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UnitedHealth Will Speed Payments to Doctors, Hospitals

Insurer aims to fast-track about \$2 billion next week to ease cash crunch tied to drop-in regular care



Insurer UnitedHealthcare covers about \$150 billion a year in health-care costs, said John Rex, the chief financial officer of its parent, UnitedHealth Group.

PHOTO: LUCY NICHOLSON/REUTERS

By Anna Wilde Mathews

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UnitedHealth Group Inc. [UNH](#) is accelerating payments to doctors and hospitals, starting with about \$2 billion over the next week, to ease a cash crunch that has led some health-care providers to furlough workers amid the coronavirus pandemic.

The move by the biggest U.S. insurer to hasten claims payments, which it said would last for the duration of the crisis, could shave weeks off the time it takes for some providers to get paid for a service. Typically, contracts allow for payment within 30 days, the company said.

Some health-care providers “are under a lot of financial stress,” said John Rex, the chief financial officer of UnitedHealth Group, the parent of insurer UnitedHealthcare. “We want these providers to be there for the necessary care that should be occurring right now,” he said, adding that UnitedHealthcare covers about \$150 billion a year in health-care costs. The payment acceleration applies to a broad range of health-care providers, including doctors and hospitals.

The move comes after the American Hospital Association asked insurers in a letter last week to provide financial support through advanced or accelerated payments.

Doctors and hospitals are under financial pressure because many are seeing a sharp drop-off in regular visits, emergency-room trips and surgeries essential to their bottom lines. Hospitals have canceled many procedures to clear out space and preserve scarce protective gear, as they brace for an influx of patients infected by the new coronavirus.

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But in many parts of the country, a surge hasn't yet hit, leaving operating rooms empty and staff idled. Doctors are doing some appointments remotely through telemedicine but have still seen a falloff in visits.

Other insurers have also said

they would bolster financial support for hospitals and doctors. Blue Shield of California said it is working to offer financing guarantees, advance payments and restructuring of some contracts. [Humana](#) Inc. said it is expediting its claims processing, among other steps.

But in its own letter sent Monday to AHA, America's Health Insurance Plans, a group representing insurers, said its members were working to support hospitals and consumers but stopped short of broadly promising financial help. The group said insurers were likely to face huge costs tied to covering treatment for Covid-19, the illness tied to the new coronavirus. They also may see membership shrink, as people lose their job-based insurance.

Still, analysts say, insurers should see at least a short-term windfall from the widespread cancellation of surgeries, since they won't have to pay for such procedures that they would normally cover.

Hospitals, for their part, are likely to see significant help from the most recent federal stimulus package, which includes a \$100 billion fund for hospitals and other health-care providers.

UnitedHealth said it is also offering as much as \$125 million in loans to health-care providers in which it owns a stake.

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