



FOR IMMEDIATE RELEASE

Community-Based Health System Files Suit Against Insurance Giant Claiming Breach of Contract
Bridges Health Partners takes on Aetna for Profiting from Contract Manipulation

Warrendale, PA (April 16, 2024) – Bridges Health Partners, LLC. filed a claim against Aetna Network Services, LLC. in the Pennsylvania State Court of Common Pleas of Allegheny County today for declaratory and injunctive relief, citing multiple breach of contract claims from its 2023 agreement.

The agreement was designed to enhance the quality of care for patients while decreasing the overall cost to Aetna members that receive treatment at Bridges Health Partners providers. Aetna would reward Bridges by sharing in the cost savings that is below a specified medical cost target and provide additional payments for meeting the agreed upon quality metrics. Instead of paying what was due, Aetna loaded in supplemental benefit costs (i.e. marketing expense) that include gift cards, over-the-counter medications, meals, gym memberships, etc. Incentives like the free gift cards and over-the-counter medications are available only through CVS, Aetna’s parent company. These benefits are used solely to gain new Aetna memberships and will impede the care given at a Bridges’ provider by taking away monies allocated in treating patients. Bridges did not agree to this arrangement and has no control over Aetna’s spending.

Dr. Robert Zimmerman, Bridges Health Partners President and Chief Medical Officer says that while the programs can be attractive marketing initiatives, they do impact Bridges’ ability to maintain the quality of care they currently offer their patients. “When we opened our doors in 2017, we made it our mission to improve the health of the people in our communities by providing high-quality, cost-effective, patient-centered care all led by physicians. While the incentives are good programs, they are not critical care health programs. They are supplemental programs that potentially erodes a patient’s care at our providers. If we have to pay for the incentives, we cannot provide cost-saving, patient-centered care. It’s egregious manipulation but also a breach of our contract with Aetna.”

Bridges Health Partners is a network of 60+ specialty providers, 8-acute care hospitals, 100+ ambulatory facilities and more than 400 primary care physicians through St. Clair Health, Washington Health System, and Independence Health System. They rely on consolidated, cost-savings, combined efforts to offer high-level patient care. To date, they have saved millions of dollars that they pass along to their patients in reduced costs.



John Grese, Bridges Health Partners Vice President of Administration said, “Health plan organizations, like Aetna, are setting record profits while community-based hospitals and health systems are struggling. This is a national crisis. If the insurance agency corporate giants are not stopped, community health care will be obsolete, putting thousands of doctors, nurses, and staff out of jobs and the very people needing treatment will be the ones who suffer. “

“Our goal is to make care accessible and affordable, provide the best experience and create an integrated network of providers and programs to support our communities.” Dr. Zimmerman continued. “To protect our patients, our doctors, our staff, and our community, we have filed suit against Aetna to prohibit them from incorrectly allocating the cost of supplemental benefits to Bridges providers under the 2023 agreement.”

The suit was filed Tuesday, April 16, 2024, by Lynch Carpenter LLP and Scott+Scott Attorneys at Law LLP for Bridges Health Partners. For a copy of the complaint or more information or to arrange an interview with Dr. Zimmerman, please contact Jennifer Schlieper at 412-916-7495 | jennifer@flyingscooterproductions.com.

About Bridges Health Partners LLC

Three independent, non-profit health systems in the Pittsburgh metropolitan market and surrounding communities are the founding members of Bridges Health Partners LLC (Bridges), including Independence Health System, St. Clair Health, and Washington Health System. Each partner system, along with their independent and employed medical staff are committed to transforming how healthcare services are delivered by implementing an integrated, regional network of care that supports all patient populations, no matter the payer. Together, Bridges serves 120,000 patients through a broad geography of outpatient, community-based sites and inpatient facilities in Allegheny, Armstrong, Beaver, Butler, Clarion, Fayette, Greene, Indiana, Lawrence, Mercer, Venango, Washington, and Westmoreland counties. Bridges Partners participating health systems commitment to quality has been recognized by numerous national and independent authorities including HealthGrades, The Leapfrog Group, Quantros CareChex, IBM Watson 100 Top Hospitals, and U.S. News and World Report's High Performing Hospitals and Best Regional Hospitals, to name just a few. Bridges network comprises eight hospital campuses with over 1,450 licensed beds, over 1,000 employed and affiliated physicians with a network of primary care and specialty group practices, ambulatory surgery centers, urgent care clinics, imaging and diagnostic centers, skilled nursing, home health, and hospice care. Bridges partner systems are strong healthcare provider organizations individually; collectively dedicated to delivering the best quality of care at a lower cost to patients where they live and work. To learn more about Bridges Health Partners LLC, visit www.bridgeshealthpartners.org.



FREQUENTLY ASKED QUESTIONS

1. What is the basis of this lawsuit against Aetna?

The federal government is looking for a shift from Fee for Service (FFS) to Value-based reimbursement models to increase quality, decrease cost, and enhance the patient experience. As the healthcare industry shifts away from FFS to value-based contract arrangements, healthcare provider operating margins decline unless there is sufficient opportunity in the value-based models. Our recent experience with Aetna shows the health plans manipulating their CMS funding to use value-based programs to boost their corporate profits to the detriment of providers.

2. Why do you think Aetna is manipulating the CMS funding?

Aetna is directing millions of CMS funds to its parent company, CVS, through a supplemental benefit program by requiring subscribers to purchase the over-the-counter medications and spending their gift cards only at CVS and charging this cost back to providers like us.

3. Will this lawsuit impact my quality of care if I have Aetna insurance?

It will not impact the quality of care we provide you. We are committed to providing excellent care to all of our patients.

4. I like the benefits that Aetna provides. Why would Bridges Health Partners take away these privileges from me or my family?

We are dedicated to providing the best care at an affordable cost to our community. The savings we earn goes towards our primary care. The benefits are nice to have, and we think Aetna should continue to offer them, at their own expense, not at the expense of the care we provide to you the patient.

5. What is a supplemental benefit?

A supplemental benefit is an add-one or incentive that you receive “for free.” It can come in the form of a gift card or a free gym membership. It is not something directly impacting or directly supporting the care you may need.

6. What happens if Aetna continues to offer these types of benefits?

Bridges is losing millions of dollars that it earned in shared savings, which is impacting the financial well-being of Bridges providers. Our goal is to provide high-quality health care in the community. If Aetna continues to do this to us, our healthcare practices will shutter.

- a. Good value-based performance results in a healthier population and reduces volume, which puts pressure on our operating margins.
- b. Without sufficient earning opportunity for good value-based performance, Bridges provider margins will continue to deteriorate.
- c. Continued poor financial performance will make it increasingly difficult for community hospitals to operate, resulting in lost jobs and reduction in healthcare access points.