

RAMSEY COUNTY, ST. PAUL

Retirees caught in insurance dispute

HealthPartners has told some UnitedHealthcare members it won't accept coverage as of Jan. 1

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Late last year, when Ramsey County opted to move its retirees into a group plan run by UnitedHealthcare, a for-profit insurance company, former Ramsey County Commissioner Jim McDonough winced.

"I've always been concerned that the for-profit side gets these bids in, and they're cheaper because they deny more claims," said McDonough, who spent more than 20 years in county employ before retiring over a year ago.

Problems quickly materialized, he said, when his cardiologist recommended he visit a sleep specialist. HealthPartners, which runs Regions Hospital and other Twin Cities clinics and hospitals, would not schedule a sleep test for him until the claim was pre-approved by UnitedHealthcare. McDonough, who had spent 13 years on the board of Regions Hospital, was taken aback.

"In the past, if I got a recommendation for a test, I'd just get the test, no issues," he said. "That kind of gave me a red flag that there were some real issues."

Thousands impacted

Those issues have now become public, to the alarm of thousands of retirees across the Twin Cities. HealthPartners notified some 30,000 members of UnitedHealthcare's Medicare Advantage program last month that it will no longer accept their insurance come January. Even long-standing patients who show up willing to pay extra for out-of-network care will be turned away, according to the health care provider.

The news, delivered in a recent letter to thousands of seniors, has startled former St. Paul employees and employees of Ramsey County, the St. Paul Public Schools district and other institutions that bought group plans for their retired members through UnitedHealthcare. The plan insures a total of 2,480 former

Ramsey County workers and their spouses, and 45% of them visited a HealthPartners provider this year, according to data provided by the county.

“Ramsey County understands the importance of retiree access to HealthPartners providers and is committed to providing the best outcome for retirees in the event UnitedHealthcare and HealthPartners don’t reach an agreement for 2025 by Dec. 31,” reads an unsigned statement issued by the county on Wednesday. “We are hopeful both parties reach an agreement that ensures continued network access to the HealthPartners system for seniors, including our Ramsey County retirees.”

Not everyone believes that HealthPartners will follow through with its threat to drop UnitedHealthcare’s Medicare Advantage program. Some believe HealthPartners is using its members as leverage in a difficult negotiation over claim denials and reimbursement rates.

The issues

Among its concerns, HealthPartners has blamed the insurer for rejecting insurance claims at rates up to 10 times higher than other insurance groups.

Brad Jacobsen, secretary of the St. Paul Police Retirement Association, reached out with questions to Nance Lee Mosquera, the city’s benefits manager. She replied in writing: “Actually, negotiations are ongoing. HealthPartners is just trying to add weight to their side of the argument by, frankly, scaring members. Having been in and around the health insurance business for over 30 years, this is not a new tactic. Yet almost always, the parties come to agreement. I would recommend deescalating the rhetoric at this time rather than increasing it. For now, nothing changes.”

In an interview Thursday, Jacobsen said the response rang hollow to him. He’s had retired officers confide in him that HealthPartners — which has served a large percentage of city retirees “since forever” — has recently demanded pre-approval for tests and treatment related to blood disorders and serious eye conditions.

Haggling with UnitedHealthcare over claim details has sometimes taken months.

”It’s been a nightmare for some people,” Jacobsen said.

Given his own experience trying to get tests scheduled, McDonough said he isn’t so sure the city benefits manager is right, either.

“I think there’s some foundational things that are bigger than a spat between two health care organizations,” he said. “I’m not sure it’s going to blow over. I’ve had my doctor and cardiologist for years.”

UnitedHealthcare responds

UnitedHealthcare, a multi-national, for-profit, publicly traded company based in Minnetonka, has denied several of HealthPartners’ allegations, and cast doubt that patients won’t be seen if HealthPartners goes out of network.

They’ve encouraged patients to confer directly with their physician to determine if they’ll still be seen after Jan. 1.

“People enrolled in our Group Retiree Medicare Advantage PPO plans may still receive care from HealthPartners should they leave our network,” reads a statement issued this week by UnitedHealthcare. “Their share of the cost will be the same in most instances as if the provider was part of the network. ... The vast majority of providers nationwide that don’t participate in our Medicare Advantage network agree to provide care for people enrolled in (the PPO).”

UnitedHealthcare officials have said they’ll use the next few months remaining in their contract with HealthPartners to try to reach an agreement that ensures Medicare Advantage members have full access to Regions Hospital and other HealthPartners sites.

An independent broker weighs in

Confused?

So are thousands of seniors caught in the middle of the back-and-forth between two sizable health care corporations. Will they continue to have access to their HealthPartners doctors and specialists next year or not? If out-of-network costs balloon for them, how much extra will that cost them?

Those answers are not readily apparent, but the questions have raised the hackles of scores of seniors, some of whom dedicated decades of service to public employers like Ramsey County and the St. Paul school district. Both institutions have been largely at a loss for how to respond, with officials noting they had no advance knowledge of the problem.

“It is very disturbing that UnitedHealth has treated health care in this manner,” wrote a Ramsey County retiree, in a recent email. “The fact that we will be excluded from care at Regions Hospital, a major trauma center, is also disconcerting.”

Another Ramsey County retiree wrote, “We will all lose access to doctors, many of them we’ve been seeing for over 20 years. Both my wife and I have serious health issues and are seeing specialty care physicians in the HealthPartners network, to which we will no longer have access.”

Allison DeWitt, founder of the independent health care insurance brokerage M/Y Shoreline in Excelsior, said she represents some clients who have bought Medicare Advantage plans through UnitedHealthcare, but not many, and there’s a good reason for that.

Historically, health insurance in Minnesota had been dominated by four nonprofit insurance carriers: UCare, Medica, Blue Cross and HealthPartners. National health insurance carriers like UnitedHealthcare entered the Minnesota market after the Republican-controlled Legislature lifted the state ban on for-profit health insurance in 2017.

The larger carriers “are new and they are for-profit,” DeWitt said. “They have very different methods for how they determine ‘medically necessary’ for their providers. They give a really short window to Park Nicollet or Regions Hospital to respond. I think that window is a few days. And if they don’t get that response within a few days, they say, ‘No, we’re not going to insure this.’ ... We really haven’t done a lot with them because of that kind of feedback.”

DeWitt called it unlikely that HealthPartners would drop long-standing patients entirely if the divorce from UnitedHealthcare goes through, but prices could indeed go up for subscribers if their insurer is deemed out-of-network come January.

“Medicare Advantage plans have a network, just like any commercial plans have a network,” she said. “The network is ultimately saying, ‘What is that member going to have to pay?’ Park Nicollet is not going to say we’re not going to treat you. But it’s going to cost (the subscriber) more if they have that same plan.”

Can retirees in group plans go it alone?

Some retirees who were effectively absorbed into UnitedHealthcare’s group plan by their employer may choose to enter the private market on their own and pick a different plan during open enrollment, which DeWitt said could sometimes be surprisingly cost effective.

“There’s other (health insurance) options where they can maintain a high level of coverage and not pay a lot more for their health plan,” she said.

That said, a retiree would be wise to check if they've already paid into a health reimbursement fund or another employer-driven fund that is now covering some or all of their health insurance costs in retirement.

In that case, they'd really have to do the math and calculate their best options during the open enrollment period. Employers like Ramsey County and St. Paul Public Schools may have to do the same and consider switching insurers. DeWitt said while UnitedHealthcare's administration of its Medicare Advantage program has earned it a bit of a reputation in Minnesota, other Medicare Advantage programs administered by local, nonprofit insurers have shown promising results.

"Any employer can ultimately choose to offer group supplemental Medicare coverage for their employees," she said. "Now Ramsey County is going to have to say, 'What do we want to do? Are we going to shift, or stick with UnitedHealthcare?' And then it's up to those retirees to decide whether to stay with that or go into the private market. Sometimes they'd be better off going into the private market ... (because) the employer version is more expensive."

In other words, she said, "members have the right to choose, and they should shop and compare."