



**For Immediate Release
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Swedish Notifies Regence of Intent to Terminate Contract

SEATTLE — The following is a statement from Jonathan Hensley, president of Regence BlueShield in Washington, regarding Swedish Medical Center's notification of its intent to terminate its contract:

“Regence has received a letter from Swedish Medical Center indicating the organization's intent to terminate its contract with Regence if we do not meet its rate demands.

Swedish, already known as one of the highest-cost hospital systems in the state, is demanding a 32 percent rate increase over the term of the agreement, an increase that our members – individuals, seniors, small businesses and working families – cannot afford. A 32 percent increase is more than double the amount other hospitals would receive.

These demands would directly impact the affordability of health insurance coverage for our members and their families through higher premiums. As a nonprofit health insurer, our first priority is to our members and their need for high-quality, affordable health care. As medical costs continue to skyrocket, we are committed to defending our members against unsustainable cost increases from high-cost providers.”

It's important to note that Regence members still have access to care at Swedish. At the same time, Regence will ensure that alternatives to care are in place in the event an agreement is not reached. If Swedish moves forward with the termination of the contract, the two parties would have 120 days to reach an agreement, and Regence members would continue to have access to care at Swedish during that time.

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We respect the great care that Swedish doctors and nurses provide to the members of our community, and regret that Swedish has chosen confrontation over cooperation in threatening to terminate our contract. We have a collective responsibility to mitigate health care costs for our communities, and we are disappointed that they have declined our many attempts to settle this matter.

Regence values the decades-long relationship that it has shared with Swedish. We remain committed to working toward a solution that benefits our members, their families and the community at large. Our hope is that we can focus our combined efforts on making sure the well-being of our mutual members and patients is a priority.”

About Regence BlueShield:

Regence BlueShield is a leading health plan in Washington with more than one million members, offering health, life and dental insurance. Regence is the largest health insurer in the Northwest / Intermountain Region, serving more than 2.5 million members as Regence BlueShield (selected counties in Washington), Regence BlueShield of Idaho, Regence BlueCross BlueShield of Oregon and Regence BlueCross BlueShield of Utah. Each plan is a nonprofit independent licensee of the Blue Cross and Blue Shield Association. Regence is committed to improving the health of our members and our communities, and to transforming our health care system. For more information, please visit www.regence.com or www.twitter.com/RegenceWA.