



When a Provider Leaves the BCBSTX Network: Facts You Need to Know

- Rising health care costs are a reality for us all. BCBSTX works to achieve a reasonable balance between what we pay providers and what costs are passed on to consumers, while providing our members access to quality, affordable health care benefits. When BCBSTX has contract talks with providers, we are representing employers as our clients, and you as our members.
- BCBSTX is the plan administrator for many self-funded health care coverage plans, providing management services such as claims administration, enrollment processing, program support and care coordination. With a self-funded plan, the cost of claims are passed on directly to the employer for payment. Whatever reimbursement rates we negotiate with providers, we are negotiating on your behalf. Changes in physicians' reimbursement rates don't change what we are paid. They only change what your employer pays – what you pay.
- Additional claims cost also impact our fully insured groups that pay monthly premiums in exchange for full health care coverage. Those premiums are based on projected claim volume and cost, and are typically re-evaluated annually. If claims are higher than projected in a market, we will assume the loss during the contract period, but then would need to raise the premiums to cover the higher costs going forward.
- If a provider in your community decides to terminate its relationship with BCBSTX, it can affect the decisions you make. If your physician terminates, you have the option of choosing a new primary care physician or specialist who participates in the network. Or, you may choose to continue seeing the physician and pay out-of-pocket for a larger portion of your care.
- BCBSTX has the largest provider network in the state, and covers all markets across the state, giving you total access to care. We also have the largest share of members of any carrier in the majority of cities and regions, giving providers access to a substantial patient base. We consider that a win-win. Our groups see our large provider network as an added value when considering the total benefits package we offer for their money. Most providers also see our large membership as an added value to their contracts. Unfortunately, sometimes that benefit is overlooked during contract disputes.
- More and more often, providers are making their contract disputes public, from sending letters to members and employer groups to calling local media. BCBSTX considers all contract talks confidential, so we tend to respond with very little information publicly. Instead, we try to make physicians, employers, members and other constituents aware of how the outcome will impact you – the patient.
- Unfortunately, the contract negotiations you hear about are the ones concerning money disputes, so that it may seem that our payment schedules are an issue with all providers. In reality, discussions about contract terms occur as a normal course of business. We very regularly have providers ask to revise their contracts for things other than money, and very few of those talks end with a provider terminating their contract.
- When a provider contacts our members and employers about their contract dispute, it may sound as if there are no “talks” in the process. You may be led to believe that they asked us for more money, we said no, and that was the end of the discussion. In reality, the entire process takes months and involves numerous levels of management. A provider may let us know they want to talk about their contract long before they send us a formal notice of termination.
- During reimbursement disputes we meet face-to-face and stay in regular contact with the provider. We discuss the provider's needs and our needs. Studies are conducted to determine the financial impact of our various options. Our role is to represent our groups and members so that the outcome is in their best interest. Sometimes, that means what we have to offer isn't the best outcome for a provider.
- For more information, please contact the customer service number on the back of your member ID card.

