

Network solutions overview



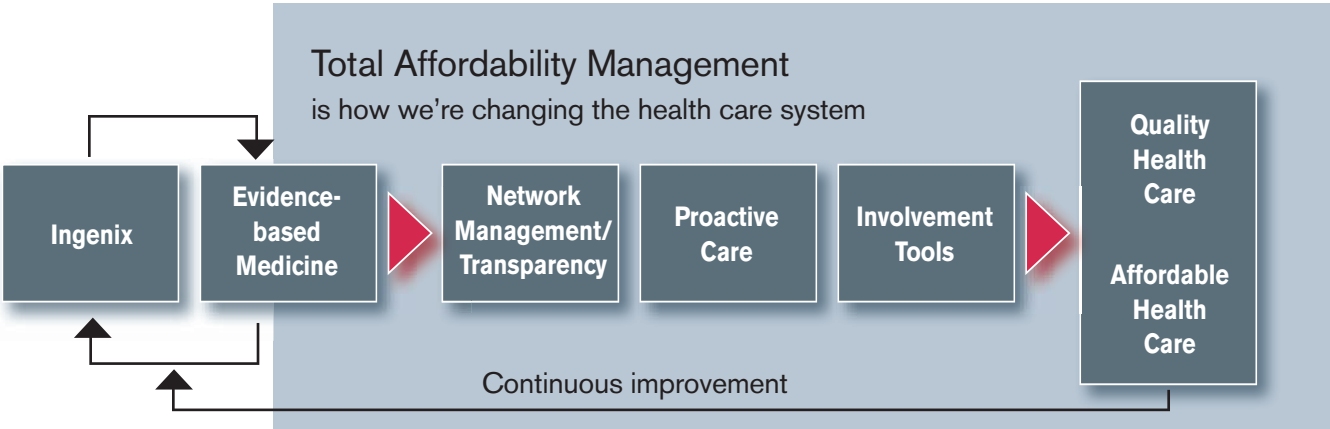
Network leadership for affordability

UnitedHealthcare's network management approach is an integrated vision that shows what a new, better health care system can be: **It's the quality path to affordability.**

- ▶ **Our belief** We believe that access to high-quality, efficient and affordable health care depends on all of us working together: patients, physicians, hospitals, employers and health plans.
- ▶ **Our commitment** We deliver network solutions that result in healthier employees and more efficient use of health care resources.
- ▶ **Our approach** We do the homework – with our information, technology and people. We rely on the standards developed by medical professionals and the consensus of experts, in order to identify best practices in our national physician and hospital network.

What it means to you

We convert scientific data into measurable results using our Total Affordability ManagementSM approach. And we're making it easier for our members to find and use facilities and practitioners who consistently deliver better results. That means better care and a better use of your health care dollars.



- ▶ **537,000 physicians and care professionals**
- ▶ **4,700 hospitals**
- ▶ **60,000 pharmacies**



Advantages of a nationwide network

We offer access to health and well-being services through a single national network. Our network consists of over **537,000 physicians** and other care professionals in all 50 states, together with over **4,700 hospitals** and **60,000 pharmacies**. We make it easy for you and your employees to find a network physician or hospital.

While our network is national in scope, it is our local health plans that have the greatest impact on customers. Increasing the number of local physicians and hospitals – in addition to our open access policy that allows visits to a specialist without a referral – means members have more choices close to home.

Our national network features:

- ▶ Two out of three available physicians
- ▶ 617,000 physician locations
- ▶ Three of every four acute care hospitals
- ▶ 83 percent of all available beds
- ▶ Virtually no turnover (less than 2 percent)

Source: Internal UnitedHealth Networks report

Finding a physician is easy

Members simply visit myuhc.com[®] to easily search for a doctor by quality and efficiency designations, last name, location or specialty.

The quality path to affordable care

A solid network is more than just discounts. We apply our extensive clinical data and advanced analytic techniques in order to support high quality, efficient care professionals and facilities. *Because quality care means **both** better outcomes **and** better affordability.*

Recognizing and promoting quality

We draw upon our unique relationships with leading medical specialty organizations such as the Society of Thoracic Surgeons and the American College of Cardiology to enhance the use of evidence-based medicine. This approach helps to improve the quality of care, reduce care variation and decrease costs.

UnitedHealth Premium[®] quality and efficiency program

The UnitedHealth Premium program identifies network physicians and hospitals who demonstrate adherence to quality and efficiency standards based on evidence-based medicine. We share this information with members on myuhc.com so they can make informed decisions about where to seek care.

In addition, members have access to the UnitedHealth Premium hospital comparison online directory. The UnitedHealth Premium hospital comparison program provides consumers with access to an online directory delivering condition/procedure level quality and cost information on approximately 80 inpatient and outpatient procedures in more than 140 markets.



Focus on clinical quality within network

We are managing quality and costs in our network across four specialty areas: cardiology, oncology, neuroscience-orthopedics-spine and radiology. These treatment categories collectively represent nearly 46 percent of our customers' costs, but they are only the initial areas where we will focus.

Our research shows that complex treatment areas like these are subject to wide variations of care in practice. Our goal is to promote adherence to evidence-based medicine standards in order to minimize care variation and improve outcomes.

Our clinically focused programs involve physician-oriented activities such as peer-to-peer data sharing to promote effective diagnosis and therapies. We also promote referrals by primary physicians to UnitedHealth Premium-designated quality and efficiency of care specialists.

We go far beyond competitors who merely provide lists of discounted doctors and hospitals. The combination of Total Affordability Management and UnitedHealth Premium actively supports access to quality, efficient care professionals and facilities. We believe that making it easier for your employees to get engaged in the health care decision-making process will help improve the quality of care and decrease costs long-term for everyone.

Managing costs through strategic relationships

With a base of 25 million members, we can negotiate extremely competitive rates with participating physicians and hospitals. In fact, we estimate that for all services combined, the cost for using a network physician or facility will be 40 to 55 percent lower¹ than going outside the network. **Members who choose to use the network pay less out-of-pocket and their employers see a lower cost of care.**

Network and non-network cost comparison example²

Physician office visit claim	Network	Non-network
Billed charge amount	\$ 250	\$ 250
Eligible expense (amount UnitedHealthcare pays)	\$ 140	\$ 140 ³
Balance bill from physician	\$ 0	\$ 110 ⁴
Network copay / 30 percent non-network coinsurance	\$ 20	\$ 42

1 Maximum non-network reimbursement program study by UnitedHealthcare

2 These examples represent average billed charges for these service categories. They are not intended to be an exact calculation of claim payment and individual financial responsibility that may result from the services you receive. The amounts will vary depending on the services received, the specific benefit plan copay and/or coinsurance design and changes to Medicare reimbursement methodology.

3 Based on 110 percent of Medicare.

4 This amount does not apply to the out-of-pocket maximum.



Other cost saving measures

▶ Maximum Non-Network Reimbursement Program (MNRP)

Physicians and facilities who aren't in our network set their own prices. The result usually is higher billed charges for employers and more out-of-pocket costs for members. Our out-of-network reimbursement policy pays non-network physicians a maximum amount based on the payment methodology used by Medicare. This fixed maximum helps control medical trend.

▶ Facility Fee Negotiation

In some cases, we will negotiate with non-network facilities to reduce the cost to members for using their services. Savings from these negotiations range between 15 and 21 percent off billed charges.

▶ Shared Savings Program

Our Shared Savings Program may contract with a third party vendor to negotiate discounts on services received from non-network physicians. This discount applies to over 233,000 non-network physicians. The average savings is 30 percent on physician costs and 19 percent on facility costs.

Note: Maximum non-network reimbursement and shared savings may not be available in all markets or for all group sizes.

UnitedHealthcare's network solutions are another way we're working to build a better health care system for everyone. Contact your broker or UnitedHealthcare representative to find out how you can take advantage of our hard work.



www.unitedhealthcare.com

For a complete description of the UnitedHealth Premium® designation program, including details on the methodology used, geographic availability, and program limitations, please see myuhc.com®.

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