



August 15, 2025

Denise F. McDonough, President
Anthem Blue Cross and Blue Shield
2 Gannett Drive
South Portland, ME 04106

Dear Ms. McDonough,

As a nonprofit community-based and governed health system, Northern Light Health is dedicated to improving the health of the communities where our patients live and work. Anthem's business practices, including the reduction of periodic interim payments for services Northern Light Health provided to Anthem members, and the utilization of delay tactics rather than engaging in constructive discussions for a new facility agreement, are interfering with our ability to provide patient care, especially for our most underserved populations. Further, Anthem's dissemination of false and/or misleading narratives unnecessarily causes angst for our patients and continues to fan the flames of public mistrust at a time when insurance companies are increasingly coming under fire for their business practices.

For several months, Northern Light Health has made every effort to work collaboratively with Anthem to reach a new agreement. Throughout this process, we have prioritized maintaining in-network access to our patients and demonstrated flexibility and goodwill at every stage. Despite our repeated attempts to engage in timely and productive discussions, we have encountered delayed responses to our proposals and experienced canceled meetings initiated by your team. Most recently, Anthem has stated that they will not send a counter to the proposal provided by Northern Light Health on July 30. These challenges have made it increasingly difficult to move forward constructively and reach a new agreement prior to the end of our contract expiration date. We want to be clear: we do not take this decision lightly, nor is it the outcome we hoped for. However, the current construct of our agreement is simply not sustainable, and to secure a contract that reflects the realities of delivering high-quality care, we must now take a different approach.

Therefore, the Northern Light Health Board has authorized management to immediately discontinue negotiations with Anthem and to focus on assuring patient access, care and service for Anthem members as we transition to out-of-network status with Anthem.

Excessive Administrative Strain

Anthem has rejected Northern Light Health's request for contract terms that protect Northern Light Health from Anthem's unilateral implementation of policies and practices that erode reimbursement and impose hardships on our patients.

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Northern Light Health

Acadia Hospital
AR Gould Hospital
Blue Hill Hospital
CA Dean Hospital
Eastern Maine Medical Center
Home Care & Hospice
Maine Coast Hospital
Mayo Hospital
Mercy Hospital
Sebasticook Valley Hospital
Northern Light Continuing Care
Northern Light Health Foundation
Northern Light Medical Transport
& Emergency Care
Northern Light Pharmacy
Northern Light Work Health

During the course of this negotiation, Anthem has reduced weekly periodic interim payments for services provided to our patients. This has been an attempt to disrupt cash flow to Northern Light Health during a period of considerable financial pressure on rural health systems across the country. The periodic interim payments have been an essential component of the payment process to Northern Light Health for the last 15 years.

Our expectation is that our contracted physicians make the decisions regarding the medically necessary care that is provided to our patients in accordance with Northern Light Health's policies and procedures, not a for-profit insurance company. Last month, Anthem removed Northern Light Health from its program to assist in resolving denials related to physician-ordered care that has been provided to our patients. As a result, we are not being paid for the care that is provided to our patients.

In addition to the strain on our patients, Anthem has imposed a disproportionate administrative burden on our health system, diverting critical resources away from patient care. Anthem's processes are inefficient, confusing, and increasingly unmanageable. Specifically:

- Unclear communication channels make it nearly impossible for our teams to get timely answers or resolve patient issues efficiently.
- Redundant and non-standardized forms add unnecessary complexity to routine workflows.
- Delays in claims processing and a high volume of denials—even for clearly covered and medically necessary services—create constant disruption and issues for our patients.
- The prior authorization process has become so cumbersome and opaque that we have had to dedicate an entire administrative team solely to navigating Anthem's systems.
- These tactics are increasing the amount owed to Northern Light Health by Anthem, putting real financial strain on our health care system.

These practices have stretched our staff thin, increased operational costs, and pulled attention away from what matters most: caring for our patients. The time, energy, and resources we have spent managing these avoidable obstacles are simply unsustainable.

Impact on Our Patients & The Communities We Serve

This situation also directly affects the patients and communities we are committed to serving – many of whom rely on Northern Light Health as the primary provider of emergency and trauma services for several rural communities in Maine. Northern Light Eastern Maine Medical Center, the regional referral center for the northern two-thirds of Maine, cares for some of the most underserved populations, often with complex, chronic conditions that reflect broader social and economic challenges within our region.

These realities naturally influence certain care metrics. However, despite these challenges, our commitment to quality remains unwavering.

- Northern Light Eastern Maine Medical Center has maintained a Leapfrog Hospital Safety Score of “A” since Spring 2023 and was recently named as one of the Best Regional Hospitals by US News and World Report, reflecting our adherence to nationally recognized standards for patient safety and care.
- Our performance on key quality benchmarks such as readmission and recidivism rates consistently outpace national averages. This reflects the strength of our care coordination, discharge planning, and patient support services, which help individuals recover and stay healthy after leaving our facilities.

Unfortunately, Anthem’s false and/or misleading narratives required us to divert crucial resources from patient care to public outreach simply to correct Anthem’s misstatements. Compounding the issue, the reduction of periodic interim payments for services already provided to patients imposes additional financial hardship on Northern Light Health, straining operations in an already financially challenging environment. These actions not only jeopardize our ability to deliver uninterrupted, high-quality care but they also unfairly affect vulnerable populations who cannot afford administrative delays or disruptions in access. We are incredibly proud of the value our dedicated team members bring to the communities we serve every day, but we cannot continue to operate under the conditions being unilaterally imposed by Anthem in an attempt to gain leverage in contract renewal negotiations. Fortunately, there are other carriers and third-party administrators in our region whose business practices and values more closely align with the very real healthcare needs of the regions we serve.

While Anthem continues to report strong financial performance, including last year’s profit margin increasing by 9.4% in Maine and Anthem’s parent company, Elevance, generating \$5.98 billion in profits. Anthem has also continued to increase its member premiums annually the last three years by an average of more than 10%. In the most recent filing to the Maine Bureau of Insurance, Anthem is requesting average weighted increases of 17.2% to 24.8% for 2026. Despite this, Northern Light Health has not seen any corresponding increases in reimbursement rates that would allow us to sustain the rising costs of providing care. Northern Light Health average annual net reimbursement increases have averaged 1.5% over the last several years. This growing imbalance further underscores the unsustainable nature of our current agreement and the pressing need for fair, equitable contracts that reflect the realities of delivering high-quality care in today’s healthcare environment.

Our Decision

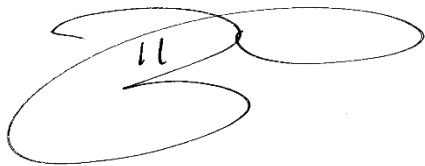
Given these points, we have made the difficult but necessary decision to end our relationship with Anthem. This will result in Northern Light Health physicians and some ancillary services being out of network with all commercial Anthem plans starting October 1 and all hospital-based services starting on December 31. In addition, our entire health system, including hospitals, clinics, and physicians, will be out of network with all Anthem Medicare Advantage Plans starting on January 1, 2026.

Should Anthem provide an offer to Northern Light Health that reflects our commitment to delivering and sustaining high-quality care to our patients and communities, we will consider that.

Northern Light Health's commitment to delivering vital services to our communities will not be compromised. We will no longer accept terms that fail to recognize the unique needs of our region and the economic realities we face.

Our patients, physicians, caregivers, and communities deserve better.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'T' and 'J' followed by 'Dentry'.

Timothy J. Dentry, MBA
President & CEO