



The State of New Hampshire Insurance Department

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From: Commissioner David Bettencourt

Date: Tuesday, December 31, 2024

To: Nashua-area Legislators, Councilor, & Governor Sununu

Subject: Update on St. Joseph Hospital and Anthem Negotiations

Good afternoon, members of Nashua's Executive and Legislative Delegation,

While I have had the opportunity to speak with some of you directly, I am providing this update to ensure that all of you are informed about the unfolding situation between St. Joseph Hospital and Anthem.

In August, my department became aware of a potentially serious impasse in contract negotiations between the hospital and Anthem. Such situations are not uncommon and typically revolve around disagreements regarding reimbursement rates.

In this instance, reimbursement rates are indeed a point of contention. However, what is particularly unusual is the duration of these negotiations, which have now spanned approximately two years. There are disputes regarding payments made to the hospital by Anthem, which the hospital now contends were improper, as well as allegations concerning unpaid amounts owed by Anthem to the hospital. I have engaged with both parties on several occasions since August, and tensions are high.

Yesterday morning, I received a call from Anthem that, in compliance with state law, they are preparing to inform their insureds that St. Joseph will be dropped from their networks. Later that day, St. Joseph sent an email to their patients – though not to me – announcing that, effective tomorrow (January 1, 2025), they will be out of network with Anthem, with very important caveats for consumers to bear in mind.

While the timing of these communications was rapid and unexpected, our team has been anticipating this scenario for several months and has developed a strategy aimed at being as helpful as possible to rekindle constructive negotiations.

I want to be clear, as a fundamental legal matter, I do not possess the authority to compel two private parties to contract with one another against their will. As commissioner, I cannot mandate mediation or arbitration between the parties, nor can I facilitate these processes. In fact, while I remain hopeful, I cannot even

compel them to meet with me. To reiterate, I have no ability to force negotiations or contract agreements.

That said, I will formally request that both parties meet with me next week for a facilitated discussion, during which I will present the data, information, and resources the department can offer to assist in potentially realigning negotiations. This will involve making a series of opportunities available, should they choose to pursue them.

Facilitating a conversation of this nature is not a standard approach for our department. However, a number of unique factors necessitate a different strategy, and it is imperative that both parties fully comprehend the implications and consequences of failing to reach an agreement for thousands of Granite Staters.

First, Anthem is New Hampshire's largest health insurance carrier, and St. Joseph is a critical facility in our state's second-largest city.

Second, the timing of this dispute could not be worse. Hundreds of thousands of Granite Staters have either made their plan choices through the individual market or have been enrolled through their employers in a plan for next year based on the current networks, which include St. Joseph as an in-network provider with Anthem. For this change to occur now forces individuals to scramble with limited time to select a new plan with a different carrier, or, at worst, leaves them with no option to maintain St. Joseph in their network.

Third, while state law mandates that Anthem must continue to pay claims at in-network rates for 60 days post-notification (RSA 420-J:8, XI), the reality is that many patients have ongoing care that extends beyond that time frame. Finding a different provider is incredibly disruptive for these patients, who include pregnant mothers, dialysis patients, and those undergoing cancer treatment. That said, impacted consumers are required to be notified and the parties should be working together to transition patients undergoing an episode of care to either in-network providers or working out how that continued care will be reimbursed.

One silver lining is that emergency care is always considered in-network by all insurance plans, and federal and state prohibitions against surprise or balance billing exist to protect consumers.

I will continue to provide updates as developments occur. Please do not hesitate to contact me if you have any questions or require further clarification.

Thank you for your attention to this matter.

D.J. Bettencourt

Commissioner

New Hampshire Insurance Department

