[DATE]

Dear [MEMBER NAME]:

One of the biggest values we provide our members is the use of provider networks. Networks help us control costs — so you pay less out of your own pocket — and they help us promote quality care. From time to time, we have to make changes to our networks to achieve these goals.

**Why we are writing to you**

Effective March 1, 2015, Lexington Medical Center (LMC) facilities and all of its employed physicians will no longer be in BlueCross’ Preferred Blue® (PPO) provider network.

BlueCross and LMC have been in negotiations for months, and we cannot come to an agreement. There have been compromises on both sides. However, LMC is still demanding excessive fee increases. These increases are much higher than fair market value and national medical inflation rates. They are significantly higher than what other hospitals and doctors request. In fact, we estimate that if we were to agree to the increase LMC has requested, it would add more than $40 million over the next two years to the cost of health care for people who use LMC facilities and doctors.

BlueCross is also trying to move toward paying providers based on the quality of care that they provide, not just how many services they perform. This is a positive movement that most other hospitals in the area have embraced.

We believe that LMC’s request for more money is unreasonable. LMC’s reluctance to join our efforts to reward providers for quality care is also disappointing.

LMC now employs more than half of the doctors who practice in Lexington County. LMC’s demand for higher fees will have a major impact on the community. The bottom line is this: If BlueCross agreed to LMC’s demands, your health care costs would increase dramatically.

**What you need to do**

If you already have an appointment scheduled with an LMC doctor or at an LMC facility March 1 through March 31:

As a courtesy to our members, we will pay claims at the in-network benefit level through March 31, even though LMC’s contract will have ended. However, we will send the payment directly to you for you to pay your bill with LMC or the LMC doctor. Keep in mind that because LMC will not have a contract with us, LMC may choose to “balance bill” you. That means LMC may require you to also pay the difference between what we allowed on the claim and LMC’s full charge for the service, in addition to your deductible and coinsurance amounts.

If you are pregnant or currently being treated by a LMC doctor or at an LMC facility for an acute, chronic or terminal illness:

Please call us toll free at 855-209-7266. We will work with you to see if you can receive care at the in-network level of benefits for the rest of your pregnancy or treatment. But you must call us first for an authorization.
If you want to keep your health care costs low:
You should always seek care from in-network providers. That includes making sure that any referrals you need are made to network facilities or doctors. You will save money in two ways. First, the amount in-network providers charge for their services is discounted because you are a BlueCross member. On top of that, the benefit level for in-network providers is larger, so you pay a lower coinsurance and deductible amount as defined by your benefits. (Coinsurance and deductible are the parts of your bill that you pay.)

Even without LMC and its doctors in our network, you still will have plenty of in-network providers to choose from. We’ve included a list of in-network hospitals and ambulatory surgery centers close to you. You also can visit our website, www.SouthCarolinaBlues.com, to find network providers. Just be sure to click on the Preferred Blue Directory link under the Find a Doctor or Hospital header on the right side of page. That’s because LMC doctors and facilities will remain in the larger electronic directory until March 3.

If you want to use LMC facilities or doctors once their contracts with us end:

That is certainly your choice. But you’ll pay much higher out-of-pocket costs if LMC leaves our network. You’ll have a higher deductible to meet. Your coinsurance will also be higher. On top of that, as an out-of-network provider, LMC and its physician groups can “balance bill” you. This means you would have to also pay the difference between what BlueCross allows for a particular service and what LMC actually charges.

How to contact us
Enclosed is a list of questions and answers about this network change. Please read them carefully. If you still have questions, please call the customer service number on the back of your member ID card. Our customer advocates will be happy to help you.

We appreciate your patience and support as we work through the difficult task of keeping health care costs in the Midlands as low as possible.

Enclosures: Local In-Network Hospitals and Ambulatory Surgery Centers Questions and Answers
Midlands Area In-Network Hospitals and Ambulatory Surgery Centers

Hospitals:
- Palmetto Health Baptist (Columbia)
- Palmetto Health Baptist Parkridge (Irmo)
- Palmetto Health Richland (Columbia)
- Providence Hospital (Columbia)
- Providence Hospital Northeast (Columbia)
- TRMC of Orangeburg and Calhoun Counties (Orangeburg)
- Aiken Regional Medical Centers (Aiken)
- Newberry County Memorial Hospital (Newberry)

Ambulatory Surgery Centers:
- Ambulatory Surgery Center of Aiken (Aiken)
- Berkeley Endoscopy Center (Columbia)
- Carolina Ambulatory Surgery Center (Aiken)
- Columbia Ambulatory Surgery Center (Columbia)
- Columbia Eye Surgery Center (Columbia)
- Columbia Gastrointestinal Endoscopy Center (Columbia)
- Lake Murray Endoscopy Center (Columbia)
- Midlands Endoscopy Center (Irmo)
- Midlands Orthopaedic Surgery Center (Columbia)
- Moore Orthopaedic Clinic Outpatient Surgery Center (Lexington)
- Palmetto Endoscopy Suite, LLC (Columbia)
- Palmetto Surgery Center (Columbia)
- South Carolina Endoscopy Center (West Columbia)
- South Carolina Endoscopy Center, Northeast (Columbia)
- South Carolina Medical Endoscopy Center (Columbia)
- Urology Surgery Center (West Columbia)