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United States Senate
SPECIAL COMMITTEE ON AGING
WASHINGTON, DC 20510-6400
(202) 224-5364

October 21, 2021

Sir Andrew Witty
Chief Executive Officer
UnitedHealth Group
UnitedHealth Group Center
990 Bren Road East
Minnetonka, Minnesota 55343

Dear Sir Andrew:

I write in regard to commitments UnitedHealth Group (UnitedHealth) made to the U.S. Senate Special Committee on Aging related to reimbursement policies for the administration of COVID-19 vaccines. UnitedHealth's past policies appeared to have created access barriers for children seeking COVID-19 vaccination from their primary care pediatrician—barriers that affected younger and older Americans alike. I appreciate the company's decision to reprocess certain COVID-19 vaccine claims, which I expect will facilitate the broadest possible access to COVID-19 vaccines among UnitedHealth's members. I expect that the steps UnitedHealth has committed to take will help children seeking COVID-19 vaccines as well as older Americans under the purview of the Aging Committee, including the millions who live with and care for their grandchildren or other younger relatives. I appreciate your company's assurance that UnitedHealth will keep the Aging Committee updated on its progress toward expeditiously resolving the concerns raised with the company.

The Aging Committee's attention was drawn to this issue by press reports highlighting that during a four-month period earlier this year, UnitedHealth reimbursed pediatricians at rates that failed to meet the costs of administering COVID-19 vaccines.¹ During that time, other large insurers reportedly reimbursed pediatricians and other health care providers at a higher rate, in line with what the Centers for Medicare & Medicaid Services (CMS) set in March 2021.² Pediatricians raised concerns that UnitedHealth's low reimbursement rates would deter in-network providers from administering COVID-19 vaccines, creating barriers for patients. The additional costs of administering COVID-19 vaccines have been significant for providers, a point that CMS noted at the time it increased reimbursement rates, citing "updated information about the costs involved in administering the COVID-19 vaccine for different types of providers and suppliers and the additional resources you need to safely and appropriately administer the vaccine."³ The agency furthermore encouraged private payers to follow suit, noting that "in light of CMS's increased Medicare payment rates, CMS will expect commercial carriers to continue to ensure that their rates are reasonable in comparison to prevailing market rates."⁴ Given UnitedHealth's status as the Nation's largest commercial payer—with 26 million people enrolled in employer and individual plans, 1.4 million in-network providers and an estimated 14 percent market share—

¹ Nona Tepper, "UnitedHealthcare pays providers below standard rates for COVID-19 vaccines," *Modern Healthcare* (Sept. 3, 2021), <https://www.modernhealthcare.com/payment/unitedhealthcare-pays-providers-below-standard-rates-covid-19-vaccines>; Shelby Livingston, "Health-insurance giant UnitedHealthcare is paying doctors less than their costs to give COVID-19 vaccines to kids, and it could hinder efforts to end the pandemic," *Business Insider* (Sept. 10, 2021), <https://www.businessinsider.com/unitedhealthcare-is-underpaying-for-pediatric-covid-19-vaccines-doctors-say-2021-9>.

² *Id.*, Centers for Medicare & Medicaid Services; "Medicare COVID-19 Vaccine Shot Payment," last updated Sept. 27, 2021), <https://www.cms.gov/medicare/covid-19/medicare-covid-19-vaccine-shot-payment> [hereinafter "CMS Vaccine Payment"].

³ *Id.*

it is critical that the company do all it can to ensure that vaccines are available to every person that is eligible to receive one.⁵ To that end, the Aging Committee requested that UnitedHealth provide information about the company's reimbursement rates, the timeliness of future fee schedule updates and the company's progress toward making providers whole for vaccines they administered while UnitedHealth was reimbursing below reimbursement rates set by CMS.

The ongoing effort to increase COVID-19 vaccination rates across our Nation demands an all-hands-on-deck approach. Ensuring that all eligible children are vaccinated against COVID-19 is key to improving the overall vaccination rate, which will better protect older Americans by helping stem the spread of the virus. Such efforts are of particular importance ahead of the Food and Drug Administration's (FDA) expected consideration of COVID-19 vaccines for young children later this month.⁶ Older Americans have been among those hit hardest by COVID-19 and face the greatest health risks if they contract the disease, even after being vaccinated. Recognizing the elevated risk of breakthrough infections in older adults, the Biden administration recently authorized third doses of the Pfizer-BioNTech vaccine for people ages 65 and over. The serious health risks COVID-19 poses for older adults are especially acute for those living in multi-generation households, including more than 7 million grandparents who live with grandchildren under the age of 18.⁷ Those older Americans are at even greater risk of exposure when they live with unvaccinated individuals, an important consideration given the greater impact of the delta variant on children. The current wave of COVID-19 has led to higher pediatric case rates,⁸ record pediatric hospitalizations⁹ and school closures that have affected more than 900,000 students at 1,800 schools across 44 states in August and September alone.¹⁰

During calls in September with Aging Committee staff, UnitedHealth officials confirmed press accounts that reported a months-long period when the company was reimbursing providers up to 40 percent less for COVID-19 vaccine administration than the rate set by the CMS.¹¹ While other major payers reportedly adopted the reimbursement rate set by CMS swiftly, UnitedHealth continued reimbursing at a lower rate until the end of June. During conversations with staff, UnitedHealth reported that it had problems uploading the CMS rate to the company's various fee schedules. Aging Committee staff have heard concerns from providers that the reimbursement issues pediatricians experienced with UnitedHealth earlier this year could resurface when the FDA authorizes a COVID-19 vaccine for 5-11 year-olds, which will carry a different billing code.

Following the concerns raised by the Aging Committee last month, UnitedHealth informed Aging Committee staff during a call on October 6 that the company planned to address the concerns outlined above. Specifically,

⁴ Centers for Medicare & Medicaid Services, "Special Edition – Medicare Payment Increase for COVID-19 Vaccine," MLN Connects (March 15, 2021), <https://www.cms.gov/outreach-and-education/outreachffsprovpartprogprovider-partnership-email-archive/2021-03-15-mlnc-se>.

⁵ Mark Rosanes, "Top 10 Insurance Companies in the US," *Insurance Business America* (Aug. 23, 2021), <https://www.insurancebusinessmag.com/us/news/healthcare/top-10-health-insurance-companies-in-the-us-212292.aspx>; UnitedHealth Group, *Form 10-K for the Fiscal Year Ending December 31, 2020*, Securities and Exchange Commission (March 1, 2021), <https://www.sec.gov/ix?doc=/Archives/edgar/data/731766/000073176621000013/unh-20201231.htm>.

⁶ Food and Drug Administration, "Coronavirus (COVID-19) Update: October 1, 2021," <https://www.fda.gov/news-events/press-announcements/coronavirus-covid-19-update-october-1-2021>; Lauran Neegaard and Jennifer McDermott, "Pfizer asks US to allow COVID shots for kids ages 5 to 11," *Associated Press* (Oct. 7, 2021), <https://apnews.com/article/coronavirus-pandemic-science-business-coronavirus-vaccine-health-b9a0e105be709a4d7a1c7d604e8d05f2>.

⁷ U.S. Census Bureau; American Community Survey; "Selected Social Characteristics in the United States: 2019 ACS 5-Year Estimates Data Profiles," Table DP02, <https://data.census.gov/cedsci/table?d=ACS%205-Year%20Estimates%20Data%20Profiles&tid=ACSDP5Y2019.DP02>.

⁸ American Academy of Pediatrics; "Children and COVID-19: State-Level Data Report," last updated Oct. 4, 2021, <https://www.aap.org/en/pages/2019-novel-coronavirus-covid-19-infections/children-and-covid-19-state-level-data-report/>.

⁹ U.S. Centers for Disease Control and Prevention; COVID Data Tracker; "New Admissions of Patients with Confirmed COVID-19 Per 100,000 Population by Age Group, United States, Aug 01, 2020 – Oct 02, 2021," <https://covid.cdc.gov/covid-data-tracker/#new-hospital-admissions>.

¹⁰ Sharyn E. Parks, Nicole Zviedrite, Samantha E. Budzyn, et al., "COVID-19–Related School Closures and Learning Modality Changes — United States, August 1–September 17, 2021," *Morbidity and Mortality Weekly Report* (Oct. 1, 2021) 70:1374–1376, https://www.cdc.gov/mmwr/volumes/70/wr/mm7039e2.htm?s_cid=mm7039e2_x.

¹¹ *Supra*, note 2, CMS Vaccine Payment.

UnitedHealth committed to reprocessing all of its commercial claims—not just pediatric claims—from the time CMS issued new rates for COVID-19 vaccines in mid-March to the time United updated its fee schedule on July 1. Company officials further stated that United Health would reprocess the claims automatically and that providers would not be required to resubmit claims for reprocessing. Noting that the company expected to reprocess “millions” of claims that were submitted by providers during the three-and-a-half month period prior to July 1, UnitedHealth officials told Aging Committee staff that they hoped to make “significant progress” within 30-45 days. Company officials further committed to:

1. Review UnitedHealth’s claims process to minimize delays in making payments to providers for COVID-19 vaccines;
2. Verify that there are no similar underpayment issues in its Affordable Care Act Exchange and Medicaid Managed Care books of business; and
3. Provide updates to Aging Committee staff on the company’s progress toward meeting these goals.

As part of these updates, please also provide me with the following information no later than November 5, 2021:

1. How many claims does UnitedHealth expect to reprocess for COVID-19 vaccinations that were administered prior to July 1, 2021? What was the average difference between the initial reimbursement and the reprocessed claim? What was the total amount that UnitedHealth paid to providers to settle these claims at the CMS rates?
2. UnitedHealth told Aging Committee staff that it is difficult to quickly update its reimbursement rates when new vaccine billing codes and rates are issued by CMS. UnitedHealth further stated that its expected solution for this issue may involve delaying payments to providers to give the company’s payment systems time to reflect new codes and rates. In order to minimize access delays in the future, what steps is UnitedHealth taking to ensure that pediatricians and other providers will be reimbursed in a timely manner when CMS issues new rates for COVID-19 vaccines or other emergent vaccines and therapeutics in the future?

Thank you for your attention to this important issue. If you or your staff has questions, please contact Peter Gartrell, Chief Investigator for Chairman Casey at (202) 224-5364.

Sincerely,



Robert P. Casey, Jr.
Chairman

Senate Special Committee on Aging