



P.O. Box 1327  
Johnstown, PA 15907-1327

[Date]

[MailName]

Attn: Practice Manager

[MailStreet]

[MailCity], [MailState] [MailZip]-[MailZipPls4]

**Re: Cost and Quality Transparency Initiative**

Dear Practice Manager:

As you are aware, employers are offering – and consumers are choosing – health care benefit plans which incentivize individuals to make optimal, personally appropriate, health care choices and decisions. To help satisfy the resulting need for detailed information on quality and cost of clinical services, we have been continually improving our Treatment Cost Estimator, one of the tools available to our members to assist them in making informed health care decisions.

Out of respect for the patient/physician relationship, we encourage our members to include their physicians in the decision-making process and share with them health care information obtained from our online tools. Therefore, we take this opportunity to share with you the features of our Treatment Cost Estimator and details on planned enhancements. A list of frequently asked questions (FAQ) and a contact phone number are available should you have any questions.

Please note that we have sought feedback from our network physicians and external Administrative Advisory Councils in our development of the enhancements outlined below.

Located under the Tools section of myuhc.com<sup>®</sup>, the Treatment Cost Estimator is designed to help our members select the best treatment option based on cost and location parameters. The tool allows members to obtain and compare treatment-specific cost differences by provider, location and facility type. Displayed estimates include the total treatment cost, plan responsibility and member responsibility. The tool also evaluates the treatment costs' effects on member-specific current deductibles and out-of-pocket maximums. Member responsibility estimates are tailored to the individual' benefit design and out-of-pocket coverage (e.g., copayment or coinsurance, in-network or preferred provider cost differential).

Through the current tool, members can obtain estimates on 116 diseases/ conditions and 90 surgeries/ procedures, as well as individual services such as office visits, lab and radiology services and drugs. Total cost estimates are displayed as cost ranges for the selected service and are based on historic UnitedHealthcare Choice Plus claims data: from 2008 through 2009 for outpatient and inpatient procedures; from January 2008 through June 2010 for radiology and laboratory procedures. Estimates for physician and practitioner services are based on the cost history specific to the selected physician or practitioner, whereas estimates for hospital services are based on average costs for hospitals in the geographic market area, rather than costs specific to a selected hospital.

**Effective Jan. 1, 2012**, we will introduce enhancements to the current Treatment Cost Estimator allowing cost estimates to be displayed as the median cost for the services selected, rather than as a cost range. Estimates will also be based on costs specific to a selected hospital or facility, in addition to the specific costs for the selected physician.

The enhanced tool will reflect a combined total of estimated medical professional and facility costs based on UnitedHealthcare Choice Plus claims data from Jan. 1, 2010, through March 31, 2011. Cost bands showing where the estimates fall along the spectrum of low to high costs will indicate if the estimate is in the lower, medium-low, medium-high or higher cost ranges of the cost bands for the geographic area. Total and out-of-pocket costs based on the member's benefit plan will continue to be displayed as in the current tool. Members will be able to obtain estimates for 110 services, including selected procedures for common ambulatory and outpatient services such as radiology, lab, office visits, consultations, preventative services and outpatient procedures. And because quality of care is just as important to consider as cost of care, quality information from the UnitedHealth Premium<sup>®</sup> Designation Program, as available, will be displayed along with cost.

**In March 2012**, the new Health Care Cost Estimator will be introduced to make it easier for patients to evaluate health care costs. In the new tool, estimates previously displayed as a combined total of medical professional and facility costs will be presented separately as total estimates for professional, facility, lab or radiology services. As with the January enhancements, cost estimates will be based on provider-specific average claim history from Jan.1, 2010, through March 31, 2011; however, the number of cost bands indicating where the estimate falls along the spectrum of low to high costs will be reduced from four bands to three. The bands will indicate if the estimate is in the top 25 percent, the middle 50 percent, or the bottom 25 percent of costs for the geographic area.

Estimated totals displayed in the Health Care Cost Estimator will include not only medical professional and facility costs, but also the typical services that make up a treatment episode, such as costs for the initial office visit, specific procedures involved, associated follow-up care, etc. The scope of services will remain the same as noted above for the January enhancements.

**In the third quarter of 2012**, the tool will move from displaying claim-based estimates to those based on the physician, hospital or other provider's allowed fee schedule or contracted rate amount.

An FAQ document is available on [UnitedHealthcareOnline.com](http://UnitedHealthcareOnline.com) to provide you with additional information regarding the new Health Care Cost Estimator. The document, "Treatment Cost Estimator Enhancements and New Health Care Cost Estimator FAQ," can be found on the website at Tools & Resources > Health Resources for Patients.

Again, because we believe patients should share information with their physicians, we thought it was important we reach out to you to let you know of these enhancements. We appreciate your support in our commitment to strive for predictability and transparency in the delivery of health care services. If you have any questions regarding these planned improvements to our cost estimator tool, please feel free to contact your local UnitedHealthcare Network Management Representative or Physician Advocate, or call Provider Services at 877-842-3210.

Sincerely,



Jeff Alter  
Chief Executive Officer, UnitedHealthcare Employer & Individual