

Memorandum

To: Interested legislators and staff

From: Jane Beyer, *Senior Health Policy Advisor*
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Date: August 30, 2024

Subject: Aetna and Providence

In 2016, the Office of the Insurance Commissioner (OIC) adopted network access standards to ensure that insurers have a sufficient number, type and distribution of health care providers and facilities to meet the needs of consumers enrolled in their health plans ([Chap. 284-170 WAC](#)). Under those rules, insurers must notify OIC of any changes affecting the ability of their network providers and facilities to furnish covered services to enrollees, including potential contract terminations ([WAC 284-170-230\(2\)](#)). Carriers also are required to notify affected health plan enrollees of potential contract terminations ([WAC 284-170-421\(10\)](#)).

On June 10, 2024, Aetna notified the OIC of a potential termination of their contract with Providence for their commercial health plans. The termination does not apply to people enrolled in Aetna Medicare Advantage plans. Aetna has sent notices to commercial health plan enrollees regarding the potential contract termination.

Providence and Aetna are engaged in contract negotiations. If an agreement is not reached, Providence will no longer be an in-network provider with Aetna for their commercial health plans effective September 1, 2024. The termination would apply to Providence, Providence Swedish, PacMed and Kadlec hospitals.

OIC continues to receive updates from Aetna regarding the status of contract negotiations, which are ongoing. If Aetna and Providence reach agreement on a contract, OIC will expedite review of those contract submissions for approval.

In the event that a contract agreement is not reached, there is a new federal law that provides some assurance of continuity of care. The law was included in the Consolidated Appropriations Act of 2021 (§§2799A-3 and 2799B-8 of the Public Health Service Act).

The continuity of care provision is triggered when a provider contract with a health plan expires or is not renewed. When a contract termination occurs, a health plan must:

- Notify “continuing care patients” of their right to receive transitional care for 90 days with the same terms as if the provider were in-network.
- Provide consumers an opportunity to notify the plan of their need for continuing care.
- Permit the consumer to use the continuity of care benefit.

A patient is considered a “continuing care patient” if they:

- Are undergoing a course of treatment for a “serious and complex condition.”
 - A “serious and complex condition” is an acute illness or condition that is serious enough to require specialized medical treatment to avoid the possibility of death or permanent harm; or a chronic illness or condition that is life-threatening, degenerative, potentially disabling or congenital, and requires specialized medical care over a prolonged period of time.
- Are receiving care as a hospital inpatient or in another institution, such as a nursing home or rehabilitation facility.
- Are scheduled for nonelective surgery (including post-operative care following the surgery).
- Are pregnant.
- Have a terminal illness.

OIC will ensure that the health plans meet their obligations under this continuity of care law. If you receive any communication from consumers regarding their access to continuing care, please ask them to [file a complaint](#) with OIC.