

**Hospital**

Dignity Health System

Effective Date

1/1/2023

Overview

UHN Market Vice Presidents have been instructed to move E&I unit cost position to "Best-In-Class" ("BIC" for both rate and structure) with commitment from all business partners to work together toward the this strategic objective. With the intent to negotiate a fair provider contract consistent with a "BIC" construct, termination or a buydown approach of our current relationship may be part of the negotiation process.

Business Purpose

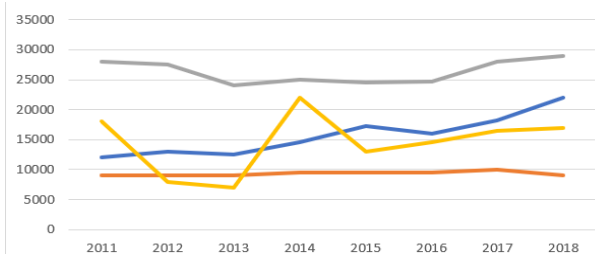
Network Strategic Planners provide affordability opportunities in each contract renewal and serves to provide clarity as to tolerance levels in our negotiations from all relevant business partners.

Network Strategic Planner Report

Provider Summary

Provider: **Dignity Health System**
Effective Period: Jan 2019 through Jan 2022
Term of Agreement: 4 years
Line of Business: Commercial, Select
Region(s) Impacted: Northern California
Accountability: E&I, UHN

Year over Year (YoY) Trend



General Overview

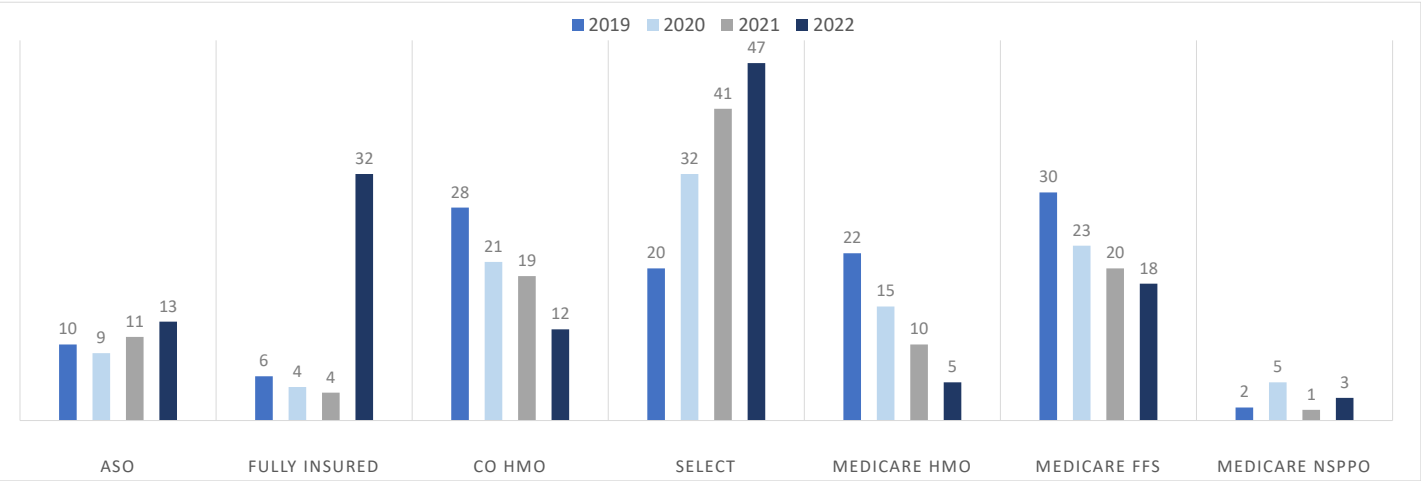
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Barriers, Concerns, and Threats

Network Recommendations

Financial Summary

Financial Trend Year over Year (in Millions of Dollars)



Spend snapshot

2022 vs 2021		ASO	FULLY-INSURED	CO HMO	SELECT	MEDICARE HMO	MEDICARE FFS	MEDICARE NSPPO
	Current Spend (in millions)	\$13	\$32	\$12	\$47	\$5	\$18	\$3
	% change	18.2%	785.2%	-36.8%	14.6%	-49.7%	-10.0%	111.5%
	Membership (in millions)	12	16.1	20	15	18	11	8

Rate Negotiation & Buydown Business Case

Target: BIC
Gap to BIC: 12% reduction
Buydown Amount: \$2.5 million

Dignity Health System is willing to approve buydown

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Final Deal Points

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