



June 3, 2021

David Altmaier  
President, National Association of Insurance Commissioners  
444 North Capitol Street N.W.  
Suite 700  
Washington, D.C. 20001

Delivered via email

Dear Mr. Altmaier:

On behalf of the National Independent Laboratory Association (NILA) and American Hospital Association (AHA), we write today to bring your attention to deeply concerning actions by UnitedHealthcare (UHC) to implement a new plan benefit design that will mislead patients and limit access to needed laboratory services. UHC's Designated Diagnostic Provider (DDP) program, while couched in the terms of efficiency and quality, effectively creates a tiered benefit design under which patients would be unable to access services provided by in-network hospital and independent laboratories. Under this benefit design, UHC would effectively eliminate coverage for diagnostic tests at all independent and hospital laboratories, including those within its network, unless the facilities agree to participate in the DDP program. To date, UHC has only announced its intention to implement this plan design at the state level, subject to approval by state insurance regulators. For that reason, we urge the attention and opposition of the National Association of Insurance Commissioners (NAIC) and insurance commissioners in all states to implementation of this plan design.

Earlier this year, UHC [announced](#) that it would implement the DDP with the purported goal of reducing member cost and improving transparency. Under this program, UHC will only cover outpatient laboratory services delivered by independent or hospital laboratories that apply for and are accepted into the DDP. Per UHC, outpatient laboratory services from non-designated diagnostic providers, or those that do not apply for the program or are otherwise not accepted, will remain "in-network" with UHC but will, nonetheless, be denied as non-covered or covered at the lowest available tier for patients with health plans that include the DDP plan design. In doing so, UHC will create a product in the fully insured health plan market that will limit access to needed laboratory services, create unnecessary administrative burden on independent and hospital laboratories, and confuse patients whose claims for laboratory services may be denied despite being conducted by an in-network provider.

Because this benefit design currently only applies to UHC's fully insured health plan portfolio, the apparent misleading nature of this program and its negative impacts on patients should be of immediate

concern to NAIC and state insurance commissioners. The DDP program is likely to have negative network adequacy implications. As you know, network adequacy is among the core consumer protections required of health plans sold on the Health Insurance Marketplaces. Patients seek care from in-network providers because they understand that this care will be covered by their plan and, frequently, in-network status is a deciding factor for where patients obtain laboratory services. Under the program, UHC will list laboratories as “in-network” but, in reality, the services provided by non-DDP laboratories may not be covered. This designation will confuse patients and ordering clinicians, while also limiting patient access to independent and hospital laboratories who are contracted with UHC as in-network providers. We believe the plan design will mislead patients and introduce a product without the necessary transparency to patients or ordering clinicians. As a result, the DDP program is certain to result in unexpected bills for patients who will have sought services from an in-network provider but learn later that the provider was “in-network” in name only. The DDP program essentially creates a new, more limited network by another name, from which patients will receive unexpected medical bills despite having received services at an in-network laboratory. The DDP program undermines state and federal efforts to mitigate surprise billing and will expose patients – even those who seek services from an in-network provider – to unexpected costs.

NILA and AHA urge NAIC to oppose the implementation of the DDP policy and urge state insurance commissioners to disallow implementation of the DDP program in products they oversee. We appreciate your consideration of this matter. Please do not hesitate to contact either Becca Branum of NILA at [bbranum@dc-crd.com](mailto:bbranum@dc-crd.com) or Terrence Cunningham of the AHA at [tcunningham@aha.org](mailto:tcunningham@aha.org) if you have any questions.

Sincerely,

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Executive Director  
National Independent Laboratory  
Association

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Development  
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CC:  
Michael Consedine  
Andrew J. Beal