

# UnitedHealth Premium<sup>®</sup> Cost outliers

Use this document with the UnitedHealth Premium<sup>®</sup> methodology documents at [unitedhealthpremium.uhc.com](https://unitedhealthpremium.uhc.com). Please review all methodology documents to understand the entire Premium methodology.

## Overview

Premium excludes patient and episode cost outliers in the efficient quality care and total cost of care evaluations.

## Patient annual cost

### Removing low outliers

Patients with an annual cost (before risk-adjustment) below the Premium specialty-specific low-trim point are removed. Low-trim points are calculated for each Premium specialty for patients with and without pharmacy costs included. All remaining patient annual costs (after risk-adjustment) are ordered from low to high within the treatment set and converted to percentiles. Patient annual costs within the treatment set at or below the 2.5th percentile are removed.

### Addressing high outliers

Patient annual costs are removed when the patient's risk score falls below the specified low-risk score threshold for the physician's Premium specialty. This is done to remove risk-adjusted costs that are significantly higher than the weighted-average risk-adjusted cost for the Premium specialty. High patient annual cost outliers are further addressed using percentiles. Converting costs to a uniform scale effectively caps any remaining high outliers, since no cost can have a percentile greater than 99.9999.

## **Patient episode cost**

### **Removing low outliers**

Episodes with a cost less than the episode-specific low-trim point are removed. Low-trim points are calculated for each episode category, which is the combination of the condition or procedure, treatment (e.g., with or without surgery/active treatment) and severity level. Every episode category is evaluated to determine the minimum-level critical procedures or activities. These can vary from a low-level established office visit to a Diagnosis-Related Group (DRG) code for a hospital admission.

All remaining patient episode costs are ordered from low to high within their respective treatment set and converted to percentiles. Patient episode costs within the treatment set at or below the 2.5th percentile are removed.

### **Addressing high outliers**

High episode-cost outliers are addressed using percentiles. Converting costs to a uniform scale effectively caps any high outliers, since no cost can have a percentile greater than 99.9999.

## Important notes about UnitedHealth Premium

The information from UnitedHealth Premium is not an endorsement of a particular physician or health care professional's suitability for the health care needs of any particular member. UnitedHealthcare does not practice medicine nor provide health care services. Physicians are solely responsible for medical judgments and treatments supplied. A Premium Care Physician designation does not guarantee the quality of health care services members will receive from a physician and does not guarantee the outcome of any health care services members will receive.

The fact that a physician doesn't have a Premium Care Physician designation doesn't mean the physician doesn't provide quality health care services. All physicians in the UnitedHealthcare Network have met certain minimum credentialing requirements. Regardless of whether a physician has received a Premium Care Physician designation, members have access to all physicians in the UnitedHealthcare Network as described under the member's benefit plan.

There are various reasons why a physician may not be designated as a Premium Care Physician. A physician may not receive a Premium Care designation because that physician has not been evaluated for a Premium Care designation. This occurs when a physician does not practice in a specialty that is evaluated by Premium, or when a physician's evaluation is in process. It also occurs when a physician does not have enough health plan claims data to be evaluated, but it is not an indicator of the total number of patients treated by the physician or the number of procedures performed by the physician. Rather, it reflects the statistical requirements of Premium, which includes only health plan claims associated with specific Premium measures and relevant to the physician's specialty. In some cases, there may not be enough data to complete the analytic process from a statistical standpoint.

**UnitedHealthcare informs members that designations are intended only as a guide when choosing a physician and should not be the sole factor in selecting a physician. As with all programs that evaluate performance based on analysis of a sample, there is a risk of error.** There is a risk of error in the claims data used in the evaluation, the calculations used in the evaluation, and the way Premium determined that an individual physician was responsible for the treatment of the patient's condition. **Physicians have the opportunity to review this data and submit a reconsideration request.**

UnitedHealthcare uses statistical testing to compare a physician's results to expected or normative results. There is a risk of error in statistical tests when applied to the data and a result based on statistical testing is not a guarantee of correct inference or classification. We inform members that it is important that they consider many factors and information when selecting a physician.

**We also inform our members that they may wish to discuss designations with a physician before choosing them, or confer with their current physician for advice on selecting other physicians.**

The information contained in this document is subject to change.

**Learn more**

**UnitedHealth Premium | [unitedhealthpremium.uhc.com](https://www.unitedhealthpremium.uhc.com)**

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