An Update from UnitedHealthcare's Ohio CEO

We continue to try to renew Premier Health Network’s participation in our network on behalf of the employer group customers, individuals and state Medicaid plan participants who we are honored to serve. The role Premier plays in our community is still important, but our efforts to bring them back in our network remain centered around the same two issues: lowering costs and preserving choices for our employer group customers and members.

Here are some things you should know:

**Dayton is becoming one of the most expensive cities for health care.**

- According to a study released from the Health Care Cost Institute (HCCI) in April 2017, the cost of services when you’re staying in a hospital (inpatient stays) in Dayton has increased by more than 23 percent from 2012-2014 – the largest increase of any city nationwide included in the study. While not all insurance companies are willing to provide their data to HCCI, many do, including UnitedHealthcare. We have chosen to share our data with HCCI because we believe in transparency and feel it is important for people to have this information.

- Premier has refused to address its high costs in all of its proposals and wants to maintain its position as one of the most expensive health systems in Ohio. The cost for employer and individual-sponsored plans at Premier Health’s hospitals is significantly higher than the average cost at all other hospitals in southwest Ohio.

- A significant amount of our members are increasingly seeking care from providers outside of Dayton, due to what we believe is the high cost of care in Dayton, and largely, at Premier.

**Maintaining a competitive business environment in Dayton means we must get health costs under control. One way we can do this is by helping employer group customers design cost-effective, competitive benefits.**

- A main reason why Premier allowed its contract with UnitedHealthcare to expire is because we would not include new language in its contract to restrict employer group customers from rewarding their employees for choosing quality, cost-efficient providers.

- Designing benefits with incentives is the perfect way to encourage choice in health care options. As employer group customers try to balance cost and benefits, it is important for them to have the ability to design plans in a way that does this.

- Premier claims that our incentive plans limit choice. This is not true. This is not limiting choice. It is empowering choice. Our employer group customer incentive plans include all of the same local providers as network providers, which would include Premier if Premier still participated in our network for such plans, but employees save money on copays or coinsurance when they choose quality, cost-efficient care providers.

- In an article recently written in the Dayton Daily News, Premier admitted to shifting additional costs to commercial members to make up for losses on Medicaid. At the same time, Premier wants to limit our employer group customers’ ability to shift costs by restricting them from providing benefit plans that reward their employees for choosing quality, cost-efficient care providers.

**A majority of the disruption has already occurred and, as a result, employer group customers are seeing cost reductions.**

- Our employer group customers and members were resilient and the majority of members who received care at Premier have transitioned to other facilities or physicians in our network. For example, when compared year over year, we have seen an 88% reduction for outpatient services at Premier.

- As a result of this shift in utilization of services for hospital-based services, our employer group customers are seeing significant cost savings.
We want a long-term solution.

• Premier has repeatedly stated that they offered to extend the current contract through the end of the year for employer group and individual-sponsored plans and Medicaid plans. However, Premier has never shown a willingness to compromise and meet in the middle. Extending the current agreement meant the health system would likely only repeat its same demands in a few months and place our members and employer group customers in the middle of a negotiation once again.

• 80% of our 200,000 members in Dayton and the surrounding communities are enrolled in self-funded plans. This means that we are administering employer group customers' benefits for the majority of our members, with the employer group customer fully funding their claims. It is our obligation to make decisions like we are spending our own money. These employer group customers have charged us with the responsibility to facilitate relationships with physicians and hospitals at an appropriate level of reimbursement that provides their employees access to quality, affordable health care.

Our commitment to you.

We remain committed to finding a long-term solution with Premier that ensures affordable access to care for UnitedHealthcare members and does not restrict employer group customers from designing benefit plans that reward employees for choosing quality, cost-efficient providers.

As a testament to our determination to resolve this issue on behalf of those we serve, I have initiated every face-to-face meeting with Premier. I have personally reached out to Premier and scheduled every meeting that has occurred between both organizations throughout the entirety of these negotiations and I assure you that we will continue these efforts on your behalf.

Sincerely,