

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

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**Date Mailed: January 21, 2025**

**STATE OF OREGON  
OREGON HEALTH AUTHORITY  
HEALTH POLICY AND ANALYTICS DIVISION  
SUSTAINABLE HEALTH CARE COST GROWTH TARGET PROGRAM**

In the Matter of:

Care Improvement Plus South  
Central Insurance Company, a  
Nebraska Corporation; and

UnitedHealthcare Benefits of Texas,  
Inc., a Texas Corporation

For the Cost Growth Target  
measurement period: 2021-2022

Agency No. **CGT-2023-PAYER-19**

**NOTICE OF PROPOSED DETERMINATION  
AND RIGHT TO REQUEST A HEARING**

Oregon Health Authority's (OHA) Sustainable Health Care Cost Growth Target Program (CGT) is tasked with monitoring the cost of health care in Oregon and holding payers and provider organizations accountable for cost growth that exceeds the annual target with statistical confidence and without an acceptable reason. The CGT is governed by Oregon Revised Statutes (ORS) 442.385 through 442.386 and Oregon Administrative Rules (OAR) Chapter 409, Division 65.

Per ORS 442.386 and OAR 409-065-0035, OHA reviews underlying cost drivers and reasons for cost growth and makes a determination as to whether such conditions or

factors, or combination of such conditions or factors, suffices as reasonable cause for an entity to exceed the cost growth target for the measurement period.

Now, therefore, upon due consideration of the circumstances, including the mandatory cost growth target data submissions, supplemental information provided by the entity, and the entirety of OHA's record, OHA enters the following Notice of Proposed Determination.

### **Procedural History and Findings of Fact**

OHA's CGT conducted its cost growth review under OAR 409-065-0035, which requires that OHA conduct analyses to understand potential systematic causes or other factors that might result in payers or provider organizations exceeding the cost growth target. The cost growth target for 2021 through 2025 is 3.4%.<sup>1</sup>

Care Improvement Plus South Central Insurance Company, a Nebraska Corporation, and UnitedHealthcare Benefits of Texas, Inc., a Texas Corporation, are Medicare Advantage payers in Oregon and subsidiaries of UnitedHealth Group Incorporated. Care Improvement Plus South Central Insurance Company and UnitedHealthcare Benefits of Texas, Inc. (hereafter collectively referred to as "UnitedHealthcare") are mandatory reporters under OAR 409-065-0010. On or around April 20, 2023, OHA notified UnitedHealthcare that it was subject to the cost growth target program for the 2023 data cycle, with a data submission due date of September 1, 2023.

On or around September 5, 2023, UnitedHealthcare submitted its mandatory data submission (CGT-1) to OHA. OHA generated a data validation summary on or around September 6, 2023. Upon initial review of this summary and the two Medicare Advantage CGT-1 files submitted (one for Care Improvement Plus South Central Insurance Company and another for UnitedHealthcare Benefits of Texas, Inc.), OHA identified a need for a resubmission, with corrections to be made to the files. OHA

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<sup>1</sup> The cost growth target value for 2021-2025 was established by the Cost Growth Target Implementation Committee, as documented in their January 2021 Recommendations Report.  
<https://www.oregon.gov/oha/HPA/HP/HCCGBDocs/Cost%20Growth%20Target%20Committee%20Recommendations%20Report%20FINAL%2001.25.21.pdf>

generated a resubmission request and sent it to UnitedHealthcare on or around September 13, 2023.

On or around September 21, 2023, UnitedHealthcare resubmitted its two updated Medicare Advantage CGT-1 files to OHA. On or around September 21, 2023, OHA generated data validation summaries of these two files. Upon review of the data validation summaries and file contents, OHA identified a need for a second resubmission and sent UnitedHealthcare a resubmission request on or around October 9, 2023. On or around October 16, 2023, OHA and UnitedHealthcare met to discuss the issues identified in the resubmission request and clarify steps forward.

On or around October 23, 2023, UnitedHealthcare resubmitted its two Medicare Advantage CGT-1 files for a second time and OHA generated data validation summaries that same day. On or around October 24, 2023, OHA generated a combined data validation summary output combining both UnitedHealthcare Medicare Advantage payers' data. OHA shared this data summary with UnitedHealthcare and held a final validation meeting to review the data output on or around November 1, 2023. Following this meeting, the data were considered validated for the measurement period.

On or around May 9, 2024, OHA notified UnitedHealthcare of the cost growth data that were to be reported publicly in OHA's 2024 Cost Growth Target Annual Report, for the 2021-2022 cost growth measurement period. This report was released publicly on or around May 28, 2024.

OHA identified UnitedHealthcare as having cost growth over the target between calendar years 2021 and 2022 for the following markets: **Medicare Advantage, 6.4%.**

On or around July 25, 2024, OHA notified UnitedHealthcare that it had exceeded the cost growth target for the 2021-2022 measurement period pursuant to OAR 409-065-0035(3).

OHA met with UnitedHealthcare between August-September 2024 to discuss potential reasons for excess cost growth for Medicare Advantage from 2021-2022. See Attachment 1 for meeting dates and participants. Following their reasonableness

meetings, on or around November 1, 2023, UnitedHealthcare provided additional data analysis and documentation to OHA explaining their Medicare Advantage cost growth.

The documentation submitted by UnitedHealthcare included details explaining a misallocation of non-claims dollars in their 2023 data submission that drove their cost growth higher. Non-claims dollars that should have been included in the Medicare/Medicaid Duals line of business were added to the Medicare Advantage-only line of business for the 2022 measurement period.

UnitedHealthcare's summary of this data issue included an updated cost growth figure for Medicare Advantage after correction of this misallocation. The correction brought the payer's 2021-2022 Medicare Advantage cost growth to 4.9%. OHA reviewed the correction made by UnitedHealthcare and generated an updated confidence interval for the new cost growth figure. The lower bound of this confidence interval was still above the target; thus, even with the correction UnitedHealthcare did not meet the cost growth target for 2021-2022.

### **PROPOSED DETERMINATION**

Following a review of CGT data and additional information on health care spending, OHA has determined that UnitedHealthcare's health care cost growth for Medicare Advantage from 2021-2022 was:

- **Not due to acceptable reason(s).** UnitedHealthcare will be held accountable for cost growth in this measurement period.
  - Pursuant to ORS 442.386 and OAR [409-065-0045](#), 2021-2022 will count as one year of excess cost growth in the "at least three out of five calendar years" that trigger a financial penalty.

Please see Attachment 2 for a running summary of UnitedHealthcare's cost growth performance over time.

Dated this 21 day of January 2025.

By:



Sarah Bartelmann, MPH  
Cost Programs Manager  
Oregon Health Authority

## **IMPORTANT NOTICES**

**PETITION FOR RECONSIDERATION:** You may file a Petition for Reconsideration (“Petition”) pursuant to OAR 409-065-0050 within 30 days from the date this proposed order was mailed (See the “Date Mailed” on the first page). The Petition must include the specific grounds for reconsideration, and may be supported by written argument or attachments explaining why you believe OHA erred in its decision. This Petition will initiate an informal review process under OAR 409-065-0050.

The Petition must be submitted via email to [HealthCare.CostTarget@oha.oregon.gov](mailto:HealthCare.CostTarget@oha.oregon.gov).

**NOTICE OF RIGHT TO REQUEST A HEARING:** You are entitled to a hearing as provided by the Administrative Procedures Act (chapter 183, Oregon Revised Statutes), OAR 409-065-0050 and OAR 137-070-0075. You are entitled to be represented by an attorney at the hearing. Legal aid organizations may be able to assist a party with limited resources. The Oregon Health Authority will be represented by an Assistant Attorney General from the Oregon Department of Justice.

To request a contested case hearing, your request must be in writing and must be received within twenty (20) calendar days from the date this Order was personally served, mailed, or electronically transmitted to you, based on the date at the top of this document.

A request sent by U.S. mail is “received” on the date it is postmarked. Your request may also be emailed. Your request should be sent to:

[HealthCare.CostTarget@oha.oregon.gov](mailto:HealthCare.CostTarget@oha.oregon.gov)

or

421 SW Oak Street, Suite 875  
Attn: Cost Growth Target Program  
Portland, OR 97204

If you submit a request for a contested case hearing, you will be notified of the time and place of the hearing. Information on the hearing process will be provided to you in accordance with ORS 183.413(2). Any hearing will be conducted by an administrative law judge from the Office of Administrative Hearings, assigned as required by ORS 183.635.

If you fail to request a hearing within the time allowed, if you request a hearing and subsequently withdraw your request for a hearing, if you request a hearing and fail to appear for the hearing, or if a hearing is scheduled and you later notify OHA that you will not appear at the specified time and place, you will have waived your right to a hearing, and this proposed order will become a final order by default. If OHA issues a final order by default, it designates its file on this matter, including all materials that you have submitted relating to this matter, as the record in this case for purposes of proving a prima facie case.

**NOTICE TO ACTIVE DUTY SERVICEMEMBERS:** Active-duty service members have a right to stay these proceedings under the federal service members Civil Relief Act. For more information contact the Oregon State Bar at 800-452-8260, the Oregon Military Department at 503-584-3571, or the nearest United States Armed Forces Legal Assistance Office through <http://legalassistance.law.af.mil>. The Oregon Military Department does not have a toll-free telephone number.

## Attachment 1: Meeting Dates and Participants

Meeting Date	Participants
August 15, 2024	Sarah Bartelmann (OHA), Sam Smith (OHA), Margaret Munroe (OHA), Ana Morales (UnitedHealthcare), Casey Pham (UnitedHealthcare), Daniel Craig (UnitedHealthcare), Brian Seremet (UnitedHealthcare)
September 20, 2024	Sarah Bartelmann (OHA), Trang Weitemeir (OHA), Casey Pham (UnitedHealthcare), Brian Seremet (UnitedHealthcare)

## Attachment 2: Cost Growth Target Performance Over Time

UnitedHealthcare's Medicare Advantage Cost Growth

Measurement Year	Cost Growth %	Status	Determination
2021-2022	4.9%	Not Met	Not Reasonable