

A.G. Schneiderman Announces Settlement with United Health Group Protecting Competition in Elder Care

*Settlement Prohibits UnitedHealth Group From Pressuring Nursing Homes Seeking To Participate In United's Network Into Contracting For Additional Unwanted Services
Schneiderman: Nursing Homes And Their Patients Must Have Freedom Of Choice
When Selecting Elder And Long Term Care Service Providers*

NEW YORK – Attorney General Eric T. Schneiderman today announced a settlement with UnitedHealth Group resolving concerns that United's business practices in New York unlawfully restrained competition in the market for certain elder and long term care insurance products. The settlement provides that United may not require skilled nursing facilities (SNFs) seeking to participate in United's broader insurance network to also contract with United for a separate service – United's institutional special needs plan (I-SNP). The Attorney General had received complaints that by requiring SNFs to accept its I-SNP plan as a condition for participating in its broader provider network, United was foreclosing competition from alternative I-SNP providers. The settlement will preserve vibrant competition among I-SNP providers in New York State and ensure freedom of choice for SNFs and their patients.

"Our nation's elderly, and those that care for them, face tremendous financial pressures at this time. Free and fair competition among service providers is crucial to ensure that patients receive the highest levels of service at the lowest possible cost," said **Attorney General Schneiderman**. "My office will continue to protect freedom of choice for New Yorkers who need elder and long term care services."

United offers a range of health insurance plans in New York State. These include employer-sponsored and individual insurance plans, Medicare Advantage plans, and Medicaid managed care plans. United has a major market presence in a significant number of New York counties. For SNFs to ensure their own financial sustainability, it is crucial that they remain in-network for commercial insurance providers with a significant market presence in their geographic area. The higher reimbursement rates typically available to SNFs from commercial and Medicare Advantage insurance providers such as United enable SNFs to remain economically viable while also accepting more patients with Medicaid and other types of coverage that typically have lower reimbursement rates.

In some New York counties, United also offers an I-SNP, which is a health insurance plan designed to provide targeted care to individuals with chronic health conditions. These plans are frequently used in SNFs with large numbers of patients who are elderly or otherwise in need of long term care. The Attorney General's Office found that, in some instances, United used its market position with respect to its commercial, Medicare, and Medicaid insurance plans to pressure SNFs to also accept the United I-SNP -- in effect requiring the SNF to participate in United's I-SNP in order to participate in other United insurance plans. The Attorney General is concerned that United's use of its market position in non-I-SNP plans to pressure facilities into using its I-SNP product could foreclose competition and artificially limit consumer choice.

Under the settlement, United has agreed not to require an SNF to participate in its I-SNP as a condition for participation by that SNF in one of United's other insurance plans. In addition, United may not penalize an SNF for declining to participate in United's I-SNP by offering the SNF lower reimbursement rates than similarly-situated SNFs. United has also agreed to make a monetary payment to New York State in the amount of \$100,000.

A copy of the agreement can be viewed [here](#).

This matter was handled by Assistant Attorneys General Linda Gargiulo, Amy McFarlane, and Saami Zain, as well as Antitrust Bureau Chief Eric J. Stock, and Executive Deputy Attorney General for Economic Justice Karla G. Sanchez.

New York City Press Office: (212) 416-8060

Albany Press Office: (518) 776-2427

nyag.pressoffice@ag.ny.gov



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