



Important ACN and Bright Health Contract Update

Dear Provider,

Bright Health entered the Phoenix market in 2018, Arizona Care Network has been the exclusive delivery network for Bright Health's Exchange (IFP) and Medicare Advantage members. Through 2020, the plan had steady growth in membership, peaking at more than 20,000 covered lives at the end of 2020.

Beginning in mid-2020, Bright unilaterally implemented changes to its IFP provider network by adding HonorHealth facilities and employed providers for 2021 and filed substantial premium increases for the 2021 IFP options. Current Bright Health membership has dropped by more than 50 percent, to less than 10,000 covered lives.

ACN's current agreement with Bright Health remains in effect through Dec. 31, 2021. Bright Health has terminated the agreement and has proposed renewal terms that materially reduce the value to ACN providers. Bright Health's proposed changes include a double-digit reduction in physician reimbursement, removal of an annual fee schedule increase and further expansion of the network to include unlimited non-ACN providers.

ACN has proposed renewal terms that accommodate measured network expansion to support product growth and a new quality reward program that aligns with regulatory priorities and similar arrangements that Bright Health has in place in other markets. Bright Health has indicated there will not be a counter proposal forthcoming.

While we remain committed to finding reasonable renewal terms with Bright Health, we are uncertain whether we will finalize a contract that continues to provide adequate value to ACN providers, consistent with other ACN programs and payer relationships.

Importantly, beginning April 5, Bright Health has notified ACN that it intends to initiate direct contracting efforts with select ACN primary care and specialty practices.

Please review the proposed terms closely and contact ACN if you have any questions.

Thank you for your participation with ACN.

Sincerely,

Arizona Care Network