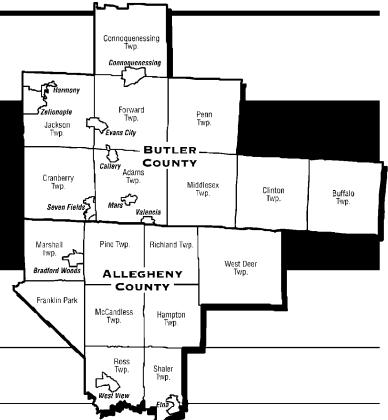




NEWS RELEASE

Senator Randy Vulakovich

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FOR IMMEDIATE RELEASE
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Vulakovich & Costa Measures Address UPMC/Highmark Contract Dispute

State Senators Randy Vulakovich (R-40) and Jay Costa (D-43) announced today that they will be introducing legislation aimed at resolving the contractual dispute between UPMC and Highmark.

UPMC and Highmark currently have a contract that expires on December 31, 2014. At that time, individuals with Highmark health insurance could be denied access to UPMC facilities or be forced to pay higher out of network expenses. The bipartisan legislation being introduced by Senators Vulakovich and Costa would require institutions like UPMC, Highmark Health (Allegheny Health Network) and the Geisinger Health System - which operate both hospitals and provide insurance - to contract with any willing insurer.

“While I have always had deep respect for the work UPMC has done in our region, we cannot sit by idly while thousands of patients are turned away from seeing their doctor,” said Sen. Vulakovich. “Simply put, UPMC is a nonprofit institution and it should not dictate what doctor or hospital a patient chooses.”

“Our top priority is to ensure that patients have access to their physician and the health care facility that best fits their needs,” Costa said. “Those who need medical treatment should not be caught up in a dispute about coverage and payments for services or have insurance issues impact their treatment. The legislation we are proposing provides a real solution that would alleviate the stress and anxiety that too many health care consumers face in the Pittsburgh area.”

Overall, Senators Vulakovich and Costa are introducing two measures. The first bill - similar to House Bill 1621 (introduced by Representatives Christiana and Frankel) - which would amend the Health Care Facilities Act with the following provisions:

*Require hospitals operating as part of an integrated delivery network to contract with any willing insurer.

*Permit hospitals operating as part of an integrated delivery network to contract for its services at any price or discount that result in adequate reimbursement rates, provided that such rates are based upon sound actuarial data and the open exchange of information.

*Prohibit hospitals operating as part of an integrated delivery network when contracting with insurers from using contractual provisions and engaging in business practices that impede the availability of quality health care at affordable prices and that restrict access to facilities or services.

*If a mutually agreeable contract cannot be reached, a contract will be imposed on the parties through mandatory binding arbitration, and will include a default reimbursement rate established by the same methodology and approach used in the federal Affordable Care Act (ACA) to set a minimum level of compensation to be paid by insurers to non-participating providers for emergency services.

*Establish a Health Care Competition and Oversight Board to ensure that an effectively operating competitive marketplace exists in the Commonwealth, and that the market for healthcare goods and services operates to serve the interests of consumers.

The second bill - identical to HB 1622 (also introduced by Representatives Christiana and Frankel) - would enact the Assuring Patient Access & Consumer Choice Act, which will establish the same contracting requirements on hospital-owned physician practice organizations operating as part of an integrated delivery network.

“There are strong consumer protection and public policy reasons for adopting this legislation,” said Sen. Vulakovich. “These measures accomplish two important objectives. First, by requiring hospitals and physicians operating as part of an integrated delivery network to contract with all insurers, consumers will not be denied care, or worse abandoned mid-treatment, simply because they hold one type of insurance over another. The legislation will also eliminate the ability of any dominant hospital system from demanding unreasonable rates for services from insurers, and in turn raising the overall cost of health care because they are the ‘must have’ system in the area.”

Senator Vulakovich and Senator Costa are currently asking their colleagues in the Senate to sign onto the bills as cosponsors before they introduce when the Senate return the week of January 27th.

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More information about state issues is available at Senator Vulakovich's website, www.senatorvulakovich.com or on Facebook at www.facebook.com/SenatorRandyVulakovich.