

UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Joseph J. Simons, Chairman  
Noah Joshua Phillips  
Rohit Chopra  
Rebecca Kelly Slaughter  
Christine S. Wilson

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IN THE MATTER OF		)
		)
UnitedHealth Group Incorporated,		)
a corporation;	Docket No. C-4677	)
		)
Collaborative Care Holdings, LLC,		)
a limited liability company;		)
		)
DaVita Inc.,		)
a corporation;		)
		)
and		)
		)
DaVita Medical Holdings, LLC,		)
a limited liability company.		)
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COMPLAINT

Pursuant to the provisions of the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and by the virtue of the authority vested in it by said Acts, the Federal Trade Commission (“FTC” or “Commission”), having reason to believe that Respondent Collaborative Care Holdings, LLC, a limited liability company subject to the jurisdiction of the Commission and controlled by Respondent UnitedHealth Group Incorporated (“UnitedHealth Group”), a corporation subject to the jurisdiction of the Commission, and Respondent DaVita Inc. (“DaVita”), a corporation subject to the jurisdiction of the Commission, have reached an (ti15 TPropose it quo t.

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## **II. JURISDICTION**

8. Respondents, and each of their relevant operating entities and parent entities are, and at all relevant times have been, engaged in commerce or in activities affecting “commerce” as defined in Section 4 of the FTC Act, 15 U.S.C. § 44, and Section 1 of the Clayton Act, 15 U.S.C. § 12.

9. The Proposed Acquisition constitutes an acquisition subject to Section 7 of the Clayton Act, 15 U.S.C. § 18.

## **III. THE PROPOSED ACQUISITION**

10. On December 5, 2017, UnitedHealth Group entered into an equity purchase agreement to acquire DaVita’s DMG division for approximately \$4.9 billion in cash. The purchase price was amended to \$4.3 billion on December 11, 2018. The Proposed Acquisition includes DMG’s medical groups and affiliated networks across all six states where DMG operates, including Nevada.

## **IV. THE RELEVANT MARKETS**

### **A. MCPO Services Sold to MAOs**

11. MCPO services sold to MAOs constitute a relevant service market in which to analyze the effects of the Proposed Acquisition. MCPO services include physician service lines—both primary care physicians and specialists—that are integrated with other aspects of care coordination and cost containment provided by MCPOs. MCPOs offer to MAOs a broad set of providers that can independently manage an MA network while effectively coordinating care, managing utilization, and containing costs for a covered patient population.

12. The relevant geographic market in which to analyze the effects of the Proposed Acquisition on MCPO services sold to MAOs is no broader than the Las Vegas Area, which includes Clark and Nye counties in Nevada.

### **B. MA Plans Sold to Individual MA Members**

13. Another relevant product market in which to analyze the effects of the Proposed Acquisition is the market for MA health plans (“MA plans”) sold to individual MA members. MA plans are meaningfully differentiated from other types of health insurance products, including Original Medicare, eligibility-restricted Medicare options (e.g., special needs plans or “SNPs”), employer-group MA plans, and commercial health plans. MA plans are differentiated from Original Medicare in several important respects, including MA plans’ limited networks, caps on out-of-pocket spending, coordination of care by providers, and members’ access to supplemental benefits like prescription drug coverage. SNPs are MA plans specifically designed for qualifying individuals to treat specific medical conditions or needs, and thus are not available to seniors who enroll in a typical MA plan unless they have or develop one of the specified conditions required for SNP eligibility. Likewise, employer-group MA plans are limited to

employees of a participating organization; an MA enrollee cannot enroll in an employer-group MA plan unless they are a former employee of a participating employer. The market for MA plans also excludes commercial health plans because MA plans often feature zero or very low premiums, which are much less expensive than commercial health plans, which frequently charge much higher premiums. Medicare-eligible seniors who purchase MA plans therefore are either not likely to select Original Medicare or purchase a commercial health plan, or are

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