



Negotiations between Stony Brook University Hospital and Empire BlueCross

Steven L. Strongwater, MD, CEO, Stony Brook University Hospital

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Please respond to SBUH_Managed_Care_Dept

To: All Faculty and Staff

Empire BlueCross, a health insurer owned by for-profit insurance company WellPoint, Inc., is negotiating a new contract with Stony Brook University Hospital. Empire BlueCross may soon issue a letter to its members that may state that after July 31, it will not cover non-emergency services provided at the Hospital unless the member has out-of-network (non-network) benefits.

Stony Brook is working diligently to develop a new agreement with Empire BlueCross that will support our mission to provide access to high-quality care and our ability to expand and improve patient services in our community. The current contract, which determines how much and under what terms Empire BlueCross reimburses the Hospital for providing services to its members, is set to expire on July 31, 2009. For many months, we have engaged in serious and detailed discussions over terms and reimbursement rates in our effort to reach a fair and reasonable agreement, and we will continue to do so until the termination date.

Members should be able to secure out-of-network (non-network) coverage details from their health benefits office or directly from their health insurer. For New York State employees, details are available on the NYSHIP Web site at <http://www.cs.state.ny.us/ebd/welcome/actlogin.cfm>
For Research Foundation employees, details may be accessed at [http://naples.cc.sunysb.edu/Admin/HRSForms.nsf/pub/HRSD0038/\\$FILE/HRSD0038.pdf](http://naples.cc.sunysb.edu/Admin/HRSForms.nsf/pub/HRSD0038/$FILE/HRSD0038.pdf)

Here are some important facts you should know about contract negotiations:

Services Offered at the Hospital Are Not Funded by Taxpayers

Although Stony Brook University Hospital is under the auspices of the State University of New York system, Hospital services and patient care are not subsidized by the State of New York. Limited support is received by the Hospital mainly for malpractice coverage and costs of statewide collective bargaining increases and fringe benefits. Any shortfall from a contract with Empire BlueCross would have to be absorbed as a loss or made up through additional revenue sources, not taxpayer dollars.

The Hospital Must Avoid a Shortfall During these Difficult Economic Times

WellPoint, Inc., the nation's largest health insurer and the parent company of Empire BlueCross, is asking Stony Brook University Hospital, a not-for-profit institution, to accept a contract that may result in its providing millions of dollars in services for which it

will not be reimbursed. It is the Hospital's fiduciary responsibility to negotiate a contract that prevents that kind of shortfall.

The Hospital Is Eager to Complete a New Contract

We are extremely motivated to reach an agreement. Forty percent of our managed care admissions and 43 percent of our managed care outpatient visits are covered by Empire BlueCross. If Empire BlueCross does not agree to cover basic costs for Hospital services, tens of thousands of patients will be affected. The Hospital has yet to receive a proposal from Empire BlueCross that fully covers the cost of providing care to its members.

If you have any questions or concerns, please call the information hotline at (631) 444-4392 between 8:30 am and 6:00 pm, or visit www.StonyBrookMedicalCenter.org for the most current information.

We thank you for your continued support of Stony Brook University Hospital.

Sincerely,

Steven L. Strongwater, MD
Chief Executive Officer
Stony Brook University Hospital