

UnitedHealth Group Is a Bank: How Policymakers Can Protect Independent Physician Practices from Becoming Loan Shark Bait

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Most people know UnitedHealth Group through its subsidiary UnitedHealthcare, the nation's largest health insurer.¹ Some might know it through its other major subsidiary, Optum Health, the nation's largest physician employer.² But few are familiar with its bank.

In addition to being one of the nation's largest providers of health savings accounts (HSAs), Optum Financial extends loans to physician practices, increasing their reliance on UnitedHealth Group not only for reimbursement, employment, and claims processing but also for capital. For these reasons, former UnitedHealth Group CEO Andrew Witty promised in 2023 that Optum Financial would be a "very, very material-scale business for us" over the next decade, akin to Optum Health, which, until very recently, investors considered the company's "crown jewel."³

Optum Financial briefly made headlines in spring 2025 for putting the squeeze on medical practices. A year earlier, it had extended emergency loans to more than 10,000 practices after a cyberattack on its sister subsidiary, Change Healthcare, the nation's largest health insurance claims processor, paralyzed claims payment processes "for a substantial portion of the medical sector" for several months.⁴ Without payment, countless practices faced financial ruin unless they received a monetary lifeline, which Optum Financial provided — until, suddenly, it didn't. Physician borrowers told CNBC, *The New York Times*, and *The Wall Street Journal* that the company demanded they repay hundreds of thousands of dollars in a matter of days; if they did not comply, another subsidiary, UnitedHealthcare, would withhold reimbursements for health care services rendered to cover their

¹ "Competition in Health Insurance: A comprehensive study of U.S. markets," American Medical Association, Nov. 19, 2024, <https://www.ama-assn.org/system/files/competition-health-insurance-us-markets.pdf>.

² Rylee Wilson, "Optum now has 90,000 physicians," *Becker's Hospital Review*, Nov. 29, 2023, <https://www.beckershospitalreview.com/legal-regulatory-issues/optum-added-nearly-20-000-physicians-in-2023/>.

³ Geert De Lombaerde, "UnitedHealth Leaders Plan Greater Push Into Financial Services," *Healthcare Innovation*, June 5, 2023, <https://www.hcinovationgroup.com/finance-revenue-cycle/article/53062382/unitedhealth-leaders-plan-greater-push-into-financial-services>; Nona Tepper, "'Legendary' Hemsley takes over at UnitedHealth amid rough seas," *Modern Healthcare*, May 14, 2025, <https://www.modernhealthcare.com/insurance/unitedhealth-stephen-hemsley-andrew-witty-optum>; Dan Rohinton, "UnitedHealth Group: The Sum of All Fears..." LinkedIn, May 15, 2025, <https://www.linkedin.com/feed/update/urn:li:activity:7328976209764147200/>.

⁴ Arthur Fliegelman and Daniel Stemp, "The Cyberattack on Change Healthcare: Lessons for Financial Stability," U.S. Department of Treasury Office of Financial Research, Nov. 13, 2024, <https://www.financialresearch.gov/briefs/files/OFRBrief-24-05-change-healthcare-cyberattack.pdf>.

debts.⁵ “Optum, in my opinion, is acting like a loan shark trying to rapidly collect,” a pediatric neurologist in New Jersey who received a \$535,000 loan told the *Times*.⁶

But Optum Financial soon lost the media spotlight to its scandal-plagued and increasingly financially challenged parent company.⁷ Although UnitedHealth Group deserves the scrutiny, it shouldn’t overshadow deeper questions about Optum Financial. To start, why does a health insurance conglomerate even have a bank?

This policy brief attempts to answer that question by recounting the history of Optum Financial and exploring its growing importance to UnitedHealth Group. It also issues policy recommendations. In the short term, federal policymakers must protect independent physician practices from UnitedHealth Group and other insurance conglomerates, whose anticompetitive business practices drive them to close, sell, or borrow on unfair terms, ultimately driving health care prices higher for patients, health plan sponsors, and taxpayers. In the long term, they must restore the financial viability of independent physician practices and break up the platforms squeezing them out of business.

The history of Optum Financial

Over the last two decades, Optum Financial has evolved from a newfangled HSA provider to one of the “Big Four” dominating the HSA market to, more recently, a riskier loan and speculative investment operation, with plans for continued growth.

⁵ Ashley Capoot, “UnitedHealth is making struggling doctors repay loans issued after last year’s cyberattack,” CNBC, April 11, 2025, <https://www.cnbc.com/2025/04/11/unitedhealth-makes-doctors-repay-loans-issued-after-change-cyberattack.html>; Benjamin Ryan, “UnitedHealth’s Move to End Cyberattack Loan Lifeline Upsets Medical Providers,” *The New York Times*, May 5, 2025, <https://www.nytimes.com/2025/05/05/health/unitedhealth-cyberattack-loans-lawsuits.html>; James Rundle, “UnitedHealth Group Sends Demands for Hack Loan Repayments,” *The Wall Street Journal*, April 11, 2025, <https://www.wsj.com/articles/unitedhealth-group-sends-demands-for-hack-loan-repayments>.

⁶ See “UnitedHealth’s Move to End Cyberattack Loan Lifeline Upsets Medical Providers” above.

⁷ In less than a month, UnitedHealth Group posted disastrous first-quarter results; fielded a lawsuit from investors claiming it had misled them about its financial outlook following the fatal shooting of UnitedHealthcare CEO Brian Thompson; announced the resignation of its own CEO, Andrew Witty; and was revealed to be under federal investigation for alleged criminal Medicare fraud. *The Guardian* also reported that UnitedHealth Group secretly paid nursing homes to prevent or delay costly hospital transfers of older patients. “UnitedHealth Group Reports First Quarter 2025 Results and Revises Full Year Guidance,” UnitedHealth Group, April 17, 2025, <https://www.unitedhealthgroup.com/newsroom/2025/2025-04-17-uhg-reports-first-quarter-results-and-revises-full-year-guidance.html>; Paige Minemyer, “Shareholders claim UnitedHealth made ‘misleading’ statements about finances following executive’s death,” *Fierce Healthcare*, May 8, 2025, <https://www.fiercehealthcare.com/payers/shareholders-allege-unitedhealth-made-misleading-statements-about-finances-following>; Maria Aspan, “UnitedHealth Group abruptly replaces CEO Andrew Witty, deepening a terrible year,” NPR, May 13, 2025, <https://www.npr.org/2025/05/13/nx-s1-5396614/unitedhealth-group-terrible-year-replaces-ceo-andrew-witty>; Christopher Weaver and Anna Wilde Mathews, “UnitedHealth Group Is Under Criminal Investigation for Possible Medicare Fraud,” *The Wall Street Journal*, May 15, 2025, <https://www.wsj.com/us-news/unitedhealth-medicare-fraud-investigation>; George Joseph, “Revealed: UnitedHealth secretly paid nursing homes to reduce hospital transfers,” *The Guardian*, May 21, 2025, <https://www.theguardian.com/us-news/2025/may/21/unitedhealth-nursing-homes-payments-hospital-transfers>.

HSA origins

UnitedHealth Group founded Exante Bank — chartered in Utah as an industrial loan company and insured by the Federal Deposit Insurance Corporation (FDIC) — in July 2003.⁸ It then purchased Golden Rule Financial, a pioneer of HSAs, for roughly \$500 million in November 2003.⁹ It did both in anticipation of the Medicare Prescription Drug, Improvement, and Modernization Act, which Congress enacted in December 2003 and which established HSAs to incentivize enrollment in high-deductible health plans, among other provisions.¹⁰

Industrial loan companies, or industrial banks, are very similar to commercial banks except that they are excluded from the definition of a bank under the 1956 Bank Company Holding Act; this means they can be owned and operated by a nonbank parent company engaged in commercial activities, and they are not subject to supervision by the Federal Reserve.¹¹ This loophole subverts a “core principle” of U.S. banking regulation — the separation of banking and commerce — and therefore creates perverse incentives for riskier lending.¹² According to its opponents, it “inappropriately extends government-backed safety nets[,] increases opportunities for companies to exercise distortionary market power,” and “plac[es] banks and their holding companies at a disadvantage.”^{13, 14}

⁸ “Optum Bank, Inc.,” Federal Deposit Insurance Corporation, updated Aug. 8, 2025, <https://banks.data.fdic.gov/bankfind-suite/bankfind/details/57408?bankfindLevelThreeView=Institution%20Details&branchOffices=true&pageNumber=1&resultLimit=25>.

⁹ “Fitch Comments on UnitedHealth Group’s Acquisition Announcement,” Fitch Ratings, Sept. 22, 2003, <https://www.fitchratings.com/research/insurance/fitch-comments-on-unitedhealth-group-acquisition-announcement-22-09-2003>; Krista Brown and Sara Sirota, “Building a Giant,” *The American Prospect*, Dec. 20, 2023, <https://prospect.org/health/2023-12-20-building-a-giant-unitedhealth/>.

¹⁰ An HSA is a tax-free personal savings account that a depositor can use to pay for qualified medical expenses if he or she is enrolled in a high-deductible health plan. Such plans shift costs from the insurer or health plan sponsor to the patient in the form of higher out-of-pocket costs. “What’s a Health Savings Account?” Centers for Medicare and Medicaid Services, accessed Aug. 12, 2025, <https://www.cms.gov/marketplace/outreach-and-education/health-savings-account.pdf>; Kristen Park, Sonali Saluja, and Cameron Kaplan, “Alleviating Financial Hardships Associated with High-Deductible Health Plans for Adults with Chronic Conditions Through Health Savings Accounts,” *Journal of General Internal Medicine*, May 2023, <https://pmc.ncbi.nlm.nih.gov/articles/PMC10212892/>; “High Deductible Health Plan (HDHP),” Centers for Medicare and Medicaid Services, accessed Aug. 12, 2025, <https://www.healthcare.gov/glossary/high-deductible-health-plan/>.

¹¹ David Perkins, “Industrial Loan Companies (ILCs): Background and Policy Issues,” Congressional Research Service, Sept. 9, 2020, <https://www.congress.gov/crs-product/R46489>; Kenneth Spong and Eric Robbins, “Industrial Loan Companies: A Growing Industry Sparks a Public Policy Debate,” Federal Reserve Bank of Kansas City, 2007, <https://www.kansascityfed.org/Economic%20Review/documents/953/2007-Industrial%20Loan%20Companies:%20A%20Growing%20Industry%20Sparks%20a%20Public%20Policy%20Debate.pdf>; “Battle Lines Being Drawn as FDIC Examines Industrial Loan Companies,” PYMNTS, Oct. 9, 2024, <https://www.pymnts.com/bank-regulation/2024/battle-lines-being-drawn-as-fdic-examines-industrial-loan-companies/>.

¹² Lina Khan, “The Separation of Platforms and Commerce,” *Columbia Law Review*, 2019, https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=3794&context=faculty_scholarship.

¹³ See “Industrial Loan Companies (ILCs): Background and Policy Issues” at 11.

¹⁴ Indeed, just a few years after UnitedHealth Group chartered Exante Bank, Walmart and Home Depot applied for industrial loan company charters, prompting concerns of monopoly leveraging and widespread public backlash. This led the FDIC to impose a moratorium on new charters in 2006. Then, during the global financial crisis, several industrial loan companies involved in subprime lending — including those owned by General Motors, Merrill Lynch, Goldman Sachs, and Morgan Stanley — either failed or received huge bailouts from the federal government to prevent their failure. In 2020, the FDIC began to approve new industrial loan company charters, including for Nelnet Bank, a private student loan provider and servicer; Square Financial Services, created by the point-of-sale company (now known as Block) to sell loans to its business customers; and Thrivent Bank, converting the Lutheran credit union into a digital bank. See “Industrial Loan Companies (ILCs): Background and Policy Issues” at 11; “Request for Information on Industrial Banks and Industrial Loan Companies and Their Parent Companies,” Federal Deposit Insurance Corporation, July 21, 2025, <https://www.federalregister.gov/documents/2025/07/21/2025-13589/request-for-information-on-industrial-banks-and->

With Exante chartered and Golden Rule Financial acquired, UnitedHealth Group became the first company to offer high-deductible health plans and HSAs, giving it an edge in both burgeoning markets.¹⁵ Although an executive claimed in 2006 that this arrangement had “nothing to do with an assets-under-management play,” Exante profited by investing HSA deposits, earning more in dividends than it paid to accountholders in interest.¹⁶ HSA deposits have since exploded, increasing from \$3.2 billion in 2007 to \$100.4 billion in 2024.¹⁷ Enrollment in high-deductible health plans has followed a similar trajectory, increasing from 5% of covered workers to 27% over the same period.¹⁸

Meanwhile, UnitedHealth Group experienced a change in leadership. CEO William McGuire retired in 2006 amid a stock backdating scandal.¹⁹ COO Stephen Hemsley — who had previously served as CFO of the disgraced accounting firm Arthur Andersen — replaced him, despite being implicated in the same scandal.²⁰ During his first stint as CEO, Hemsley “presided over the company’s transformation from a sizable insurance concern to a \$400 billion conglomerate that includes a sprawling network of doctor groups, a pharmacy-benefit manager and data operations as well as the nation’s largest health insurer.”²¹ He also oversaw the renaming of Exante Bank to OptumHealth Bank in 2008 and Optum Bank in 2012, and the formation of “master brand” Optum — encompassing Optum Health provider services, Optum Insight data and analytics services, and Optum Rx pharmacy and pharmacy benefit management services — in 2011.²²

[industrial-loan-companies-and-their-parent-companies](#); “Nelnet Bank Becomes First Industrial Bank to Begin Operating in 12 Years,” Nelnet, Nov. 2, 2020, <https://www.nelnetinvestors.com/news/press-release-details/2020/Nelnet-Bank-Becomes-First-Industrial-Bank-to-Begin-Operating-in-12-Years/>; “Thrivent Credit Union Membership Approves Merger with Thrivent Bank,” Thrivent, Feb. 6, 2025, <https://newsroom.thrivent.com/2025-02-06-Thrivent-Credit-Union-Membership-Approves-Merger-with-Thrivent-Bank>.

¹⁵ Eric Dash, “Health Savings Accounts Attract Wall St.,” *The New York Times*, Jan. 27, 2006, <https://www.nytimes.com/2006/01/27/business/health-savings-accounts-attract-wall-st.html>; “Insurer’s Bank, Exante, Exploits an Edge in HSAs,” *American Banker*, May 31, 2006, <https://www.americanbanker.com/news/insurers-bank-exante-exploits-an-edge-in-hsas-ab279317>.

¹⁶ See “Health Savings Accounts Attract Wall St.” above; “Health Savings Accounts,” Consumer Financial Protection Bureau, May 2024, https://files.consumerfinance.gov/f/documents/cfpb_health-savings-account-issue-spotlight_2024-04.pdf.

¹⁷ “2024 Year-End HSA Market Statistics & Trends Executive Summary,” Devenir Research, April 2, 2025, <https://www.devenir.com/wp-content/uploads/2024-Year-End-Devenir-HSA-Research-Report-Executive-Summary.pdf>.

¹⁸ Gary Claxton et al., “Employer Health Benefits: 2007 Annual Survey,” Kaiser Family Foundation and Health Research and Educational Trust, 2007, <https://www.kff.org/wp-content/uploads/2013/04/76723.pdf>; “2024 Employer Health Benefits Survey,” Kaiser Family Foundation, Oct. 9 2024, <https://www.kff.org/report-section/ehbs-2024-section-8-high-deductible-health-plans-with-savings-option/>.

¹⁹ Annie Baxter, “McGuire out at UnitedHealth amid options scandal,” Minnesota Public Radio, Oct. 15, 2006, <https://www.mprnews.org/story/2006/10/15/unh>.

²⁰ Hemsley left Arthur Andersen in 1997, five years before it collapsed due to its role in the Enron accounting scandal. Denis Collins, “Arthur Andersen,” *Encyclopaedia Britannica*, Nov. 15, 2024, <https://www.britannica.com/money/Arthur-Andersen>; David Phelps, “Suit: Hemsley had bigger role in UNH backdating,” *Minnesota Star Tribune*, May 23, 2008, <https://www.startribune.com/suit-hemsley-had-bigger-role-in-unh-backdating/19196249>.

²¹ Hemsley retired in 2017. His successors include David Wichmann, who was CEO from 2017 to 2021, and Andrew Witty, who was CEO from 2021 to 2025, when Hemsley returned to the role. Anna Wilde Mathews and Christopher Weaver, “UnitedHealth CEO Is Out, Sending Shares Plummeting,” *The Wall Street Journal*, updated May 13, 2025, https://www.wsj.com/health/healthcare/unitedhealth-names-new-ceo-suspends-2025-guidance-ed8244a1?mod=hp_lead_pos2; Rebecca Pifer, “UnitedHealth CEO Dave Wichmann steps down, replaced by Optum head Andrew Witty,” *Healthcare Dive*, Feb. 4, 2021, <https://www.healthcaredive.com/news/unitedhealth-ceo-dave-wichmann-steps-down-replaced-by-optum-head-andrew-wi/594523/>.

²² Today, Optum Bank is a subsidiary of Optum Financial, itself a subsidiary of Optum Health. “About Optum Bank,” AARP, accessed Aug. 12, 2025, <https://www.myaarp.org/customer-support/about-us.html>; “UnitedHealth Group Announces ‘Optum’ Master Brand for its Health Services Businesses,” UnitedHealth Group, April 11, 2011, accessed via the Wayback

This branding exercise largely stemmed from another health care law, the 2010 Affordable Care Act, which promoted “integration across the continuum of care” and established medical loss ratio (MLR) requirements, intended to cap insurer overhead spending.²³ In a 2011 letter to shareholders, Hemsley wrote that “[e]xpanded benefit coverage, increasing government oversight and new legislation are creating needs we can meet[.]” including “more consumer affordability.”²⁴ He also alluded to the company’s growing dominance over the U.S. health care system, explaining that the newly revamped Optum could “better serve this huge emerging market among governments, care providers, payers and other [system] participants[.]”²⁵

In fact, the new law incentivized UnitedHealth Group and other insurers to acquire providers so that they could manipulate billing practices and exploit MLR requirements to maximize their own profits.²⁶ UnitedHealth Group was able to do this via its Optum Health subsidiary. Between 2010 and 2024, UnitedHealth Group’s annual revenues and profits more than quadrupled, largely fueled by Optum Health, whose share of overall revenue increased from 6% to 26%.²⁷ This intensifying integration between payers and providers — as exemplified by UnitedHealth Group — did not make health care more affordable. Instead, the average annual family premium for employer-sponsored health insurance increased 77%, from \$13,871 to \$24,540, over the same period.²⁸

Rapid growth

Starting in 2019, Optum Financial’s growth accelerated. First, the HSA market grew and consolidated. Between 2019 and 2024, total HSA assets nearly doubled, fueled by strong market tailwinds, more accountholders investing their HSA dollars, increased individual and employer contributions, and steady account growth.²⁹ Optum Financial’s HSA assets increased 65%, from \$8.3

Machine,

<https://web.archive.org/web/20210410114441/https://www.unitedhealthgroup.com/newsroom/2011/0411optum.html>;

“Form 10-K,” UnitedHealth Group, Feb. 28, 2024,

<https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2023/UNH-Q4-2023-Form-10-K.pdf>.

²³ Robert Kocher, Ezekiel Emanuel, and Nancy-Ann DeParle, “The Affordable Care Act and the Future of Clinical Medicine: The Opportunities and Challenges,” *Annals of Internal Medicine*, Oct. 19, 2010,

<https://www.acpjournals.org/doi/10.7326/0003-4819-153-8-201010190-00274>.

²⁴ “2010 Summary Annual Report,” UnitedHealth Group, February 2011,

https://www.annualreports.com/HostedData/AnnualReportArchive/u/NYSE_UNH_2010.pdf.

²⁵ See above.

²⁶ Hayden Rooke-Ley, “Medicare Advantage and Vertical Consolidation in Health Care,” American Economic Liberties Project, April 2024, <https://www.economicliberties.us/wp-content/uploads/2024/04/Medicare-Advantage-AELP.pdf>.

²⁷ See 24; “Form 10-K,” UnitedHealth Group, Feb. 27, 2025,

<https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2024/UNH-Q4-2024-Form-10-K.pdf>.

²⁸ Adam Grundy, Kevin McLain, and Yi Zelibor, “How Many U.S. Businesses Offer Health Insurance to Employees?,” U.S. Census Bureau, Feb. 29, 2024, <https://www.census.gov/library/stories/2024/02/health-care-costs.html>.

²⁹ See 17; “2019 Year-End HSA Market Statistics & Trends Executive Summary,” Devenir Research, March 3, 2020,

<https://www.devenir.com/wp-content/uploads/2019-Year-End-Devenir-HSA-Research-Report-Executive-Summary.pdf>;

“2024 Health Savings Account Landscape,” Morningstar Manager Research, Sept. 26, 2024,

https://marketing.morningstar.com/content/cs-assets/v3/assets/blt9415ea4cc4157833/blt0dadccfc8c5960dc/680a4bc1f87fae18aaaf2d01/2024_Health_Savings_Account_Landscape.pdf.

billion to \$13.7 billion, over the same period.³⁰ Meanwhile, a series of acquisitions resulted in the “Big Four” — Fidelity, HealthEquity, Optum, and HSA Bank — controlling roughly 70% of total HSA assets in 2024, up from 55% in 2019.³¹ Optum’s market share increased to roughly 17% from 13% over the same period.³²

UnitedHealth Group also leveraged its vertically integrated business model to expand Optum Financial beyond consumer HSAs to “the only bank solely dedicated to health care,” according to an overview provided at its 2019 investor conference.³³ For instance, Optum data and analytics informed the bank’s products and services, which the company presented as a benefit — a “deep understanding of their [clients] challenges and opportunities” — rather than a predatory practice akin to surveillance pricing.³⁴

Other large insurers emulated UnitedHealth Group’s business model, including by partnering with HSA providers.³⁵ These partnerships are mutually advantageous, giving the HSA provider access to high-deductible health plan members and insurers a marketable combination.³⁶ They are also lucrative. Optum Financial generated nearly \$600 million in interest income but only paid out \$12 million, or 2%, to accountholders.³⁷ Moreover, because HSA and high-deductible health plan providers primarily market to employers, they don’t necessarily need “to compete on features that are important to consumers,” such as transparent costs, high interest rates, and fund portability, according to a May 2024 report by the Consumer Financial Protection Bureau.³⁸ As a result, HSA accountholders often incur junk fees; coupled with zero or low account interest rates, these fees “often eat away at the benefits that Congress intended to provide” when establishing HSAs, as the same report noted.³⁹

Beyond HSAs, the federal government’s response to the COVID-19 pandemic fueled Optum Financial’s growth. Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. The law allocated \$30 billion in grant funding for hospitals and physician practices, which the U.S. Department of Health and Human Services (HHS) contracted with Optum Financial to disburse.⁴⁰ In an April 2020 press release, UnitedHealth Group pledged to use its “full

³⁰ See “Form 10-K” at 29; “Form 10-K,” UnitedHealth Group, Feb. 14, 2020,

<https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2019/UNH-Form-10-K.pdf>.

³¹ See 17 and 29.

³² See 17 and 29.

³³ “Optum Overview and Q&A,” UnitedHealth Group, December 2019,

https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2019/Optum_IC2019_overview.pdf.

³⁴ Surveillance pricing occurs when sellers “use large-scale data collection to ... maximize their revenues by customizing the pricing, as well as the selection of products and services, offered to each consumer.” See above; “Issue Spotlight: The Rise of Surveillance Pricing,” Federal Trade Commission, accessed Nov. 11, 2025,

https://www.ftc.gov/system/files/ftc_gov/pdf/sp6b-issue-spotlight.pdf.

³⁵ See “Health Savings Accounts” at 16.

³⁶ See “Health Savings Accounts” at 16.

³⁷ “UnitedHealth Group Flouts Bank Industry Norms With Loan Practices, Grapples with Account Mishaps,” *The Capitol Forum*, April 29, 2024, <https://library.thecapitolforum.com/docs/7mr964dj4vcc>.

³⁸ See “Health Savings Accounts” at 16.

³⁹ See “Health Savings Accounts” at 16.

⁴⁰ Kevin O’Reilly, “First payments issued for COVID-19 financial relief,” American Medical Association, April 10, 2020, <https://www.ama-assn.org/practice-management/sustainability/first-payments-issued-covid-19-financial-relief>.

capabilities ... to assist our nation's COVID-19 response" and touted its "existing business relationships with more than 80% of all U.S. care providers[.]"⁴¹ In this way, the pandemic set the stage for Optum Financial to start offering emergency loans to physician practices.⁴²

UnitedHealth Group's \$13 billion acquisition of Change Healthcare — via its subsidiary Optum Insight — also facilitated this expansion. The companies first proposed to merge in January 2021, prompting antitrust concerns.⁴³ The U.S. Department of Justice (DOJ) sued to block the merger in February 2022, arguing that it would "giv[e] United[Health Group] control of a critical data highway through which about half of all Americans' health insurance claims pass each year," including access to its rival insurers' claims data.⁴⁴ But a federal judge ultimately ruled in favor of UnitedHealth Group, which completed the acquisition in October 2022 and thus gained access to Change's provider customers, among them 900,000 physicians.⁴⁵

Shortly thereafter, Optum Financial transformed from "a conservative caretaker" of HSAs to a riskier lender, seeking "even higher profits and ... breakneck growth."⁴⁶ This change coincided with an executive exodus and serious lapses in regulatory compliance, which neither stopped it nor slowed it down.⁴⁷ In early 2023, Optum Financial launched Optum Pay Advance, selling payday loans to physician practices.⁴⁸ Unlike a typical bank, Optum Financial pocketed 35% of the total loan amount, and its sister subsidiary UnitedHealthcare garnished the borrower's reimbursements "to shrink the loan balance."⁴⁹ Optum Financial relied on Change's "proprietary insurance claims data ... to flag

⁴¹ "UnitedHealth Groups Honored to assist the U.S. Department of Health and Human Services under the CARES Act," UnitedHealth Group, April 10, 2020, <https://www.unitedhealthgroup.com/newsroom/2020/2020-04-10-uhg-assists-us-hss.html>.

⁴² UnitedHealth Group debuted Optum Financial, a new name for its financial services business, including Optum Bank, in 2021. Optum Bank administers HSAs and Medicare Advantage medical savings accounts. Optum Financial administers all other accounts. "We are now Optum Financial," Optum Bank, accessed Aug. 26, 2025, <https://dmpdev-bank.optum.com/liberty/customer-support/about-us.html>.

⁴³ "OptumInsight and Change Healthcare Combine to Advance a More Modern, Information and Technology-Enabled Health Care Platform," UnitedHealth Group, Jan. 6 2021, <https://www.unitedhealthgroup.com/newsroom/2021/2021-01-06-optuminsight-and-change-healthcare-combine.html>.

⁴⁴ "Justice Department Sues to Block UnitedHealth Group's Acquisition of Change Healthcare," U.S. Department of Justice, Feb. 24, 2022, <https://www.justice.gov/archives/opa/pr/justice-department-sues-block-unitedhealth-group-s-acquisition-change-healthcare>.

⁴⁵ U.S. District Judge Carl Nichols relied in part on self-serving testimony from UnitedHealth Group executives, who claimed the company had "built a culture of trust and integrity." Memorandum Opinion, *United States, et al., v. UnitedHealth Group, Inc. and Change Healthcare, Inc.*, No. 1:22-cv-00481-CJN, D.D.C. No. 138 at 40 (Sept. 21, 2022), <https://www.justice.gov/d9/2023-08/415418.pdf>. Change Healthcare included the physician customer figure in a 2018 submission to the Securities and Exchange Commission. "Optum and Change Healthcare Complete Combination," UnitedHealth Group, Oct. 3, 2022, <https://www.unitedhealthgroup.com/newsroom/2022/2022-10-3-optum-change-healthcare-combination.html>; "Form S-1," Change Healthcare, Dec. 7, 2018, <https://www.sec.gov/Archives/edgar/data/1756497/000095012318012316/filename1.htm>.

⁴⁶ See 37.

⁴⁷ See 37.

⁴⁸ "Transcript: A 'payday loan' from a health care behemoth," *An Arm and A Leg*, May 25, 2023, https://armandalegshow.com/wp-content/uploads/2023/05/Web-transcript_S09-Ep07-Optum-Payday-Loan-May-19-draft.pdf.

⁴⁹ See above; Maureen Tkacik, "Usury in the Water," *The American Prospect*, May 30, 2025, <https://prospect.org/economy/2025-05-30-usury-in-the-water/>; "UnitedHealth Group Uses Patients' Claims Data to Target Loans to Doctors, Sources Say," *The Capitol Forum*, March 22, 2024, <https://library.thecapitolforum.com/docs/7hnzff4e1atp>.

prospective borrowers.”⁵⁰ Moreover, UnitedHealthcare’s rampant claims denial rate caused budget shortfalls for many practices, making them less likely to qualify for a commercial loan from a traditional bank and creating demand for payday loans.⁵¹

Optum Financial was also growing more central to its parent company. Speaking at an investor conference in June 2023, UnitedHealth Group’s then-CEO Andrew Witty compared the company’s investment in Optum Financial to its investment in health care services — what ultimately became Optum Health — a decade prior.⁵² “We probably feel the same way about financial services,” he said. “A decade from now, financial services ought to be a very, very material-scale business for us.”

In February 2024, UnitedHealth Group hired Dhivya Suryadevara as CEO of Optum Financial.⁵³ She spent the bulk of her career at General Motors, whose foray into banking — via an industrial bank selling inventory financing to dealers — nearly ended the company, requiring a \$17 billion taxpayer-funded bailout to avoid failure during the global financial crisis.⁵⁴ That same month, a cyberattack on Change Healthcare set off a more-than-yearlong public implosion at its parent company, as discussed below.

Much is still unknown about Optum Financial. UnitedHealth Group’s annual reports only drill down to the level of Optum Health, under which Optum Financial is housed, so it is unclear how well this “grandchild” is performing in terms of revenue or profits. Likewise, UnitedHealth Group has so far only disclosed Optum Financial’s consumer accounts, leaving it to journalists and lawmakers to investigate the scale of its commercial lending.⁵⁵

But UnitedHealth Group has made it clear that Optum Financial is a priority. In June 2025, the company announced that it had promoted Suryadevara to CEO of Optum Insight — the subsidiary that acquired Change Healthcare — in addition to Optum Financial, underscoring the link between the two.⁵⁶ During a July 2025 earnings call, she touted the “structural tailwinds” associated with combining the subsidiaries, including “deep customer relationships and domain knowledge.”⁵⁷

⁵⁰ See “Usury in the Water” above.

⁵¹ UnitedHealthcare has the highest in-network claims denial rate (33%) among major health insurers, far higher than the industry average (19%). See “Usury in the Water” at 49; “Insurance Claims Denials: Worst Companies and How to Appeal,” ValuePenguin, updated Dec. 18, 2024, <https://www.valuepenguin.com/health-insurance-claim-denials-and-appeals>.

⁵² See 3.

⁵³ Dhivya Suryadevara, “I’m excited to share that I’ve joined UnitedHealth Group (UHG) as CEO of Optum Financial services.” LinkedIn, Feb. 26, 2024, https://www.linkedin.com/posts/dhivya-suryadevara_im-excited-to-share-that-ive-joined-unitedhealth-activity-7167866766210109440-tGaK/.

⁵⁴ Daniel Indiviglio, “GMAC: Too Important to GM to Fail,” *The Atlantic*, March 12, 2010, <https://www.theatlantic.com/business/archive/2010/03/gmac-too-important-to-gm-to-fail/37394/>; Bill Canis and Baird Webel, “The Role of TARP Assistance in the Restructuring of General Motors,” Congressional Research Service, March 18, 2014, <https://www.congress.gov/crs-product/R41978>.

⁵⁵ See “Form 10-K” at 27; letter from Sens. Elizabeth Warren (D-MA) and Ron Wyden (D-OR) to UnitedHealth Group CEO Stephen Hemsley and Optum Financial CEO Dhivya Suryadevara, Aug. 27, 2025, https://www.finance.senate.gov/imo/media/doc/wyden_warren_letter_to_uhg_and_optumpdf.pdf.

⁵⁶ “2025 Annual Meeting FAQs,” UnitedHealth Group, June 4, 2025, https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2025/2025_Annual_Meeting_FAQs.pdf.

⁵⁷ “UnitedHealth (UNH) Q2 Earnings Transcript,” The Motley Fool, Aug. 6, 2025, <https://www.fool.com/earnings/call-transcripts/2025/08/06/unitedhealth-unh-q2-2025-earnings-transcript/>.

Just two months later, UnitedHealth Group promoted Sandeep Dadlani as CEO of Optum Insight.⁵⁸ It remains unclear whether Suryadevara is still CEO of Optum Financial or with the company.⁵⁹ During an October 2025 earnings call, Dadlani emphasized investments in new AI products bridging UnitedHealth Group's various subsidiaries, including Optum Real, "a real-time claims system that delivers instance coverage validation" for payers and providers; Crimson AI, a predictive analytics platform that optimizes operating room scheduling and staffing for providers; and Optum Integrity One, a revenue cycle management platform that "enhances clinical documentation and coding accuracy" for hospitals and health systems.⁶⁰

Optum Financial bolsters UnitedHealth Group's platform monopoly

This interplay between Optum Financial and Optum Insight, and its role in bolstering UnitedHealth Group's platform monopoly power, became clear in the aftermath of the February 2024 cyberattack on Change Healthcare. Enabled by UnitedHealth Group's own negligence, the attack devastated physician practices across the country and prompted widespread public scrutiny.⁶¹ However, Optum Financial, and by extension, UnitedHealth Group, ultimately benefitted, in part by extending loans to thousands of impacted providers, furthering the company's dominance.⁶²

Health care platformization

Since its founding in 1974, UnitedHealth Group — aided by federal health policy incentivizing consolidation — has expanded horizontally by acquiring health insurers and vertically by acquiring other entities along the health care supply chain, including those offering data and analytics, financial, pharmacy benefit management, and provider services.⁶³ Today, the company comprises at least 2,694 individual subsidiaries.⁶⁴ Former Assistant Attorney General Jonathan Kanter has described such sprawl as "platformization," a stage beyond two-dimensional horizontal and vertical consolidation in which a small number of three-dimensional platforms threaten to "amass a generational hold" over the U.S. health care system and, left unchecked, could result in "a private

⁵⁸ Paige Minemyer, "UnitedHealth taps Sandeep Dadlani to lead Optum Insight unit," *Fierce Healthcare*, Sept. 22, 2025, <https://www.fiercehealthcare.com/health-tech/unitedhealth-taps-sandeep-dadlani-lead-optum-insight-unit>.

⁵⁹ See above.

⁶⁰ "Earnings call transcript: UnitedHealth Q3 2025 beats EPS and revenue forecasts," *Investing*, Oct. 28, 2025, <https://www.investing.com/news/transcripts/earnings-call-transcript-unitedhealth-q3-2025-beats-eps-and-revenue-forecasts-93CH-4313654>; "Optum reinvents claims and reimbursement process to eliminate complexity and administrative waste," *Optum*, Oct. 21, 2025, <https://www.optum.com/en/about-us/news/page.hub5.eliminate-waste.html>; "Crimson AI accelerates surgical operations for health systems," *Optum*, Aug. 6, 2025, <https://www.optum.com/en/about-us/news/page.hub5.crimson-ai.html>; "Optum leads revenue cycle management innovation with new AI-powered solution," *Optum*, May 7, 2025, <https://www.optum.com/en/about-us/news/page.hub5.optum-leads-revenue-cycle-management-innovation.html>.

⁶¹ "What We Learned: Change Healthcare Cyber Attack," U.S. House Committee on Energy and Commerce, May 3, 2024, <https://energycommerce.house.gov/posts/what-we-learned-change-healthcare-cyber-attack>.

⁶² See "UnitedHealth's Move to End Cyberattack Loan Lifeline Upsets Medical Providers" at 5.

⁶³ Krista Brown and Sara Sirota, "Health Care's Intertwined Colossus," *The American Prospect*, Aug. 2, 2023, <https://prospect.org/health/2023-08-02-health-cares-intertwined-colossus/>.

⁶⁴ "Sunlight Report on UnitedHealth Group," Center for Health and Democracy, July 17, 2025, <https://www.sunlightreportinsurance.com/>.

single payer without any of the oversight, impartiality, or scrutiny attendant to government insurance programs.”⁶⁵

Kanter’s theory borrows from Big Tech, where platforms such as Alphabet, Amazon, and Meta “mediate a large and growing share of our commerce and communications.”⁶⁶ In response, regulators, antitrust enforcers, and economists have developed “ecosystem theories of harm,” which suppose that mergers involving ecosystems, or platforms, further entrench the ecosystem by increasing barriers to entry among would-be competitors in any of the markets in which the ecosystem operates and leveraging the ecosystem’s dominance across markets.⁶⁷

Health care platforms similarly foreclose competition by requiring would-be competitors “to attempt multi-level entry,” leveraging their dominance in one market “to establish an advantageous position in a separate or ancillary market[,]” and exploiting conflicts of interest that arise when one company is on both or multiple sides of a health care transaction.⁶⁸ Kanter has also compared tech and health care platforms in terms of “flywheel effects,” where a platform’s multi-level monopoly creates further reinforcing data feedback loops.⁶⁹ Notably, although other health insurers have long emulated UnitedHealth Group’s vertically integrated business model, none have yet created a rival to Optum Financial, whose market dominance continues to grow.⁷⁰ Given the conflicts of interest, no health insurer should operate a bank, let alone the dominant provider of consumer HSAs and, increasingly, loans to practices.

Unlike tech platforms, whose industry is relatively less regulated, health care platforms also foreclose competition by engaging in regulatory gamesmanship.⁷¹ For example, the Affordable Care Act requires that health insurers spend at least 80% of premiums on medical care.⁷² The Federal Trade Commission, the Mississippi Board of Pharmacy, STAT, and researchers at Brown University and the University of California, Berkeley, have alleged that UnitedHealthcare and Optum Rx skirt

⁶⁵ “Assistant Attorney General Jonathan Kanter Delivers Remarks on the Platformization of Healthcare,” U.S. Department of Justice, Nov. 12, 2024, <https://www.justice.gov/archives/opa/speech/assistant-attorney-general-jonathan-kanter-delivers-remarks-platformization-health-care>.

⁶⁶ Lina Khan, “Sources of Tech Platform Power,” *Georgetown Law Technology Review*, 2018, https://scholarship.law.columbia.edu/faculty_scholarship/4395/.

⁶⁷ Ben Rininger, “The Ecosystem Theory of Harm in Merger Enforcement: A Transatlantic Comparison,” *University of Cincinnati Law Review*, March 2025, <https://scholarship.law.uc.edu/cgi/viewcontent.cgi?article=1567&context=uclr#::~:~:text=Page%203,overall%20wisdom%20of%20ecosystem%20theories>; “Theories of Harm for Digital Mergers,” OECD, 2023, https://www.oecd.org/content/dam/oecd/en/publications/reports/2023/05/theories-of-harm-for-digital-mergers_7bae0553/0099737e-en.pdf.

⁶⁸ See 65 and 66.

⁶⁹ “Transcript of Conference Call on the Rise of Health Care Platforms with Jonathan Kanter and Martin Gaynor,” *The Capitol Forum*, May 15, 2025, <https://library.thecapitolforum.com/docs/8m203qr0bp88>.

⁷⁰ David Wainer, “UnitedHealth Built a Giant. Now Its Model Is Faltering,” *The Wall Street Journal*, May 20, 2025, <https://www.wsj.com/health/healthcare/unitedhealth-business-model-struggles-c7238dc4?st>.

⁷¹ See 65 and 66.

⁷² “Medical Loss Ratio,” Centers for Medicare and Medicaid Services, updated Sept. 10, 2024, <https://www.cms.gov/marketplace/private-health-insurance/medical-loss-ratio>.

these rules by systematically overpaying Optum health care providers compared with their competitors.⁷³

Change Healthcare as a single point of failure

UnitedHealth Group's 2022 acquisition of Change Healthcare and its response to a 2024 cyberattack on the subsidiary provide a case study of the company's platform monopoly power. Opponents of the merger argued that UnitedHealth Group would use "data from [the Change] platform to undercut third parties while keeping all its consumers in a panopticon of data," similar to how Amazon uses data from its marketplace to undercut third-party sellers.⁷⁴ Indeed, after consummating the merger, UnitedHealth Group used Change claims data to target physician practices to whom it wanted to "sell more conventional financial products."⁷⁵ Optum Financial then "promote[d] its loans to doctors as quick cash injections given on simple terms," despite the unconventional repayment structure in which UnitedHealthcare garnishes borrowers' reimbursements.⁷⁶

On Feb. 21, 2024, Change Healthcare discovered that the Russian-linked ransomware group BlackCat, also known as ALPHV or Noberus, had attacked its computer systems, compromising the privacy of nearly 193 million Americans.⁷⁷ The reason for the attack? Change Healthcare did not use multi-factor authentication, an industry standard, to secure its systems, and UnitedHealth Group had failed to rectify this since the merger.⁷⁸ Following this discovery, Change went offline in an attempt to mitigate the damage and restore its systems. During this monthslong process, its health care provider customers could not process or get paid for claims, resulting in at least a \$14 billion backlog that drove many physician practices to the brink of closure.⁷⁹

Dr. Christine Meyer, who owns a primary care practice with 84 employees and 30,000 patients outside of Philadelphia, saw her business enter a cash flow crisis almost immediately following the

⁷³ "Specialty Generic Drugs: A Growing Profit Center for Vertically Integrated Pharmacy Benefit Managers," Federal Trade Commission, January 2025, https://www.ftc.gov/system/files/ftc_gov/pdf/PBM-6b-Second-Interim-Staff-Report.pdf; "Mississippi Board of Pharmacy Completes Audit of Optum for 2022 Claims," Mississippi Board of Pharmacy, Oct. 14, 2024, <https://ncpa.org/sites/default/files/2024-10/MS%20BoP%20Audit%20of%20Optum%20Oct%202024.pdf>; <https://www.ftc.gov/reports/specialty-generic-drugs-growing-profit-center-vertically-integrated-pharmacy-benefit-managers>; Bob Herman et al., "UnitedHealth pays its own physician groups considerably more than others, driving consumer costs and its profits," STAT, Nov. 25, 2024, <https://www.statnews.com/2024/11/25/unitedhealth-higher-payments-optum-providers-converts-expenses-to-profits/>; Daniel Arnold and Brent Fulton, "UnitedHealthcare Pays Optum Providers More Than Non-Optum Providers," *Health Affairs*, Nov. 3, 2025, <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2025.00155?journalCode=hlthaff#>.

⁷⁴ Krista Brown and Olivia Webb, "The Big Tech of Health Care," *The American Prospect*, April 5, 2021, <https://prospect.org/health/big-tech-of-health-care-united-optum-change-merger/>.

⁷⁵ See 3.

⁷⁶ See "UnitedHealth Group Uses Patients' Claims Data to Target Loans to Doctors, Sources Say" at 49.

⁷⁷ See 5; "Change Healthcare Cybersecurity Incident Frequently Asked Questions," U.S. Department of Health and Human Services, updated March 14, 2025, <https://www.hhs.gov/hipaa/for-professionals/special-topics/change-healthcare-cybersecurity-incident-frequently-asked-questions/index.html>.

⁷⁸ See 61.

⁷⁹ Leroy Leo, "UnitedHealth unit will start processing \$14 billion medical claims backlog after hack," March 22, 2024, <https://www.reuters.com/technology/cybersecurity/unitedhealth-says-several-services-handling-medical-claims-unit-change-will-go-2024-03-22/>.

attack. Its bank account balance, which typically received \$60,000 to \$70,000 in deposits each day, fell as low as \$30, far short of its \$220,000 biweekly payroll. “It was crippling,” she said in an April 2025 interview.

On Feb. 29, Optum Financial launched an emergency loan program for impacted providers — and later increased loan offers following backlash.⁸⁰ Dr. Meyer ultimately borrowed \$750,000, which she said was essential to her practice staying afloat but not enough to cover revenue losses as a result of the attack, which she estimates at \$1.2 million, not including the loan amount. She also had concerns about the loan repayment terms, which were unclear.

Other practices needed more assistance than was available. On March 8, the Corvallis Clinic, a multi-specialty practice with 600 employees in Oregon’s Willamette Valley, successfully requested that the state immediately approve its proposed merger with UnitedHealth Group, citing its recent “lack of stability from a cash perspective.”⁸¹ In this case, UnitedHealth Group likely paid a lower price for an acquisition target weakened by its own mistakes and state approval for a controversial transaction given the emergency circumstances.⁸² On April 29, the American Medical Association (AMA) released a survey of physician practices, which found that 85% of respondents continued to face payment disruptions and forecasted physician practice closures.⁸³ Although no official tally exists, the attack likely hastened physician practice closures and acquisitions, benefitting UnitedHealth Group, which used it to expand its loan portfolio and provider business — despite the fact that it shared responsibility for its occurrence.

Meanwhile, borrowers’ challenges mounted. On May 1, the Senate Finance and House Energy and Commerce committees questioned then-UnitedHealth Group CEO Andrew Witty about the cyberattack. Former Sen. Bob Casey Jr. (D-PA) asked Witty about the loan repayment timeline, citing his constituent Dr. Meyer’s concerns.⁸⁴ Although Witty said Optum Financial would not seek “repayment until after she determines that her business is back to normal,” Dr. Meyer received an email from Optum Financial in January 2025 demanding full repayment within five business days and threatening to garnish her reimbursements from UnitedHealthcare if she didn’t comply. She estimated it will take three years of garnishing — or forgoing reimbursements — to repay the loan in full, further compounding her practice’s losses as a result of the attack.

⁸⁰ James Rundle, “UnitedHealth Aims to Restore Change Healthcare Systems Within Two Weeks,” *The Wall Street Journal*, March 7, 2024, <https://www.wsj.com/articles/unitedhealth-aims-to-restore-change-healthcare-systems-within-two-weeks>; Brittany Trang and Tara Bannow, “UnitedHealth appears to be upping loan offers to providers, after Change cyberattack,” *STAT*, March 19, 2024, <https://www.statnews.com/2024/03/19/change-healthcare-cyberattack-update-unitedhealth-loan-increases/>.

⁸¹ Corvallis Clinic, “Health Care Market Oversight (HCMO) Program Request for Emergency Exemption from Material Change Transaction Review,” Oregon Health Authority, March 8, 2024, <https://www.oregon.gov/oha/HPA/HP/HCMOPageDocs/018-Optum-TheCorvallis-Clinic-HCMO-Emergency-Exemption-Application-PUBLIC.pdf>.

⁸² Amelia Templeton, “Update: Oregon approves controversial Corvallis Clinic, Optum merger,” Oregon Public Broadcasting, updated March 14, 2024, <https://www.opb.org/article/2024/03/13/corvallis-clinic-optum-merger-oregon-health-care/>.

⁸³ “Change Healthcare cyberattack,” American Medical Association, May 20, 2024, <https://www.ama-assn.org/practice-management/sustainability/change-healthcare-cyberattack>.

⁸⁴ “UnitedHealth CEO Andrew Witty testifies about cyberattack,” *CBS News*, May 1, 2024, https://www.youtube.com/live/vjQAcWy1_dQ.

Other borrowers faced the same shakedown, which threatened to close practices that barely survived the attack.⁸⁵ In April 2025, the AMA sent a letter to UnitedHealth Group, urging the company to fulfill its promise to Congress not to demand repayment until the physician borrower had indicated it was appropriate.⁸⁶ “To be clear, physicians and other medical providers did nothing wrong and were compliant with industry standards and regulations,” AMA CEO Dr. James Madara wrote. “[T]hey did not suffer any data breach of their systems but were powerless to prevent the widespread service outage caused by the failure of [Change Healthcare] to secure its data and keep its systems operational.”

Even if UnitedHealth Group had not acquired Change Healthcare or had invested in basic protections against cyberattacks, Optum Financial would still be problematic. It could offer predatory loans to physician practices driven to financial distress by UnitedHealthcare’s low reimbursement rates and rampant claims denials, both of which make practices less likely to qualify for a commercial loan at a traditional bank. Optum Financial loans would benefit UnitedHealthcare, by allowing it to garnish the reimbursements of delinquent borrowers, and Optum Health, by increasing pressure on borrowers to sell their practices to Optum Health. Meanwhile, Optum Financial would benefit from guaranteed repayment, so long as borrowers continued to file claims with UnitedHealthcare, the nation’s largest health insurer.

UnitedHealth Group’s acquisition of Change Healthcare and the ensuing cyberattack intensified these conflicts of interest by providing Optum Financial with valuable provider claims data to inform its lending decisions and subsequently creating enormous demand for its services. Sens. Elizabeth Warren (D-MA) and Ron Wyden (D-OR) raised concerns about this arrangement and reportedly “abusive tactics to recoup funds” in an August 2025 letter to UnitedHealth Group.⁸⁷ Such tactics are “particularly troubling because they underscore the extraordinary market power of United’s massive, vertically-integrated conglomerate: the problem was caused by a breach of United’s payment clearinghouse, Change; the loans were offered by United’s industrial bank, Optum Financial; and now the company is using its insurance arm as a collection tool,” they wrote.⁸⁸

Antitrust enforcers were concerned about the perverse incentives that arise when a single company is on multiple sides of a health care transaction — as payer, provider, lender, and claims processor — and thus insulated from competition. In this case, UnitedHealth Group suffered a massive public failure, but its platform monopoly power, reinforced by Optum Financial, ensured the company was too big to fail.

⁸⁵ Gretchen Morgenson, “Taking on Goliath: Brain surgeon’s clash with UnitedHealthcare shows insurer’s hardball tactics,” NBC News, June 20, 2025, <https://www.nbcnews.com/news/us-news/taking-goliath-brain-surgeons-clash-unitedhealthcare-shows-insurers-ha-rcna201614>.

⁸⁶ Letter from American Medical Association CEO James Madara to Optum Insight CEO Roger Connor, April 11, 2025, <https://searchlf.ama-assn.org/letter/documentDownload?uri=/unstructured/binary/letter/LETTERS/lfcy.zip/2025-4-11-Letter-to-Connor-re-Issues-Facing-Practices-Post-Cyberattack-v2.pdf>.

⁸⁷ See “letter” at 55.

⁸⁸ See “letter” at 55.

The Change Healthcare cyberattack underscores the risk of a single point of failure in the U.S. health care system and the need for substantive legislative and regulatory policy reform to make this system more resilient.

Policy recommendations

Federal agencies and Congress must work together to protect independent physician practices that are at imminent risk of closure, acquisition, or predatory lending at the hands of UnitedHealth Group and other health care platforms. Once independent physician practices are shored up, policymakers should ensure their long-term financial viability by standardizing health care prices and breaking up the platforms squeezing them out of business.

Short-term reforms

- **Investigate Optum Financial:** The FDIC should use its authority under Section 10(c) of the Federal Deposit Insurance Act to examine Optum Financial, including whether its banking practices comply with federal rules and entitle it to FDIC insurance.⁸⁹
- **Create an emergency fund for at-risk independent physician practices:** Congress should establish an emergency fund for independent physician practices at risk of imminent closure, acquisition, or payday loans. This fund could be modeled on the CARES Act's Paycheck Protection Program, which extended low-interest and potentially forgivable loans to small businesses to cover payroll expenses, or Provider Relief Fund, which disbursed grants to health care providers to account for lost revenue, with important new safeguards.⁹⁰ When disbursing CARES Act funding, HHS favored larger, wealthier providers and chose Optum Financial as a payment processor.⁹¹ To prevent similar mistakes from occurring in the future, Congress should require emergency funding recipients to report their ownership to ensure corporate practices are excluded; prohibit Optum Bank from disbursing funds given conflicts of interest; subject participating financial institutions to federal banking rules; and incentivize participation among financial institutions that lend to traditionally underserved businesses, including those with fewer than 10 employees.⁹²
- **Impose a moratorium on predatory health care transactions:** Congress should stop UnitedHealth Group and other health care platforms from exploiting crises — such as the ongoing fallout from the Change Healthcare cyberattack and COVID-19 pandemic — by acquiring independent physician practices. Model legislation includes the 2020 Pandemic Anti-Monopoly Act, which would impose a moratorium on transactions involving companies

⁸⁹ 12 U.S. Code § 1820(c).

⁹⁰ "Paycheck Protection Program," U.S. Department of the Treasury, accessed Aug. 18, 2025, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-small-businesses/paycheck-protection-program>; "PRB Provider Relief Fund General Information FAQ," U.S. Health Resources and Services Administration, accessed Aug. 18, 2025, <https://www.hrsa.gov/provider-relief>.

⁹¹ Eileen Appelbaum, "Curbing Inequities in the Distribution of Emergency Relief: Lessons from the CARES Act in Health Care," Center for Economic and Policy Research, March 3, 2022, <https://cepr.net/publications/curbing-inequities-in-the-distribution-of-emergency-relief-lessons-from-the-cares-act-in-health-care>.

⁹² William Shear, "PAYCHECK Protection Program: Program Changes Increased Lending to Smaller and Underserved Businesses," U.S. Government Accountability Office, March 16, 2022, <https://www.gao.gov/assets/gao-22-105788.pdf>.

with more than \$100 million in revenue or private-equity firms until the Federal Trade Commission determines that small businesses, workers, and consumers are no longer in severe financial distress.⁹³

- **Waive prior authorization requirements:** Congress should condition federal funding for private insurers — including those offering Medicare Advantage, Medicare Part D, Medicaid managed care, or TRICARE Prime plans — on their waiving prior authorization requirements, similar to provisions of the 2020 Families First Coronavirus Response Act.⁹⁴ In addition to delaying care, these requirements undercut the financial viability of physician practices, which spend, on average, 13 hours per week on prior authorizations and often must hire additional staff as a result.⁹⁵

Long-term reforms

- **Close the industrial loan company loophole:** Congress should repeal the exemption for industrial loan companies from the definition of bank under the Bank Company Holding Act. The bipartisan Close the Shadow Banking Loophole Act, last introduced in 2023 by former Sen. Sherrod Brown (D-OH), would subject nonbank parent companies of industrial loan companies to the same supervision by the Federal Reserve as traditional banks.⁹⁶ However, this bill exempts existing industrial loan companies, a loophole that would need to be closed if reintroduced.
- **Standardize health care payments:** Congress should standardize health care reimbursement rates by geographic region and cap price growth in line with inflation. Health care providers are incentivized to consolidate with each other and other entities along the health care supply chain, including insurers, to gain leverage in reimbursement negotiations. By standardizing and capping health care prices, Congress would undo this incentive while ensuring independent physician practices can compete on a level playing field with health care platforms.
- **Break up Big Medicine:** Congress should prohibit health care platforms — also known as Big Medicine — from owning providers, given the well-documented harms of such three-dimensional consolidation.⁹⁷ There's precedent for this in the 1933 Glass-Steagall Act, which structurally separated commercial and investment banks given the systemic risks inherent

⁹³ “Pandemic Anti-Monopoly Act,” U.S. Sen. Elizabeth Warren, Dec. 7, 2021,

<https://www.warren.senate.gov/imo/media/doc/Merger%20Moratorium%20One%20Pager.pdf>.

⁹⁴ Kellie Moss et al., “The Families First Coronavirus Response Act: Summary of Key Provisions,” KFF, March 23, 2020, <https://www.kff.org/coronavirus-covid-19/issue-brief/the-families-first-coronavirus-response-act-summary-of-key-provisions/>.

⁹⁵ “2024 AMA prior authorization physician survey,” American Medical Association, July 18, 2024, <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf>.

⁹⁶ “Brown, Kennedy, Colleagues Reintroduce Bill to Ensure a Fair and Competitive Banking System,” U.S. Senate Committee on Banking, Housing, and Urban Reforms, Dec. 15, 2023, <https://www.banking.senate.gov/newsroom/majority/brown-kennedy-colleagues-reintroduce-bill-to-ensure-a-fair-and-competitive-banking-system>.

⁹⁷ “America’s Healthcare Consolidation Crisis: A Ledger of Harms and Framework for Advancing Economic Liberty for All,” American Economic Liberties Project, Oct. 24, 2024, <https://www.economicliberties.us/wp-content/uploads/2024/10/10-24-AELP-healthcare-ledger.pdf>.

to their common ownership.⁹⁸ More recently, the 2025 Patients Over Profits Act would prevent insurers from owning certain Medicare providers.⁹⁹

- **Revoke health care platforms' corporate charters:** Given inadequate enforcement of state corporate death penalty laws, Congress should authorize the DOJ to revoke the corporate charters of health care platforms that repeatedly break the law or endanger the public.¹⁰⁰ In the case of an offender that provides key infrastructure, such as UnitedHealth Group, Congress should also appoint HHS as a receiver, similar to how the Federal Deposit Insurance Act governs commercial bank failures.¹⁰¹
- **Protect against private equity:** Private-equity firms often pursue “roll-up” acquisitions of independent physician practices with the end goal of selling the bundle to UnitedHealth Group or another health care platform. Congress should safeguard against this strategy by establishing a federal prohibition against the corporate practice of medicine. Such a ban must extend to management services organizations, which are often created by or receive investment from private-equity firms to circumvent state corporate practice of medicine laws.

Conclusion

Since its founding in 2003, Optum Financial has grown into an essential component of UnitedHealth Group's platform monopoly, helping to tighten its death grip on physician practices. Federal policymakers are largely responsible, having opened the industrial loan company loophole, created HSAs, backed the company's deposits, chosen it to disburse pandemic relief funding, and approved UnitedHealth Group's acquisition of Change Healthcare.¹⁰² Fortunately, they can learn from their mistakes and enact reforms that would rein in Optum Financial, provide emergency relief to independent physician practices, and restore competition to the U.S. health care system. If they choose not to, however, Optum Financial's banking practices will likely grow riskier and more predatory, hastening the demise of independent physician practices while exacerbating health care consolidation, which harms patients, workers, and health plan sponsors. It could also potentially lead to its own failure, which, given UnitedHealth Group's dominance over the U.S. health care system, would likely result in a taxpayer-funded bailout and catastrophic outcomes.

⁹⁸ Ashley Nowicki and Hayden Rooke-Ley, “Too big to care: It is time for a Glass-Steagall Act for health care,” *The Hill*, May 1, 2024, <https://thehill.com/opinion/healthcare/4633316-unitedhealth-group-change-cyberattack-glass-steagall-act-healthcare-too-big-to-fail/>.

⁹⁹ “Merkley, Warren, Hoyle, Ryan, Jayapal Introduce New Bill to Crack Down on Health Insurers Buying Up Clinics Across the U.S.,” Sen. Jeff Merkley, Sept. 17, 2025, <https://www.merkley.senate.gov/merkley-warren-hoyle-ryan-jayapal-introduce-new-bill-to-crack-down-on-health-insurers-buying-up-clinics-across-the-u-s/>.

¹⁰⁰ Thom Hartmann, “It's Time to Bring Back the Corporate Death Penalty,” *Common Dreams*, Jan. 8, 2019, <https://www.commondreams.org/views/2019/01/08/its-time-bring-back-corporate-death-penalty>; Kyle Noonan, “The Case for a Federal Corporate Charter Revocation Penalty,” *The George Washington Law Review*, February 2012, <https://www.gwlr.org/wp-content/uploads/2012/03/80-2-Noonan.pdf>.

¹⁰¹ “When a Bank Fails – Facts for Depositors, Creditors, and Borrowers,” Federal Deposit Insurance Corporation, updated July 28, 2014, <https://www.fdic.gov/bank-failures/when-bank-fails-facts-depositors-creditors-and-borrowers>.

¹⁰² See “Sunlight Report on UnitedHealth Group” at 64.