



NEWS

Jan. 31, 2008

FOR IMMEDIATE RELEASE

Media contact: Kerry O'Connor (816) 932-8646, pager (816) 440-0001

Saint Luke's Health System announces intention to terminate United Healthcare contract

Goal is to help employers, benefits consultants, and brokers avoid network disruption

KANSAS CITY, Mo. – Saint Luke's Health System intends to terminate its provider network contract with United Healthcare (UHC) effective Feb. 28, 2009. The health system issued notice of its intent to United Healthcare on Jan. 28 and issued notice to the business community today. Saint Luke's Health System gave the one-year advance notice of its intentions in order to help brokers, benefits consultants, and affected employers best serve their clients and employees.

According to G. Richard Hastings, president and CEO of Saint Luke's Health System, Saint Luke's hospitals and employed physicians hope to allow those who want to be certain these providers are in their insurance network enough time to make alternative arrangements and not be caught mid-cycle without the providers they want in their network.

"Our mission is based on providing cost-effective, quality care to the communities we serve. Today's action is really about our desire to continue to provide care to our patients. The goal here is to help our community plan ahead so patient care is not put in the middle of payer / provider negotiations. We hope to help the business community avoid unnecessary disruption of their health care – which typically happens when plans change providers mid-year or mid-cycle," Hastings said.

"At this time, Saint Luke's Health System is unable to cover the cost of providing care to United Healthcare enrollees. With this advance notice, our hope is that patients may avoid disruption of service and maintain continuity of care in the established physician–hospital relationships they have with us," he added.

The termination would include United Healthcare's commercial HMO, Point of Service, and PPO networks.

The announcement does not immediately impact patients with United Healthcare insurance plans. Patients may remain with Saint Luke's Health System contracted physicians and hospitals during 2008 and until the actual planned termination date of Feb. 28, 2009.

Hastings also cited a desire to maintain quality of care as a reason for the action. "The reimbursement rates Saint Luke's Health System entities receive from United Healthcare are not consistent with other payers according to network, product make up and volume to our health system," he said. "Saint Luke's cannot afford to remain with United Healthcare at these rates. As a national quality leader, Saint Luke's isn't interested in reducing its level of patient service in order to maintain an insurance contract that doesn't cover the cost of providing full-service, high quality care - the only kind we strive to provide" he continued.

Patients covered by United Healthcare represent 5.9 percent of Saint Luke's Health System's total reimbursement from all patients, and 12.9 percent of its reimbursement from managed care payers.

Saint Luke's service to the community began 126 years ago with the founding of its flagship facility in Kansas City, Mo. With a commitment to meet the needs of the growing community, Saint Luke's embarked on a strategic expansion plan and now serves patients in multiple locations.

The Saint Luke's Health System entities impacted include: Saint Luke's Hospital of Kansas City (Missouri), Saint Luke's Northland Hospital, Barry Road and Smithville campuses (Kansas City, Missouri), Saint Luke's South (Overland Park, Kansas), Saint Luke's East – Lee's Summit, Saint Luke's Cancer Institute, Saint Luke's Home Care & Hospice, Anderson County Hospital (Garnett, Kansas), Cushing Memorial Hospital (Leavenworth, Kansas), Hedrick Medical Center (Chillicothe, Missouri), Wright Memorial Hospital (Trenton, Missouri), Saint Luke's Medical Group, and all physicians employed by Saint Luke's Health System. Crittenton Children's Center would not be impacted by the termination.

As a not-for-profit organization, resources are invested in patient care, services, technology, world-class research, and education. Because Saint Luke's Health System provides care regardless of a patient's ability to pay, we absorb a high amount of costs for charity care provided.

Saint Luke's Health System is well known for its quality performance and leadership. Saint Luke's Hospital, the health system's flagship facility, was among the first hospitals in the country to receive the Malcolm Baldrige National Quality Award, the nation's highest honor for quality performance. In 2007 the health system's cardiology, neurology and neurosurgery, and gynecology programs were included in *U.S. News & World Report's* top hospital listings. Saint Luke's Hospital is a three-time winner of the Missouri Quality Award, and the health system received the award in 2007. For more information visit saintlukeshealthsystem.org.

Saint Luke's Health System consists of 11 area hospitals and many primary care practices, and provides a range of inpatient, outpatient, and home care services. Founded as a faith-based,

not-for-profit organization, our mission includes a commitment to the highest levels of excellence in health care and the advancement of medical research and education. The health system is an aligned organization in which the physicians and hospitals assume responsibility for enhancing the physical, mental, and spiritual health of people in the metropolitan Kansas City area and the surrounding region.

###