

Harry Nelson Quoted in HealthLeaders Media Article “UnitedHealth’s Likely HIX Exit Not a Death Knell”



The December 9th article from HealthLeaders Media titled [“UnitedHealth’s Likely HIX Exit Not a Death Knell”](#) by Rene Letourneau discusses the change of direction for the nation’s largest health insurer and an alarming harbinger for the marketplace, UnitedHealth Group has sent up signals that it may exit the public health insurance exchanges for 2017.

Citing big losses, the insurance giant in November reported that it had lost \$425 million from health plans sold on the exchanges and had scaled back its marketing efforts for these products in 2016 while it reevaluates their viability.

The company also revised its 2015 net earnings to \$6.00 per share, down from \$6.25 to \$6.35.

Announcement Not a ‘Bellwether’

[Harry Nelson](#), founder and managing partner at Los Angeles-based law firm [Nelson Hardiman, LLP](#), says that while UnitedHealth’s announcement is getting a lot of press, it does not necessarily bode badly for the marketplaces in general.

“United, among all of the national payers, has pursued a different strategy from the start and was the least invested of the big plans in the exchange population and the least willing to take risk,” Nelson says.

“I don’t see it as a bellwether. Other plans seem to be much more invested, even if this market turns out to be a loss leader, within limits. It would be a much bigger deal to see one of the big invested plans exit, but I think it’s way too early for that.”

Over the past decade or so, Nelson says, UnitedHealth has aggressively developed other business lines—such as Optum, its healthcare data, analytics, pharmacy care services, and consulting company—making it far less interested than other insurers in working with exchange populations.

“On the highest level, all the plans have a distinct strategy of how they are going to try to manage their business risk and growth... United has a broader range of products and services and is not as purely focused on health insurance markets like the other big carriers,” Nelson says.



“My take on it is that as a result, United is more conservative about taking on risk than some of the other plans. It’s not a core part of their strategy to participate in the exchanges.”

[FULL ARTICLE](#)

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