

Congress of the United States
Washington, DC 20515

Dr. Ralph de la Torre
President
Steward Health Care System
1900 N Pearl St
#2400
Dallas, TX 75201

Mr. John Rex
President
UnitedHealth Group
P.O. Box 1459
Minneapolis, MN 55440-1459

Ms. Heather Cianfrocco
CEO
Optum Health
11000 Optum Circle
Eden Prairie, MN 55344

April 19, 2024

Dear Dr. de la Torre, Mr. Rex, and Ms. Cianfrocco:

We write to express our concerns regarding UnitedHealth Group's (UnitedHealth) proposed purchase of Steward Health Care's (Steward) physician group, Stewardship Health (Stewardship). We have urged the appropriate federal agencies to scrutinize this proposed purchase carefully. As members of the federal delegation, we want to proactively ensure the appropriate steps are being taken to prevent potential increases in healthcare prices and to maintain access to care for Massachusetts' patients should this purchase proceed.

In recent months, Steward's financial challenges have become increasingly apparent, and healthcare leaders and public officials are growing increasingly concerned about the potential failure of Steward Health Care. The looming threat to shut down nine community hospitals across the Commonwealth has added to the urgency of this situation. Therefore, we would like to

afford UnitedHealth, its subsidiary Optum, and Steward the chance to address our questions and concerns outlined below.

Our profound concern with Steward's operations in the state is closely tied to the prevailing trends of increased healthcare costs and consolidation that have been prominent in Massachusetts over the years. According to data from the Center for Health Information and Analysis and the Massachusetts Health Quality Partners, more than one-third of residents in 2021 reported difficulty obtaining necessary healthcare in the past year — an increase from 2019. The numbers also showed racial disparities in access to care; while 81 percent of white residents in 2021 reported that they had a preventive care visit within the past year, only 64 percent of Hispanic residents could say the same.¹

UnitedHealth Group is a sprawling example of consolidated services. As you know, UnitedHealth owns the major insurer that has nearly 50 million customers in the United States and oversees its ever-expanding subsidiary, Optum Health (Optum), which has bought up networks of doctors and medical sites. Currently, Optum employs 90,000 physicians, or 10 percent of the country's physician workforce.² The absorption of doctor practices is part of a vast, accelerating consolidation of medical care, leaving patients in the hands of a shrinking number of giant companies or hospital groups.

Since Optum's proposal to buy Stewardship, we have been contacted by both consumers and physicians with concerns about the potential impact on access to affordable, in-network care. In July 2023, UnitedHealth reported that Optum Health posted a 6.4 percent operating margin in the second quarter — the lowest since 2012.³ This has raised concern that the acquisition of more physicians may be an attempt to offset these lower margins, potentially compromising the autonomy of physicians who may be pressured to prioritize efficiency over personalized care. There is also a worry that Optum may direct patients from the expanded physician network to its own urgent care or surgery centers, potentially disregarding what is best for patients.

We trust Optum remains committed to its value-based care mission and are keen to understand how its acquisition of Stewardship aligns with the goal of promoting a healthier patient population. Please provide your responses to the following questions by Friday, April 26, 2024:

1. How many new physicians will Optum acquire should the sale of Stewardship move forward?
 - a. How many new physicians will Optum acquire in Massachusetts if the sale is completed?

¹ <https://www.chiamass.gov/assets/docs/r/pubs/2023/MA-PC-Dashboard-2023.pdf>

² <https://www.beckershospitalreview.com/legal-regulatory-issues/optum-added-nearly-20-000-physicians-in-2023.html>

³ <https://www.statnews.com/2023/08/14/optum-health-unitedhealth/>

2. How much will Optum pay for the Stewardship network? What are the specific terms and conditions of the acquisition?
3. Does the acquisition contain any requirements that each of the Steward Hospitals in Massachusetts remain open? If so, for how long are they guaranteed to remain open?
4. How much of the funds from the acquisition will be used to repay debts owed by Steward? If so,
 - a. Which specific debt-holders will be repaid, and in what order?
 - b. Will the acquisition result in any changes to the terms and conditions of the leases that MPT currently holds on the hospitals' real estate?
5. How much of the funds from the acquisition will be reinvested into the Massachusetts hospitals? Specifically, how will these funds be invested, and over what period of time?
6. What assets will remain as part of Steward Hospitals after the acquisition of the Stewardship network by Optum? What is the estimated value of these assets?
7. After the sale of Stewardship to Optum, will Optum allow the Stewardship providers to continue participating in all insurance networks that they currently are members of?
 - a. Will Optum allow them to remain as members of these networks under the same terms and conditions?
 - b. If so, for how long will Optum guarantee that these networks are retained?
8. What firewalls will Optum put in place to prevent abuse of the UnitedHealth vertical network and prevent related-party transactions with other UnitedHealth entities, including steering patients toward other UnitedHealth entities?
9. If this deal proceeds, what measures will Optum implement to ensure that the quality of healthcare delivery, including affordability, is not compromised?
10. How will patient data be protected and managed after the acquisition? Will there be any changes in how patient information is shared or stored?
11. How are you ensuring that moving forward this acquisition will be conducted transparently, with all relevant information provided to patients, providers, and regulators?
 - a. Please provide a copy of the Letter of Intent signed between Steward and Optum for the sale of Stewardship Health.

Massachusetts has long been at the forefront of healthcare delivery nationwide, and it's crucial that acquisitions like this one uphold the Commonwealth's leadership in providing affordable, accessible healthcare for all patients. Thank you for your prompt attention to this letter.

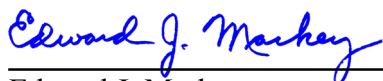
Sincerely,



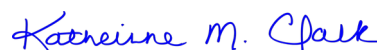
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Member of Congress



Elizabeth Warren
United States Senator



Edward J. Markey
United States Senator



Katherine M. Clark
Member of Congress



James P. McGovern
Member of Congress



Ayanna Pressley
Member of Congress



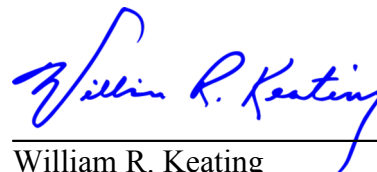
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