

July 8, 2024

OHA, Health Care Market Oversight
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Re: HCMO review 014 UnitedHealth Group-Amedisys

To Whom it May Concern:

1. Introduction

Oregon Nurses Association (ONA) is a professional association and labor union representing over 18,000 nurses and healthcare professionals. Our members work in urban and rural hospitals, clinics, school-based health centers, home health, and county health departments across Oregon. Across settings, they believe that every Oregonian deserves access to high-quality, affordable, and timely health care. ONA has represented nurses at Amedisys since 2008. We are presently in bargaining with Amedisys, as our previous contract expired on March 31 of this year.

2. Concerns Related to Consolidation and Reduced Competition within the Oregon Market

As noted in the “Transaction 014 United Health Group-Amedisys Preliminary Review Report,” UnitedHealth Group Incorporated (UHG)’s acquisition of Amedisys will potentially reduce competition in Oregon for home health and hospice services and in other healthcare markets. Healthcare consolidation and market concentration increases the price of care, without improving quality. Although there is little research specifically examining consolidation in home health and hospice services, hospital mergers between 2007 and 2011 resulted in price increases of over 6%, with prices at hospitals with a geographic monopoly at 12%.¹ Even worse, hospitals bought by an out-of-market entity raised prices by 17%.² While we cannot know what UHG may choose to do, it seems likely that their acquisition of Amedisys would result in higher prices for consumers.

Additionally, consolidation and concentration economically impact families beyond the price of care. A 2018 study found that annual premiums for plans on the ACA Marketplace increased

¹ Cooper, Zack, Stuart, Craig, et al., “The Price Ain’t Right? Hospital Prices and Health Spending on the Privately Insured,” Q J Econ, February 2019, <https://pubmed.ncbi.nlm.nih.gov/32981974/>.

²Fulton, Brent D., Daniel R. Arnold, Jaime S. King, Alexandra D. Montague, Thomas L. Greaney, and Richard M. Scheffler. “The Rise of Cross-Market Hospital Systems and Their Market Power in the US.” *Health Affairs* 41, no. 11 (November 1, 2022): 1652–60. <https://doi.org/10.1377/hlthaff.2022.00337>.

nearly \$400 in areas with highly concentrated healthcare systems.³ Another study found that that mergers lead to employers paying lower wages to offset the increased cost of health plans.⁴ In a few words, acquisitions, and the resulting reduction in competition, are likely to significantly increase the total financial burden experienced by patients.

Unaffordable care is incredibly worrying to our members. Oregonians already spend more on health care than they do on housing and utilities.⁵ In 2021, more than a third of Oregon adults struggled to pay their medical bills, and 23% skipped a recommended medical test or treatment because they could not afford it.⁶ The price of health care is a significant barrier to accessing necessary medical services; if prices continue to increase, more families will go without. For nurses, seeing patients decline care leads to burnout and moral injury. They describe the process of ensuring that patients get the care they need as emotionally exhausting. One nurse shared that her fears that patients would stop treatments due to financial strain kept her up at night. Ensuring affordability is critical for patients and providers.

Furthermore, price increases post-acquisition do not generally translate to better patient care.⁷ Research has shown that readmissions, mortality, and timely antibiotic treatment did not improve after an acquisition.⁸ Other data describes a slight decrease in patient experience.⁹ In an environment in which competition has motivated healthcare systems to provide high-quality care, less competitive environments are unlikely to maintain those standards.

Similarly, acquisitions do not result in higher pay for health care professionals. Nurses experienced reduced wage growth by 1.7% in markets with mergers when compared to markets without mergers.¹⁰ Oregon is already facing a shortage of nurses, and while pay is only one component of nurse recruitment and retention, it is important. Keeping nurses in home care, specifically, is necessary, as the population continues to age, and many individuals wish to

³ Polyakova, Maria, Kate Bundorf, Daniel Kessler, and Laurence Baker. *The American Journal of Managed Care* 24, no. 2 (February 15, 2018): 85–90.

⁴ Arnold, Daniel and Christopher M. Whaley, *Who Pays for Health Care Costs? The Effects of Health Care Prices on Wages*. Santa Monica, CA: RAND Corporation, 2020. https://www.rand.org/pubs/working_papers/WRA621-2.html.

⁵ Oregon Health Authority, and Healthcare Cost Growth Target. “Impact of Health Care Costs on People in Oregon, 2021.” Oregon Health Authority, Sept. 2023.

⁶ Oregon Health Authority, and Healthcare Cost Growth Target. “Impact of Health Care Costs on People in Oregon, 2021.” Oregon Health Authority, Sept. 2023.

⁷ Beaulieu, Nancy D., Leemore S. Dafny, Bruce E. Landon, Jesse B. Dalton, Ifedayo Kuye, and J. Michael McWilliams. “Changes in Quality of Care after Hospital Mergers and Acquisitions.” *New England Journal of Medicine* 382, no. 1 (January 2, 2020): 51–59. <https://doi.org/10.1056/nejmsa1901383>.

⁸ Cummings, Mike “A Yale economist on taming rising hospital prices while maintaining quality,” *YaleNews*, March 7, 2022, <https://news.yale.edu/2022/03/07/yale-economist-taming-rising-hospital-prices-while-maintaining-quality>.

⁹ Beaulieu, Nancy D., Leemore S. Dafny, Bruce E. Landon, Jesse B. Dalton, Ifedayo Kuye, and J. Michael McWilliams. “Changes in Quality of Care after Hospital Mergers and Acquisitions.” *New England Journal of Medicine* 382, no. 1 (January 2, 2020): 51–59. <https://doi.org/10.1056/nejmsa1901383>.

¹⁰ Prager, Elena, and Matt Schmitt. “Employer Consolidation and Wages: Evidence from Hospitals.” Washington Center for Equitable Growth, February 25, 2019. <https://equitablegrowth.org/working-papers/employer-consolidation-and-wages-evidence-from-hospitals/>.

receive services in their homes. Acquisitions, along with other forms of market consolidation, are likely to decrease pay and, therefore, make recruitment and retention of nurses more difficult.

Oregon is striving to move towards a health care system that is equitable and accessible for all. This is evident with the Healthier Oregon program, the OHP Bridge program, and OHA's goal to eliminate health inequities by 2030; all laudable efforts that ONA members appreciate. Accepting this acquisition, along with the likely price increases, financial burdens for consumers, unchanged quality of care, and worse pay for health care workers, seems unlikely to bring the state closer to its goals.

3. Concerns Related to UHG

UHG is a notably bad actor, consistently placing profitability over patient care. This is evident in their contracting practices: as noted in the Preliminary Review Report, US Anesthesia Partners and Emanate Health separately brought lawsuits against UHG/Optum relating to anti-competitive behavior, allegedly including bribery and threats. Similarly, the US Department of Justice opened an investigation into UHG's industry power, examining their purchase of physician groups and contracting practices that may have allowed them to favor Optum-owned facilities.¹¹

Similar comments were made by Trinity Health of New England, which is pushing UHG to increase their reimbursement rates in current contract negotiations. The system stated that "UnitedHealthcare is making billions, frequently denying, delaying and underpaying claims, and reimbursing at below market rates while patients' out-of-pocket costs continue to increase."¹² UHG has similarly delayed or denied claims they were required by statute to cover: in Minnesota, UHG was fined for failing to follow mental health parity laws¹³; in New York, they were fined for denying consumers access to contraceptive care.¹⁴ Optum has also reduced access to services by closing their own telehealth business, as well as a Change Healthcare facility in Ohio, resulting in over 200 layoffs.¹⁵ Simultaneously, they have increased the number of

¹¹ Wehrwein, Peter. "UnitedHealth Group Is Target of DOJ ANTIRUST Investigation, Reports WSJ." Managed Healthcare Executive, February 27, 2024. <https://www.managedhealthcareexecutive.com/view/unitedhealth-group-is-target-of-doj-antitrust-investigation-reports-wsj>.

¹² Condon, Alan. "Trinity 'taking a Stand' against UnitedHealthcare." Becker's Hospital Review, May 23, 2024. https://www.beckershospitalreview.com/finance/trinity-taking-a-stand-against-unitedhealthcare.html?origin=BHRE&utm_source=BHRE&utm_medium=email&utm_content=newsletter&oly_enc_id=5677J3068234B0J.

¹³ Rivera, Taylor. "United Healthcare Fined \$450,000 for Failure to Comply with State Insurance Equity Laws." WCCO Radio. May 14, 2024. <https://www.audacy.com/wccoradio/news/local/united-healthcare-fined-usd450-000-failure-state-equity-laws>.

¹⁴ Bell, Allison. "UnitedHealth Unit to Pay New York \$1M over Birth Control Step Therapy Move." ALM Benefits Pro. June 21, 2024. <https://www.benefitspro.com/2024/06/21/unitedhealth-unit-to-pay-new-york-1m-over-birth-control-step-therapy-move/?slreturn=20240626122953>.

¹⁵ Morse, Susan. "Optum Announces Plant Closing and Layoffs". Healthcare Finance News. May 20, 2024. <https://www.healthcarefinancenews.com/news/optum-announces-plant-closing-and-layoffs#:~:text=The%20closing%20and%20layoffs%20follow,date%20would%20be%20in%20July>.

physicians they employ.¹⁶ Continually pushing for expansion while reducing services shows a lack of regard for community and patient need.

UHG's track-record of driving up profit margins at the expense of patients is not in alignment with Oregon values. Oregonians deserve high-quality, affordable health services; we are concerned that UHG will fail to provide that care if doing so interferes with their profitability. ONA urges OHA to reject the UHG acquisition of Amedisys.

Sincerely,

Emerson Hamlin, Political Organizer

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¹⁶ Newitt, Patsy. "Optum Offloading, Shuttering Services: 5 Things to Know." Becker's ASC Review. June 10, 2024. <https://www.beckersasc.com/asc-transactions-and-valuation-issues/optum-offloading-shuttering-services-5-things-to-know.html>