UNITEDHEALTH GROUP®

HEARING BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON ENERGY & COMMERCE, SUBCOMMITTEE ON HEALTH

Summary of Testimony of Stephen J. Hemsley
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- UnitedHealth Group is privileged to serve millions of individuals and families at every stage of life.
- Like all of you, we are dissatisfied with the status quo in health care and know we must do better. And so we are committed to doing exactly that.
- We are innovating to make high-quality health care easier to find, simpler to navigate, and, most importantly, more accessible, and more affordable.
- We compete aggressively to provide health plan options at prices people can afford. The undeniable reality, though, is that premiums are rising, and Americans are feeling it.
- The cost of health insurance is driven by the cost of health care. When the price of care goes up and care activity increases, the cost of health coverage necessarily follows.
    - During the last 25 years, health care spending on a per person basis has gone up 242%. Hospital prices have increased nearly three times faster than inflation during the same period, while prescription drug spend has increased 269% and continues to meaningfully outpace inflation year after year. And the costs for specialty services continue to climb as well.
- We try to limit these pressures as much as possible, focusing on preventive care and advocating for broader system changes that address the underlying drivers of health care costs.
    - Last year alone, we negotiated nearly $300 billion in discounts on behalf of customers. Without those efforts, recent premium increases would have easily been at least two times higher. We also generate cost savings by helping to identify fraud, waste, abuse, and low-value care within the system, for example, saving about $35 billion last year through our program integrity efforts.
- We believe that moving from a transactional health system rooted in episodic patient interactions to one that prioritizes preventive, holistic care will deliver better outcomes at a lower overall cost.
- We also introduced Surest, a modern health plan that offers members the information they need upfront, enabling them to comparison shop for care. The plan has no deductible and no coinsurance. Surest members pay 54% less out of pocket, and employers are seeing savings, too.
- We recognize there are steps on the policy front that will make care more affordable, and we welcome the opportunity to participate in this important national conversation.
    - We will voluntarily eliminate and rebate our profits this year for ACA coverages, as Congress continues to work toward more long-term solutions. To further strengthen the stability, affordability, and sustainability of these plans for consumers, we support broadening consumer choice and standardizing broker compensation.
    - Beyond the ACA market, there are several areas in which Congress could consider changes to help lower the costs of health care, including: lowering health savings account thresholds and broadening the scope of covered services for high-deductible health plans; addressing site of service issues; expanding flexibility for association health plans; reforming patent laws; restricting direct-to-consumer advertising; and addressing disparities between domestic and foreign drug prices.