequently Asked Questions (FAQ) document.

InterPlan Sales Bulletin

February 10, 2009

Anthem Blue Cross and Blue Shield of Indiana (Anthem) has received a notice of intent to terminate from all network products from Union Hospital and its affiliated facilities. The effective date of this termination is July 31, 2009. Anthem has been in active negotiations with the hospital since April 2008, while negotiations have progressed, the issue of rates still remain. As negotiations continue, Anthem is optimistic that an agreement can be reached prior to the termination date. This alert impacts the following lines of business: POS, PPO, PAR, and HMO.

The hospital is located at the following address:

Union Hospital, Inc.
1606 N. 7th St
Terre Haute, IN 47804

Attached is a listing of all affected providers affiliated with Union Hospital, Inc.

Bonnie Bronder
Highmark National Accounts
412-544-2221
bonnie.bronder@highmark.com

**Union Hospital Termination
Frequently Asked Questions
June 26, 2009**

Union Hospital in Terre Haute, Indiana has announced its intention to leave the Anthem provider network effective July 31, 2009. Unfortunately, after several months of negotiations, we have been unable to reach agreement on a new contract. As a result, Union Hospital and its affiliates will be considered out of Anthem's network beginning August 1, 2009, which could have various ramifications for Anthem members as explained below. If you have any questions that are not addressed here, please contact the number on the back of your Anthem ID card.

Why is this happening?

While progress was made in the course of several months' of negotiating, we've been unable to reach an agreement with the negotiator who has represented Union Hospital in these talks. As a result, Anthem's contract with Union Hospital will expire at midnight on July 31, 2009. They will be considered out of network beginning August 1, 2009, which has various ramifications for Anthem members.

Is Anthem's reimbursement fair?

Yes, in many cases, Anthem's current payments to Union are already higher than what we reimburse to hospitals of comparable size. Yet, in their most recent proposal, Union is requesting a significant rate increase above their current Anthem reimbursement over the next two years. If we were to agree to that, it would mean higher costs for our customers in the Terre Haute area when they receive medical services at Union Hospital or any of their facilities.

What are the sticking points in the negotiations?

While we've made progress on the issue of reimbursement for the services Union performs, our biggest concern throughout the contract talks is Union's insistence that it be able to bill Anthem for services performed outside the hospital setting (such as at one of their free-standing surgery centers) at higher, hospital-contracted rates. Billing at this higher rate of reimbursement will cost additional millions of dollars for our customers.

But the hospital says Anthem is trying to reduce their reimbursement by millions of dollars.

In reality, we are simply offering to reimburse them at rates that are comparable for services performed in free-standing surgery centers. These rates are typically lower, given that the overhead costs to operate such a facility are lower versus the costs of operating an inpatient hospital. This cost difference has been recognized in the way such outpatient facilities have properly been billed in the past. Holding the line on this point is not a reduction in reimbursement, but rather a reinforcement of a longstanding policy recognizing the cost savings that outpatient facilities are well positioned to offer.

What facilities are affected by this?

Union Hospital in Terre Haute and Union Hospital, Clinton and **all** of their affiliated entities, such as the hospital's surgery centers, radiology centers, physical therapy

locations and cardiac care, including Thomas Plaza Outpatient Therapy, Thomas Plaza Outpatient Radiology, Hux Cancer Center, Union Hospital Mobile Lithotripsy, Wabash Valley Surgery Center, Union Cardiac Cath Lab and Union Hospital Outpatient Chemotherapy Centers. We encourage you to ask if the facility is affiliated with Union Hospital. If you are uncertain, please contact the number on the back of your Anthem ID card.

What Anthem health plans would be affected?

Anthem PPO, Traditional, Healthy Indiana Plan, Hoosier Healthwise, Medicare Advantage/Medicare Select, Medicare Supplement plans and FEP.

Does this termination affect Union-affiliated physicians?

No.

If the Union Hospital facilities were to go out of Anthem's network, are there other in-network facilities in my area?

Yes. Anthem has worked hard to create one of the largest and most comprehensive network of hospitals throughout Indiana to provide our members access to quality health care providers. Nearby in-network hospitals and outpatient facilities can be found at www.anthem.com.

What happens if I go to any of the above facilities after the contract termination?

Anthem strongly recommends that you begin to consider the many other in-network options in the area for your health care needs. We understand that this termination may cause some inconvenience. You may choose to receive medical services from the above facilities, however, after the contract termination Anthem will pay for the services at the out-of-network benefit level, which would mean higher out of pocket costs for you. In addition, the hospital may send you a bill to collect any difference between the reimbursement allowed by Anthem and what they charge for the service performed. You would be responsible for paying the difference.

What about emergency care?

After the contract termination, generally, if you choose one of the above hospitals for emergency care and the hospital charges more than Anthem's benefits allow, you may have to pay the difference. This could be substantial. There are, however, exceptions for life threatening emergencies and other circumstances.

What happens if I am an inpatient at one of the above facilities at the time of the termination?

The above hospitals must continue to honor our in-network reimbursement rate and provide care for 90 days or until you are discharged from the hospital.

I want to avoid out of network charges. But what if my doctor typically admits his/her patients to Union Hospital and doesn't have admitting privileges to other Anthem-network hospitals?

Talk to your doctor about other options. Many doctors have admitting privileges at more than one hospital.

Union Hospital Facilities
 NPI 1619975331 Accute \ NPI 1932107802 REHAB
 As of 09/01/2008

Union Hospital, Inc		Union Hospital Outpatient Therapy (PT, OT, ST)	
Physical Address 1606 N 7th St Terre Haute, In 47804 PH: (812) 238-7000 FAX: (812) 238-7515	Billing Address Union Hospital, Inc. PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181	Physical Address 1725 N 5th St Terre Haute IN 47804 PH: (812) 238-7210 FAX:(812) 242-3070	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181
Relationship Type Hospital Owned and Operated		Relationship Type Hospital Owned and Operated	
Thomas Plaza Outpatient Radiology (RAD, CT SCAN, MRI)		Union Hospital Pediatric Outpatient Therapy (PT, OT, ST)	
Physical Address 5500 S US 41 Terre Haute, IN 47802 PH: (812) 238-7730 Fax:(812) 299-1451	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181	Physical Address 450 8th Ave Terre Haute IN 47804 PH: (812) 238-7171 FAX: (812) 235-1526	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181
Relationship Type Hospital Provider Based Site		Relationship Type Hospital Owned and Operated	
Thomas Plaza Outpatient Therapy PT, OT, ST		Clara Fairbanks Center for Women	
Physical Address 5500 S US 41 Terre Haute, IN 47802 PH: FAX:	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181	Physical Address 1711 N 6 1/2 St Suite 300 Terre Haute, IN 47804 PH: (812) 238-7766 FAX (812) 238-4511	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181
Relationship Type Hospital Provider Based Site		Relationship Type Hospital Owned and Operated	
Union Cork Radiology		Union Hospital Center for Occupational Health Radiology	
Physical Address Cork Medical Center 410 N 2nd St Marshall, IL 62441 PH (217) 826-2361 Fax (217) 826-2366	Billing Address Union Hospital, Inc P.O. Box 2505 Indianapolis, IN 46206 PH: (812) 238-7716 Fax (812) 238-4506	Physical Address 4001 Wabash Ave Terre Haute, IN 47802 PH (812) 238-7788 FAX (812) 238-77	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181
Relationship Type Hospital Provider Based Site		Relationship Type Hospital Owned and Operated	
Hux Cancer Center		Union Hospital Wound Care Clinic	
Physical Address 1711 N 6 1/2 St, Suite 100 Terre Haute, IN 47804 PH: (812) 238-7504 FAX (812) 238-7151	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181	Physical Address 1530 N 8th Street Terre Haute, IN 47804 PH: (812) 238-4499 FAX: (812) 238-4493	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181
Relationship Type Hospital Owned and Operated *		Relationship Type Hospital Owned and Operated *	
Union Cardiac Cath Lab South		Union Hospital Cardiac Cath Lab	
Physical Address 2723 South 7th Street Terre Haute, IN 47802 PH: (812) 232-8164 FAX (812) 234-6391	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181	Physical Address 1606 N 7th St Terre Haute, In 47804 PH: (812) 238-7000 FAX: (812) 238-7515	Billing Address Union Hospital, Inc. PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181
Relationship Type Hospital Provider Based Site *		Relationship Type Hospital Owned and Operated *	
Wabash Valley Surgey Center		Union Hospital Mobile Lithotripsy	
Physical Address 1421 N 7th Street Terre Haute, IN 47804 PH:(812) 232-7192 FAX: (812) 242-3766	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181	Physical Address 1606 N 7th St Terre Haute, In 47804 PH: (812) 238-7000 FAX: (812) 238-7515	Billing Address Union Hospital, Inc. PO BOX 6190 Indianapolis, IN 46206-6190 PH: (812) 238-7625 FAX (812) 238-7181
Relationship Type Hospital Owned and Operated *		Relationship Type Under Arrangement	

* Management Services Agreements

Union Hospital Facilities (Continued)
 NPI 1619975331 Accute \ NPI 1932107802 REHAB

Union Hospital OP Chemotherapy 5 Locations Outside Main Hospital			
Physical Address 3702 South 4th St Terre Haute, IN 47802	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190	Physical Address 2723 S 7th St Terre Haute, IN 47802 Note: 2nd Floor Dr. Huh's Office	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190
PH: 234-0098 FAX: 238-7091	PH: (812) 238-7625 FAX (812) 238-7181	PH: (812) 232-1418 FAX:(812) 234-7362	PH: (812) 238-7625 FAX (812) 238-7181
Physical Address 1711 N 6 1/2 St, Suite 301 Terre Haute, IN 47804	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190	Physical Address 2723 S 7th St Terre Haute, IN 47802 Note 2nd Floor Dr Shaheen's Office	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190
PH: FAX:	PH: (812) 238-7625 FAX (812) 238-7181	PH: (812) 232-5707 FAX (812) 235-1831	PH: (812) 238-7625 FAX (812) 238-7181
Physical Address 1711 N 6 1/2 St, Suite 200 Terre Haute, IN 47804	Billing Address Union Hospital, Inc PO BOX 6190 Indianapolis, IN 46206-6190		
PH: (812) 242-3610 FAX:(812) 242-3630	PH: (812) 238-7625 FAX (812) 238-7181	Relationship Type	Hospital Provider Based Site
Union Hospital - Lab		Union Hospital - Nuclear Medicine	
Physical Address 1606 N 7th St Terre Haute, In 47804	Billing Address Union Hospital, Inc. PO BOX 6190 Indianapolis, IN 46206-6190	Physical Address 1606 N 7th St Terre Haute, In 47804	Billing Address Union Hospital, Inc. PO BOX 6190 Indianapolis, IN 46206-6190
PH: (812) 238-7000 FAX: (812) 238-7515	PH: (812) 238-7625 FAX (812) 238-7181	PH: (812) 238-7000 FAX: (812) 238-7515	PH: (812) 238-7625 FAX (812) 238-7181
Relationship Type	Hospital Owned and Operated *	Relationship Type	Hospital Owned and Operated *

NPI 1306844519 Accute Critical Access Hospital \ NPI 1487652319 Swing Bed Critical Access Hospital

West Central Community Hospital		West Central Community Hospital - Nuclear Medicine	
Physical Address 801 E Main Street Clinton, IN 47842	Billing Address West Central Community Hospital PO BOX 2185 Indianapolis, IN 46206-2185	Physical Address 801 E Main Street Clinton, IN 47842	Billing Address West Central Community Hospital PO BOX 2185 Indianapolis, IN 46206-2185
PH: 765-832-1234 FAX: 765-832-7382	PH: (812) 238-7625 FAX (812) 238-7181	PH: 765-832-1234 FAX: 765-832-7382	PH: (812) 238-7625 FAX (812) 238-7181
Relationship Type	Hospital Owned and Operated	Relationship Type	Under Arrangement
West Central Community Hospital - LAB			
Physical Address 801 E Main Street Clinton, IN 47842	Billing Address West Central Community Hospital PO BOX 2185 Indianapolis, IN 46206-2185		
PH: 765-832-1234 FAX: 765-832-7382	PH: (812) 238-7625 FAX (812) 238-7181		
Relationship Type	Hospital Owned and Operated *		

* Management Services Agreements