



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 12-221, **Version:** 1

Approve and ratify the Anthem Blue Cross Facility Agreement negotiated and executed by the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) which makes NMC a Top/Preferred Benefit Tier hospital for all underwritten Anthem insurance plans from August 1, 2012 through July 31, 2014 and automatically renews for consecutive one (1) year terms unless otherwise terminated.

RECOMMENDATION:

It is recommended the Board of Supervisors approve and ratify the Anthem Blue Cross Facility Agreement negotiated and executed by the CEO for Natividad Medical Center (NMC) which makes NMC a Top/Preferred Benefit Tier hospital for all underwritten Anthem insurance plans from August 1, 2012 through July 31, 2014 and automatically renews for consecutive one (1) year terms unless otherwise terminated.

SUMMARY/DISCUSSION:

Hospitals and insurance companies enter into agreements that govern reimbursable services and their rates (payor contracts). A contract with Anthem Blue Cross would provide coverage for hospital services to a large number of county residents with Anthem Blue Cross insurance. Anthem Blue Cross terminated the payor contract with Natividad Medical Center effective January 15, 2012. NMC and Anthem Blue Cross were in negotiations for several months prior to the termination of the contract. 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 negotiated and executed by the CEO of NMC which went into effect on August 1, 2012. 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. Large employers, government agencies and the farming community will continue to benefit from receiving quality, value added care in Salinas at competitive rates pursuant to this new contract.

The contract rates for health services are not subject to disclosure under the provisions of Health & Safety Code section 1457(c)(1), and as such are confidential. In light of this, an executive summary explaining the key terms of the agreement has been prepared and attached. This executive summary will be available to the public.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Agreement as to fiscal provisions. The Agreement has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

There is no cost for this Agreement. There is no impact to the General Fund.

Prepared by: Nancy Majewski, Managed Care Director, 783-2385
Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Executive Summary of Agreement
Attachments on File with the Clerk of the Board