



Garland G. Scott, CEO
UnitedHealthcare of the Carolinas
3803 North Elm Street
Greensboro, NC 27455
336-540-7552

January 13, 2023

Acknowledgement and receipt of the following document:

RE: ***Notice of Protest and Request for Meeting: Intent to Award Contract for Request for Proposal No. 270-20220830TPAS – Third Party Administrative Services for The North Carolina State Health Plan for Teachers and State Employees.***

Received by hand delivery on 13 of January, 2023.

Time received: 10:41 AM

Received by: [Signature]
Signature

Received by: Sharon Smith
Printed Name

January 13, 2023

Mr. Samuel Watts
Executive Administrator
North Carolina State Health Plan
3200 Atlantic Avenue
Raleigh, NC 27604***Via Hand Delivery, CM/RRR***
& E-Mail: sam.watts@nctreasurer.com

RE: ***Notice of Protest and Request for Meeting:*** Intent to Award Contract for Request for Proposal No. 270-20220830TPAS – *Third Party Administrative Services for The North Carolina State Health Plan for Teachers and State Employees.*

The undersigned represents UMR, Inc. (“UMR”).¹ Pursuant to the protest procedures set forth at Section 15 of Attachment B to Request For Proposal 270-20220830TPAS (“RFP”),² and/or the policies and procedures of the North Carolina State Health Plan (“State” or “Health Plan”), UMR files this *Notice of Protest and Request for Meeting* (“Protest”) related to the RFP, which was issued by the State for third-party administrative (“TPA”) services for the State’s health plan for teachers and state employees, challenging the notice of intent to award the contract (“Award”) to Aetna. UMR timely submitted a proposal in response to the RFP and is, thus, an aggrieved bidder in connection with the Award.³

UMR files this Protest on January 13, 2023, within thirty (30) calendar days after the date of the Contract award notification to UMR, which was received on December 14, 2022.⁴ Accordingly, this protest is timely filed pursuant to the RFP. *See* RFP at Attach. B, § 15.⁵

I. BACKGROUND

A. UMR Experience

UMR, a UnitedHealthcare company, is the nation’s largest third-party administrator (“TPA”), providing comprehensive customer solutions for self-funded companies and governmental agencies for over 70 years. UMR’s “customer-first” service philosophy is centered on meeting customer needs and understanding the member experience, which informs every plan

¹ UMR is a wholly-owned subsidiary of UnitedHealthcare Insurance Company (“UnitedHealthcare”).

² The RFP is voluminous and can be retrieved here: [15003500.pdf \(state.nc.us\)](#) (last visited on Jan. 12, 2023).

³ BlueCross BlueShield of North Carolina (“BCBSNC”), the incumbent, also submitted a proposal.

⁴ *See Exhibit 1* hereto.

⁵ UMR incorporates by reference the entire procurement file maintained by the State related to evaluation and scoring of bidder submissions under the RFP.

decision. This approach has helped UMR to serve over 6 million self-funded members through custom plan designs, cost-containment solutions, and innovative services.

UMR offers an extensive background working with large groups within the public sector, including those represented by multiple bargaining units, such as labor organizations and other state customers. UMR provides medical claim administration for 715 public sector and labor customers, and our approach is highly specialized, custom tailored for each of our customers and specific to their immediate and ongoing needs.

Through its family of businesses, UnitedHealthcare serves more than 26.4 million individuals nationwide. In North Carolina, nearly 694,700 members are served across 100 counties in the state. In addition, UnitedHealthcare has been delivering dental and vision carrier services to the retirement system for the past 13 years.

The Health Plan serves a vital role in providing access to quality health care services at affordable costs for active and retired public employees and their families. The sustained success and longevity of this essential benefit calls for a dedicated claims and network services partner with a proven track record and innovative solutions for the years ahead.

The Health Plan's strategic focus for the better part of the last decade has been focused on improving the longevity, stability and quality of coverage provided to participants under the plan, and to maximize savings to the State and its taxpayers. A major strategic focus of the Treasurer's office and the Health Plan has been to root out excessive provider reimbursements and ensure that the Health Plan, its covered participants, and the taxpayers receive high quality health care at a reasonable and transparent cost.

B. RFP Issuance and UMR Response

On August 30, 2022, the State issued the RFP seeking a "Vendor that will provide superior third party administrative (TPA) services" for the State's health plan for teachers and state employees.⁶ The RFP further stated that "awards will be made to the Vendor(s) meeting the RFP requirements and achieving the highest and best final evaluation based on the criteria described [in the RFP]."⁷ According to the RFP: "The State shall conduct a comprehensive, fair, and impartial evaluation of the proposals received in response to this request. Proposals will be evaluated according to completeness, content, and experience with similar work, the ability of the Vendor and its staff, and cost(s)."⁸

The evaluation criteria were comprised of two components: Technical Proposal scoring (worth 50%) and Cost Proposal scoring (worth 50%).⁹ The maximum available points under the

⁶ See RFP at § 1.1 (p. 8 of 119).

⁷ *Id.* at § 3.1 (p. 22 of 119).

⁸ *Id.* § 3.3(a) (p. 23 of 119).

⁹ *Id.* § 3.4(a) (p. 24 of 119).

Technical Proposal was 310.¹⁰ Under the Cost Proposal, the central focus of this Protest, points were allocated as follows:¹¹

(1) *Network Pricing – six (6) points*

- a) *Projected claim costs will be calculated for each Vendor based on their response to the cost specifications.*
- b) *The highest ranked (or lowest network pricing) proposal will receive the full six (6) points allocated to this section.*
- c) *All other proposals will be ranked and will receive points based on the following criteria: within 0.5% of the first ranked proposal = 6 points; within 1.0% = 5 points; within 1.5% = 4 points, within 2.0% = 3 points, within 2.5% = 2 points, within 3.0% = 1 point, greater than 3.0% = 0 points.*

(2) *Administrative Fees – two (2) points*

- a) *Projected administrative fees will be calculated for each Vendor based on their response to the cost specifications.*
- b) *The highest ranked (or lowest administrative fees) proposal will receive the full two (2) points allocated to this section.*
- c) *All other proposals will be ranked and may receive one (1) or zero (0) points based on their administrative fees in comparison to the lowest administrative fee proposal and the other proposals.*

(3) *Network Pricing Guarantees – two (2) points*

- a) *Proposals will be evaluated and ranked based on their proposed network pricing guarantees. The value of the pricing guarantees will be based on the combination of the competitiveness of the guaranteed targets and the amount placed at risk.*
- b) *The proposal that offers the network pricing guarantees with the greatest value will be ranked the highest and will receive the full two (2) points allocated to this section.*
- c) *All other proposals will be ranked and may receive one (1) or zero (0) points based on the value of their proposed pricing guarantees in comparison to the highest ranked proposal and the other proposals.*

The Vendors will be ranked in descending order based on the total cost proposal points earned. The Vendor earning the least cost proposal points out of the total 10 will receive the rank of one (1). The bids will fall in line according to total cost proposal points, with

¹⁰ *Id.* § 3.4(b) (p. 24 of 119).

¹¹ *Id.* § 3.4(c) (pp. 24-25 of 119).

the Vendor earning the most points out of the total 10 receiving highest rank. Should two Vendors earn the same score in the cost proposals, they will be given equal rank.

UMR met all submission deadlines set forth in the RFP, including submission of a timely Best and Final Offer (“BAFO”).

C. Contract Award

On December 14, 2023, UMR was notified by email that the Health Plan had awarded the TPA contract to Aetna.¹² On January 4, 2023, the State Treasurer and the Health Plan issued a press release to publicly announce the Award to Aetna.¹³ In the January 4th release, the Treasurer/Health Plan stated that the contract with Aetna would result in “potential administrative cost savings over the course of the contract equaling \$140 million.”

II. GROUND FOR PROTEST

The Award decision did not comply with RFP evaluation and scoring criteria in concluding that Aetna had the “highest and best final evaluation,” including (a) ranking Aetna as the “lowest” bidder under the Cost Proposal, and/or (b) awarding more total points to Aetna than UMR. As shown below, the State failed to conduct a “comprehensive, fair, and impartial evaluation” as required by the RFP and applicable law, did not present a proper award recommendation to the Board, and therefore the Award was not made based on the bid that was most advantageous and represented the best value to the State.

Specifically, the Cost Proposal section of submitted bids was not properly evaluated and scored because the network cost analysis completed by Segal (the Health Plan’s actuarial consultant) failed to properly validate self-reported provider discounts that were represented by each bidder in their respective Cost Proposals. This fact is confirmed not only by admission from Segal during post-Award debrief meetings that no validation was performed, but also by a review of reliable third-party data, presented below, demonstrating that the network cost analysis was fundamentally and inherently flawed because the self-reported discounts do not match real world data available to Segal but not utilized. If this data had been reviewed and analyzed, it would have become self-evident that the projected network cost savings from the Award to Aetna is not supported by independent data. UMR was substantially prejudiced by the failure to validate pricing submissions, which would have demonstrated that UMR submitted the most advantageous Cost Proposal and, thus, should have received the Award. UMR projects that if the Health Plan proceeds with the current Award to Aetna beginning in 2025 and continuing through 2027, the

¹² See Exhibit 1.

¹³ See [Treasurer Folwell Announces Contract Award to a New Third-Party Administrator for the State Health Plan | NC Treasurer](#) (last visited on January 12, 2023).

Health Plan's costs will increase by at least \$500 Million over its current arrangement—a difference of more than \$645 Million from what has been publicly reported.

A. Flaws in Network Cost Analysis

UMR's analysis of the State's network utilization reveals that both UMR and BCBSNC maintain an approximately 6% cost advantage over Aetna. UMR validated the competitive differential utilizing the following methods, at least one of which should have been used by the State and/or Segal to ensure self-reported discounts were accurate. The failure to do so resulted in substantial inaccuracies in projected network cost savings. But for those inaccuracies, UMR would have received the highest score under the respective Cost Proposals, and since Aetna and UMR received full point awards under their Technical Proposals, UMR would have received more total points and, thus, would have received an Award.

(1) Repricing-Specific Coordination of Benefits (COB) Analysis

As the largest health insurance company in the country, UnitedHealthcare (UMR's parent company) is the secondary insurance provider on tens of millions of claims each year. Its affiliated company, UMR, has a direct line of sight into the primary insurance payer's provider reimbursements at a provider-specific and claim level of detail. This secondary payment repository is highly credible nationally, and within the North Carolina market.

In response to the RFP, each bidder was required to perform disruption and repricing on a detailed listing of the State's historical claims utilization. Upon completion of the claims repricing analysis utilizing known 2022 provider contract rates and incorporating any known reimbursement improvements that are memorialized within provider agreements, UMR compared provider reimbursements to the COB data that is maintained in its data repository for both Aetna and BCBSNC. Based on that actuarial analysis, UMR/UnitedHealthcare is at parity with BCBSNC. It was also determined that UMR/UnitedHealthcare has a 3.2% In-Network discount advantage over Aetna, which translates to a 6.6% overall cost advantage over Aetna.

Below is Table 1, representing this competitive analysis. The factors below represent UMR/UnitedHealthcare's competitive unit cost position against Aetna and BCBSNC. UMR/UnitedHealthcare percentage cost savings is based on the following formula $((1.0 - \text{Competitor Cost Factor}) * 100)$.

Table 1: Top Markets UHC Competitive Cost Relativity (State of North Carolina Reprice/Utilization Based)

Market	INN Allowed Charges	% of Total INN Allowed	Aetna	BCBS
Raleigh/Triangle, NC	\$ 889,042,714	33.8%	92.4%	99.9%
Charlotte, NC	\$ 644,487,062	24.5%	94.7%	103.6%
Greensboro/Piedmont, NC	\$ 441,043,619	16.8%	92.4%	98.0%
Wilmington/UCF, NC	\$ 243,415,995	9.3%	95.4%	98.1%
Fayetteville/UCF NC	\$ 191,884,607	7.3%	92.5%	97.5%
Asheville/Western, NC	\$ 164,486,247	6.3%	89.8%	101.3%
Other	\$ 55,981,158	2.1%	91.2%	105.3%
Grand Total	\$ 2,630,341,401	100.0%	93.0%	100.3%

This data and analysis demonstrates parity with BCBSNC, but more importantly, an In Network 7.0% overall cost advantage against Aetna.

The Health Plan and Segal need not take UMR's word for it – below are available analytical methods to confirm these results. Unfortunately, these methods were not used by Segal, resulting in a failure to use accurate pricing data in lieu of inaccurate self-reported data.

(2) Transparency in Cost Competitive Comparison

The Treasurer's office and the Health Plan have repeatedly expressed in the public domain the importance of price transparency and doing everything in their power to ensure that the State Health Plan and taxpayers pay a fair and reasonable cost for healthcare.

As a result of the federal government's requirement that both health systems and payers provide transparent cost data to the public, UMR/UnitedHealthcare has access to competitors' contracted rates. An analysis of the State's most prevalent DRG and CPT claim codes with the top 10 most utilized providers fortifies the previously referenced competitive cost relativity analysis (ref. Table 1). That is, UMR/UnitedHealthcare maintains more than a 6.0% unit cost advantage over Aetna.

Attached as Exhibit 2 is a Transparency in Cost Analysis that supports this conclusion. The analysis compares UMR/UnitedHealthcare's known contractual rates to those of Aetna on a categorical and service level basis: inpatient, outpatient, professional. Competitor reimbursement rates and terms are corroborated through the combination of historical COB claims, Hospital Price Transparency evidence (provider issued), and Transparency in Coverage evidence (payer issued).

This analysis utilizes publicly available, accurate, and current payer reimbursements, and provides incontrovertible evidence that Aetna is at a significant and material cost disadvantage to UMR/UnitedHealthcare in the North Carolina market. Furthermore, this analysis reinforces that the Health Plan will in fact minimally pay between four percent to as much as seven percent more for the delivery of healthcare to its covered participants and their families compared to what it is paying today.

(3) *Uniform Data Submission Analysis*

Uniform Data Submission (“UDS”) is a third-party set of standardized discount data requirements developed by an industry workgroup comprising carrier and consultant participants that specifies how detailed historical claims utilization from national and regional health insurance network carriers and TPAs may be collected and submitted to participating healthcare actuarial consulting firms. The UDS data is updated semi-annually, and results can have a historical lag of two years. The UDS data collection process is utilized by consultants to establish a standardized, credible, and independent benchmark that enables consultants to determine an incumbent network carrier/TPA’s relative discount and cost position against their competitors, and to validate whether self-reported discounts that are submitted for customer-specific claims re-pricings are directionally in alignment with each network carrier/TPA’s historical performance. It is important to note that Segal participates in the UDS process, and Segal also has an Agreement in place with UnitedHealthcare, applicable to UMR, that authorizes their firm to utilize UMR/UnitedHealthcare’s UDS data for RFP and RFI analyses that Segal completes on behalf of their clients.

The UDS analysis is a market-level analysis and requires a plan sponsor’s subscriber or participant zip code census to overlay the plan sponsor’s membership against each bidder’s book of business. The output provides a directional view as to how each network carrier/TPA is positioned against their competitors.

UnitedHealthcare has a subscription to UDS data. In an effort to further validate whether the competitive COB and Transparency in Cost analyses referenced above are empirically accurate, one can simply apply State Health Plan’s census against the UDS repository. The UDS analysis reinforces the above findings – that is, UMR/UnitedHealthcare would have a 2.3% cost advantage over BCBSNC, and a 6.9% In-Network cost advantage over Aetna.

Below is Table 2, representing the State of North Carolina Employee Health Plan UDS analysis. The factors below represent UMR/UnitedHealthcare’s competitive unit cost position against Aetna and BCBSNC. UMR/UnitedHealthcare percentage cost savings is based on the following formula $((1.0 - \text{Competitor Cost Factor}) * 100)$.

Table 2: Top Markets UHC Competitive Cost Relativity (Market UDS Based using State of North Carolina Census)

Market	INN Allowed Charges	% of Total INN Allowed	Aetna	BCBS
Raleigh/Triangle, NC	\$ 889,042,714	33.8%	91.1%	96.8%
Charlotte, NC	\$ 644,487,062	24.5%	94.1%	102.5%
Greensboro/Piedmont, NC	\$ 441,043,619	16.8%	90.9%	94.3%
Wilmington/UCF, NC	\$ 243,415,995	9.3%	95.3%	94.3%
Fayetteville/UCF NC	\$ 191,884,607	7.3%	93.8%	92.8%
Asheville/Western, NC	\$ 164,486,247	6.3%	104.2%	103.4%
Other	\$ 55,981,158	2.1%	90.7%	103.9%
Grand Total	\$ 2,630,341,401	100.0%	93.1%	97.7%

UDS Position Top Markets Network Efficiency Analysis (Book of Business)				
Market	INN Allowed Charges	% of Total INN Allowed	Aetna	BCBS
Raleigh/Triangle, NC	\$ 883,161,704	34.7%	91.8%	97.6%
Charlotte, NC	\$ 600,567,114	23.6%	94.4%	102.8%
Greensboro/Piedmont, NC	\$ 412,307,461	16.2%	91.3%	94.6%
Wilmington/UCF, NC	\$ 247,140,091	9.7%	95.2%	94.2%
Fayetteville/UCF NC	\$ 188,794,330	7.4%	93.4%	92.4%
Asheville/Western, NC	\$ 165,190,515	6.5%	104.4%	103.6%
Other	\$ 49,741,640	2.0%	91.4%	104.6%
Grand Total	\$ 2,546,902,855	100.0%	93.4%	97.9%

B. Segal’s Failure to Utilize UDS and Resulting Prejudice

We appreciate the Health Plan’s commitment to transparency and its willingness to have two fact-based and collegial debriefs with the UMR team following communication of the Award. UMR is committed to the same principles, and we felt it was important to correct that record regarding a discussion that took place with representatives of the Health Plan and Segal during the post-award debrief call on January 4, 2023.

During the above-referenced call, representatives from UMR asked questions related to how the State and Segal validated self-reported discounts, and specifically asked why a UDS analysis was not completed as part of the Cost Proposal analysis. During that discussion, a senior representative of Segal claimed that UMR’s concerns were immaterial because (paraphrasing): “Segal is consultant to many State employee health plans, and Segal never performs UDS analyses for those clients.”

This statement from Segal was and is materially inaccurate. UnitedHealthcare’s UDS Agreement with Segal requires that we be notified any time Segal performs a UDS analysis utilizing UMR/UnitedHealthcare’s data. Over the past three years, Segal has performed UDS analyses for the States of Wyoming, Arkansas, and Arizona. For example, attached as Exhibit 3 is a public notice from the Arizona Department of Administration advising UnitedHealthcare that the State of Arizona was requiring a UDS analysis to be performed as a component of their RFP analysis.

The empirical evidence supports the conclusion that there are material discrepancies in the network cost analysis. Segal’s suggestion that UDS analyses are “never performed for State health plans” was not accurate and reflects an attempt to discredit the concerns over the State’s network cost analysis, which has a material impact on the State’s incremental financial obligations if the Award to Aetna moves forward.

* * *

The Award to Aetna is based upon an arbitrary, capricious, and erroneous network cost analysis that relied exclusively on self-reported discounts. Based on the extremely close network

cost position of each bidder based on self-reported discounts, if a more comprehensive analysis of network cost had been performed using independent data to verify the discounts, it is evident that Aetna's network cost position would likely sufficiently deteriorate to the point of materially impacting scoring and, thus, the final award decision.

Based on the above-referenced grounds for protest, UMR requests that the State schedule a Protest meeting to be conducted within 30 days of receipt of this Protest. After such meeting, UMR requests that the State require Segal to perform, at minimum, a UDS analysis to determine whether each bidder's actual market-level discounts are in alignment with their self-reported discounts, and take all appropriate steps necessary to ensure that the final network cost analysis scoring is based on empirically sound actuarial guidance. Given the magnitude of the potential financial discrepancy, this proposed remedy is necessary to ensure that the Health Plan is moving forward with an award that is in best interest of its participants, their families, and the taxpayers of North Carolina. Based on the requested analysis, the results will likely show, as UMR has demonstrated, that the State should rescind the Award to Aetna and issue an Award to UMR, or alternatively, the Award should be rescinded, the RFP canceled, and a new RFP issued with a proper review process to ensure full and fair consideration of proposals resulting in an award that is in the best interests of the State and in accordance with state law.

III. REQUEST FOR STAY

The procurement process should be stayed to ensure protection of UMR's protest rights, minimize disruption to the State and health plan members, minimize expense of all parties, and ultimately protect the principles of open, fair, and competitive bid processes in the State of North Carolina. A stay is particularly warranted where, as here, a full and fair analysis of the Cost Proposals demonstrate a failure to conduct a comprehensive evaluation and validation of discount pricing submissions, resulting in an improper contract award.

IV. RESERVATION OF RIGHTS

UMR reserves the right to amend and/or supplement this Protest based on new evidence or documents within the possession of the State that have not been made available at the time of this filing.

V. REQUEST FOR RELIEF

UMR requests the following relief:

- (a) An immediate stay of the Award to Aetna;
- (b) Scheduling of a timely Protest meeting based on the grounds for protest stated herein;
- (c) Rescission of the Award to Aetna and a re-evaluation of Cost Proposals using the validation methods and available third-party data described herein to ensure a full

and fair consideration of submissions to determine the proper awardee, or alternatively, rescission of the Award to Aetna, cancellation of the RFP, and reissuance of the RFP with a proper review process per the requirements of the RFP and state law; and

- (d) Such other relief to which UMR may justly be entitled.

Dated: January 13, 2023

Respectfully Submitted,

JACKSON WALKER L.L.P.

By: 

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Attorney for Protestor UMR, Inc.

EXHIBIT 1

From: Vanessa Davison <Vanessa.Davison@nctreasurer.com>
Sent: Wednesday, December 14, 2022 3:08 PM
To: Giadone, Jeffrey M; Scott, Garland G; Ladwig, Lori S
Cc: SHP Contracting
Subject: Award Status - RFP # 270-20220830TPAS, Third Party Administrative Services

Importance: High

After a thorough review and evaluation of proposals, the North Carolina State Health Plan for Teachers and State Employees (Plan) awarded RFP # 270-20220830TPAS, Third Party Administrative Services Contract to Aetna Life Insurance Company.

The Plan appreciates your participation in the procurement process and will discuss your proposal submission during the debrief meeting scheduled for Friday, December 16, 2022, 10:00 – 11:00.a.m. ET.

In addition to the debrief meeting noted above, below are the Protest Procedures that are included in RFP Attachment B: Instructions to Vendors.

15. **PROTEST PROCEDURES:** To protest a contract award, Vendor shall submit a written request for a protest meeting addressed to: Executive Administrator, North Carolina State Health Plan, 3200 Atlantic Avenue, Raleigh, NC 27604. The request must be received by the Plan within 30 calendar days from the date of Contract award. The written request shall contain specific reasons and any supporting documentation for the protest. If the request does not contain this information or if the Executive Administrator determines that a meeting would serve no purpose, then the Executive Administrator may, within 10 calendar days from the date of receipt of the request, respond in writing to Vendor and deny the request for a protest meeting.

If the protest meeting is granted, the Executive Administrator will attempt to schedule the meeting within 30 calendar days after receipt of the letter, or as soon as possible thereafter. Within 10 calendar days from the date of the protest meeting, the Executive Administrator will respond to Vendor in writing with the Executive Administrator's decision.

Inclusion of this protest procedure is not intended to, and does not, waive, the Plan's exemption from Article 3 of Chapter 143 of the North Carolina General Statutes or any rules promulgated thereunder. Moreover, pursuant to N.C.G.S. § 135-48.35, a contract dispute involving the Plan is not a contested case under the Administrative Procedure Act, Chapter 150B of the North Carolina General Statutes.

Vanessa Davison

Contracting Agent
State Health Plan
Office: (919) 814-4421

3200 Atlantic Avenue, Raleigh, NC 27604
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please delete this e-mail and any accompanying documents and contact the sender immediately. Unauthorized disclosure, copying or distribution of any confidential or privileged content of this e-mail is prohibited.

EXHIBIT 2



State of North Carolina - NEF Analysis

Top Ten Providers

CONFIDENTIAL AND PROPRIETARY - FOR INTERNAL REVIEW ONLY

The purpose of this analysis is to compare procedural and categorical rates and terms of UnitedHealthcare Choice Plus to the rates and terms of Aetna Choice POS II to establish contractual competitive relativities to arrive at an overall estimated discount.



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Reimbursement Term Definitions

- POC**: Allowed amount as a percentage of billed charges
- Per Diem**: Allowed amount per day, per service
- Case Rate**: Allowed amount for total procedural occurrence
- MS-DRG**: IP admission base rate to which CMS severity weights are then applied to determine overall allowed amount
- Fee (Fee Schedule)**: Percentage of set payment rate schedule, either established through CMS guidelines or set custom by the carrier

Network Efficiency Factor (NEF)

The calculation of competitive position based on negotiated contractual obligations and/or derived allowed amounts between payers. UnitedHealthcare's contractual rate divided by the competitor's rate. The result indicates UnitedHealthcare's reimbursement as a factor of the competitor, an indicator of relative competitive position. UnitedHealthcare is advantaged when the factor is less than 1.00 and disadvantaged when the factor is greater than 1.00.

% of Total Allowed

UnitedHealthcare's allowed dollars by category divided by the total allowed dollars for the provider. The result represents the size of a single category relative to the total spend dollars.

Coordination of Benefits (COB)

Rate evidence in which known primary payer allowed amounts from claims subject to Coordination of Benefits (COB) are compared against what UnitedHealthcare would have reimbursed as the primary payer.

Hospital Price Transparency (HPT)

Machine readable files containing rate intelligence made public on an annual basis by individual providers for public consumption, use, and analysis.

Transparency in Coverage (TIC)

Machine readable files containing rate intelligence made public by individual carriers on a monthly basis covering both in-network and out-of-network rates for public consumption, use, and analysis.



State of North Carolina - UHC Choice Plus NEF Analysis 2022 (Top 10 Providers)

TIN	Provider	2022 NEF vs Aetna	2022 UHC Discount	2022 Aetna Derived Discount
561118388	UNC Hospitals	0.97	48.6%	47.1%
562070036	Duke University Hospital	0.99	48.9%	48.4%
560585243	Vidant Medical Center	1.01	19.4%	19.7%
561509260	Rex Hospital	0.95	48.3%	45.8%
561398929	Carolinas Medical Center	0.96	46.2%	44.2%
561029437	Duke Private Diagnostics Clinic	1.06	38.9%	41.2%
581588823	Moses H. Cone Memorial Hospital	0.96	28.3%	27.1%
832048706	Mh Mission Hospital Llp ¹	0.86	42.4%	36.7%
566017737	WakeMed Raleigh Campus	0.66	62.9%	41.5%
561732213	UNC Physicians	0.94	36.9%	34.6%
Top 10 Provider Weighted		0.936	42.4%	39.7%

Additional UHC Consultant commentary available at the bottom of provider specific analyses.

¹Current contractual intelligence at MH Mission Hospital indicates a significant advantage for UHC. In future years, continued contractual differences will only exacerbate this disparity for Aetna.

UNC Medical Center	% of Total Allowed	UHC (7/1/22)	Term	Aetna (12/1/22)	Term	NEF	Source ¹
Medical Bed	16.3%	\$14,870	MS - DRG	\$4,275	Per Diem	1.02	HPT, TIC
Surgical Bed	26.9%	\$14,870	MS - DRG	\$5,655	Per Diem	1.38	HPT
OB Vaginal	1.1%	\$8,151	Case Rate	\$3,570	Per Diem	1.27	HPT, TIC
OB Cesarean	1.0%	\$13,551	Case Rate	\$4,590	Per Diem	0.98	HPT, TIC
Nursery	2.6%	\$955	Per Diem	\$1,234	Per Diem	0.77	HPT, TIC
INPATIENT TOTAL	47.9%					1.18	
Grouper 10	0.6%	\$34,002	Case Rate				
Grouper 9	0.0%	\$26,070	Case Rate				
Grouper 8	0.1%	\$25,673	Case Rate	\$14,702	Case Rate	1.75	HPT
Grouper 7	0.8%	\$25,044	Case Rate	\$13,426	Case Rate	1.87	HPT
Grouper 6	3.7%	\$16,663	Case Rate	\$12,085	Case Rate	1.38	HPT
Grouper 5	2.0%	\$12,623	Case Rate	\$11,077	Case Rate	1.14	HPT
Grouper 4	1.9%	\$10,361	Case Rate	\$9,274	Case Rate	1.12	HPT
Grouper 3	2.6%	\$7,368	Case Rate	\$7,387	Case Rate	1.00	HPT
Grouper 2	3.4%	\$4,103	Case Rate	\$6,391	Case Rate	0.64	HPT
Grouper 1	0.7%	\$3,061	Case Rate	\$4,784	Case Rate	0.64	HPT
Grouper 0	0.9%	\$1,059	Case Rate	71.00%	POC	0.69	HPT
Grouper Unlisted	0.3%	\$4,103	Case Rate				
Surgical Total	16.9%					0.95	
Emergency: Critical Care	0.0%	\$2,424	Case Rate	71.00%	POC	0.57	HPT
Emergency 5	0.8%	\$2,020	Case Rate	\$2,244	Case Rate	0.90	HPT, TIC
Emergency 4	1.4%	\$1,817	Case Rate	\$1,938	Case Rate	0.94	HPT, TIC
Emergency 3	0.7%	\$1,364	Case Rate	\$918	Case Rate	1.49	HPT, TIC
Emergency 2	0.0%	\$423	Case Rate	\$408	Case Rate	1.04	HPT, TIC
Emergency 1	0.0%	\$303	Case Rate	\$306	Case Rate	0.99	HPT, TIC
Emergency Unlisted	0.0%	\$303	Case Rate	71.00%	POC	0.32	HPT
ER Total	3.0%					0.99	
Outpatient Rehab	0.4%	\$216.00	Per Diem	71.00%	POC	0.63	HPT
Nuclear Medicine	0.4%	\$1,234	Per Diem	281.00%	Fee (21B)	1.49	HPT
MRI	1.4%	\$1,110	Per Diem	\$1,909	Per Diem	0.58	HPT, TIC
CT Scan	1.1%	\$898	Per Diem	\$1,031	Per Diem	0.87	HPT, TIC
Outpatient Cardiac	0.9%	Various	Per Diem	69.00%	POC	0.37	HPT
Radiology	1.1%	\$292	Per Diem	281.00%	Fee (21B)	2.73	HPT
Ultrasound	0.4%	\$373	Per Diem	281.00%	Fee (21B)	2.02	HPT
Mammography	0.2%	\$248	Per Diem	281.00%	Fee (21B)	1.27	HPT
Laboratory	5.5%	120%	Fee (19)	302.00%	Fee (22)	0.54	HPT
Diagnostic Totals	11.2%					0.64	
Observation	0.7%	\$5,472	Case Rate	\$7,584	Case Rate	0.72	TIC
Chemotherapy	11.3%	\$2,071	Per Diem	71.00%	POC	0.78	HPT
Radiation Therapy	2.2%	\$1,405	Per Diem	281.00%	Fee (21B)	1.14	HPT
Outpatient Misc	6.5%	74.60%	POC	71.00%	POC	1.05	HPT
Other Total	20.6%					0.88	
Outpatient Total	52.1%					0.83	
Overall Total	100.0%					0.97	

¹Sources:

COB - Facility Coordination of Benefits
HPT - Hospital Price Transparency (Provider)
TIC - Transparency in Coverage (Payer)

Consultant Comments: Unlike terms for IP services, UHC 2021 utilization has been repriced using Aetna Per Diems and MS-DRG Case Rate Carve Outs to derive categorical NEFs. To derive a rate comparison for Chemotherapy, UHC's calendar year 2021 allowed over eligible was used to compare against Aetna's 71.0% POC.

Duke University Medical Center	% of Total Allowed	UHC (7/1/22)	Term	Aetna (12/1/22)	Term	NEF	Source ¹
Medical Bed	7.8%	\$5,998	Per Diem	\$5,100	Per Diem	1.18	TIC
Surgical Bed	24.6%	\$7,383	Per Diem	\$7,000	Per Diem	1.05	TIC
OB Vaginal	0.3%	\$2,769	Per Diem	\$2,350	Per Diem	1.18	TIC
OB Cesarean	0.5%	\$4,614	Per Diem	\$4,725	Per Diem	0.98	TIC
Nursery	2.0%	Various	Per Diem	Various	Per Diem	0.82	TIC
INPATIENT TOTAL	35.3%					1.06	
Grouper 10	0.2%	58.80%	POC	57.80%	POC	0.99	COB
Grouper 9	0.2%	58.80%	POC	57.80%	POC	0.00	COB
Grouper 8	0.1%	58.80%	POC	57.80%	POC	0.91	COB
Grouper 7	0.4%	58.80%	POC	57.80%	POC	1.07	COB
Grouper 6	2.7%	58.80%	POC	57.80%	POC	0.99	COB
Grouper 5	1.9%	58.80%	POC	57.80%	POC	1.03	COB
Grouper 4	1.5%	58.80%	POC	57.80%	POC	1.04	COB
Grouper 3	2.2%	58.80%	POC	57.80%	POC	1.02	COB
Grouper 2	1.4%	58.80%	POC	57.80%	POC	1.01	COB
Grouper 1	0.2%	58.80%	POC	57.80%	POC	1.01	COB
Grouper 0	0.5%	58.80%	POC	57.80%	POC	0.98	COB
Grouper Unlisted	0.8%	58.80%	POC	57.80%	POC	0.95	COB
Surgical Total	12.2%					1.02	
Emergency: Critical Care	0.2%	58.80%	POC	57.80%	POC	1.02	COB
Emergency 5	2.0%	58.80%	POC	57.80%	POC	1.02	COB
Emergency 4	0.6%	58.80%	POC	57.80%	POC	1.02	COB
Emergency 3	0.2%	58.80%	POC	57.80%	POC	1.02	COB
Emergency 2	0.0%	58.80%	POC	57.80%	POC	1.02	COB
Emergency 1	0.0%	58.80%	POC	57.80%	POC	1.02	COB
Emergency Unlisted	0.1%	58.80%	POC	57.80%	POC	1.02	COB
ER Total	2.9%					1.02	
Outpatient Rehab	1.1%	58.80%	POC	57.80%	POC	1.02	COB
Nuclear Medicine	0.6%	58.80%	POC	57.80%	POC	1.02	COB
MRI	3.3%	58.80%	POC	57.80%	POC	1.02	COB
CT Scan	2.9%	58.80%	POC	57.80%	POC	1.02	COB
Outpatient Cardiac	2.7%	58.80%	POC	57.80%	POC	1.02	COB
Radiology	1.5%	58.80%	POC	57.80%	POC	1.02	COB
Ultrasound	1.0%	58.80%	POC	57.80%	POC	1.02	COB
Mammography	0.4%	58.80%	POC	57.80%	POC	1.02	COB
Laboratory	11.8%	58.80%	POC	57.80%	POC	1.02	COB
Diagnostic Totals	24.1%					1.02	
Observation	0.5%	58.80%	POC	57.80%	POC	1.02	COB
Chemotherapy	13.7%	58.80%	POC	57.80%	POC	0.83	COB
Radiation Therapy	3.3%	58.80%	POC	57.80%	POC	0.98	COB
Outpatient Misc	7.0%	58.80%	POC	57.80%	POC	0.89	COB
Other Total	24.5%					0.86	
Outpatient Total	64.7%					0.95	
Overall Total	100.0%					0.99	

¹Sources:

COB - Facility Coordination of Benefits
HPT - Hospital Price Transparency (Provider)
TIC - Transparency in Coverage (Payer)

Consultant Comments: To derive a rate comparison for Chemotherapy, UHC's calendar year 2021 allowed over eligible was used to compare against Aetna's 57.8% POC.

Vidant Medical Center	% of Total Allowed	UHC (Evergreen)	Term	Aetna (11/1/21)	Term	NEF	Source ¹
Medical Bed	15.3%	81.00%	POC	80.00%	POC	1.01	HPT
Surgical Bed	34.2%	81.00%	POC	80.00%	POC	1.01	HPT
OB Vaginal	1.6%	81.00%	POC	80.00%	POC	1.01	HPT
OB Cesarean	2.6%	81.00%	POC	80.00%	POC	1.01	HPT
Nursery	1.4%	81.00%	POC	80.00%	POC	1.01	HPT
INPATIENT TOTAL	55.1%					1.01	
Grouper 10	0.5%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 9	0.3%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 8	0.0%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 7	2.5%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 6	8.2%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 5	1.4%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 4	2.4%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 3	3.2%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 2	2.0%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 1	0.2%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper 0	0.5%	80.70%	POC	80.00%	POC	1.01	HPT
Grouper Unlisted	0.2%	80.70%	POC	80.00%	POC	1.01	HPT
Surgical Total	21.3%					1.01	
Emergency: Critical Care	0.2%	80.70%	POC	80.00%	POC	1.01	HPT
Emergency 5	2.1%	80.70%	POC	80.00%	POC	1.01	HPT
Emergency 4	4.4%	80.70%	POC	80.00%	POC	1.01	HPT
Emergency 3	1.3%	80.70%	POC	80.00%	POC	1.01	HPT
Emergency 2	0.1%	80.70%	POC	80.00%	POC	1.01	HPT
Emergency 1	0.0%	80.70%	POC	80.00%	POC	1.01	HPT
Emergency Unlisted	0.1%	80.70%	POC	80.00%	POC	1.01	HPT
ER Total	8.1%					1.01	
Outpatient Rehab	0.4%	80.70%	POC	80.00%	POC	1.01	HPT
Nuclear Medicine	0.1%	80.70%	POC	80.00%	POC	1.01	HPT
MRI	0.7%	80.70%	POC	80.00%	POC	1.01	HPT
CT Scan	0.6%	80.70%	POC	80.00%	POC	1.01	HPT
Outpatient Cardiac	1.6%	80.70%	POC	80.00%	POC	1.01	HPT
Radiology	0.3%	80.70%	POC	80.00%	POC	1.01	HPT
Ultrasound	0.1%	80.70%	POC	80.00%	POC	1.01	HPT
Mammography	0.0%	80.70%	POC	80.00%	POC	1.01	HPT
Laboratory	5.2%	80.70%	POC	80.00%	POC	1.01	HPT
Diagnostic Totals	8.6%					1.01	
Observation	2.1%	80.70%	POC	80.00%	POC	1.01	HPT
Chemotherapy	1.7%	80.70%	POC	80.00%	POC	1.01	HPT
Radiation Therapy	0.1%	80.70%	POC	80.00%	POC	1.01	HPT
Outpatient Misc	2.5%	80.70%	POC	80.00%	POC	1.01	HPT
Other Total	6.4%					1.01	
Outpatient Total	44.9%					1.01	
Overall Total	100.0%					1.01	

¹Sources:

COB - Facility Coordination of Benefits

HPT - Hospital Price Transparency (Provider)

TIC - Transparency in Coverage (Payer)

UNC Rex Healthcare	% of Total Allowed	UHC (7/1/22)	Term	Aetna (12/1/22)	Term	NEF	Source ¹
Medical Bed	9.2%	\$14,786	MS - DRG	\$4,827	Per Diem	1.01	HPT
Surgical Bed	20.4%	\$14,786	MS - DRG	\$5,968	Per Diem	1.66	HPT
OB Vaginal	5.5%	\$8,273	Case Rate	\$3,570	Per Diem	1.31	HPT
OB Cesarean	4.2%	\$13,826	Case Rate	\$4,590	Per Diem	1.12	HPT
Nursery	4.2%	\$968	Per Diem	\$1,804	Per Diem	0.54	HPT
INPATIENT TOTAL	43.4%					1.17	
Grouper 10	0.3%	\$70,492	Case Rate				
Grouper 9	0.1%	\$45,319	Case Rate				
Grouper 8	0.9%	\$33,969	Case Rate				
Grouper 7	3.9%	\$20,259	Case Rate				
Grouper 6	8.1%	\$11,344	Case Rate	\$10,476	Case Rate	1.08	HPT
Grouper 5	3.2%	\$8,561	Case Rate	\$7,223	Case Rate	1.19	HPT
Grouper 4	1.3%	\$6,887	Case Rate	\$6,245	Case Rate	1.10	HPT
Grouper 3	2.4%	\$5,030	Case Rate	\$5,671	Case Rate	0.89	HPT
Grouper 2	1.2%	\$2,690	Case Rate	\$4,610	Case Rate	0.58	HPT
Grouper 1	0.1%	\$1,313	Case Rate	\$3,744	Case Rate	0.35	HPT
Grouper 0	0.2%	\$228	Case Rate	71.00%	POC	0.39	HPT
Grouper Unlisted	1.1%	\$2,690	Case Rate				
Surgical Total	22.7%					0.97	
Emergency: Critical Care	0.0%	\$1,888	Case Rate	71.00%	POC	0.34	HPT
Emergency 5	1.1%	\$1,568	Case Rate	\$2,244	Case Rate	0.70	HPT
Emergency 4	1.9%	\$1,417	Case Rate	\$1,938	Case Rate	0.73	HPT
Emergency 3	1.0%	\$1,036	Case Rate	\$918	Case Rate	1.13	HPT
Emergency 2	0.0%	\$313	Case Rate	\$408	Case Rate	0.77	HPT
Emergency 1	0.0%	\$192	Case Rate	\$312	Case Rate	0.62	HPT
Emergency Unlisted	0.0%	\$192	Case Rate	71.00%	POC	1.48	HPT
ER Total	4.2%					0.78	
Outpatient Rehab	1.0%	\$219	Per Diem	71.00%	POC	0.56	HPT
Nuclear Medicine	0.1%	\$341	Per Diem	305.00%	Fee (21B)	0.71	HPT
MRI	0.2%	\$861	Per Diem	\$942	Per Diem	0.91	HPT
CT Scan	0.3%	\$674	Per Diem	\$557	Per Diem	1.21	HPT
Outpatient Cardiac	0.7%	Various	Per Diem	71.00%	POC	0.26	HPT
Radiology	0.5%	\$230	Per Diem	305.00%	Fee (21B)	2.31	HPT
Ultrasound	0.0%	\$245	Per Diem	305.00%	Fee (21B)	0.31	HPT
Mammography	0.0%	\$211	Per Diem	305.00%	Fee (21B)	0.84	HPT
Laboratory	3.9%	120%	Fee (19)	281%	Fee (22)	0.70	HPT
Diagnostic Totals	5.7%					0.62	
Observation	1.4%	\$5,368	Per Diem				
Chemotherapy	15.4%	\$2,968	Per Diem	71.00%	POC	0.67	HPT
Radiation Therapy	1.7%	\$913	Per Diem	305.00%	Fee (21B)	1.20	HPT
Outpatient Misc	4.5%	78.30%	POC	71.00%	POC	1.10	HPT
Other Total	23.0%					0.81	
Outpatient Total	56.6%					0.81	
Overall Total	100.0%					0.95	

¹Sources:

COB - Facility Coordination of Benefits
HPT - Hospital Price Transparency (Provider)
TIC - Transparency in Coverage (Payer)

Consultant Comments: Unlike terms for IP services, UHC 2021 utilization has been repriced using Aetna Per Diems and MS-DRG Case Rate Carve Outs to derive categorical NEFs. To derive a rate comparison for Chemotherapy, UHC's calendar year 2021 allowed over eligible was used to compare against Aetna's 71.0% POC.

Carolinas Medical Center	% of Total Allowed	UHC (12/1/2021)	Term	Aetna (12/1/2021)	Term	NEF	Source ¹
Medical Bed	9.8%	50.80%	POC	55.20%	POC	0.92	HPT
Surgical Bed	29.2%	50.80%	POC	55.20%	POC	0.92	HPT
OB Vaginal	1.9%	50.80%	POC	\$7,808	Case Rate	1.01	HPT/TIC
OB Cesarean	2.0%	50.80%	POC	\$11,378	Case Rate	1.19	HPT/TIC
Nursery	0.3%	50.80%	POC	55.20%	POC	0.92	HPT
INPATIENT TOTAL	43.2%					0.93	
Grouper 10	0.4%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 9	0.2%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 8	0.3%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 7	0.9%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 6	6.7%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 5	1.9%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 4	1.6%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 3	3.5%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 2	2.0%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 1	0.5%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper 0	0.8%	55.90%	POC	58.20%	POC	0.96	HPT
Grouper Unlisted	0.8%	55.90%	POC	58.20%	POC	0.96	HPT
Surgical Total	19.5%					0.96	
Emergency: Critical Care	0.1%	55.90%	POC	58.20%	POC	0.96	HPT
Emergency 5	2.1%	\$1,364	Case Rate	58.20%	POC	0.94	HPT
Emergency 4	2.3%	\$1,364	Case Rate	58.20%	POC	0.93	HPT
Emergency 3	0.6%	\$1,364	Case Rate	58.20%	POC	0.96	HPT
Emergency 2	0.1%	\$1,364	Case Rate	58.20%	POC	1.55	HPT
Emergency 1	0.0%	\$1,364	Case Rate	58.20%	POC	1.72	HPT
Emergency Unlisted	0.1%	55.90%	POC	58.20%	POC	0.96	HPT
ER Total	5.3%					0.94	
Outpatient Rehab	0.2%	55.90%	POC	58.20%	POC	0.98	HPT
Nuclear Medicine	0.4%	55.90%	POC	58.20%	POC	0.96	HPT
MRI	0.8%	55.90%	POC	\$1,066.00	Per Unit / CPT	1.89	HPT/TIC
CT Scan	1.6%	55.90%	POC	\$1,066.00	Per Unit / CPT	1.61	HPT/TIC
Outpatient Cardiac	2.3%	55.90%	POC	58.20%	POC	0.96	HPT
Radiology	0.5%	55.90%	POC	58.20%	POC	0.96	HPT
Ultrasound	0.6%	55.90%	POC	58.20%	POC	0.96	HPT
Mammography	0.0%	55.90%	POC	58.20%	POC	0.96	HPT
Laboratory	3.2%	55.90%	POC	58.20%	POC	0.96	HPT
Diagnostic Totals	9.4%					1.08	
Observation	1.4%	55.90%	POC	58.20%	POC	0.96	HPT
Chemotherapy	13.1%	55.90%	POC	58.20%	POC	0.96	HPT
Radiation Therapy	1.7%	55.90%	POC	58.20%	POC	0.96	HPT
Outpatient Misc	6.2%	55.90%	POC	58.20%	POC	0.96	HPT
Other Total	22.4%					0.96	
Outpatient Total	56.8%					0.98	
Overall Total	100.0%					0.96	

¹Sources:

COB - Facility Coordination of Benefits

HPT - Hospital Price Transparency (Provider)

TIC - Transparency in Coverage (Payer)

Moses H. Cone Memorial Hospital	% of Total Allowed	UHC (7/1/22)	Term	Aetna (8/22/22)	Term	NEF	Source ¹
Medical Bed	14.7%	\$21,009	MS - DRG	74.00%	POC	1.03	HPT
Surgical Bed	19.9%	\$21,009	MS - DRG	74.00%	POC	0.99	HPT
OB Vaginal	1.9%	\$21,009	MS - DRG	74.00%	POC	1.13	HPT
OB Cesarean	3.1%	\$21,009	MS - DRG	74.00%	POC	1.07	HPT
Nursery	2.4%	\$975	Per Diem	74.00%	POC	1.11	HPT
INPATIENT TOTAL	42.0%					1.02	
Grouper 10	0.6%	\$51,480	Case Rate	78.00%	POC	1.28	HPT
Grouper 9	0.1%	\$45,210	Case Rate	78.00%	POC	1.28	HPT
Grouper 8	2.0%	\$35,871	Case Rate	78.00%	POC	0.83	HPT
Grouper 7	3.3%	\$28,295	Case Rate	78.00%	POC	1.12	HPT
Grouper 6	6.6%	\$19,149	Case Rate	78.00%	POC	1.12	HPT
Grouper 5	2.5%	\$16,115	Case Rate	78.00%	POC	1.19	HPT
Grouper 4	1.9%	\$12,273	Case Rate	78.00%	POC	1.17	HPT
Grouper 3	3.0%	\$8,738	Case Rate	78.00%	POC	1.06	HPT
Grouper 2	1.6%	\$4,095	Case Rate	78.00%	POC	0.76	HPT
Grouper 1	0.6%	\$2,212	Case Rate	78.00%	POC	0.86	HPT
Grouper 0	0.3%	\$743	Case Rate	78.00%	POC	0.41	HPT
Grouper Unlisted	0.4%	\$4,096	Case Rate	78.00%	POC	1.06	HPT
Surgical Total	22.9%					1.03	
Emergency: Critical Care	0.0%	\$4,041	Case Rate	78.00%	POC	0.67	HPT
Emergency 5	5.4%	\$3,695	Case Rate	78.00%	POC	0.65	HPT
Emergency 4	2.8%	\$2,309	Case Rate	78.00%	POC	0.84	HPT
Emergency 3	1.8%	\$1,247	Case Rate	78.00%	POC	1.03	HPT
Emergency 2	0.2%	\$866	Case Rate	78.00%	POC	1.09	HPT
Emergency 1	0.2%	\$577	Case Rate	78.00%	POC	0.84	HPT
Emergency Unlisted	0.0%	\$577	Case Rate	78.00%	POC	0.92	HPT
ER Total	10.5%					0.75	
Outpatient Rehab	1.2%	\$266	Per Diem	78.00%	POC	1.00	HPT
Nuclear Medicine	0.9%	94.20%	POC	78.00%	POC	1.21	HPT
MRI	0.9%	\$2,960.00	Per Diem	78.00%	POC	0.85	HPT
CT Scan	1.3%	\$1,436.00	Per Diem	78.00%	POC	0.72	HPT
Outpatient Cardiac	1.3%	94.20%	POC	78.00%	POC	1.21	HPT
Radiology	0.3%	94.20%	POC	78.00%	POC	1.21	HPT
Ultrasound	0.7%	94.20%	POC	78.00%	POC	1.21	HPT
Mammography	0.1%	94.20%	POC	78.00%	POC	1.21	HPT
Laboratory	1.9%	60.00%	Fee (10)	78.00%	POC	0.65	HPT
Diagnostic Totals	7.5%					0.86	
Observation	1.5%	\$8,906.00	Per Diem	78.00%	POC	0.98	HPT
Chemotherapy	7.0%	94.20%	POC	78.00%	POC	0.86	HPT
Radiation Therapy	2.6%	94.20%	POC	78.00%	POC	1.21	HPT
Outpatient Misc	4.7%	94.20%	POC	78.00%	POC	0.89	HPT
Other Total	15.9%					0.92	
Outpatient Total	58.0%					0.91	
Overall Total	100.0%					0.96	

¹Sources:

COB - Facility Coordination of Benefits
HPT - Hospital Price Transparency (Provider)
TIC - Transparency in Coverage (Payer)

Consultant Comments: UHC contractual comparison against Aetna NAP (National Advantage Program). Hospital Price Transparency presented several products for Aetna. Aetna Carolina Preferred IP POC 69%, OP POC 72% resulting NEF of 1.03. Aetna Whole Health IP POC 62%, OP POC 65% resulting NEF of 1.15.

MH Mission Hospital	% of Total Allowed	UHC (1/1/22)	Term	Aetna (6/27/22)	Term	NEF	Source ¹
Medical Bed	12.1%	\$10,400	Case Rate	80.70%	POC	0.90	HPT
Surgical Bed	23.7%	\$16,100	Case Rate	80.70%	POC	0.90	HPT
OB Vaginal	1.5%	\$9,500	Case Rate	80.70%	POC	0.89	HPT
OB Cesarean	2.9%	\$14,250	Case Rate	80.70%	POC	0.91	HPT
Nursery	3.6%	\$1,329	Per Diem	80.70%	POC	1.01	HPT
INPATIENT TOTAL	43.8%					0.91	
Grouper 10	0.7%	\$70,334	Case Rate	80.70%	POC	0.87	HPT
Grouper 9	0.0%	\$53,493	Case Rate	80.70%	POC		HPT
Grouper 8	3.2%	\$42,576	Case Rate	80.70%	POC	0.82	HPT
Grouper 7	3.6%	\$35,270	Case Rate	80.70%	POC	0.83	HPT
Grouper 6	9.2%	\$28,105	Case Rate	80.70%	POC	0.83	HPT
Grouper 5	4.1%	\$24,672	Case Rate	80.70%	POC	0.87	HPT
Grouper 4	2.5%	\$17,662	Case Rate	80.70%	POC	0.85	HPT
Grouper 3	3.1%	\$13,761	Case Rate	80.70%	POC	0.83	HPT
Grouper 2	1.5%	\$7,423	Case Rate	80.70%	POC	0.84	HPT
Grouper 1	1.0%	\$4,152	Case Rate	80.70%	POC	0.83	HPT
Grouper 0	1.1%	\$1,885	Case Rate	80.70%	POC	0.94	HPT
Grouper Unlisted	0.3%	\$7,423	Case Rate	80.70%	POC	0.62	HPT
Surgical Total	30.4%					0.84	
Emergency: Critical Care	0.0%	\$4,970	Case Rate	80.70%	POC		HPT
Emergency 5	0.7%	\$4,970	Case Rate	80.70%	POC	0.85	HPT
Emergency 4	4.4%	\$2,565	Case Rate	80.70%	POC	0.83	HPT
Emergency 3	1.2%	\$2,565	Case Rate	80.70%	POC	0.83	HPT
Emergency 2	0.2%	\$789	Case Rate	80.70%	POC	0.83	HPT
Emergency 1	0.0%	\$548	Case Rate	80.70%	POC	0.86	HPT
Emergency Unlisted	0.0%	\$548	Case Rate	80.70%	POC	0.64	HPT
ER Total	6.5%					0.83	
Outpatient Rehab	0.1%	\$222	Per Diem	80.70%	POC	0.85	HPT
Nuclear Medicine	0.5%	Custom	Fee	80.70%	POC	0.84	HPT
MRI	0.7%	Custom	Fee	80.70%	POC	0.84	HPT
CT Scan	0.8%	Custom	Fee	80.70%	POC	0.79	HPT
Outpatient Cardiac	1.6%	Various	Per Diem	80.70%	POC	0.83	HPT
Radiology	0.5%	Custom	Fee	80.70%	POC	0.74	HPT
Ultrasound	0.3%	Custom	Fee	80.70%	POC	0.83	HPT
Mammography	0.4%	Custom	Fee	80.70%	POC	0.83	HPT
Laboratory	1.5%	100.00%	Fee (21)	80.70%	POC	0.76	HPT
Diagnostic Totals	6.2%					0.80	
Observation	2.8%	\$6,540	Case Rate	80.70%	POC	0.84	HPT
Chemotherapy	4.4%	\$735	Per Diem	80.70%	POC	0.86	HPT
Radiation Therapy	1.3%	\$1,949	Per Diem	80.70%	POC	0.81	HPT
Outpatient Misc	4.5%	60.00%	POC	80.70%	POC	0.80	HPT
Other Total	13.0%					0.83	
Outpatient Total	56.2%					0.83	
Overall Total	100.0%					0.86	

¹Sources:

COB - Facility Coordination of Benefits
HPT - Hospital Price Transparency (Provider)
TIC - Transparency in Coverage (Payer)

Consultant Comments: UHC 2021 allowed over eligible by category compared against Aetna's 80.70% POC. However, as of 1/1/22 UHC has contracted majority fixed rates at this provider resulting in a projected 2022 NEF of 0.71 and 2023 NEF of 0.66.

WakeMed Raleigh	% of Total Allowed	UHC (11/15/2022)	Term	Aetna (2022)	Term	NEF	Source ¹
Medical Bed	13.6%	\$12,529	MS - DRG	57.00%	POC	0.67	COB
Surgical Bed	18.7%	\$12,529	MS - DRG	57.00%	POC	0.56	COB
OB Vaginal	3.3%	\$8,166	Case Rate	57.00%	POC	0.88	COB
OB Cesarean	2.5%	\$12,694	Case Rate	57.00%	POC	0.70	COB
Nursery	6.9%	\$1,576	Per Diem	57.00%	POC	1.19	COB
INPATIENT TOTAL	44.9%					0.68	
Grouper 10	0.6%	\$47,554	Case Rate	63.00%	POC	0.41	COB
Grouper 9	0.3%	\$39,629	Case Rate	63.00%	POC	0.37	COB
Grouper 8	2.2%	\$33,026	Case Rate	63.00%	POC	0.53	COB
Grouper 7	2.9%	\$27,521	Case Rate	63.00%	POC	0.64	COB
Grouper 6	7.6%	\$12,592	Case Rate	63.00%	POC	0.61	COB
Grouper 5	3.0%	\$11,902	Case Rate	63.00%	POC	0.65	COB
Grouper 4	1.9%	\$8,541	Case Rate	63.00%	POC	0.59	COB
Grouper 3	2.6%	\$6,741	Case Rate	63.00%	POC	0.56	COB
Grouper 2	2.5%	\$3,655	Case Rate	63.00%	POC	0.52	COB
Grouper 1	0.4%	\$2,477	Case Rate	63.00%	POC	0.54	COB
Grouper 0	0.1%	\$1,101	Case Rate	63.00%	POC	0.09	COB
Grouper Unlisted	0.3%	\$4,387	Case Rate	63.00%	POC	0.29	COB
Surgical Total	24.4%					0.56	
Emergency: Critical Care	1.1%	\$5,983	Case Rate	63.00%	POC	0.63	COB
Emergency 5	4.2%	\$4,002	Case Rate	63.00%	POC	0.61	COB
Emergency 4	12.3%	\$3,336	Case Rate	63.00%	POC	0.78	COB
Emergency 3	2.9%	\$1,204	Case Rate	63.00%	POC	0.69	COB
Emergency 2	0.7%	\$804	Case Rate	63.00%	POC	0.98	COB
Emergency 1	0.0%	\$469	Case Rate	63.00%	POC	1.03	COB
Emergency Unlisted	0.0%	\$469	Case Rate	63.00%	POC	0.26	COB
ER Total	21.1%					0.73	
Outpatient Rehab	0.9%	\$231	Per Diem	63.00%	POC	0.68	
Nuclear Medicine	0.3%	65.30%	POC	63.00%	POC	0.87	COB
MRI	0.4%	\$2,308	Per Diem	\$2,732	Per Diem	0.84	TIC
CT Scan	0.7%	\$1,852	Per Diem	\$1,560	Per Diem	1.19	TIC
Outpatient Cardiac	1.7%	65.30%	POC	63.00%	POC	0.68	COB
Radiology	0.6%	65.30%	POC	63.00%	POC	0.61	COB
Ultrasound	0.3%	\$413	Per Diem	63.00%	POC	0.49	COB
Mammography	0.2%	65.30%	POC	63.00%	POC	0.96	COB
Laboratory	0.1%	120% (09)	Fee Schedule			2.25	COB
Diagnostic Totals	4.4%					0.75	
Observation	3.2%	\$3,641	Case Rate	\$4,371	Case Rate	0.83	TIC
Chemotherapy	0.0%	65.30%	POC				
Radiation Therapy	0.0%	65.30%	POC	63.00%	POC	1.59	COB
Outpatient Misc	1.1%	65.30%	POC	63.00%	POC	0.78	COB
Other Total	4.4%					0.82	
Outpatient Total	55.1%					0.65	
Overall Total	100.0%					0.66	

¹Sources:

COB - Facility Coordination of Benefits
HPT - Hospital Price Transparency (Provider)
TIC - Transparency in Coverage (Payer)

Consultant Comments: UHC's fixed rates on over 90% of allowed spend compared against Aetna's POC (IP & OP) results in a significant competitive disparity between payers.

Duke Private Diagnostics Clinic	Service Category	UHC 2021 Calendar Year Allowed Spend	CPT % of Total Allowed	CPT	DOS	UHC Rate (9/2022)	Aetna Rate	CPT NEF	Total Analysis Claim Coverage	Overall NEF	Source ¹
	E/M	\$7,079,067	9.9%	99214	22-Nov	\$235.64	\$224.82	1.05	49%	1.06	COB
	E/M	\$3,222,590	4.5%	99213	22-Oct	\$158.50	\$153.23	1.03			
	E/M	\$3,009,233	4.2%	99204	22-Sep	\$360.71	\$339.95	1.06			
	E/M	\$2,728,942	3.8%	99215	22-Jul	\$318.23	\$301.48	1.06			
	E/M	\$1,446,247	2.0%	99203			N/A				
	Total UHC Allowed	\$71,751,125	24.4%								

UNC Physicians	Service Category	UHC 2021 Calendar Year Allowed Spend	CPT % of Total Allowed	CPT	DOS	UHC Rate (5/2022)	Aetna Rate	CPT NEF	Total Analysis Claim Coverage	Overall NEF	Source ¹
	E/M	\$5,079,605	9.2%	99214	22-Aug	\$208.21	\$231.91	0.90	27%	0.94	COB
	E/M	\$3,680,892	6.7%	99213	22-Oct	\$141.91	\$163.19	0.87			
	E/M	\$1,297,339	2.3%	99203	22-Jun	\$206.49	\$313.99	0.66			
	E/M	\$1,180,265	2.1%	99204	22-May	\$314.82	\$300.56	1.05			
	E/M -Preventative	\$1,021,200	1.8%	99396			N/A				
	Total UHC Allowed	\$55,331,276	22.2%								

CPN	Service Category	UHC 2021 Calendar Year Allowed Spend	CPT % of Total Allowed	CPT	DOS	UHC Rate (1/2022)	Aetna Rate	CPT NEF	Total Analysis Claim Coverage	Overall NEF	Source ¹
	E/M	\$13,437,801	12.1%	99214	22-Apr	\$201.51	\$199.19	1.01	54%	0.99	COB
	E/M	\$8,210,290	7.4%	99213	22-Apr	\$136.31	\$132.45	1.03			
	E/M	\$3,839,436	3.5%	99396	22-Mar	\$237.79	\$141.01	1.69			
	E/M	\$3,592,952	3.2%	99204	22-Jan	\$310.31	\$306.49	1.01			
	OB - Global	\$2,385,038	2.1%	59400	22-Jan	\$3,955.96	\$3,919.36	1.01			
	Total UHC Allowed	\$111,153,337	28.3%								

Novant - Charlotte Physicians	Service Category	UHC 2021 Calendar Year Allowed Spend	CPT % of Total Allowed	CPT	DOS	UHC Rate (4/2022)	Aetna Rate	CPT NEF	Total Analysis Claim Coverage	Overall NEF	Source ¹
	E/M	\$18,452,782	17.1%	99214	22-Mar	\$207.88	\$227.20	0.91	69%	0.92	COB
	E/M	\$11,408,262	10.6%	99213	22-Feb	\$141.69	\$154.85	0.92			
	E/M -Preventative	\$5,823,977	5.4%	99396	22-Feb	\$244.04	\$263.00	0.93			
	E/M	\$3,358,709	3.1%	99203	22-Apr	\$206.17	\$225.32	0.92			
	E/M -Preventative	\$3,264,012	3.0%	99395	21-Mar	\$228.93	\$241.00	0.95			
	Total UHC Allowed	\$108,128,668	39.1%								

Moses Cone Physicians	Service Category	UHC 2021 Calendar Year Allowed Spend	CPT % of Total Allowed	CPT	DOS	UHC Rate (7/2022)	Aetna Rate	CPT NEF	Total Analysis Claim Coverage	Overall NEF	Source ¹
	E/M	\$5,309,572	13.7%	99214	22-May	\$215.14	\$233.42	0.92	34%	0.97	COB
	E/M	\$3,086,901	8.0%	99213	22-Mar	\$145.52	\$158.15	0.92			
	E/M	\$1,761,735	4.5%	99204	22-May	\$328.60	\$358.47	0.92			
	E/M -Preventative	\$1,380,258	3.6%	99396			N/A				
	E/M	\$1,351,532	3.5%	99203			N/A				
	Total UHC Allowed	\$38,810,897	33.2%								

¹Sources:

- COB - Physician Coordination of Benefits
- HPT - Hospital Price Transparency (Provider)
- TIC - Transparency in Coverage (Payer)

EXHIBIT 3

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

100 NORTH FIFTEENTH AVENUE • SUITE 402
PHOENIX, ARIZONA 85007

(602) 542-1500

Date: 11/21/19

Sent via email: [REDACTED]

[REDACTED]

Request for Clarification

Solicitation # BPM001416

Solicitation name: Employee Benefits Medical

Dear [REDACTED]

Pursuant to A.R.S. 41-2534, A.A.C. R2-7-C313, Clarification of Offers,

The following is being submitted to your Company as a respondent to the above solicitation. This request for clarification shall not be considered as a determination that the Offeror is susceptible for award. A request for clarification is to provide a greater understanding of the offer. Clarifications are not negotiations and / or material changes to the request for proposal. A request for clarification shall not be considered a determination that the offer is susceptible for award.

The following question is presented for your consideration and clarification:

UDS Discount Analysis

Segal Consulting has been hired to complete a UDS Discount Analysis for The State of Arizona

The analysis for your firm will be available via a link in a separate email that will come from Segal's secure FTP site. If you have not accessed Segal's SFT site before, you will need to establish a logon and password. UDS results for your firm are based on the following assumptions:

FY 2018 UDS Data

POS Choice Plus and EPO ChoiceNetworks (separately)

The geographic areas and additional details are provided in the results

Please review the results of Segal Consulting's analysis and verify that Segal has accurately interpreted your data in their analysis.

Please send your Company's response to this request for clarification via e-mail, to [REDACTED]. The due date for your submittal is **Day: Monday Date: December 2, 2019 by Time: 4:00 p.m.** Arizona Time.

Unless I hear back from you regarding any discrepancies with their calculated results Segal Consulting intends to release these results to the State of Arizona.

If you have any questions, please contact me directly at [REDACTED]. I understand, that you normally work directly with [REDACTED] at Segal Consulting with these inquiries, however, all contact regarding this RFP for The State of Arizona must come through me and not through [REDACTED]. He will not be able to respond directly to any of your questions, but I can relay any questions or concerns to Segal Consulting on your behalf.

Thank you,

[REDACTED]

Statewide Procurement Manager [REDACTED]