



November 16, 2012

Board of Supervisors
c/o Clerk of the Board
168 W. Alisal Street
Salinas, California 93901

EXECUTIVE SUMMARY CONCERNING ANTHEM BLUE CROSS FACILITY
AGREEMENT WITH NATIVIDAD MEDICAL CENTER

Rates Confidential per Health & Safety Code Section 1457;
Term Length: August 1, 2012 to July 31, 2014 and automatically renews
for consecutive one (1) year terms unless otherwise terminated.

The Anthem Blue Cross contract provides insurance coverage for hospital services to a large number of county and private employees in this county. The Anthem Blue Cross contract also provides Natividad Medical Center (NMC) with a solid patient customer base.

NMC and Anthem Blue Cross previously had a contract that terminated. NMC attempted to negotiate for continued coverage for several months, but since terms could not be agreed upon, the contract terminated. NMC was excluded from the Anthem Blue Cross network for 6 ½ months until a new contract was established.

The new contract term length is from August 1, 2012 through July 31, 2014 and automatically renews for consecutive one (1) year terms unless otherwise terminated.

The new contract between NMC and Anthem Blue Cross re-established NMC's Tier 1 status and offers Anthem subscribers the best value for their healthcare needs, by making NMC an in-network provider for patients with Anthem Blue Cross health insurance. Large employers, government agencies and the farming community will continue to benefit from receiving quality, value added care in Salinas at competitive rates because being an in-network provider provides better rates of reimbursements for patients with Anthem Blue Cross insurance. If NMC was an out-of-network provider, their patients would be penalized because using NMC services would cost more with possibly higher co-insurance and/or co-pay, or possibly denying payment for the services.

This new agreement covers services ranging from Inpatient and Outpatient Services, including services such as, but not limited to: maternity, surgeries, laboratory, radiology and diagnostic services.

While this executive summary is subject to disclosure pursuant to the California Public Records Act, the contract rates for services are not subject to disclosure, and as such are confidential under the provisions of Health & Safety Code section 1457(c)(1), which states: "Notwithstanding any other provision of law, those records of a hospital, or any other county medical facility, subject to this chapter that reveal the rates of payment for health care services rendered by or purchased by the hospital or other medical facility, or the deliberative processes, discussions, communications, or any other portion or aspect of the negotiations leading to those payment rates, shall not be considered public records subject to disclosure pursuant to the California Public Records Act, nor shall they be subject to public disclosure pursuant to any other law requiring the disclosure of records, for a period of three years following execution of a related contract establishing rates of payment."

The contract has been reviewed and approved as to form by the Office of County Counsel.

Therefore, it is recommended that the Board of Supervisors approve the facility agreement between Anthem Blue Cross and NMC for individuals covered under Anthem Blue Cross insurance plans.

Sincerely,



Harry Weis
Chief Executive Officer
Natividad Medical Center