

Memorandum

To: Interested legislators and staff

From: Jane Beyer, *Senior Health Policy Advisor*
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Date: March 23, 2023

Subject: Premera and EvergreenHealth

In 2016, the Office of the Insurance Commissioner (OIC) adopted network access standards to ensure that insurers have a sufficient number, type and distribution of health care providers and facilities to meet the needs of consumers enrolled in their health plans ([Chap. 284-170 WAC](#)). Under those rules, insurers must notify OIC of any changes affecting the ability of their network providers and facilities to furnish covered services to enrollees, including potential contract terminations ([WAC 284-170-230\(2\)](#)). Carriers also are required to notify affected health plan enrollees of potential contract terminations ([WAC 284-170-421\(10\)](#)).

In February 2023, EvergreenHealth officials notified Premera that EvergreenHealth does not intend to renew its health plan contracts with Premera Blue Cross for any lines of business effective April 1, 2023. The termination would apply to EvergreenHealth's hospital in Kirkland, as well as their specialists, urgent care, primary care, and specialty care facilities throughout King and Snohomish counties. EvergreenHealth's hospital in Monroe is not included in the termination.

On January 6, 2023, Premera Blue Cross notified the OIC of a potential termination of their contract with Evergreen Health. The notice impacts commercial health plan and School Employee Benefits Board (SEBB) contracts with Premera Blue Cross, LifeWise Health Plan of Washington and LifeWise Assurance Company. Premera also sent notices to health plan enrollees regarding the potential contract termination.

OIC continues to receive updates from Premera regarding the status of contract negotiations, which are ongoing. If Premera and EvergreenHealth reach agreement on a contract, OIC will expedite review of those contract submissions for approval.

In the event that a contract agreement is not reached, there is a new federal law that provides some assurance of continuity of care. The law was included in the Consolidated Appropriations Act of 2021 (§§2799A-3 and 2799B-8 of the Public Health Service Act).

The continuity of care provision is triggered when a provider contract with a health plan expires or is not renewed. When a contract termination occurs, a health plan must:

- Notify “continuing care patients” of their right to receive transitional care for 90 days with the same terms as if the provider were in-network.
- Provide consumers an opportunity to notify the plan of their need for continuing care.
- Permit the consumer to use the continuity of care benefit.

A patient is considered a “continuing care patient” if they:

- Are undergoing a course of treatment for a “serious and complex condition.”
 - A “serious and complex condition” is an acute illness or condition that is serious enough to require specialized medical treatment to avoid the possibility of death or permanent harm; or a chronic illness or condition that is life-threatening, degenerative, potentially disabling or congenital, and requires specialized medical care over a prolonged period of time.
- Are receiving care as a hospital inpatient or in another institution, such as a nursing home or rehabilitation facility.
- Are scheduled for nonelective surgery (including post-operative care following the surgery).
- Are pregnant.
- Have a terminal illness.

OIC will ensure that the health plans meet their obligations under this continuity of care law. If you receive any communication from consumers regarding their access to continuing care, please ask them to [file a complaint](#) with OIC.