

## PRESS RELEASE

FOR IMMEDIATE RELEASE

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**Administrative Contact:** Grace Howald

434.947.4463 ext. 8861401

[Grace.howald@pchp.net](mailto:Grace.howald@pchp.net)



### **Piedmont Announces Discontinuation of Commercial Health Insurance**

Piedmont Community Health Plan, Inc. (“Piedmont”), based in Lynchburg Virginia, announced today that after December 31, 2024, its carriers, Piedmont Community Healthcare, Inc. and Piedmont Community Healthcare HMO, Inc., will discontinue offering small and large group commercial health insurance and Piedmont itself will discontinue offering administrative services to unaffiliated, self-funded employer plans.

Piedmont previously discontinued coverage in the individual health insurance market as of December 31, 2023, so this latest announcement means that the Lynchburg-based company will completely discontinue offering health insurance plans.

The company said it is making this announcement now to give its commercial group clients time to shift seamlessly to other health insurance carriers or administrators.

Piedmont plans to wind down its business in a manner that best serves its existing customers and meets all regulatory requirements, during a transition period that will continue throughout 2025 and some period beyond. Approximately 100 employees will be impacted during this transition period.

Piedmont members, group clients, brokers, providers, and vendors will be contacted directly at a later date with additional information concerning this transition.

Interim CEO Ryan Ziemann said Piedmont’s goal since 1995 has been to provide affordable health insurance options — and more localized customer service — to the people of Central Virginia and beyond. But it became increasingly clear over time that Piedmont is no longer able to provide healthcare coverage at rates that provide a significant benefit to its members, while also meeting internal financial goals.

“This was not a quick decision,” Ryan said. “For more than two years, Piedmont has explored ways to increase its critical mass to become more competitive with national insurers through potential partnerships and/or outside investments. While there was much outside interest in Piedmont,” he added, “the company was unable to reach an agreement that would enable it to compete on a more level footing with its much larger competitors. Piedmont has kept all stakeholders fully informed throughout this process.”

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# BROKER COMMUNICATION

## Commercial Business Update

November 21, 2023

Broker Partner,

As promised, I am writing to update you on Piedmont's evaluation of our small and large group commercial insurance lines of business (**Piedmont commercial accounts**).

Our evaluation of these lines of business remains ongoing. We have, however, with the unanimous approval of our board of directors, made the following decisions, effective immediately:

### **January 1, 2024 or Sooner:**

Piedmont will honor new or renewing Piedmont commercial accounts, with coverage effectuation dates of January 1, 2024 or sooner (any date in 2023), until the completion of their contracts. Piedmont services and support will continue to be provided.

### **After January 1, 2024:**

With respect to new or renewing Piedmont commercial accounts, with coverage effectuation dates after January 1, 2024, Piedmont advises that coverage is at risk of ending as soon as January 1, 2025 if Piedmont later elects to exit the commercial business. Piedmont will accept commercial business with coverage effectuation dates after January 1, 2024, but only with client acknowledgement of the possibility of Piedmont electing to discontinue coverage as soon as January 1, 2025. To be clear, this decision has not been made, but Piedmont wishes to alert you of this possibility. If Piedmont does elect to discontinue coverage for SG and/or LG business, Piedmont will give the group prior written notice in accordance with state law.

We value your partnership, and we will notify you immediately of any additional changes we plan to make in the way we operate, or the businesses we serve.

With best regards,

Phil Miller

Chief Revenue Officer

