

November 13, 2025

Ms. Gail Boudreaux
President and Chief Executive Officer
Elevance Health
220 Virginia Avenue
Indianapolis, IN 46204

Dear Ms. Boudreaux,

On behalf of the undersigned physician organizations, we write to express our concerns about your recently announced [Facility Administrative Policy: Use of a Nonparticipating Care Provider](#) and to urge you to immediately rescind this policy.

It is our understanding that under this new policy, being rolled out in 11 states starting January 1, 2026, Anthem Blue Cross and Blue Shield plans will begin penalizing hospitals with a 10 percent reimbursement cut when out-of-network physicians are used in the provision of care. Moreover, your announcement indicates that you will also consider terminating hospitals from Anthem networks for continued use of nonparticipating physicians.

First, we are dismayed that Anthem is attempting to bypass the negotiated bipartisan policy under the No Surprises Act (NSA) that protects patients from surprise medical bills when out-of-network care is provided at an in-network hospital. On average, a physician practice has 20.2 health plan contracts, and even small practices with under five physicians average 13.5 health plan contracts.¹ To expect that a hospital and practice will align perfectly in terms of their health plan contracts is simply unrealistic. After years of experimentation in the states, negotiations between policymakers, and compromises by all stakeholders to address this inevitable lack of alignment, the NSA was enacted with broad bipartisan support. The NSA established a system by which patients do not pay more than in-network rates for out-of-network care at participating hospitals, and health plans and physicians engage in negotiations and potentially an independent dispute resolution process to determine a fair payment amount. Though many surprise billing proposals were debated during the NSA negotiations, Congress landed on a policy that did not compel or push physicians into all health insurance networks but rather focused on patient protections and fair payment. We find it very concerning that rather than working through the NSA, Anthem is choosing to implement a policy that essentially circumvents the statute.

Second, we are concerned about the detrimental impact this new policy will have on the financial viability of many independent physicians who depend on access to hospitals to provide care, including surgeons, anesthesiologists, obstetricians, neonatologists, radiologists, cardiologists, gastroenterologists, pathologists, neurologists, oncologists, and many more. It is not likely that a large hospital will simply absorb a 10 percent payment reduction for services performed by nonparticipating physicians. Instead, hospitals may pass that cost on through contracts with physicians or insist physicians enter into health plan contracts that are not a good fit for the practice. In the long run, this

¹ <https://www.cagh.org/hubfs/43908627/drupal/explorations/CAQH-hidden-causes-provider-directories-whitepaper.pdf>.

policy will bring greater pressure on physicians to become hospital employees, exacerbating the continuing drop in physician-owned private practices.²

Additionally, this policy will impact patients' access to care in multiple ways. For example, it is likely to raise hospital costs as hospitals are reimbursed less for certain care and find ways to make up for those losses. Care may be delayed for Anthem enrollees, as the scheduling of any procedure will be complicated by confirming only participating physicians and other providers are part of the care team. It is also likely to result in fewer hospital-based physicians who are able to provide care to *all* patients, as hospitals push out those who do not have a contract with Anthem. This could be particularly problematic for patients in rural areas where smaller rural hospitals will be forced to make tough decisions or be removed from Anthem's network per your new policy. We note that many Anthem enrollees pay higher premiums for plans with out-of-network coverage, and we question if this new policy, with its potential impact on patients' access to care, diminishes the value of those higher premiums paid.

In conclusion, ensuring the financial sustainability of physician practices should be a priority for all health care stakeholders, including and importantly, health insurers. Unfortunately, your new policy attempts to use hospitals as a conduit to pressure physician practices either to accept Anthem contracts that may not support their continued sustainability or push them into employment, while reducing access to care for patients. Rather than implementing a policy with so many negative consequences, we suggest you consider policies that incentivize physician participation in your networks. These could include offering fair and competitive contracts that allow physician practices to employ appropriate staff, invest in innovation, manage administrative requirements, and promote physician wellness. Additionally, Anthem could consider removal of many prior authorization requirements, guarantees of transparent business practices, reduced denials of medically necessary services, rapid credentialing, robust networks for referrals, and streamlined payment processes as policies that would incentivize participation and serve as alternatives to your "Use of a Nonparticipating Care Provider" policy.

We urge you to consider the negative impacts of this policy and immediately rescind it.

Sincerely,

American Medical Association
American Academy of Allergy, Asthma & Immunology
American Academy of Dermatology Association
American Academy of Hospice and Palliative Medicine
American Academy of Neurology
American Academy of Otolaryngology - Head and Neck Surgery
American Academy of Physical Medicine and Rehabilitation
American Academy of Sleep Medicine
American Association of Hip and Knee Surgeons
American Association of Neurological Surgeons
American Association of Neuromuscular & Electromyography Diagnostic Medicine

² <https://www.ama-assn.org/system/files/2024-prp-pp-characteristics.pdf>.

American Association of Orthopaedic Surgeons
American Association of Physicians of Indian Origin
American College of Emergency Physicians
American College of Lifestyle Medicine
American College of Medical Genetics and Genomics
American College of Medical Toxicology
American College of Obstetricians & Gynecologists
American College of Radiology
American College of Rheumatology
American Gastroenterological Association
American Orthopaedic Foot & Ankle Society
American Osteopathic Association
American Psychiatric Association
American Society for Clinical Pathology
American Society for Dermatologic Surgery Association
American Society for Gastrointestinal Endoscopy
American Society for Surgery of the Hand Professional Organization
American Society of Anesthesiologists
American Society of Hematology
American Society of Nephrology
American Society of Neuroradiology
American Society of Nuclear Cardiology
American Society of Plastic Surgeons
American Society of Retina Specialists
American Society of Transplant Surgeons
American Thoracic Society
American Urogynecologic Society
College of American Pathologists
Congress of Neurological Surgeons
Medical Group Management Association
National Association of Medical Examiners
North American Neuromodulation Society
North American Spine Society
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society of American Gastrointestinal and Endoscopic Surgeons
Society of Critical Care Medicine
Society of Interventional Radiology
The American College of Cardiology
The American Society of Dermatopathology

Medical Association of the State of Alabama
Alaska State Medical Association
California Medical Association

Colorado Medical Society
Connecticut State Medical Society
Medical Society of Delaware
Medical Society of the District of Columbia
Medical Association of Georgia
Hawaii Medical Association
Idaho Medical Association
Illinois State Medical Society
Indiana State Medical Association
Kentucky Medical Association
Louisiana State Medical Society
Maine Medical Association
MedChi, The Maryland State Medical Society
Massachusetts Medical Society
Michigan State Medical Society
Minnesota Medical Association
Missouri State Medical Association
Nevada State Medical Association
New Hampshire Medical Society
Medical Society of New Jersey
New Mexico Medical Society
Medical Society of the State of New York
North Dakota Medical Association
Ohio State Medical Association
Oregon Medical Association
Pennsylvania Medical Society
South Carolina Medical Association
Tennessee Medical Association
Texas Medical Association
Vermont Medical Society
Washington State Medical Association
Wisconsin Medical Society