

New York congressman launches examination of UnitedHealth clinics in Hudson Valley

Care has deteriorated since UnitedHealth acquired medical groups, lawmaker says

By [Casey Ross](#)

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Following complaints from constituents, a New York congressman is launching an examination of UnitedHealth Group's management of large physician groups in the state's Hudson Valley region.

The inquiry by Congressman Patrick Ryan (D-N.Y.) seeks to gather information from community members about the quality and accessibility of health care services since UnitedHealth Group's Optum subsidiary purchased CareMount Medical and Crystal Run Healthcare in 2022 and 2023.

Ryan's examination adds to a storm of challenges facing UnitedHealth, the biggest U.S. health care conglomerate. The company is facing multiple government investigations, including an antitrust probe examining the relationship between its provider groups and its insurance business. Since the December killing of a top executive, UnitedHealth has become the poster child for a dysfunctional U.S. health care system in the eyes of the public.

"I'm launching this community inquiry to hear from as many folks as possible to directly inform my ongoing oversight," Ryan said in a statement. "Whether it's inaccurate billing, new or increased fees, or difficulty getting appointments, it's unacceptable for any corporation to be driving down quality and driving up costs. I'll keep pushing to get to the bottom of this and ensure every Hudson Valley family gets the care they deserve."

In a statement, UnitedHealth Group said that since acquiring the New York practices it has devoted more resources to scheduling, technology, and handling medication refills and patient questions. It added that it

has struggled with a national shortage of physicians and is working to attract new doctors and retain current providers.

“We look forward to meeting with policymakers to discuss the ways in which we can all work together to achieve our common goal of providing the highest quality patient care for individuals and families we are privileged to serve,” the company said in the statement.

The statement from Ryan’s office announcing the examination cites a yearlong investigation by STAT that found UnitedHealth’s insurance arm pays Optum’s medical groups higher rates than competing practices for common services, raising costs for consumers and undermining competition.

STAT’s investigation also found that UnitedHealth has pressured doctors in medical groups nationwide to diagnose older patients with chronic diseases to help extract higher payments from Medicare, while reducing access to emergent care needed by acutely ill patients.

UnitedHealth purchased CareMount Medical, with more than 2,100 providers and 1.6 million patients, in 2022 and increased its footprint in 2023 by acquiring Crystal Run Healthcare, which includes about 400 providers, Ryan said. The acquisitions were part of a string of deals that dramatically increased the number of physicians under UnitedHealth’s corporate umbrella to about 90,000 — almost 1 in 10 U.S. doctors.

Since the CareMount and Crystal Run deals, Ryan said his office has received continual complaints from constituents about difficulties scheduling appointments, long wait times, inaccurate bills and unexplained fees, and poor customer service.

STAT’s investigation found that UnitedHealth’s acquisitions of CareMount and Crystal Run were particularly lucrative because the company already dominated the region’s insurance markets. In paying those providers higher rates, the company could get around government limits on insurance company profits by shifting money to a provider subsidiary without such limits.

A STAT analysis of data reported by UnitedHealth to the federal government found that it paid CareMount practices 91% above the

market average for common services. The analysis was conducted in partnership with the data analytics firm Tribunus Health.

UnitedHealth called the analysis “flawed” and said that the rates it pays Optum providers are consistent with the amounts paid by other insurers.

Ryan, who has called for a possible break up of UnitedHealth, is not the only member of Congress pushing for urgent action to address the company’s market power. Senator Charles Grassley (R-Iowa) has also launched an inquiry into the company’s Medicare billing practices. And Congressman Greg Murphy (R-N.C.), recently said the company has abused its size and reach in health care markets.

“They’ve become such a monolith in health care, and I believe they absolutely abused their privilege by over-coding, doing retroactive coding, and the vertical integration,” Murphy told STAT this week. “They are the largest employer of physicians in the country, and they’ve given incentives to them to over-code. Enough of the bad practices.”