

# Know the Facts about Community's negotiation with Blue Shield

## What is being negotiated between Blue Shield and Community?

Community's contract with Blue Shield of California was originally set to expire on December 31, 2025. Blue Shield requested an extension and Community agreed to enable further routine negotiations. However, when Community offered an extension to continue discussions into February, Blue Shield declined and let the contract expire on January 31, 2026.

## What does the Blue Shield contract expiration impact?

It impacts the ability of members of Blue Shield's commercial HMO and PPO plans, as well as Covered California PPO members, to access Community Medical Centers' four hospitals and nearly 500 providers in Community Health Partners.

This contract expiration does not affect Community Health System employees.

## Why haven't we reached an agreement?

Community Health System requires fair, sustainable agreements that reflect the cost of delivering high-quality care. Our health system is challenged with persistent increases in drugs, supplies and other costs, and the unfavorable, yet still uncertain, impact of the latest federal reconciliation bill.

Community is asking Blue Shield **for parity**. Blue Shield's rates must cover the cost of care akin to what our other contracted providers pay. This helps ensure financial stability for Community and creates a level playing field in the market. Without parity, Blue Shield has an advantage over other health plans and that will serve to widen the gap between the cost of providing care and what we are reimbursed for it — ultimately leading to reductions in services available in our region.

## Does Community participate in health plan quality performance programs?

Yes, Community participates in health plan quality performance programs because ensuring and monitoring quality outcomes for our patients is essential. We participate because it's a key way providers and plans can work together to improve overall quality of care. Currently, we participate in quality programs with Aetna, Anthem and HealthNet.

However, it's important to understand this isn't a solution to close the gap between cost of care and reimbursement. Health plans may try to cloak inadequate reimbursement in performance incentive frameworks that emphasize improved patient outcomes, then publicly criticize providers when we find this unacceptable.

## If Community's reimbursement rates improve will Blue Shield increase their rates?

The main drivers of rising health care costs are outside of Community's control. Health plans — which reported tens of billions in profits last year — ultimately determine what businesses and their employees pay in premiums, deductibles, and copays.

Blue Shield recently **significantly increased employer premiums, in some cases by more than 4 times the rate increase requested by Community.**

While Community remains out-of-network, Blue Shield is collecting those same premiums but not providing members with the same network of health care providers.

When employers selected the Blue Shield network it included all the Community facilities and physicians. With the expiration of the Community contract, Blue Shield has not adjusted its premiums for employers accordingly. Employers are still paying the same amount to Blue Shield but now members can only access 2 of the 5 area hospitals. Essentially, employers are paying \$1 to get \$0.40 of the local hospital network.

The same is true for physicians. Employers are paying to access Community physicians, but their employees cannot do so.

## What can Blue Shield members do?

### Contact Blue Shield:

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The phone number is typically shown on the back of your insurance identification card.

### Request a 'Continuity of Care':

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If a patient is in active treatment at a Community facility or with any of our physicians, request authorization from Blue Shield for a 'continuity of care' provision. This allows Community providers and facilities to continue to provide services for up to one year upon Blue Shield's approval. Forms can be found on Blue Shield's website.

### Contact Your Employer:

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Voice concerns with your employer or human resources department.

### For those with an HMO health plan:

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Contact the California Department of Managed Health Care:

*Phone:* **888-466-2219**

*Mail:* California Department  
of Managed Health Care  
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Sacramento, CA 95814-2725