

# Southwestern Health Resources

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## Important Notice Regarding Blue Cross Blue Shield of Texas Contract

Sept. 21, 2016

To the UT Southwestern Community and Texas Health Physicians Group, Physician Assistants, and Texas Health Organization for Physicians Employees:

Earlier this week, Blue Cross Blue Shield of Texas (BCBSTX) sent a communication to area employers concerning its contractual relationship with our network of providers. We wanted to provide you with additional background so you are informed about this important issue.

As you know, last December Texas Health Resources and UT Southwestern Medical Center formed Southwestern Health Resources. This comprehensive health network blends the strengths of both Texas Health and UT Southwestern to better serve North Texas residents, from preventive care to the most advanced interventions. The network is building on more than 50 years of working together to improve the health of North Texans.

Our new care model is already delivering outstanding quality and savings outcomes, as reported earlier this month by the Centers for Medicare & Medicaid Services (CMS) through our Medicare Shared Savings Program results. We ranked 2nd in the state and 8th in the entire nation.

As soon as we announced Southwestern Health Resources, we initiated discussions with BCBSTX regarding a new contract between the health insurer and our combined entities to provide North Texas employers and residents throughout the Dallas-Fort Worth Metroplex with more affordable, better coordinated care.

Our need for a new contract is driven by more than our integration. It's also a practical matter. BCBSTX's existing contract with Texas Health Resources and Texas Health Physicians Group expires at the end of this year. Southwestern Health Resources could not possibly achieve any real integration for our BCBSTX patients with half our system out of their reach. We need a contract with BCBSTX that reflects our integrated approach and offers the same quality care to patients across our collective 16-county footprint.

Southwestern Health Resources has made several attempts to begin active negotiations, but BCBSTX has so far been unwilling to meet. We hope this is a matter of timing, since our Southwestern Health Resources integration represents everything North Texans and our region's employers want from the healthcare system, and everything health plans have been demanding from providers.

We value our relationship with BCBSTX and hope that they will take a more responsive position and negotiate directly with us. Our integrated health network establishes the scale and scope necessary to

provide leading-edge technology, research, and education, ensuring broader access to exceptional care. Our combined network of 31 hospital locations, 300 clinics, and more than 2,000 physicians makes first-class care available to more than six million residents from across 16 counties in North Texas. BCBSTX members deserve to have our vast network of healthcare providers within their reach. We are confident that when BCBSTX understands the value of our combined network in delivering quality care to its members, it will be eager to discuss a new contract with us.

We will keep you updated as we strive to reach an agreement. Thank you for your continued commitment to serving our community.

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