

## Top 5 Myths vs. Facts

Setting the record straight about Anthem’s contract negotiations with Memorial Sloan Kettering (MSK)

MSK has been publishing information about Anthem and our contract negotiations which is disrupting healthcare for our members. It's time to clear things up.

### Facts are Facts

This is about money for MSK – To compensate MSK fairly while fulfilling our mission of keeping health care affordable for New Yorkers, Anthem has made MSK multiple offers in excess of the current inflation rate. MSK has responded with requests that triple those offers.

MYTH	FACT
<p>Despite months of good faith negotiations, Anthem has flatly refused to engage in thoughtful and reasonable discussions to protect the in-network access to the superior care your workforce expects and deserves from MSK.</p>	<p><b>MISLEADING.</b> Anthem has offered rate increases and quality incentives in excess of \$460M over the next six years to ensure patients can maintain care at rates that are comparable to other Centers of Excellence. Our members utilize MSK primarily for oncology services, for which Anthem’s payment rates to MSK are the highest on record and the surgeon/professional costs are double that of every other large system.</p>
<p>MSK has taken every possible measure to remain efficient and cost effective — from reducing pharmacy supply expenses to optimizing lab operations, and even reducing our workforce. However, we cannot simply cut and optimize our way to sustainability when the rates we are paid are too low to support our operations.</p>	<p><b>FALSE.</b> Crain’s <a href="#">published an article on August 19, 2024</a>, that stated Memorial Sloan Kettering reaped \$27 million in profits in the second quarter as patient procedures, including radiology treatments and surgeries, continued to rise, financial documents show.</p> <p>An <a href="#">article in Chief Investment Officer</a> states that MSK’s CIO Jason Klein has managed to build what he calls “a fortress balance sheet” with net assets in 2023 of \$9.2 billion. The system recently spent \$218 million to buy a nearby building that it has rented out for academic purposes. The article also stated that over the past decade, MSK has raked in \$140 million in royalties on the 13 drugs it has patented.</p>
<p>Today, Anthem pays MSK 34% less than it pays other National Cancer Institute (NCI)-designated hospitals in Manhattan.</p>	<p><b>FALSE.</b> MSK is paid in line with other providers, despite being a specialty hospital. Our members utilize MSK primarily for oncology services, for which Anthem’s payment rates to MSK are the highest on record and the surgeon/professional costs are double that of every other large system. 93% of Anthem’s clients pay health costs themselves and are able to compare costs using their own claims data.</p>
<p>MSK is committed to value-based care.</p>	<p><b>FALSE.</b> Anthem has offered additional opportunities for millions in increased revenue through quality incentives, even offering to customize a value-based care program specifically for MSK that can be launched nationwide. MSK has refused.</p>

To learn more about the negotiations and Anthem’s commitment to our members, please visit: [anthem.com/msk](https://anthem.com/msk)

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