

# UnitedHealth Group is becoming a clinical care behemoth—and that should worry its peers

Article

**The news:** UnitedHealth Group's (UHG's) healthcare services arm **Optum** is scooping up one of the largest US in-home healthcare organizations, **LHC Group**, for **\$5.4 billion**, per WSJ.

- Optum gains access to LHC Group's **30,000 healthcare workers** and its massive patient base: LHC Group facilitates **12 million patient interactions annually**, according to a company press release.

**Why it could succeed:** Skilled nursing facilities are accepting fewer patients than ever due to staff shortages and closures, making home healthcare an attractive option as millions age into Medicare over the next few years.

- **Nearly 78% of nursing homes** said they had to **restrict admissions in 2021**, according to a 2021 [survey](#) by the National Center for Assisted Living.
- And reimbursement barriers, regulatory changes, and rising costs could keep even more patients out of nursing homes this year.

This is a massive problem for older US residents as the Medicare population explodes. The CMS projects **Medicare enrollment will increase to 80 million beneficiaries by 2030**, up from 54 million in 2015.

**The big takeaway:** Even though competitors like **Humana** have made major headway in the home healthcare space, UHG is still on track to dominate every corner of the healthcare industry.

Last year, Humana inked two consecutive deals to acquire home health agencies: In April it [dropped \\$5.7 billion](#) to acquire **Kindred at Home**, followed by its June 2021 announcement to [buy](#) value-based home care services provider **onehome**.

And while competitors are growing, UHG is growing far more rapidly.

- For example, in January 2021, Optum [announced](#) plans to snap up fellow health IT company **Change Healthcare** for **\$13 billion**. At the time, we said the deal will make Optum an undisputed data analytics powerhouse in healthcare by expanding its reach substantially.
- That's because Change Healthcare processes over **\$1.5 trillion** in healthcare claims annually (**1 in 3 US patient records**), per its website. And although regulators are **probing** the company due to the anticompetitive nature of the deal, UHG expects the acquisition to close sometime this year.

Now that UHG is folding the LHC group into its business, it'll make the entity even more of a threat to its peers.

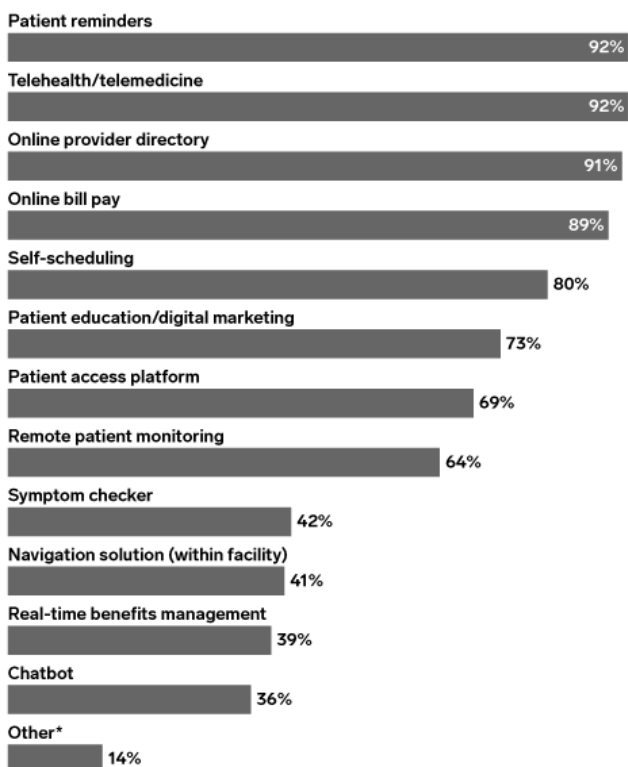
- LHC Group already partners with **350** hospitals across the US to deliver hospital-level care at home, per its website—which will add to the **100,000+** clinicians already operating within Optum’s network.

**What’s next?** We suspect Optum will set its sights on a RPM company once its pending deals close, especially since more health execs believe incorporating the tech into clinical care will enhance patient access.

- In fact, most (**64%**) of health system execs **said** they’re already leveraging RPM tools to improve patient access at their organization, per a 2022 KLAS report.

**Digital Solutions that Are Being Leveraged to Help Improve Patient Access According to US Healthcare Executives/Leaders, Sep 2021**

% of respondents



Note: n=64; \*include alerts to primary care provider, automated check-ins, call centers, COVID-19 testing, emergency department waiting room, medical record digital access, mobile app, operating room status, and text message campaigns  
Source: Center for Connected Medicine (CCM) and KLAS Research, "2022 Top of Mind for Top Health Systems," Dec 1, 2021

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