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Antitrust Challenge and Settlement to the UnitedHealth Group and DaVita Merger Will Safeguard Competition, Cost, and Quality of Healthcare for Seniors in the Colorado Springs Area

June 19, 2019 (DENVER, Colo.)— Coloradans eligible for Medicare in the Colorado Springs Area will continue to have a broad selection of physicians and quality, cost-effective healthcare under a resolution to a [lawsuit](#)

[\(/sites/default/files/contentuploads/ca/2019-06-19_08-00-13_united-davita_complaint_final.pdf\)](#) Attorney General Phil Weiser filed today. At issue is UnitedHealth Group's (NYSE: UNH) \$4.3 billion bid to acquire the physician practice group of DaVita Inc. (NYSE: DVA) and the anticompetitive effects that the merger could have on Coloradans in the Colorado Springs Area who have healthcare through Medicare Advantage plans.

DaVita Medical Group, a wholly-owned subsidiary of DaVita, owns two large physicians' groups in Colorado Springs. UnitedHealthcare is the largest provider of Medicare Advantage plans in the region and is the sister company of Optum, a medical group of physicians, ambulatory surgery centers, and urgent care centers. In December 2017, UnitedHealth Group announced its subsidiary, Optum, would acquire DaVita Medical Group. The U.S. Federal Trade Commission investigated the merger but declined to seek any remedies to protect Colorado consumers.

In an unprecedented move, the Attorney General's Office proceeded on its own—without action by the federal government or other states—to enforce the antitrust laws and address foreseen anticompetitive harms in Colorado.

Weiser, who filed a complaint in District Court in El Paso County to challenge the merger as proposed and mandate pro-competitive protections, said: "The combination of Optum and DaVita Medical Group would create significant market power with the ability and incentive to raise DaVita Medical Group's price to other insurance companies that serve Medicare Advantage patients in the Colorado Springs Area. If left unchecked, the merger would result in reduced competition, higher health care costs, reduced benefits, and fewer choices for seniors. At the Attorney General's Office, we are charged with protecting consumers and enforcing the antitrust laws to prevent just such harms. We are taking action today to protect older Coloradans from increased prices and decreased options in healthcare."

Along with the complaint, the Attorney General's Office filed a [consent judgment](#) [\(/sites/default/files/contentuploads/ca/2019-06-19_08-04-30_uhc_davita_co_consent_judgment_final.pdf\)](#) specifying a set of remedies to prevent the threatened anticompetitive harms of the merger. The consent judgment filed today, agreed to by the merging parties and the Attorney General's Office, addresses the State's concerns about the anticompetitive effects that the merger, if unchecked, would have on the market for Medicare Advantage plans in Colorado Springs. In particular,

UnitedHealthcare will lift its exclusive contract with Centura Health for at least 3.5 years, which will expand the network of healthcare providers available to seniors in Medicare Advantage plans offered by other providers. In addition, DaVita Medical Group's agreement with Humana—UnitedHealthcare's main competitor in Colorado Springs—will be extended without change through at least the end of 2020 ensuring stability for Medicare Advantage customers and UnitedHealthcare's competitors.

"I recognize that this case marks an important step in state antitrust enforcement," explained Weiser, who served as a senior antitrust official in the U.S. Department of Justice under two presidents. "As the People's Lawyer, I am committed to protecting all Coloradans from anticompetitive consolidation and practices, and will do so whether or not the federal government acts to protect Coloradans."

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Date

June 19th, 2019

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Attachments

-  [2019-06-19_08-00-13_united-davita_complaint_final.pdf](https://coag.gov/sites/default/files/filefield_paths/2019-06-19_08-00-13_united-davita_complaint_final.pdf) (https://coag.gov/sites/default/files/filefield_paths/2019-06-19_08-00-13_united-davita_complaint_final.pdf)
-  [2019-06-19_08-04-30_uhc_davita_co_consent_judgment_final.pdf](https://coag.gov/sites/default/files/filefield_paths/2019-06-19_08-04-30_uhc_davita_co_consent_judgment_final.pdf) (https://coag.gov/sites/default/files/filefield_paths/2019-06-19_08-04-30_uhc_davita_co_consent_judgment_final.pdf)

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