Change in Network Participation for Chesapeake Regional Medical Center effective January 1, 2016

Chesapeake Regional Medical Center is terminating its PPO hospital agreements and HealthKeepers hospital agreements with Anthem Blue Cross and Blue Shield and Anthem affiliate HealthKeepers, Inc., effective January 1, 2016. The termination of Chesapeake Regional Medical Center’s agreements also impacts plans purchased on or off the Health Insurance Marketplace (also known as the exchange). This potential termination impacts the hospital and its emergency department. The surgery center associated with Chesapeake Regional Medical Center will still be part of our networks after January 1, 2016.

Anthem networks not affected and customer notification

The termination does not affect our Medicaid/FAMIS, Medicare Advantage or Medicare-Medicaid Plan networks. Chesapeake Regional Medical Center will remain a participant in these networks. As the hospital has chosen to terminate its PPO and HealthKeepers hospital agreements, Anthem will soon begin the process of notifying our members – by letter – who had services at Chesapeake Regional Medical Center any time from October 2014 to September 2015 should an agreement not be reached in the meantime. In addition, we will mail letters to employers and community providers in the Hampton Roads area regarding the upcoming hospital termination and its potential impact.

Should Chesapeake Regional Medical Center leave our networks, there are many alternative hospitals and facilities in the area that remain part of Anthem PPO and HealthKeepers provider networks. We have included a list of participating alternative facilities in the Hampton Roads area at the end of this document.

We are continuing negotiations with Chesapeake Regional Medical Center and are hopeful that we can come to an agreement to keep the hospital a participant in the Anthem and HealthKeepers networks. In the meantime, the following commonly asked questions and answers are provided for easy reference.

Frequently Asked Questions (FAQs)

Why has Chesapeake Regional Medical Center chosen to leave the Anthem and HealthKeepers provider networks?
Chesapeake Regional Medical Center has issued termination notices to Anthem and HealthKeepers, Inc. that are effective January 1, 2016.

Chesapeake Regional Medical Center is demanding increases that are higher than those negotiated with other hospitals across Virginia. We cannot agree to the significant increases that Chesapeake Regional Medical Center has demanded, as such increases would impact the cost of health care in southeast Virginia.

Anthem has enjoyed a long business relationship with the hospital, and we are disappointed that Chesapeake Regional Medical Center has decided to terminate its hospital agreements. Because we very much want to continue to include Chesapeake Regional Medical Center in our network, we have been working hard on our customers' behalf to reach a new agreement. Whenever we negotiate contract terms with health care providers and facilities, the interests of our customers are a primary concern. We know that our customers look to Anthem for access to quality, affordable health care.
What Anthem health plans would be affected?
All products Anthem and HealthKeepers, Inc. offer (with the exceptions below). This potential termination also affects our members who have purchased health plans on or off the Health Insurance Marketplace (also known as the exchange).

EXCEPTIONS:

It is important to note that facility, provider and ancillary agreements for our following lines of business are unaffected:

- Medicaid/FAMIS
- Medicare Advantage
- Medicare-Medicaid Plan

The Chesapeake Regional Medical Center will remain a participant in these networks after January 1, 2016.

If Chesapeake Regional Medical Center does go out of our PPO and HealthKeepers networks, are there other in-network facilities in the area?
Yes. Many services provided at Chesapeake Regional Medical Center are available through other network-participating facilities in the Hampton Roads area. Please refer to the alternative list of facilities at the end of this document.

What about emergency care?
Emergency medical services do not require pre-authorization regardless of where services are delivered. For emergency services the Chesapeake Regional Medical Center provides on or after January 1, 2016, Anthem will cover these services if medically necessary. Members may be billed for services that are not emergent.

What happens if a member is an inpatient at Chesapeake Regional Medical Center at the time of the termination?
If a member is an inpatient on the date of the termination, Chesapeake Regional Medical Center must continue to honor our in-network reimbursement rate until the member is discharged from the hospital.

Why can’t Anthem and HealthKeepers, Inc. reach an agreement with Chesapeake Regional Medical Center when other health insurance companies have been able to?
We do not know the details of the confidential contracts between Chesapeake Regional Medical Center and other health insurance companies. Our primary concern is to negotiate a fair agreement that will not force health care costs to increase substantially for our employer groups and our members.

How will authorizations for patients who qualify for the second or third trimester clause work?
The member’s obstetrician will need to contact Anthem to set up an authorization for each patient who is in her second or third trimester. These authorizations will act as standing authorizations for services related to the pregnancy.

Does the second or third trimester pregnancy clause in the current agreement cover the baby?
Yes, if the baby is a well baby. If the baby needs neonatal intensive care unit (NICU) care or stays longer than the mom, a separate authorization will be required. If the baby is considered a sick baby – the admission will be treated as an urgent admission, and we will authorize as in-network at the non-participating rate. The member will receive payment.
If an authorization is already in place for re-occurring services, such as therapy, chemotherapy, infusions, etc., will a separate authorization need to be obtained to cover services as in-network?

Anthem recommends that Chesapeake Regional Medical Center call our Medical Management area to confirm the validity of each certification that continues in 2016 and beyond. Each policy is different and may have limitations on authorizations provided at a non-participating hospital.

If a member has been diagnosed with a terminal disease, can the member receive services at Chesapeake Regional Medical Center?

A member who is defined as terminally ill per §1861 (dd) (3) (A) of the Social Security Act will be able to continue receiving services at Chesapeake Regional Medical Center under the current 2015/2016 contract conditions. Terminally ill is defined as a person who is expected to die within six months and which is documented by a physician.

What are the alternative in-network providers available to Anthem and HealthKeepers members?

Anthem and HealthKeepers, Inc. have worked hard to create the largest, most comprehensive network of hospitals and physicians throughout Virginia to provide our members’ access to quality health care providers. Many in-network hospitals remain in the Hampton Roads area. For a complete list, members should visit www.anthem.com or call the customer service number on the back of their Anthem or HealthKeepers ID cards. (Note: Please see a list of alternative facilities on the next page.)

We understand this is an inconvenience to our members. If there are questions, members should contact customer service at the number listed on the back of their ID cards.

How will changes and updates be communicated regarding the pending change in network status for Chesapeake Regional Medical Center?

We have established an online resource to specifically include information such as letters, talking points, updates and other pertinent details for those who may need this information. We will continually post updates to the site as they become available, so customers should check the site periodically at: http://www.group.anthem.com/Chesapeake_Regional_Medical_Center

What happens if a member goes to Chesapeake Regional Medical Center once the hospital is out of the network? What if a member scheduled a procedure at Chesapeake Regional Medical Center prior to the termination to occur after the termination?

If Chesapeake Regional Medical Center leaves our Anthem networks on or after January 1, 2016, our members may have no benefit coverage for hospital charges or may have to access reduced out-of-network benefits should they receive services at this hospital. For PPO and HealthKeepers members, we will cover surgeries or other procedures at the in-network level that have been pre-authorized on or before December 31, 2015, and are scheduled to occur on or after January 1, 2016.

As a reminder, we do not pay out-of-network hospitals directly. We send payments, if any, to the member. Members are then responsible for paying Chesapeake Regional Medical Center for any care they receive there beginning January 1. The hospital then may bill these members for the balance – the difference between the hospital charges and the amount Anthem pays.

Sometimes, this difference can be thousands of dollars. We recommend that Anthem and HealthKeepers members consider other in-network options in the area for health care needs. In emergency situations, members should always go to the nearest facility.

Is this about increasing profits for Anthem?

No. Health insurance premiums are going up due to the increase in medical costs. The increase in hospital costs per service is the largest contributor to the overall increase in medical costs. Anthem Blue Cross and
Blue Shield in Virginia is a leading health insurer, providing access to quality, affordable health care for more than 75 years. Our mission is to improve the lives of the people we serve and the health of our communities. Our members remain our top priority. In addition, our clients have told us they cannot afford such drastic increases and have entrusted Anthem to help secure quality care at affordable prices.

We pride ourselves on our local presence. We have nearly 4,000 employees throughout Virginia and have long contributed to the local economy and charitable organizations that positively affect the lives of Virginians.

Anthem appreciates our members’ and other customers' continued patience and support during these tough negotiations, and we sincerely apologize for any inconvenience.

**Alternative PPO and HealthKeepers Provider List – Facilities in Southeast Virginia Area**

**Provider Terminating:** Chesapeake Regional Medical Center

**Termination Date:** January 1, 2016

List of Acute General Hospitals with like specialties as Chesapeake Regional Medical Center

### PPO and HealthKeepers facilities

<table>
<thead>
<tr>
<th>Alternate Provider Name</th>
<th>Distance from Terminating Provider</th>
<th>Availability for Additional Patients?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sentara Princess Anne</td>
<td>6 Miles</td>
<td>Yes</td>
</tr>
<tr>
<td>Sentara Leigh</td>
<td>7 Miles</td>
<td>Yes</td>
</tr>
<tr>
<td>Children’s Hospital of the Kings Daughters</td>
<td>9 Miles</td>
<td>Yes</td>
</tr>
<tr>
<td>Sentara Norfolk General</td>
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<td>Yes</td>
</tr>
<tr>
<td>Bon Secours Maryview</td>
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<td>Yes</td>
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<tr>
<td>Bon Secours Depaul</td>
<td>12 Miles</td>
<td>Yes</td>
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<tr>
<td>Sentara Virginia Beach</td>
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<td>Yes</td>
</tr>
<tr>
<td>Sentara Obici</td>
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<td>Yes</td>
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<tr>
<td>Sentara Careplex*</td>
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<tr>
<td>Riverside Regional</td>
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<td>Yes</td>
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<td>Bon Secours Mary Immaculate</td>
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<td>Southampton Memorial</td>
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<td>Riverside Doctors Hospital of Williamsburg</td>
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<tr>
<td>Riverside Walter Reed</td>
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<td>Yes</td>
</tr>
<tr>
<td>Sentara Williamsburg</td>
<td>49 Miles</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*SPECIAL NOTE: Sentara Careplex is part of our PPO network; however, the facility is NOT a HealthKeepers participant.*

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