

# Swedish Notifies Regence of Intent to Terminate Contract

11/19/2009



TO: Agents and Brokers  
FROM: Jonathan Hensley  
DATE: November 18, 2009  
RE: Swedish Notifies Regence of Intent to Terminate Contract

I want to let you know about a situation that has transpired with Swedish Medical Center and the impact this situation could have on our members.

Swedish has notified us of their intent to terminate their contract. While we tried to reach agreement, the medical center is unwilling to accept a reimbursement rate that we believe is fair to our members and the community at large.

Swedish, already known as one of the highest-cost hospital systems in the state, is demanding a 32 percent rate increase over the term of the agreement, an increase that our members — individuals, small businesses and working families — cannot afford. In fact, a 32 percent increase is more than double the amount other hospitals would receive.

As a nonprofit health insurer, our first priority is to our members and their need for highquality, affordable health care. As medical costs continue to skyrocket, we are committed to defending our members against unsustainable cost increases from highcost providers.

It's important to note that Regence members still have access to care at Swedish. At the same time, Regence will ensure that alternatives to care are in place in the event an agreement is not reached. If Swedish moves forward with the termination of the contract, the two parties would have 120 days to reach an agreement, and Regence members would continue to have access to care at Swedish during that time.

Regence values the decades-long relationship that it has shared with Swedish. We remain committed to working toward a solution that benefits our members, their families and the community at large. Our hope is that we can focus our combined efforts on making sure the well-being of our mutual members and patients is a priority.

Thank you.