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## United HealthCare: the hidden giant of Baltimore

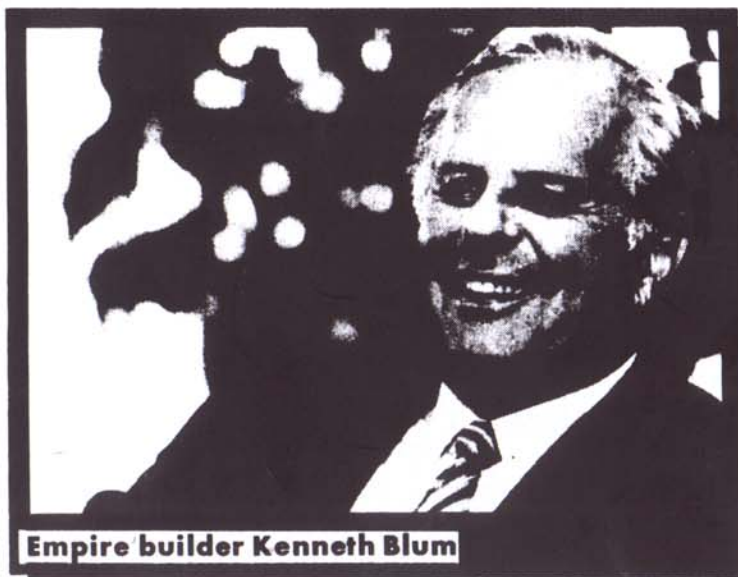
By Alex Montague

United HealthCare Inc. doesn't blanch at making the kind of brash statements one might expect from an upstart company trying to start a whole new field of business—in this case a business containing the soaring cost of health care. The only difference is that United HealthCare is anything but an upstart, and it just might be the best-kept secret in the Baltimore business community. Among recently signed clients: Southwestern Bell in St. Louis, 7,000 schoolteachers in Houston, McCormick, Maryland National Bank,

Formed in Baltimore 20 years ago as a mobile health screening operation, privately held United HealthCare has grown into a national health services force that employs 450 people and services about 1.5 million subscribers in 44 states. It has already taken on giants such as Blue Cross/Blue Shield, and it has garnered enough success to boast total revenues of \$32 million for the year ended Oct. 31, 1985.

Kenneth Blum, president, said the firm has grown an average of 20 percent a year for the past five years, and the plan is for the growth to accelerate. Come the end of October this year, Blum predicts revenues of \$36 million. "By 1990, we will be up to \$50 million," he said. Blum declined to discuss earnings for United HealthCare except to say "We do well. We're a company with no debt."

No debt for United HealthCare means that the firm has already paid for its new 23,000-square-foot head-



Empire builder Kenneth Blum

JOURNAL PHOTOS BY JOSEPH KOHL

quarters building in the Rutherford Business Center. McCormick Properties Inc. constructed the build-to-suit facility for United HealthCare only two years ago.

Next to the headquarters building is another six-tenths of an acre that Blum has earmarked for a twin building. His plan is to begin construction within the

next two years. However, United HealthCare is in negotiations with what Blum described as three Fortune 500 companies. If those deals pan out as Blum expects before Jan. 1, he said, "We'll have to commit to build [sooner]."

The ability to secure contracts with large national companies is exactly what Blum believes will fuel an acceleration in the company's growth. Until very recently, United HealthCare has relied on word of mouth to shop its services around small- to medium-sized companies across the country. "Now we're getting into groups of 30,000 to 50,000 people. Before it was just total companies in various states. Now Fortune 500 companies are calling us," he said.

In Baltimore, United HealthCare has an impressive list of firms that use its services including Giant Food Inc. and the City of Baltimore.

Even more impressive is its list of national clients. "Southwestern Bell has hired us, and we just signed a contract with Southern New England Bell," he said. Which is not to mention The Washington Post Co. and United Virginia Bankshares. Another major coup for United HealthCare was the recent signing of major construction supplier Libbey-Owens-Ford.

There are even a number of very recognizable health care providers that use various services offered by United HealthCare. Kaiser-Permanente, for instance, is one of the largest Health Maintenance Organizations (HMOs) in the country. Blum said "When you go to Kaiser-Permanente for optical—it's us. So who's us?"