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Survey of Hospital Execs Reveals Stark Differences Among Health Insurance Companies

NOTE: Graphics and fact sheet available by contacting ekoch@daviespublicaffairs.com.

Santa Barbara, CA (March 6, 2008) – DAVIES, the third largest public affairs agency in the U.S., today released the results of its second annual National Payor Survey of hospital executives. The survey measured hospital executives' perceptions of the nation's largest health insurance companies. The only one of its kind in the country, the survey targeted hospital leaders who negotiate contracts with major health insurance companies – hospital CEOs, CFOs, and directors of managed care. Participants represented more than 10% of the hospitals in the U.S.

Although many Americans seem to regard health insurance companies as equally objectionable and unresponsive, the DAVIES survey revealed that one insurer generated particularly intense feelings among hospital executives. A full 91% of those surveyed indicated an unfavorable opinion of United Healthcare. This compares with an average unfavorable rating of 41% among all other insurers in the survey. Last year's survey reached a similar conclusion with 87% of participants ranking United as "difficult" or "very difficult" to deal with.

"The striking thing is that United was not the largest payor in terms of revenue for the average hospital, and its reimbursement rates were not significantly lower than other major payors," said Brandon Edwards, President/COO of DAVIES. "All insurance companies are big and most are regarded as tight-fisted by providers. But the survey indicates that United takes things to a different level: providers see them as untrustworthy and dishonest. This was an unanticipated finding."

The survey gathered data on hospital leaders' opinions on the six largest health insurers or insurer groups in the nation: United, CIGNA, Aetna, Coventry/First Health, Wellpoint/Anthem, and the local state or regional independent non-profit Blue Cross or Blue Shield plan. Participants were asked to rate insurance companies on more than a dozen categories, from image and reputation to detailed contract negotiation and claims processing issues. The survey was anonymous to protect hospitals from retaliation by payors who may not have appreciated the criticism.

In every single category, United Healthcare ranked worst among the major payors. Survey respondents said United had the worst reputation for dealing with hospitals; paying hospitals promptly; and reducing hospital paperwork. The nation's largest health insurer was also the most difficult to deal with in contract negotiations and had the worst reputation for honesty and candor, according to respondents.

Nathan Kaufman, a national healthcare strategy consultant and managing director of Kaufman Strategic Advisors, remarked, "When you have survey data that are this conclusive, you've got to question whether it is a deliberate business practice to disregard the needs of the providers of care. Most negotiations between health plans and providers take place behind closed doors. So this survey reveals payors through the eyes of the people who know how they act when no one is watching: the hospitals that deal with them every day."

For hospitals and health providers, the survey provides valuable data they can use before entering into a contract or a contract negotiation with a health insurance company. For employers selecting a health plan to cover their employees, this data helps reveal whether the doctors and hospitals they are paying to access will be reliably available.

Other results of the survey included that hospitals most-frequently negotiate contracts with their state or regional Blue Cross Blue Shield (22%) followed by WellPoint/Anthem (17%) and United (16%). Hospitals' top business objective was, not surprisingly, increasing rates with their payors, followed by faster and more accurate claims processing. The complete survey results are available online at www.daviespublicaffairs.com or by contacting ekoch@daviespublicaffairs.com.

About DAVIES

DAVIES is a public affairs firm that utilizes highly-targeted grassroots and communication programs to influence the outcome of defining, high stakes, and controversial issues for clients who need to win. In 2006 and 2007, DAVIES earned two distinguished national awards, The Public Affairs Agency of the Year and The Best Agency to Work For by The Holmes Report. The firm offers three specialized industry practice groups – Healthcare, Real Estate, and Energy & Natural Resources – and operates from offices in Washington D.C., Santa Barbara, Los Angeles, and Sacramento. The firm has been in business for 25 years and can be found online at www.DaviesPublicAffairs.com

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