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Mercy to End Contract with Anthem Blue Cross Blue Shield

SEPTEMBER 10TH 2024 BY DEE LOFLIN

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After months of negotiation with Anthem Blue Cross Blue Shield (BCBS), Mercy has provided written notice to end its contracts with Anthem in the state of Missouri. These contracts include all commercial, Medicare Advantage, Affordable Care Act (ACA) marketplace, managed Medicaid plans (Healthy Blue) and HealthLink (which falls under the Anthem BCBS umbrella).

“Our focus remains on safeguarding our patients and ensuring they receive the low-cost, high-quality care they deserve with insurance coverage that provides the greatest amount of protection for their health,” said Dave Thompson, Mercy’s senior vice president of population health and president of contracted revenue. “We know this news will be concerning for hundreds of thousands of Mercy patients with Anthem BCBS. We will continue to negotiate in good faith with Anthem in hopes of avoiding any disruption to our patients at the end of the year – particularly those patients in need of prolonged, coordinated care. However, patients and employers considering which health plans to purchase for 2025 should consider whether Mercy, the largest health system in the state, will be in the plan they purchase.”

Mercy hopes to remove much of the red tape that makes it increasingly difficult for patients to navigate Anthem’s system and creates a burden and barrier for patients to receive care when it’s medically necessary.

“These technicalities disrupt patient care and, in some cases, can be life threatening. They are administrative tasks dictated and mandated by Anthem, and they are a barrier to timely, appropriate patient care and can shift the cost of health care away from the insurance provider to those less able to afford it – our patients,” Thompson said. “Our patients have enough to worry about as they are often in the middle of a personal health care crisis. They shouldn’t have to worry about whether their insurance company will approve their coverage. They should be able to solely focus on their health and the health of their family members.”

While Mercy and other organizations providing patient care face the burden of rising costs, managed care companies are reaping enormous profits. In June 2024, [Elevance Health, the corporate name for Anthem, reported](#) a 24.12% increase in its year-over-year net income to \$2.3 billion and a 24.29% increase in its year-over-year net profit margin. In stark contrast, Mercy’s average cost per inpatient stay for commercially insured patients is 27% below the average for all hospitals in the state and outpatient care for that same population is 16% below the average.

As a nonprofit health system, Mercy provided more than half a billion dollars in free care in the most recently available year, fiscal year 2023. This free care includes traditional charity care, unreimbursed Medicaid and other community benefits.

“The cost of providing actual care for patients has risen significantly due to inflation, but Anthem has not kept pace with those rising costs when it comes to reimbursing us for the care we provide to our communities,” said Thompson. “It’s unreasonable for the insurer to increase its premiums to patients and employers and increase its profits while expecting those of us providing health care directly to patients daily to bear the brunt of the higher cost for providing that care.”

Mercy will remain in network for medical services with Anthem through the end of the year and will move out of network with Anthem on Jan. 1, 2025, unless a new agreement is reached. This notice does not impact Mercy retail pharmacy services which will allow Mercy Pharmacy’s retail locations to continue serving Anthem patients with their current in-network coverage.

“We’re innovating to improve access to care while achieving top performance in quality and safety. We are also keeping our costs significantly lower than other health systems,” Thompson added. “Managed care companies can

and should support this work to give patients access to medically necessary care and incentivize those who provide effective care and reduce the cost burden to the health care system. We want specific provisions from Anthem to support this work and correct issues our patients have with denials and red tape.”

Mercy encourages patients to share their concerns with Anthem by calling the number on the back of their health insurance cards or by calling Anthem at 1-800-331-1476 to make their voices heard.

Mercy, one of the 20 largest U.S. health systems and named the top large system in the U.S. for excellent patient experience by NRC Health, serves millions annually with nationally recognized care and one of the nation’s largest and highest performing Accountable Care Organizations in quality and cost. Mercy is a highly integrated, multi-state health care system including more than 50 acute care and specialty (heart, children’s, orthopedic and rehab)

hospitals, convenient and urgent care locations, imaging centers and pharmacies. Mercy has over 900 physician practice locations and outpatient facilities, more than 4,500 physicians and advanced practitioners and 50,000 co-workers serving patients and families across Arkansas, Kansas, Missouri and Oklahoma. Mercy also has clinics, outpatient services and outreach ministries in Arkansas, Louisiana, Mississippi and Texas. In fiscal year 2023 alone, Mercy provided more than half a billion dollars of free care and other community benefits, including traditional charity care and unreimbursed Medicaid.

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