



# HARTFORD HOSPITAL

80 SEYMOUR STREET  
P.O. BOX 5037  
HARTFORD, CT 06102-5037  
860/545-5000

August 13, 2010

Ms. Karen Lang  
City of Waterbury  
236 Grand St., Room 202  
Waterbury, CT 06702

Dear Ms. Lang,

I am writing to inform you of a potential change in our relationship with Anthem Blue Cross of Connecticut. Hartford Hospital first signed a contract with Anthem in 1989, and over the years, we've amended this contract to adjust for changes in the managed-care landscape. Despite the complicated arrangement, one fact is clear: On October 31, 2010, this contract with Anthem ends, which means Hartford Hospital will be out-of-network with Anthem beginning November 1 unless a new agreement is in place. We want to ensure that you have the latest information about our negotiations and how you and your employees may be affected.

We are working with Anthem to reach a new agreement that will include payment rates comparable to similar health systems in the Northeast. Unfortunately, while some progress has been made, a meaningful gap remains between Anthem's offer and the cost of caring for our patients. We still have time to reach an agreement on a new contract and are hopeful that Anthem continues to share the same urgency. However, in the meantime, we want to inform you of the current situation.

Please know that between now and October 31, your employees can continue to receive care at Hartford Hospital the same way they always have. We still are in-network with Anthem and nothing has changed. We will definitely keep you informed between now and October 31.

For the last 18 months, we've been working on our Solid Foundation Strategy to further our commitment to quality healthcare through additional reductions in costs through process improvement, creating new economies of scale, continuing our cost-saving initiatives without sacrificing quality or diminishing programs, and negotiating new contracts with private insurance companies. Fair contracts from insurance companies are a key piece to the overall strategy and are extremely important in our ability to better serve our patients, continue our hospital's mission, recruit and retain the best doctors and nurses, provide programs that meet the needs of our community, and invest in facilities and needed technology and equipment. We've made significant progress, including completing negotiations and signing contracts that were up for renewal with all other major insurance companies.

In 2008, Hartford Hospital was in the bottom quartile for Connecticut hospitals for private insurance payment rates, even though we treat some of the most complex cases in the state. In other words, we're a top-quality hospital, and we are not paid as well as 75 percent of the state's other hospitals. Even with the adjustment we need in our new contract, we still will be paid less than many other academic medical centers in the Northeast.

While we still have time to reach an agreement with Anthem, there is a possibility we may not. If we don't reach an agreement by October 31, Hartford Hospital will be considered out-of-network for Anthem members. How this affects your employees' care depends on the type of insurance plans they have: PPO members with out-of-network benefits can still access care at our hospital, but will have to pay more money out-of-pocket; HMO members will only have access to our hospital through our emergency room for emergency care. This is not what we want, and we are committed to working hard to avoid this outcome. We need Anthem to make the same commitment.

For more than 150 years, Hartford Hospital has focused on its vision of excellence and leadership, driven by our core values – service, teamwork, excellence, integrity and innovation. In our negotiations with Anthem, we are focused on meeting our goals with these core values in mind. We are negotiating this contract so that we can secure payment rates that allow us to be successful at what we do best – caring for your employees and this community.

On Wednesday, September 1, we will host a meeting to share with you more about our Solid Foundation Strategy, our Anthem negotiations and what they mean for you and your employees. I hope you will join us:

Wednesday, September 1  
7:30 a.m. – 8:30 a.m.  
Hartford Hospital - 80 Seymour Street  
Special Dining Room  
(located in the back of the cafeteria)  
***Breakfast will be served***

If you would like to attend or have any questions, please call 860-760-6747 or email [info@hartfordhealthcare.org](mailto:info@hartfordhealthcare.org).

We will be sure to keep you updated as October 31 approaches. You can also visit our website at [www.solidfoundationforcare.org](http://www.solidfoundationforcare.org) for information about our Solid Foundation initiative, to sign up as a supporter of Hartford Hospital, and to stay updated on our negotiations with Anthem. Thank you for your support as we continue to work toward establishing a Solid Foundation.

Sincerely,



Jeffrey A. Flaks

Executive Vice President and COO  
Hartford Hospital & Hartford Healthcare