Dear Broker,

By now you have heard from several sources that Providence and Optum have been unsuccessful in re-negotiating their current agreement with Providence hospitals in Los Angeles. These hospitals include Providence Holy Cross Medical Center, Providence Saint Joseph Medical Center (Burbank), Providence Cedars-Sinai Tarzana Medical Center, Providence Saint John's Health Center, Providence Little Company of Mary Medical Center, Torrance and San Pedro.

There is still a chance that Optum and Providence can come to an agreement. If no agreement is reached Providence Los Angeles-based hospitals will be considered out of network for patients starting April 1, 2024, with HMO plans (Commercial and Medicare) that use Optum's provider network. Please note that the reason for the contract termination is that Optum's reimbursement is well below market rates and Providence is requesting reimbursement rates that are on par with other payers.

Here is what the termination means for a patient seeing an Optum PCP who is enrolled in an HMO plan:
- Patients with an Optum PCP will be directed to a non-Providence hospital for inpatient or outpatient care.
- If a patient wants to access Providence facilities beginning April 1, 2024, they can only do so by changing their Optum PCP to a Providence PCP who is part of Facey Medical Group, Providence Axminster Medical Group or Providence Saint John's Physician Partners.

Patients affected by this contract termination may call you.

If you have a client affected by the termination of this contract, please encourage them to do the following:
- Change to a PCP who is part of the above-mentioned Providence medical groups by contacting their health plan's customer service. The customer service phone number can be found on their ID card.

We know this change may be disruptive to some of our patients and your clients. Again, please encourage them to follow the steps outlined above to ensure uninterrupted access to Providence Los Angeles-based hospitals.

Sincerely,

Providence