

December 2009



Dear Friends and Colleagues:

You may have heard recently that the UNC Hospitals, UNC Physicians & Associates, Rex Healthcare and Rex Physicians insurance contracts with CIGNA of North Carolina may be ending. We understand the anxiety that this information may cause you, and we want to be sure that you have the most up-to-date information. Please know that no matter what happens, we are here to take care of you and your family.

For the past 8 months, UNC Health Care has been negotiating with CIGNA regarding our insurance provider contract. This is the contract that determines how CIGNA will pay us for the care we provide to their members. Our current contract is set to expire on December 31st at the earliest, and we must reach agreement on a new contract if we want to continue our relationship with CIGNA. In our discussions, we are asking CIGNA for fair and equitable payment that will pay rates similar to other Triangle medical centers. It costs just as much to provide care at UNC Hospitals and Rex Healthcare. Fair rates ensure that we can continue to fulfill our mission of providing the very best hospitals and physicians to the people of North Carolina.

We remain committed to these negotiations, and are hopeful that CIGNA will agree to continue to negotiate in good faith. However, if an agreement is not reached by December 31st at the earliest, our contract with CIGNA will end and we will become an "out-of-network" provider. Even if we become an "out-of-network" provider, everyone covered by CIGNA can still use UNC Hospitals, Rex Healthcare and our physicians. However, patients' out-of-pocket expenses may increase at the time.

If CIGNA refuses to agree to a fair and equitable contract, you and others insured by CIGNA will face higher costs for using Rex, UNC and physicians after December 31st at the earliest. CIGNA will require its members to pay a lot more to come to Rex, even though your premiums will stay the same.

You can help. You can let CIGNA know that their members will not stand by and let them deprive this community of access to quality care at UNC Health Care. There is no reason for CIGNA to reject a fair contract, and there is no reason people should have to pay more to go to the hospital and doctor of their choice. You can contact CIGNA at:

CIGNA HealthCare
701 Corporate Center Drive
Raleigh, NC 27607
Telephone: 919.854.7000
Toll-Free: 800.849.9300
Fax: 919.854.8135

Additional CIGNA contact information is available at:
<http://www.cigna.com/contacts/index.html>

We will have teams of people, helplines and web resources here ready to help you should this situation occur, and more information will be provided on your options. We take our responsibility to you very seriously and will continue to work toward an agreement with CIGNA. We will keep you informed and hope the next time you hear from us it will be to let you know a contract agreement was reached. For more information, please visit our web site at rexhealth.com, or call the Rex Helpline at (919) 784-4500.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Strong', written over a white background.

David Strong
President

4420 Lake Boone Trail, Raleigh, NC 27607