



Memo:

TO: Executive Board and Council Leaders

FROM: Lorraine Simpkins, Health Benefits Specialist

DATE: August 6, 2010

RE: **UPDATE – Stellaris Health Network Hospitals**

We are extremely pleased to report that Empire BlueCross BlueShield (BCBS) and Stellaris Health Network (SHN) have agreed to a new three-year contract, effective August 1, 2010. The contract restores in-network access to Stellaris facilities for members enrolled in the Empire Plan, as well as the Empire BCBS HMO option.

SHN is a hospital system in Westchester County comprised of Lawrence Hospital, Northern Westchester Hospital, Phelps Memorial Hospital Center, and White Plains Hospital. Empire BCBS and SHN were unable to reach an agreement before the old contract expired on 3/31/10. As a result, the SHN hospitals were dropped from the Empire BCBS hospital network effective 4/1/10. Since then, many of our members residing in or near Westchester County have been affected by the inability of the two sides to come to an agreement. Members have been forced to pay more out-of-pocket for hospital care at a SHN facility, or have had to seek services elsewhere due to the dispute.

If you have any questions regarding this memo, please contact Lorraine Simpkins at PEF headquarters, 1-800-342-4306, ext. 283, or at lsimpkins@pef.org.

cc: Robert Carrothers, Director of Labor Relations
Elizabeth Hough, Director of Contract Administration