



# CareFirst Sales Flash



*For Distribution to Brokers/General Producers/Full-Service Producers Only  
(Not intended for distribution to Groups and Members)*

Date: October 18, 2017  
Market: All

## CareFirst's Outreach to Members Regarding One Medical

In response to One Medical's planned termination, CareFirst will send a letter to all members identified as One Medical patients within the next few days. The letter outlines One Medical's demands, CareFirst's response to those demands, and what members can expect if this situation is not resolved by December 18, 2017.

In the meantime, the letter has been posted to CareFirst.com and we are directing members to it via posts on our social media channels.

A copy of the letter is attached for your reference.

Sincerely,

Brian D. Pieninck  
Chief Operating Officer

October 19, 2017

Dear Member:

According to our records, you are seeing a primary care provider who is in the One Medical Group practice. As you may know, CareFirst BlueCross BlueShield and CareFirst BlueChoice, Inc. (collectively, “CareFirst”) has received notice from One Medical that it plans to unilaterally terminate its agreement to participate as a network provider with CareFirst effective December 18, 2017.

### **What Happened?**

One Medical and CareFirst have worked closely together since One Medical began its practice in the region in 2011. For example, One Medical has been deeply involved in our Patient-Centered Medical Home Program (PCMH) in a collaboration with CareFirst toward better quality and cost results and has earned substantial financial incentives as a result. Hence, the termination notice was unexpected and follows a recent national leadership change at One Medical.

One Medical’s new national leadership has made two demands in seeking to terminate its contract with CareFirst:

**First**, One Medical has demanded that CareFirst increase its fee payments to the Group by 100 percent on all professional services – despite the fact that One Medical is already reimbursed by CareFirst at levels that are comparable to other in-network primary care groups and has earned substantial additional fee increases reflecting PCMH incentive awards. This demand would make One Medical the most expensive independent primary care group in the region and subject members to substantially more out of pocket expense (through deductibles and coinsurance) as well as drive up premiums paid by employers and individuals. This is why we have characterized this demand as “egregious.”

**Second**, One Medical insists that it be able to require that CareFirst members pay an annual access fee of \$200 prior to receiving any primary care services from One Medical. Such a requirement is prohibited by CareFirst’s current PCMH contract with One Medical, since CareFirst members have the right to access all health care services covered as part of their health plan with CareFirst without – as a pre-condition - being required to pay an additional access fee from any PCMH provider. This prohibition is a standard feature of every contract CareFirst has with the more than 4,300 primary care providers in the region participating in our PCMH program and is intended to protect members from being compelled to pay an additional “premium” on top of the premium they already pay.

CareFirst has repeatedly advised One Medical that any access fee must be voluntary for CareFirst members. Further, the voluntary nature of the access fee needs to be clearly explained to members who must not be pressured or misled regarding the nature of the fee. Nor must there be any sense that payment of the fee is a pre-condition to receiving the services to which CareFirst members are entitled as part of their CareFirst coverage plan. Indeed, today on the One Medical website, there is notice that the access fee is waived for CareFirst members.

As a member you should keep in mind that you pay no such required access fees when seeking service from any other PCMH provider for primary care services covered by CareFirst. If these types of fees were common for primary care services, they would add considerably to the cost of health care.

For some time, CareFirst has had an agreement with One Medical making it clear that no access fee is required of CareFirst members. The new national leadership of One Medical now seeks to overturn this local agreement.

### **What Happens Next?**

We are earnestly seeking to resolve these matters before One Medical's proposed termination date so that there is no disruption in service to you or members of your family. Should this not be possible, it is important for you to understand the consequences if you continue to seek services from One Medical after December 18, 2017. Absent resolution, One Medical will be an out of network provider on December 19, 2017.

### **What Does Out of Network Status Mean to You?**

You may continue to receive in-network primary care services from One Medical for up to 90 days from the date of this letter. CareFirst can also help you in transferring to a new in-network primary care provider.

In the event no agreement can be reached and One Medical becomes an out of network provider, you and any members of your family who continue to receive service from a One Medical provider would be billed directly for any services provided by One Medical and you would become directly responsible for payment to them for these services. You would then need to submit a claim to CareFirst in order to receive reimbursement directly from CareFirst.

Should One Medical become an out-of-network provider, you should expect to pay considerably more for your services from One Medical. These expenses will exceed the deductible and other out of pocket expense in your coverage plan, since One Medical's actual billed charges are far higher than the contracted amounts CareFirst pays to the group today on your behalf. Without network contract protection you can be billed by One Medical for any balance between CareFirst's network fee allowances and the higher One Medical billed charge levels. You will also be required to pay the access fee in accordance with One Medical's policies.

If no resolution is reached, such additional charges can be avoided by choosing another in-network CareFirst provider – although we understand this may not be your first choice.

### **Our Hope and Direction**

We, as you, have found this development an exceedingly unwelcome and unnecessary surprise. Our sole objective is to resolve this matter on reasonable terms that permit a stable basis for a long-term relationship between CareFirst and One Medical that gives you the peace of mind of knowing you can access your benefits with your primary care provider in the way in which you have become accustomed. It is our hope that a resolution can be reached well before One Medical's proposed termination date and we will let you know immediately when a definitive result regarding One Medical's participation status with CareFirst has been reached.