

# BROKER Connection

*Special  
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## **UnitedHealthcare in Negotiations with Tenet**

We are in negotiations with Tenet Healthcare Corporation (Tenet) to renew a national commercial and Medicare contract, which is up for renewal beginning Aug. 1, 2014. Despite several months of intense negotiations, and contrary to any recent communications you may have received from Tenet, we have not yet reached an agreement on rates or material contract terms.

It is unfortunate that Tenet chose to provide this misinformation to our members and employer groups while continuing to demand additional rate and contract language concessions that are inconsistent with our steadfast commitment to our members to provide access to quality health care that is affordable. As our discussions continue, it has become necessary to begin notification to members that Tenet hospitals and physicians may no longer be participating on Aug. 1, 2014.

Tenet Healthcare operates a total of 77 hospitals (includes Vanguard facilities) in 14 states: Alabama, California, Florida, Texas, Pennsylvania, South Carolina, Tennessee, North Carolina, Georgia, Missouri, Arizona, Michigan, Illinois and Massachusetts. Tenet also operates physician practices in these states.

Our contract with Tenet will terminate effective July, 31, 2014 for 49 of its facilities. Tenet also issued a termination notice for six Vanguard facilities in the San Antonio market effective Aug. 15, 2014 which Tenet acquired last year. The other Vanguard facilities have renewal dates in 2015 and unless a national deal is completed Tenet will also likely issue termination notices for the 22 additional Vanguard facilities as these contracts come up for renewal in 2015.

### **Fair and Reasonable Contracts**

We are committed to continuing our discussions and reaching a mutually acceptable agreement with Tenet. Continuity and access to quality, affordable health care for members are key priorities during negotiations.

While we have made progress, several outstanding issues remain, including Tenet's demand for significant rate increases for facilities and their unwillingness to accept material value-based reimbursement.

Our customers expect us to pay competitive rates, and we cannot enter into a new agreement with Tenet that would significantly increase health care premiums for our customers.

We are working hard to ensure that Tenet is reimbursed at a rate that is not only fair and reasonable, but consistent with trends in each of the local markets it operates. We demonstrate this commitment by contracting with more than 760,000 physicians and 5,600 hospitals across the country to participate in our network.

### **Broad Access to Care Locally and Nationwide**

Our network of hospitals in your area remains strong and stable. In addition, we contract with more than 85 percent of hospitals nationwide as part of our commitment to providing members with broad access to quality, affordable health care.

### **Negotiations Continue**

UnitedHealthcare is committed to bringing these negotiations to a fair and successful conclusion and to provide you with accurate information regarding the status of our negotiations. We are hopeful that our discussions with Tenet will remain positive and collaborative so a new agreement will benefit the numerous health care needs of the communities we serve.

We look forward to continuing to serve your needs and encourage you to contact us if you have further questions. We will keep you apprised as our discussions with Tenet continue.

For more information, please contact your UnitedHealthcare representative.