



On the ground with Central region CEO

Taking a holistic approach to cost management



Dave Milich, CEO of the Central Region for UnitedHealthcare Employer & Individual, shares how UnitedHealthcare is helping employers manage costs.

In my 30-year career, cost has always been an issue and concern among employers. As health care costs have increased, it's become even more top of mind. When I first started in this business, we'd meet with employers' human resources department to discuss health benefits. Now, the Chief Financial Officers, Chief Operating Officers and Chief Executive Officers are at the table, because health care costs have risen so much. For many, it's the second or third largest line item on their operating budget.

Data has become an important part of answering questions for that expanded panel who comprise our customers. It's not only about employee welfare, it's also about the cost of the program. Data becomes incredibly important in helping them understand where opportunities exist for us to strategically address different costs in their benefit plans.

Changing the conversation on cost

Finally, the market is recognizing that the focus should be on total cost of care. If you think about total cost of care, there are 2 parts of the equation. There's the unit cost, and there's the component that really looks at the number of units consumed. A holistic look at cost really plays to our strategic strength in that we've been very focused on that unit-consumed portion of the equation for much longer than the rest of the market. In some ways, the market has finally caught up to us.

UnitedHealthcare has always been about the intersection of cost and quality. Data is a key factor in our ability to stay ahead of the competition. I don't believe that anybody aggregates and analyzes data better than we do, but we also turn that data into useful information that allows us and our customers to make informed decisions about the costs impacting their plans.

Designing networks to reduce cost without sacrificing quality

For a long time, cost was addressed through plan design by employers raising their deductibles or copays. Now, with some of the economic pressure — in particular the pressure around employee retention — employers are reluctant to pass along that cost to employees. So, what it's forced is a much more strategic conversation around the levers that employers can push and pull that will enable them to control the cost of their benefit plan without just shifting the costs to their employees and employees' families.

[Network design](#) is one of the most effective levers that employers in the Central Region are pulling. For instance, they can direct their employees to quality and cost-efficient providers rather than shifting costs to them through plan design. But we need to make sure that brokers, consultants and employers understand the value these quality networks and quality providers bring. With our data, we can show them how these types of networks are designed to deliver better health outcomes and lower costs.

Leveraging cost-effective solutions

When we bring a solution to our customers that looks different to something they've seen in the past, many of our customers trust that it's a very data-driven solution that will help address the specific cost issues that they're dealing with.

For instance, in Texas, the market where I come from, we've leveraged [Level Funding](#) very effectively to help small employers save money on the benefit programs they've offered. Level Funding has enabled employers who have previously never offered benefits before to begin offering them because of the savings potential — which could be as much as 30%.¹

[Surest](#), a UnitedHealthcare company, is another example. Across the Central Region, we're leveraging Surest more and more because it allows employees the opportunity to have predictable costs, but it also aligns with our philosophical tenet of driving consumers to utilize providers who deliver quality and cost-efficient care.

Using benefits as a retention tool is becoming more top of mind. When I'm out talking to customers or prospects, their employee benefits package is what they're leaning on to keep and hire the employees they really need to make their businesses grow. That's why it's so important that we continually show the breadth of products and services that we offer.

[Learn more](#)

Contact your broker, consultant or UnitedHealthcare representative

¹ Up to 30% lower costs based on Q1 2022 UnitedHealthcare internal analysis between traditional ACA fully insured small business plans and UnitedHealthcare Level Funded medical plans with Texas and Oklahoma groups of 5-50 eligible employees. Savings are not guaranteed.

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