



Herb B. Kuhn
President and CEO
P.O. Box 60
Jefferson City, MO 65102

May 12, 2021

Chlora Lindley-Myers, Director
Missouri Department of Commerce and Insurance
P.O. Box 690
Jefferson City, MO 65102-0690

RE: UnitedHealthcare's Designated Diagnostic Provider Program

Dear Director Lindley-Myers:

On behalf of its 141 hospital members, the Missouri Hospital Association expresses concerns regarding UnitedHealthcare's program to limit coverage of hospital-based laboratory services to those provided by a [Designated Diagnostic Provider](#). Further, UHC indicates it plans to expand the DDP coverage model to other types of diagnostic services, specifically referencing major diagnostic imaging services in 2022.

As background, UHC filed and the Missouri Department of Commerce and Insurance accepted the benefit structure for the 2021 large group health insurance products. Within the 2021 UHC large group PPO filing (UHLC-132528905), the DDP program was introduced as a benefit structure option. UHC has contacted hospitals in Missouri to apply to become a DDP. To become a DDP, labs must complete a registration process and meet a UHC-determined threshold for quality and efficiency. Hospitals now are reporting that to become a DDP, UHC is requiring hospitals to accept lower payment rates that are outside the contracting process, and in many cases, imposing the change during the middle of a contract term. If a patient obtains services from a non-DDP, even if receiving care at an in-network hospital, coverage will be denied and the patient will be responsible for the entire claim amount.

The DDP program would significantly decrease access to diagnostic testing sites, including those delivered by an in-network hospital, by limiting coverage to approved DDPs. This exclusion not only will affect hospitals, it also will harm UHC beneficiaries by adding complexity and confusion to the network and benefit structure, causing a "surprise bill" for patients. Congress recognized the problems with its constituents incurring unexpected out-of-pocket expenses and enacted laws to mitigate surprise billing. Although the final regulations have not been published, the laws become effective January 1, 2022. The DDP program will do nothing more than shift unexpected cost onto the member and create surprise bills.

According to UHC, identifying and using a DDP is a shared responsibility between the referring provider and the member. Missouri hospitals believe that it will create confusion. Clinicians rely on the health plan provider directory to identify an appropriate site of care when referring patients. A clinician directing a patient to seek care from a network provider that may not be a DPP laboratory will inadvertently be foisting financial and unanticipated burdens onto the patient. This will lead to disruptions of the physician-patient relationship.

Chlora Lindley-Myers, Director

May 12, 2021

Page 2

Missouri hospitals pride themselves in having highly integrated care systems. Laboratory services often are integrated with health care providers to ensure timely results that are coordinated with the patient's physician and plan of care. By directing lab services — and in the future, radiology services — to a smaller number of providers, care coordination suffers, patient convenience is reduced and timely access to care is jeopardized.

MHA is aware that several other states also are bringing this issue to the attention of their insurance oversight agencies. Some state agencies have denied UHCs application to implement a DDP program in their state. The American Hospital Association also is working with the Centers for Medicare & Medicaid Services raising their concerns with this policy. We believe the DPP initiative will add complexity and fragmentation to the role of providers and patients in navigating the maze of care delivery and coverage options and increase the likelihood of problems with surprise bills for patients. MHA urges the Missouri Department of Commerce and Insurance to review the UHC DDP policy for its consequences on patient costs, network adequacy, timely access to care and good faith contracting. MHA would like to hear your department's conclusions based on this review.

MHA would be happy to speak with you further about this issue and share additional information that you may find helpful. Thank you for your consideration of this matter. If you have any questions regarding this issue, contact me at 573-893-3700, or awheeler@mhanet.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew B. Wheeler", with a long horizontal flourish extending to the right.

Andrew B. Wheeler
Vice President of Federal Finance

aw/jk

c Amy Hoyt