

# **EXHIBIT 1**

Plaintiffs' Opposition to Defendant's Motion for  
Judgment on The Pleadings

# **Patients in limbo after Carolinas Healthcare, UnitedHealthcare contract expires**

The contract between Carolinas Healthcare System and UnitedHealthcare expired Saturday night, leaving thousands of Charlotte-area residents uncertain about where to get medical care and how their bills will be paid.

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The contract between Carolinas Healthcare System and UnitedHealthcare expired Saturday night, leaving thousands of Charlotte-area residents uncertain about where to get medical care and how their bills will be paid.

UnitedHealthcare issued a statement that, effective Sunday, all Carolinas HealthCare facilities and physicians are “now out of network” for United Healthcare customers, including employees at Duke Energy, one of the Charlotte area’s largest employers.

“We understand and appreciate how disruptive it can be when a hospital or doctor stops participating in our network,” said UnitedHealthCare spokeswoman Tracey Lempner.

But Carolinas HealthCare officials said they’ll continue billing United members as “in-network” patients for at least a couple more months. It’s unclear how this will work, but hospital system officials said patients who have questions should call a hospital system hotline.

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Lempner said the organization hasn’t been notified of Carolinas HealthCare’s plans to charge UHC clients as in-network for the next couple of months. But from UnitedHealthcare’s perspective, “our contract expired so they’re out of network.

“We don’t know how they’re going to continue to charge members in-network or how they’re going to operationalize that,” she said.

Negotiations between the insurance company and the hospital system had been in progress for months, and in January, UnitedHealthcare began notifying its customers and brokers of the potential that a new contract might not be reached.

UnitedHealthcare has said the hospital system “wants to be paid up to 150 percent more than other hospitals in the Charlotte area for providing the same services.”

The organizations’ failure to reach an agreement affects 12 Charlotte-area hospitals in the Carolinas HealthCare and many doctors’ offices that serve the nearly 80,000 Charlotte-area members covered by UnitedHealthcare.

UnitedHealthcare members with Medicare supplement plans are not affected, because they are allowed to go to any doctor. Medicare Advantage participants are affected, because they become out-of-network.

Although UnitedHealthcare members are now technically out-of-network for Carolinas Healthcare facilities and doctors, hospital system spokeswoman Amy Murphy said the system has decided to extend temporary waivers to UnitedHealthcare clients so they’ll be billed as if they were in-network.

“CHS is reaching out to patients above and beyond what is required,” she said.

But the waiver doesn't cover everyone.

The waiver applies to patients with appointments at doctors' offices in the Charlotte market during March and April (except for Medicare Advantage patients) and for patients receiving treatment at Carolinas HealthCare hospitals in the Charlotte market at least through May 30. The waiver doesn't apply to Carolinas HealthCare hospitals outside the Charlotte area.

United Healthcare has had a contract with Carolinas HealthCare for more than a decade. Last year, it renewed a contract with Novant Health, the Winston-Salem-based company that owns four hospitals in Mecklenburg County.

Concord resident Trey O'Neale said his family had been watching the negotiations because of his wife, Stacey, works at Duke Energy, which uses UnitedHealthcare.

He said company officials assured its employees on an internal Web portal that they should get treatment if they needed it and that the company was working on reaching a resolution.

But that was of little consolation, he said, when he woke up Sunday morning to find that his wife's blood pressure was hovering around dangerous levels.

"I'm a very frustrated husband with a wife whose blood pressure spiked today," he said.

Ultimately, the couple ended up going to an urgent-care facility associated with Carolinas Healthcare System.

"We'll deal with the consequences whenever we need to deal with it, but your health is the most important thing," O'Neale said.

O'Neale said he's frustrated that news of these negotiations came only after open enrollment had ended at Duke Energy and that employees like his wife are "paying a premium for UHC and now (are) without access to the largest physician and hospital network in the hometown of Duke Energy."

He called on Duke Energy to re-open enrollment for those employees who made their insurance decisions without all of the information last fall, especially if negotiations between the two organizations don't continue.

"The employees have been left in a complete bind with no way out," said O'Neale.

Lempner expressed optimism that UnitedHealthcare and Carolinas Healthcare will continue negotiations this week.

"We are hopeful that they will agree to resume negotiations Monday," said Lempner. "We remain committed to working with CHS in finding an acceptable solution that would renew their participation in our network and deliver meaningful value to the patients we collectively serve."

Staff reporter Karen Garloch contributed

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