

ATTACHMENT A.IV. ORGANIZATIONAL CONFLICT OF INTEREST DISCLOSURE UNITEDHEALTHCARE OF KENTUCKY, LTD

UnitedHealthcare of Kentucky, LTD (“UnitedHealthcare”) is responding to Request for Proposal 758 1900000093 For Medicaid Managed Care Organizations – All Regions issued by the Commonwealth of Kentucky’s Cabinet for Health and Family Services, Department for Medicaid Services (the “Department”).

RFP 758 2000000202 sets forth an obligation to disclose any Conflicts of Interest. Vendor is aware of one relationship that could present an appearance of a conflict of interest as described in the RFP.

Accordingly, UnitedHealthcare sets those forth below and submits this Organizational Conflict of Interest (“OCI”) Disclosure Statement (“Disclosure”) to provide assurance to the Department that an award to UnitedHealthcare under this RFP will neither create an actual nor potential OCI. This Disclosure is organized to describe; (1) the relevant business interest of UnitedHealthcare and its affiliates, (2) UnitedHealthcare’s analysis of conflicts as they may relate to the proposed work under this RFP, and (3) UnitedHealthcare’s analysis of personal conflicts of interest (“PCI”).

I. UnitedHealthcare’s Affiliate Interests

UnitedHealthcare is part of UnitedHealth Group, Incorporated (“UHG”), a diversified health and well-being company dedicated to improving the health care system in the United States. UHG is organized into six (6) businesses. Three (3) businesses—UnitedHealthcare Employer & Individual, UnitedHealthcare Medicare & Retirement, and UnitedHealthcare Community & State—provide network-based health care benefits and related services under the “UnitedHealthcare” brand. The other three (3) businesses operate under the “Optum” brand and include OptumHealth, OptumRx, and OptumInsight. The Optum businesses offer health technology and innovation support services. Although UHG provides certain shared services across the enterprise, UnitedHealthcare and Optum operate as separate businesses with separate operational structures and separately reported financial results.

The Optum business that is relevant for discussion in the context of OCIs is as follows:

- Optum Insight’s Payment Integrity (“Optum”) Contract with the Department.
- Optum is currently the Department’s Medicaid Recovery Audit Contractor (“RAC”) performing audit and collection services in connection with both Medicaid FFS and managed care claims under Contract MA 758 170000948 1 (the “Contract”).

The Disclosure related to OptumInsight is set forth below.

II. UnitedHealthcare’s Organizational Conflict of Interest Analysis

For purposes of its conflicts of interest analysis, UnitedHealthcare refers to the Federal Acquisition Regulation Part 9.5, which defines three (3) types of OCIs that are recognized and commonly accepted by many states. Upon review, UnitedHealthcare is not aware of any facts or circumstances that would create an actual OCI if UnitedHealthcare were to be awarded a contract under the RFP. To the extent that a potential OCI may be created, UnitedHealthcare has implemented measures designed to effectively mitigate those OCIs or explained why those OCIs are not significant enough to warrant mitigation. These conclusions are based upon the following:

A. Biased Ground Rules

A Biased Ground Rules OCI arises where a company, as part of its performance of a government contract, sets the ground rules for a later government procurement by, for example, writing the statement of work or the specifications. The primary concern is that the company could create an unfair competitive advantage by biasing the competition in favor of itself or its affiliates.

Neither UnitedHealthcare nor its affiliated companies has engaged in the development of this RFP or in assisting the Department in the procurement represented in the RFP. According no Biased Ground Rules OCI exists.

B. Impaired Objectivity

An Impaired Objectivity OCI most commonly occurs when a company's work under one government contract could require the company to evaluate work that the company itself or its affiliates performed under a separate government contract. The primary concern is that the company's ability to render impartial advice to the government could be impaired, where the advice involves the use of subjective judgment, and where the advice could affect the economic interests of the company, as broadly construed.

According to the RFP Scope of Work ("SOW"), UnitedHealthcare as the Contractor would not evaluate the performance of its affiliates or its affiliates' competitors as Medicaid Managed Care providers in the State. Therefore, a conventional Impaired Objectivity OCI does not exist.

As identified in Section I, UnitedHealthCare's affiliates, Optum is presently providing the Commonwealth with Medicaid Recovery Audit Contractor ("RAC") Services. Under this Contract, OptumInsight performs post payment reviews that include auditing and recovery services for both Medicaid Fee-for-Service and Managed Care claims. One might be concerned that if UnitedHealthcare was awarded a contract under this RFP and Optum continued to provide Medicaid RAC services to the Department, this situation could give rise to an Impaired Objectivity OCI. **However, Optum's Contract is set to expire in April 2020, and Optum does not intend to rebid these services. Therefore, the risk of any Impaired Objectivity OCI is avoided.**

Finally, through the performance of the work under the SOW, UnitedHealthcare has no way in which to exercise subjective judgment that would effectively impact the economic interests of its affiliates. For all these reasons, no Impaired Objectivity OCI of any kind exists.

C. Unequal Access to Information

An Unequal Access to Information OCI exists where a company has access to non-public information as part of its performance of a government contract and that information may provide the company with an unfair competitive advantage in a later competition for a government contract.

UnitedHealthcare has not had access to non-public information that would give it an unfair competitive advantage in competing for an award under this RFP. However, if UnitedHealthcare were awarded the contract, it would have access to non-public Medicaid information such as claims and enrollment data, State contract and business relationship information, and State budget and health care strategic planning information. One might be concerned that if UnitedHealthcare inadvertently shared this information with any of its UHG affiliates, it could provide a competitive advantage in future bid opportunities with the Department. However, UnitedHealthcare has, in the normal course of its business, implemented several effective

measures that are designed to protect nonpublic confidential information to prevent any UnitedHealthcare affiliate from gaining unauthorized access, thereby prospectively preventing the potential for any Unequal Access to Information OCI. These measures include:

- *Information and Security Firewalls:* UnitedHealthcare has established effective firewalls to prevent unauthorized use or disclosure of protected information and to guard against the risk of even inadvertent disclosure of such information. These firewalls provide an information barrier between UnitedHealthcare and other business units and employees of UHG.
- *Separate Staffing:* The personnel that UnitedHealthcare uses for this contract are separate and distinct from the staffs used by its affiliates. There is no overlap of staffing in this regard between the very separate businesses
- *“Need-to-Know” Policy:* Maintaining the confidentiality of non-public confidential information is at the core of UnitedHealthcare’s business. UnitedHealthcare’s employees operate on a “need-to-know” policy which means that individual employees have access to confidential information only where the employee need to know that information in order to perform his/her work of a specific project that which the employee is assigned. In other words, access to non-public data and the servers in which they reside is restricted to authorized individuals based on job function and business requirements. This policy is applicable across the UHG enterprise and violations could result in consequences such as termination of employment.
- *Contractual Non-Disclosure Obligations:* UnitedHealthcare understands that its employees and subcontractors are responsible to sign and adhere to a confidentiality statement/non-disclosure agreement and Optum is required to enter into a HIPAA Business Associate Agreement, both of which provide further mitigation against an actual Unequal Access to Information OCI.

III. UnitedHealthcare’s Personal Conflict of Interest Analysis

UnitedHealthcare conducted a robust review via the UHG Conflicts of Interest and other internal Databases and determined that no employee disclosed a relationship with the Department or its officials based upon the lists reviewed. UnitedHealthcare is not in a position, however, to determine whether any UHG employees have a relationship with the relatives of any person employed by the Department.

No Department officials or their relatives would hold a relevant ownership interest in any UHG business since the relevant UHG companies are wholly-owned and their ultimate parent company is publically traded.

IV. Conclusion

For all the foregoing reasons, an award of a contract to UnitedHealthcare under this RFP would not create any actual or potential OCI. The facts, circumstances, and measures described above and attached hereto prevent and mitigate any OCI that may be perceived to exist.

UnitedHealthcare understands that is under a continuing obligation to provide assurance to the Department that no OCI exists. In the event of a change to facts that would give rise to a potential OCI during the performance of the contract, UnitedHealthcare will promptly disclose such circumstances to the Department along with a mitigation plan, and UnitedHealthcare would be ready to discuss any additional mitigation efforts which the Department may deem additionally necessary.