

Resolved: UnitedHealth Group Inc. (“UHG”) shareholders request that its Board of Directors publish a report, at reasonable expense and omitting proprietary and confidential information, describing the healthcare consequences of its acquisitions over the past 10 years.

Supporting Statement

Acquisitions have been a key driver of UHG’s business strategy in recent years. For example:

- Its subsidiary Optum employs more doctors than any other organization, following a series of acquisitions.¹
- UHG has acquired over 300 surgery centers,² many located in areas where UHG is the dominant Medicare Advantage insurer.³
- Pharmacy benefit manager (“PBM”) OptumRx, a UHG subsidiary, processed the third-largest number of prescriptions nationwide in 2024,⁴ and UHG operates several types of pharmacies.⁵
- With the acquisition of Change Healthcare in 2022, UHG assumed a dominant role in medical payment processing, analytics, and revenue management.⁶
- In 2022, UHG bought LHC Group, the third-largest provider of home healthcare services,⁷ and it recently closed on the purchase of Amedisys, a home health and hospice company.

UHG has pursued a strategy of vertical integration, acquiring companies in parts of the healthcare value chain other than insurance; it now sends one in four claim dollars to its own subsidiaries.⁸ One revenue cycle executive opined that UHG’s buying spree “isn’t market expansion; it’s market elimination,” explaining that “[e]ach acquisition removes independent competitors, consolidates market share, and strengthens UnitedHealth’s ability to control pricing, referrals, and care delivery.”⁹

UHG’s vertical integration creates risks for the healthcare system, which are amplified by the company’s status as the nation’s largest health insurer:

- Insurers set reimbursement rates for competing providers, which allows them to squeeze competitors while paying more to their own practices. The loss of independent practices reduces patient choice and, in underserved areas, access to care.
- Vertical integration may negatively affect patient care. In one study comparing physician care practices pre- and post-integration into a health system, shows increase in post-

¹ <https://www.economicliberties.us/wp-content/uploads/2024/04/Medicare-Advantage-AELP.pdf>

² <https://www.economicliberties.us/wp-content/uploads/2024/04/Medicare-Advantage-AELP.pdf>

³ <https://strategiehealthcare.net/wp-content/uploads/2024/03/EXCLUSIVE.pdf>

⁴ <https://www.drugchannels.net/2025/03/the-top-pharmacy-benefit-managers-of.html>

⁵ <https://www.economicliberties.us/wp-content/uploads/2024/04/Medicare-Advantage-AELP.pdf>

⁶ <https://www.cnn.com/2024/05/01/unitedhealth-ceo-says-company-paid-hackers-22-million-ransom.html>

⁷ <https://www.economicliberties.us/wp-content/uploads/2024/04/Medicare-Advantage-AELP.pdf>

⁸ <https://www.economicliberties.us/wp-content/uploads/2024/04/Medicare-Advantage-AELP.pdf>

⁹ <https://rcmxyz.substack.com/p/the-vertical-integration-squeeze>

colonoscopy complications post-integration, possibly due to reduced use of deep sedation.¹⁰

- Ownership of a PBM blunts an insurer's incentive to negotiate lower drug prices and may keep independent and community pharmacies out of the insurer's network.¹¹
- An insurer can steer members to facilities and providers it owns by excluding others from their network and using care management protocols. Narrow networks can lead patients to delay or give up on obtaining care, or to pay out of pocket.¹²

At the Board's discretion, the requested report could include information related to trends in the use of prior authorizations, changes in network design, reimbursement differentials between UHG-owned providers and facilities and those that are independent, and pre- and post-integration patient outcome data. Understanding the broader impact of UHG's acquisitions is important for shareholders, and it is imperative that UHG consider how its actions may affect patients and the healthcare system.

¹⁰ <https://www.hks.harvard.edu/faculty-research/policy-topics/health/study-finds-vertical-integration-medicine-leading-higher>

¹¹ <https://www.americanprogress.org/article/5-things-to-know-about-pharmacy-benefit-managers/>

¹² <https://healthcareuncovered.substack.com/p/have-insurance-good-luck-finding>;
<https://healthcareuncovered.substack.com/p/unitedhealth-purges-rheumatology>