United States Senate
COMMITTEE ON FINANCE
WASHINGTON, DC 20510–6200

August 6, 2025

Stephen J. Hemsley
Chief Executive Officer
UnitedHealth Group
P.O. Box 1459
Minneapolis, MN 55440-1459

Dear Mr. Hemsley,

We are writing in response to alarming reports of UnitedHealth Group (UHG) padding revenues through cost-cutting programs that imperil the health, safety, and lives of vulnerable seniors and people with disabilities living in nursing homes.[1] Reporting alleges that UHG is deploying a number of incentive programs that encourage nursing homes across the country to cut health care expenditures for residents enrolled in UHG institutional special needs plans (I-SNPs). These I-SNPs are Medicare Advantage plans (MA plans) designed to serve enrollees dually-eligible for Medicare and Medicaid who live in skilled nursing facilities. The UHG I-SNP model is administered by care providers through UHG's subsidiary, Optum. On July 29, 2025, UHG provided our offices with a briefing on these issues, but we have outstanding questions about how UHG's programs are structured and their effects on patient safety. We call on UHG to provide Congress and the public with answers about these programs.

In recent years, UHG has been at the center of numerous reports suggesting that it is maximizing profits at the expense of patients' health and wellbeing. These instances include allegations that UHG systematically denied needed care to children and adults with chronic illnesses,[2] multiple

[1] George Joseph, *Revealed: UnitedHealth secretly paid nursing homes to reduce hospital transfers*, *The Guardian*, May 21, 2025, Revealed: UnitedHealth secretly paid nursing homes to reduce hospital transfers | US Medicare | The Guardian.

[2] Annie Waldman, *UnitedHealth Is Strategically Limiting Access to Critical Treatment for Kids With Autism*, ProPublica, December 13, 2024; David Armstrong (ProPublica), Patrick Rucker (The Capitol Forum), and Maya Miller (ProPublica), *UnitedHealthcare Tried to Deny Coverage to a Chronically Ill Patient. He Fought Back, Exposing the Insurer's Inner Workings*, February 2, 2023.

Department of Justice investigations into billing fraud related to the company's MA plans,[3] surveys indicating significant decreases in provider quality after being acquired by UHG subsidiary Optum,[4] rulings that UHG deceived thousands of customers into unknowingly buying supplemental health insurance policies,[5] and class action lawsuits alleging UHG used a proprietary artificial intelligence algorithm to deny MA enrollees medically necessary care.[6]

New reporting also alleges that UHG is using bonus programs to encourage nursing homes that contract with its Optum service group to keep hospitalizations of nursing home residents enrolled in UHG I-SNPs below a set threshold. Under the UHG I-SNP arrangement, providers employed by Optum either deliver care on site in nursing homes to UHG I-SNP enrollees, in partnership with staff employed by the nursing home, or support care coordination of I-SNP enrollees off site.

Reports allege that UHG I-SNP incentive schemes may drive delays in medically-necessary hospitalizations and emergency room visits, poor health care outcomes, and even permanent harm among enrolled residents who suffer strokes and other major health events without being hospitalized. Further, reporting alleges that Optum protocol aggressively pushes these same residents to sign advance directives that stipulate Do Not Resuscitate (DNR) and Do Not Intubate (DNI) orders, which can prohibit hospitalization in the case of an adverse event. Put simply, these allegations suggest that UHG appears to be prioritizing its bottom line at the expense of the health and safety of nursing home residents enrolled in UHG I-SNPs. Nursing home residents and their families should not live in fear of a for-profit health care company withholding care when it is most critical.

We support evidence-based models that aim to reduce unnecessary hospitalizations of nursing home residents. I-SNPs are one evidence-based model, though there is a need for further research to understand the potential negative outcomes associated with these models. In a recent study, researchers found that I-SNPs are associated with a reduction in hospitalizations of nursing home residents, but these plans are also associated with higher rates of antipsychotic use, physical restraints, and resident falls. I-SNPs are further associated with a decline in function of nursing

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[3] Sneha S K, *UnitedHealth tumbles as criminal probe report adds to investor fears*, Reuters, May 15, 2025

[4] The Office of Congressman Pat Ryan, *Congressman Pat Ryan releases shocking results of Optum community inquiry, submits full set of data to the Department of Justice, Health and Human Services, and Federal Trade Commission for further investigation*, April 3, 2025.

[5] Nate Raymond, *UnitedHealth units ordered to collectively pay $165 million for misleading Massachusetts consumers*, Reuters, January 6, 2025.

[6] Elizabeth Napolitano, UnitedHealth uses faulty AI to deny elderly patients medically necessary coverage, lawsuit claims, CBSNews, November 23, 2023.

home residents. This research, and the recently reported allegations, raise concerns about UHG's use of this model.[7]

The Senate Committee on Finance (The Committee) has jurisdiction over matters related to "health programs under the Social Security Act and health programs financed by a specific tax or trust fund," as provided by Rule XXV of the Standing Rules of the Senate, including the Centers for Medicare & Medicaid Services (CMS), which administers Medicaid, the Children's Health Insurance Program (CHIP), Medicare, MA, and the Medicare Part D prescription drug program. Ensuring the faithful administration of these programs is of the utmost importance for the health and safety of seniors, people with disabilities, and other vulnerable populations.

After a briefing with UHG representatives that focused on allegations outlined in recent reporting, we remain concerned about programs UHG is deploying to reduce all-cause hospitalizations and to set advance directives at its contracted nursing homes. While we recognize the importance of reducing avoidable hospitalizations for nursing home residents and of determining end-of-life plans, these programs, as presented in UHG's briefing, appear to be premised on metrics that do not adequately measure or ensure resident health and safety. We are concerned that these metrics appear to be more attuned to higher profits than to better patient care.

According to UHG representatives, the company attempts to promote nursing homes' adherence to certain quality measures by offering a number of bonus programs. Under these programs, nursing homes may receive bonus payments if they achieve certain thresholds for influenza and pneumococcal vaccination rates and cholesterol medication adherence rates and if they maintain a hospital admissions per thousand rate (APK) beneath a threshold number. Bonuses may be paid to a nursing home for meeting one or all of these three quality measures. UHG's APK threshold does not take into account avoidable versus unavoidable hospitalizations, but rather sets a cap on hospitalizations for any reason, potentially making it a poor measure of quality of care. Furthermore, all nursing homes, regardless of whether they participate in an I-SNP, are already required by federal regulations to have a protocol for regularly offering influenza and pneumococcal vaccines and to make sure that residents are taking their prescribed medications. These existing requirements attenuate the value of vaccination rates and cholesterol medication adherence as effective quality measures for bonus payments. We are concerned that these bonus programs provide a heavy incentive to nursing homes to limit hospitalizations of all kinds, even where necessary, in order to meet a metric that can be poorly suited to measure patient health and safety.

[7] Chen AC, Grabowski DC. A model to increase care delivery in nursing homes: The role of Institutional Special Needs Plans. Health Serv Res. 2025 Apr;60(2):e14390. doi: 10.1111/1475-6773.14390. Epub 2024 Oct 9

UHG representatives also described practices that guide the frequent conversations that Optum employees have with residents about advance directives. Changes to advance directives may result in residents establishing orders like DNRs/DNIs that prohibit hospitalization. According to statements made during the briefing, Optum care providers are required– at a minimum– to have

conversations with all UHG I-SNP enrollees about their advance directives at least once a quarter, and may seek out these conversations more frequently depending on a resident's condition. According to UHG, these conversations may be conducted on an "ad hoc" basis and without a witness present. We are concerned that this approach may inappropriately pressure residents, especially if proper information and training are not applied.

UHG denies the allegations in the Guardian's reporting and maintains that its practices reflect best practices in the care of nursing home residents. However, we are concerned that the methods UHG appears to rely on to deliver the high-quality care it purports to provide may in fact incentivize practices that threaten resident safety.

It is essential that care providers center the needs of the patient in all health care decisions. Nursing home residents are often unable to advocate for themselves, and they frequently lack the support of family and other loved ones. Seniors and people with disabilities who live in nursing homes are therefore often entirely dependent on facility staff to protect their safety and ensure their wellbeing. Nursing home residents enrolled in I-SNP plans can be extremely medically frail and vulnerable, making it all the more critical that providers are clearly incentivized to place the needs of nursing home residents above profits.

In light of these concerning reports and outstanding questions, we write to request detailed information about UHG's reported incentive programming and its impact on residents. Please provide a full, written response to the following inquiry by September 8, 2025.

1. **Hospitalization Policies:**

    a. Please describe the UHG I-SNP care model.
        i. Under this model, which care providers employed by Optum are responsible for enrollee care at a nursing home?
        ii. Under this model, do non-Optum employees also provide care to UHG ISNP enrollees at a nursing home?
        iii. Are non-Optum employees at nursing homes contracting under this program responsible for carrying out any Optum/UHG policies related to patient care or I-SNP plan marketing?
        iv. Please provide a list of all nursing homes Optum has contracted with under its I-SNP program for the past five years.

v. Please provide a breakdown of how many residents in a nursing home are enrolled in a UHG I-SNP versus how many are not enrolled for all nursing homes participating in a UHG I-SNP.

b. Please produce Optum policies governing hospital transfers for residents enrolled in a UHG I-SNP.
   i. Please define the following terms: avoidable hospitalization, potentially avoidable hospitalization, and unavoidable hospitalization.
   ii. Please produce documentation of the clinical protocol that Optum employees are required to follow when determining whether an I-SNP enrollee's change in condition warrants sending them to the hospital. iii. Please produce documentation of UHG policy dictating protocol that nonOptum employees at contracted nursing homes must follow when determining whether an I-SNP enrollee's change in condition warrants sending them to the hospital.
   iv. Please produce policy governing the steps that are taken after the Optum Care Team is contacted about a change in a residents' condition, including but not limited to conversations they are encouraged or required to have with non-Optum nursing home staff, visits they are encouraged or required to make to nursing homes, at what point they are encouraged or required to call a residents' primary care physician or the Medical Director of a facility, at what point they are encouraged or required to call other advance practice clinicians, and their involvement in determining whether to send a resident to the hospital.
   v. Under these policies, are Optum providers and nursing home staff always required to speak with an Optum supervisor prior to transferring a resident to the hospital for care?
      1. Is this requirement in place if the resident's condition is acute or emergent?
   vi. Under these policies, are there any other entities an Optum provider or nursing homes staff must consult prior to transferring an I-SNP enrollee to the hospital?
   vii. If a nursing home or Optum employee fails to follow protocol, what review or discipline may they be subject to?
   viii. Please produce the training materials Optum uses to inform Optum employees and non-Optum employees of Optum's policies and procedures related to transferring I-SNP enrollees to the hospital for emergency care.
   ix. Please produce the federal and state requirements relating to transferring nursing home residents to the hospital for emergency care.

c. Please produce policies governing UHG's "Premium Dividend" and "Shared Savings" programs.

i. Under these programs, what metrics are used to assess eligibility for a bonus?
    1. Will a nursing home be eligible for a bonus if it meets one quality metric, or must it meet multiple?

ii. Please describe the "admits per thousand" (APK) metric used to determine whether bonuses under these programs will be paid to a nursing home.

iii. How does UHG determine a facility's APK threshold? iv. Does this metric take into account whether a hospital admission was in response to an emergent or acute condition, versus a non-emergency condition?

v. Does this metric take into account whether the hospital transfer had been cleared by UHG supervisors prior to transfer?

vi. Is UHG's APK metric used in these programs the same metric used by CMS, or does it diverge in any meaningful ways? Please provide a detailed comparison of UHG's APK metric versus CMS's APK metric. vii. Why does UHG use APK to assess patient health and safety to the exclusion of other indicators, such as incidence of urinary tract infections or bed sores?

viii. Under these programs, will a facility be penalized in any way for exceeding its APK threshold?

ix. Please produce documentation of the thresholds for the past five years that UHG-contracted nursing homes have been required to meet in order to receive UHG I-SNP bonus payments, including the data that UHG used to set these thresholds.

x. Please produce documentation outlining the per-member bonus payments nursing homes may be eligible for under these bonus programs. Please break this down by the quality measures associated with a given bonus payment.

d. What steps does UHG take to review hospitalizations of I-SNP enrollees and determine whether or not they were necessary?
    i. How often does UHG review hospitalizations of I-SNP enrollees?
    ii. What further action by Optum or UHG might this review prompt?

e. Under Optum policy, procedure, and guidance, are nursing home staff subject to review or discipline related to decisions to transfer residents to the hospital?
    i. If so, what circumstances would subject staff to review? ii. Who is responsible within a nursing home's and UHG's leadership for reviewing decisions to transfer residents to the hospital after the fact?
    iii. How do UHG's reviews of hospitalizations factor into eligibility for bonus payments made to nursing homes?

f. Does UHG by practice, policy, procedure, or guidance, institute hospital transfer quotas on nursing homes?

2. Advance Directives:

a. During UHG's briefing, representatives explained that Optum prioritizes advance care planning for nursing home residents enrolled in their I-SNP and has serious illness conversations with I-SNP enrollees on a quarterly basis. Please confirm our understanding and produce all policies governing how Optum care providers identify residents for and conduct these conversations.
b. Please produce all training materials Optum uses to educate Optum care providers on how to identify patients for conversations around advance directives, how to conduct these conversations, and how to appropriately document the conversation and outcome.
c. In addition to Optum employees, who else joins advance care planning conversations with I-SNP enrollees?
    i. Is there a third party who is present?
    ii. Is the resident's power of attorney present? iii. Does UHG document the advance care planning conversations it has with I-SNP enrollees?
    iv. Are Optum providers required by Optum policy to contact or otherwise ensure stakeholders are present for advance care planning conversations with residents?
d. How does UHG confirm that Optum employees who lead advance care planning conversations with I-SNP enrollees have had educational training on end-of-life care conversations, beyond the annual in-service training offered by UHG?
e. UHG representatives explained that Optum uses a mortality risk assessment to inform conversations with I-SNP enrollees on advance care planning. Please produce this mortality risk assessment.
    i. Why does UHG use its own mortality risk assessment rather than other evidence-based tools to guide conversations about a resident's prognosis and advance care planning?
    ii. Does UHG consult with a resident's primary care physician or the Medical Director of the nursing home about the accuracy of the prognosis predicted by the mortality risk assessment tool before speaking with residents about advance care planning?
f. Please produce a comparison of Optum's Serious Illness Conversation (SIC) guide versus the conversation guide developed by Ariadne Labs to improve understanding of nursing home residents' end-of-life care preferences.

3. Marketing Practices:

a. Does UHG offer any bonus programs to contracted nursing homes related to enrollment in its I-SNPs or for any other achievement measured in whole or in

part by enrollment-related metrics? If so, please produce policies governing such bonus programs.

b. Does UHG distribute marketing materials to Optum staff to promote enrollment in its I-SNPs? Does Optum distribute these marketing materials to non-Optum nursing home staff? Please produce marketing materials and policies governing marketing at contracted nursing homes.
c. Please confirm if Optum's marketing materials are approved by CMS and how often these marketing materials are approved by the agency.
d. Please produce Optum's protocol for collecting scope of appointment forms and/or enrollment forms from nursing home residents.

4. Federal Oversight:

a. Are UHG I-SNPs subject to federal and state surveys of nursing homes?
b. What federal requirements or regulations oversee UHG I-SNPs? For example, are these plans required to report specific information to CMS about the care they provide? Please provide documentation of any reports or data submitted to federal authorities.
c. Has CMS sanctioned or taken any other enforcement action against a UHG I-SNP in the last five years? If so, please provide documentation of these enforcement actions.

Any attempt to take advantage of vulnerable nursing home residents is unacceptable, especially to pad a for-profit insurance company's revenues. It is vital that UHG respond to these alarming reports and provide prompt, detailed responses to our questions.

Sincerely,

Ron Wyden
United States Senator
Ranking Member, Committee on Finance

Elizabeth Warren
United States Senator