Letter from UnitedHealthcare’s Ohio CEO

For the last several months, we worked hard to try and renew Premier Health Network’s participation in our network on behalf of the employers, individuals and state Medicaid 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 200 hospitals and 49,000 health care professionals across Ohio today who have a contract with UnitedHealthcare and actively support the health and well-being of our members.

We appreciate that the role Premier plays in our community is not only important, it’s personal, and for that reason we are disappointed Premier has opted to no longer serve members of the community covered by UnitedHealthcare. Our efforts to continue Premier’s participation in our network boiled down to two key issues: lowering costs and preserving choice.

Lower Costs

Premier has said they do not believe cost is an issue. However, public data says otherwise. A study released from the Health Care Cost Institute (HCCI) in April 2017 shows the cost of care for inpatient services in Dayton is significantly higher than the national average for employer-sponsored and individual plans. In fact, Dayton had the largest increase of any city included in the study nationwide from 2012-2014 for the cost of inpatient services, with a 23.2 percent increase.

Local employers have validated this data through their own experiences. For example, John Morris, president of the Ohio Valley Association of Builders and Contractors, recently told Dayton media that their “Dayton-based contractors pay 10 to 20 percent more than the Cincinnati-based contractors, for the same care.”

Maintaining a competitive business environment in Dayton means we must get health costs under control. And Premier can help with that mission.

However, all of Premier’s proposals maintained their position as one of the most expensive health systems in Ohio. These costs are simply unsustainable. We met with hundreds of local employers during our negotiations with Premier and they repeatedly shared stories about their struggles to combat the constant rise in health care costs and the challenges they face offering quality, affordable health care options to their employees.

Nearly 80 percent of the local businesses we serve in the Dayton area pay the cost of their employees’ medical bills themselves. This is known as “self-funding” and it means money comes straight out of the company’s bottom line to pay for medical expenses. So as the prices for health care continue to rise, less money is available to pay salaries, invest in new technologies or help grow the business. That is why it is crucial that we are able to help employers design cost-effective, competitive benefits.

And that is why preserving choice became such an important part of our discussions with Premier too.

Preserve Choice

Premier continues to insist on restricting employers from rewarding their workers for choosing quality, cost efficient care providers. Designing benefits with such incentives is the perfect way to preserve choice. All of the same local providers, including Premier, would still be covered as in network, but employees enjoy lower copays or coinsurance when they choose quality, lower cost care providers.

Lowering costs and preserving choice can indeed go hand-in-hand, and employers and individuals living in the Dayton area deserve both.

As someone who has called Ohio home his entire life, I care deeply about the people in Dayton and remain committed to finding an acceptable solution that would renew in-network access to Premier’s hospitals and physicians.

Sincerely,

Kurt Lewis, UnitedHealthcare
CEO, Ohio