

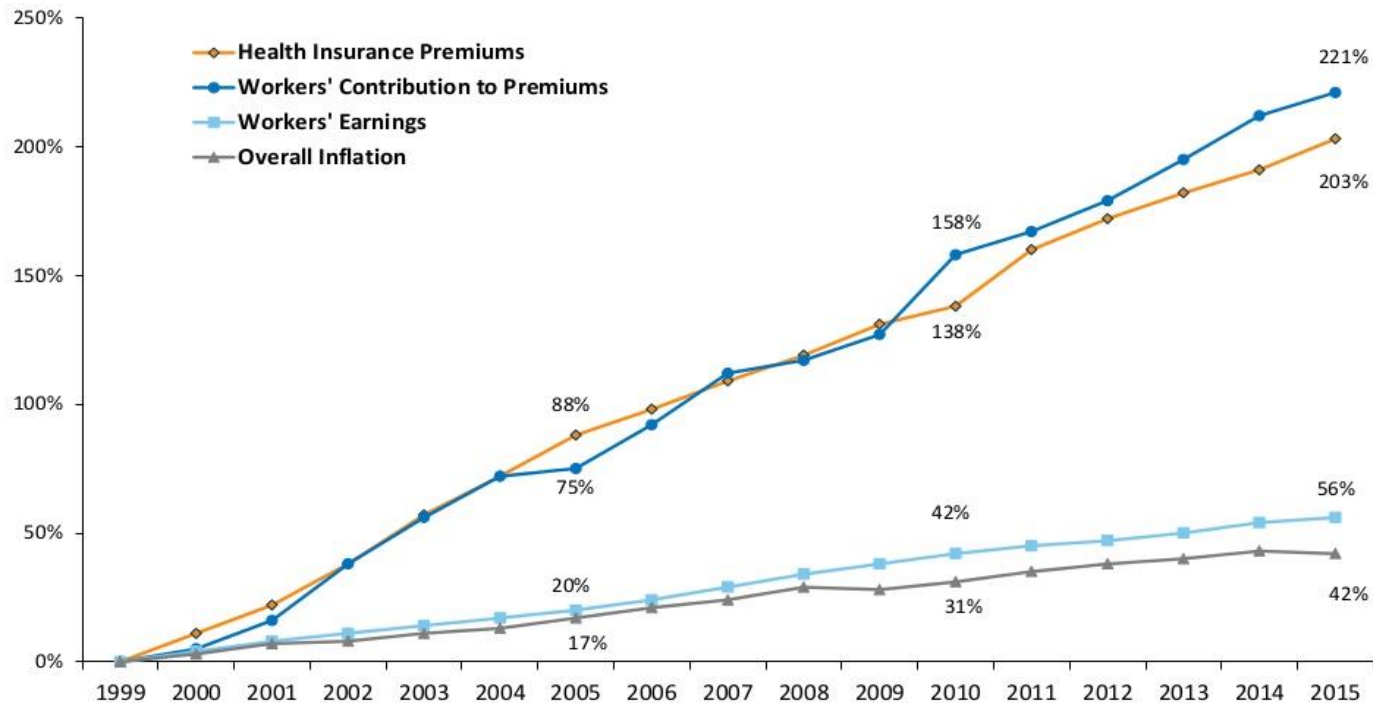
MISSION HEALTH'S DECISION TO LEAVE BLUE CROSS NC'S NETWORKS

What it Means to Employers, Employees, and Families

HEALTH CARE COST INCREASES ARE NOT SUSTAINABLE



Cumulative Increases in Health Insurance Premiums, Workers' Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2015



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2015. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2015; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2015 (April to April).



EMPLOYERS AND CONSUMERS HAVE REACHED A BREAKING POINT



Rising Medical Costs are a Threat to North Carolina Families

- Employers, employees, and families are already paying high prices for health benefits.
- Employers have limited choices for reducing health care costs
 - Reduce medical expenses
 - Pass cost increases to their employees in the form of premium contributions or reductions to benefits
- Year over year price hikes are no longer sustainable
- Higher payments to Mission directly impact all of our customers.

THE FACTS PAINT A CLEAR PICTURE



- Mission has demanded a rate increase that would further hike already high prices for our customers.
- Blue Cross NC has a responsibility to control cost increases to our customers, so we cannot agree to Mission's demands.
- Mission has chosen to terminate their contract with us rather than work with us to control customer costs.
- More than 40 other hospitals across the state have accepted consistent terms to help with customer costs and improve quality.
- Mission has stated to Blue Cross NC that they expect and need an increase from us (from our customers) in order to subsidize their sizable Medicaid and Medicare patient base.
- Unless Mission rescinds their termination, they will be out of network for Blue Cross NC members as of October 5.

- Members with out-of-network benefits can receive benefits for services at a Mission Health provider for non-emergency care (not part of a Continuity of Care plan), **but**:
 - They will **pay more money** for that care.
 - Out-of-network deductibles and other member cost-share is higher than for in-network services.
 - Mission may **bill the member for full charges** instead of Blue Cross NC's negotiated, discounted rate, resulting in the potential for surprise billing to the member.
 - **We will reimburse the member directly** for the allowed amount of services performed, empowering the member to negotiate payment directly with the provider.
 - The **member is responsible for paying the provider, up to full charges**. The difference in the allowed amount and full billed charges may be significant and create a financial burden for the member.

IMPACT TO CUSTOMERS AND MEMBERS



Other area hospitals are in-network, but members may have to travel farther for care

LOCATION	IN-NETWORK HOSPITAL(S)
Sylva (Jackson County)	Harris Regional Hospital
Clyde (Haywood County)	Haywood Regional Medical Center
Hickory (Catawba County)	Frye Regional Hospital Catawba Valley Medical Center
Hendersonville (Henderson County)	Pardee Hospital Park Ridge Health
Morganton (Burke County)	Carolinas HealthCare System Blue Ridge- Morganton
Rutherford College (Burke County)	Carolinas HealthCare System Blue Ridge- Valdese
Boone (Watauga County)	Watauga Medical Center

OUR MEMBERS ARE OUR PRIORITY AND FOCUS



- We are preparing for Mission's termination, with our members as our focus.
- We are sending a letter to all members who have received care from a Mission provider to let them know that Mission is leaving the network.
- Some patients qualify for continuity of care exceptions. Members already in a treatment plan at a Mission Health facility for certain conditions such as cancer or maternity care may be able to keep receiving treatments as part of our continuity of care program. Blue Cross NC will work to identify members who may qualify for this program, and we will communicate directly with these members.
- Emergency care is always covered as an in-network benefit. In the case of an emergency, Blue Cross NC customers should go to the nearest hospital. Prior authorization is never required for emergency care.

- Once Mission chose to terminate their contract rather than work with us to keep health care as affordable as possible for our members and customers, negotiations ended.
- All of our attention is now focused on communicating with our customers and members and assisting our members in transitioning their care.



THANK YOU