Controlling Health Care Costs and Improving Health in Florence

Letter from UnitedHealthcare’s South Carolina CEO

For the last several months, we have worked hard to try and renew McLeod Health’s participation in our network on behalf of the employers, individuals and retiree plan participants who we are honored to serve. Such contract renewals are fairly common and occur largely without notice because they’re a routine part of health plans and care providers working together. In fact, there are more than 75 hospitals and nearly 16,000 health care professionals across South Carolina today who have a contract with UnitedHealthcare and actively support the health and well-being of our members.

We appreciate that the role McLeod Health plays in our community is not only important, it’s personal, and for that reason we are disappointed in McLeod’s lack of compromise on behalf of those in the community we collectively serve and their decision to leave UnitedHealthcare’s network. Despite their decision, we are committed to finding a solution that will bring McLeod back in our network. Two key issues remain: controlling costs and rewarding McLeod for quality and improved health outcomes.

Control Costs and Reward for Improved Health Outcomes

McLeod Health has said that they have not received a rate increase in years. This is simply not true. Our analysis shows that the McLeod hospital system received annual increases the last five years. In addition, our team reached out to McLeod on Dec. 16, 2014 to revise our agreement to include a performance-based contract (PBC), which would have given McLeod additional increases when the care they provide was based on proven health guidelines that result in the best possible outcomes at lower costs. McLeod did not respond to this offer.

Unfortunately, time ran out and we are currently at an impasse. Our team made five formal proposals to McLeod over the last 90-120 days in an attempt to resolve this negotiation. McLeod’s last proposal that showed any movement was sent on June 20, 2017 and it only changed by 0.5%. In the history of this negotiation, we have made significant movement. Our latest proposal provided annual increases for McLeod hospitals and physicians for the next three years and included value-based criteria to allow for larger increases tied to achieving quality targets.

Keeping health care costs down and promoting coordinated care that leads to better health outcomes can go hand-in-hand, and employers and individuals living in the Florence area deserve both.

On behalf of the nearly 1,000 UnitedHealth Group employees who call South Carolina home, we care deeply about the people in Florence and remain committed to finding an acceptable solution that will bring them back in our network.

Sincerely,

Garland Scott,
UnitedHealthcare CEO,
South Carolina