

AG Henry Reaches Agreement with UPMC which Advances Acquisition of Washington Hospital

FOR IMMEDIATE RELEASE — Thursday, May 30, 2024

HARRISBURG — Attorney General Michelle Henry announced an agreement with UPMC and Washington Health Care Services to preserve affordable access to health care in Washington and Greene Counties in connection with UPMC’s acquisition of Washington Health Care Services.

UPMC and Washington Health Care Services reached an Integration and Affiliation Agreement to integrate Washington Health Care Services into UPMC’s network. The Office of Attorney General reviewed the proposed transaction to ensure compliance with Commonwealth laws and regulations, and acted on behalf of the public to preserve affordable access to quality healthcare.

The Office of Attorney General, UPMC, and Washington Health Care Services reached an Assurance of Voluntary Compliance (AVC) that addresses the Attorney General’s concerns about the transaction’s potential impact on patients, staff, and the community.

“This transaction will keep Washington Hospital open and available to thousands of Pennsylvanians,” Attorney General Henry said. “It is essential that the transaction promotes the interests of patients, hospital employees, and the community. My office did a comprehensive review and reached this agreement with UPMC and Washington Health Care Services to ensure those protections are in place.”

As outlined in the AVC, UPMC Washington, the renamed hospital entity, must negotiate with any willing health insurance plans, and commit to a single, last best offer arbitration, to resolve any disputed contract terms.

Furthermore, UPMC Washington is prohibited from imposing any anti-tiering, anti-steering, gag clauses, most-favored nation clauses, exclusive contracting, and all-or-nothing clauses in its new contracts with health insurance plans. Many of these clauses are generally found in hospital contracts that require doctors and other staff to be bound by restrictive health insurance contracts. UPMC Washington also may not expressly limit a health insurance plan’s ability to contract with any other health care providers. Preventing these contracting terms is expected to enable health plans to offer their subscribers more affordable, in-network access to UPMC Washington’s providers.

UPMC Washington will continue to comply with the No Surprises Act providing services to insured, non-contracted patients and will continue to provide charity care as outlined in Washington Health Care Services’ existing charity care policies. Charity care allows for patients

who cannot afford the full cost of their health care services to receive discounted rates or free care, as applicable to emergency and inpatient care.

Additionally, UPMC will continue to honor all existing employment contracts, subject to legal requirements, and may not impose any non-compete agreements more restrictive than those that currently exist within Washington Health Care Services.

This transaction was reviewed by the Office's Antitrust, Charitable Trusts and Organizations, and Health Care Sections and filed in the Pennsylvania Commonwealth Court by Executive Deputy Attorney General Mark Pacella, and Chief Deputy Attorneys General Tracy Wertz, Gene Herne, and Geoffrey Hale.

###