

UnitedHealth ventures deeper into care with nearly \$5B deal

December 6 2017, by Tom Murphy



This Tuesday, Oct. 16, 2012, file photo, shows a portion of the UnitedHealth Group Inc.'s campus in Minnetonka, Minn. UnitedHealth Group Inc. said Wednesday, Dec. 6, 2017, that its Optum segment will buy the DaVita Medical Group from DaVita Inc. in a cash deal expected to close next year. (AP Photo/Jim Mone, File)

The nation's biggest health insurer is spending nearly \$5 billion to buy hundreds of clinics, just three days after rival Aetna announced a bigger tie up with CVS Health Corp.

UnitedHealth Group Inc. said Wednesday that it will buy DaVita Medical Group in a deal that extends the reach of its Optum health care services business to several more states.

Health insurers and other entities have been pushing deeper into managing or providing patient care in order to cut costs and improve quality, especially for people with chronic conditions. It's a trend that patient advocates and doctors are starting to watch with concern.

Insurers and clinic operators like CVS say they hope their more involved approach to patient care will help people stick to a treatment plan or live healthier lives, which could ward off expensive complications or hospital stays.

Insurers also want their patients to use clinics and care centers as a way to reduce the use of expensive emergency rooms for care that isn't dire.

But Daniel Klein, the CEO of Patient Access Network Foundation, worries that this trend could foster more treatment restrictions. Klein runs a nonprofit that helps insured people with rare, chronic or life-threatening conditions pay for prescription drugs.

He's concerned that more patients may see bigger bills or requirements that they try less effective medicines first before they get what the doctor wants to prescribe.

"Patients may not have as much choice and providers may not have as much choice in treatments they can make available," he said.

Some doctors are concerned that the deals could fuel more fragmented care and make it harder for family physicians to track patient health.

But they also could help if the clinics and other care options work with

doctors to coordinate care, noted Dr. Michael Munger, president of the American Academy of Family Physicians.

"We're not saying we're against these mergers ... we're waiting to see the direction they're going to go," he said.

Minnetonka, Minnesota-based UnitedHealth's deal will add DaVita Medical Group's nearly 300 primary and specialty care clinics to its Optum segment, as well as some urgent care and outpatient surgery centers.

Optum already operates more than 1,100 primary, urgent care and surgery centers through a business it has been expanding.

On Sunday, CVS said it would pay about \$69 billion for Aetna Inc., the nation's third-largest health insurer. That deal could position the company as a one-stop-shop for basic health care, chronic disease monitoring, prescriptions and insurance to cover those goods and services.

CVS runs nearly 10,000 stores and also operates one of the country's largest pharmacy benefit management businesses. Aetna covers around 22 million people.

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