

 An official website of the United States government
[Here's how you know](#)



Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Monday, December 14, 2020

Justice Department Requires Divestiture of Tufts Health Freedom Plan in Order for Harvard Pilgrim and Health Plan Holdings to Proceed With Merger

Divestiture Will Preserve Competition for Commercial Health Insurance in New Hampshire

The Department of Justice announced today that it would require Harvard Pilgrim Health Care (Harvard Pilgrim) and Health Plan Holdings (fka Tufts Health Plan) to divest Tufts Health Freedom Plan Inc. (Tufts Freedom), in order to proceed with their merger. Tufts Freedom is Health Plan Holdings' commercial health insurance business in New Hampshire.

The department has approved UnitedHealth Group Inc. (United), as the buyer. Health insurance is an integral part of the American healthcare system, and the proposed settlement will maintain competition for the sale of commercial health insurance to private employers in New Hampshire with fewer than 100 employees.

"Americans spend trillions of dollars on healthcare each year, and competition between health insurers is vital to providing consumers with access to quality care at affordable rates. This merger, as originally structured, likely would have led to higher prices, poorer quality, and reduced choice for many consumers throughout the state," said Assistant Attorney General Makan Delrahim of the Antitrust Division. "Today's settlement with its divestiture will ensure that small groups and CRC groups continue to benefit from the competition that has enabled them to purchase the health insurance plans for their employees at competitive prices in the state."

"This case will play an important role in maintaining competition in New Hampshire's health insurance industry," said Scott W. Murray, U.S. Attorney for the District of New Hampshire. "By bringing this antitrust action, the Department of Justice is working to ensure that consumers in the Granite State have adequate and affordable health insurance options."

"New Hampshire's healthcare costs are among the highest in the country. It is an essential duty of the New Hampshire Attorney General to protect consumers of this State. Such protection requires ongoing and vigorous antitrust enforcement efforts," said New Hampshire Attorney General Gordon J. MacDonald. "In this case, New Hampshire collaborated with our federal partner, the Antitrust Division of the United States Department of Justice, to protect consumers from an anticompetitive health insurance transaction that likely would have led to higher premiums and costs for consumers in the State. We believe the proposed settlement and remedy will restore any lessening of competition resulting from the proposed merger. We remain committed to using all available tools to protect New Hampshire consumers from higher healthcare costs."

The Justice Department's Antitrust Division, along with the New Hampshire Office of Attorney General, filed a civil antitrust lawsuit today in the U.S. District Court for the District of New Hampshire to block the proposed merger. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the competitive harm alleged in its complaint.

According to the department's complaint, Harvard Pilgrim and Tufts Freedom are two of the three top commercial group health insurers that offer plans to two types of private employers in New Hampshire: (1) employers with between one and 50 employees (small groups) and (2) employers with between 51 and 99 employees (CRC groups). The department's complaint alleges that since Tufts Freedom's inception in 2016, competition between it and Harvard Pilgrim has resulted in lower premiums, richer plan benefits, and better service for small groups and CRC groups in New Hampshire.

Under the terms of the proposed settlement, Harvard Pilgrim and Health Plan Holdings must divest Tufts Freedom to United or to an alternative purchaser approved by the United States, and allow United the opportunity to hire key employees who operate Tufts Freedom. Harvard Pilgrim and Health Plan Holdings must also provide transition services and use best efforts to maintain Tufts Freedom's contracts with healthcare providers during the transition to United.

The department has also closed its investigation into the merger's potential effects in Massachusetts after concluding that the merger was unlikely to substantially lessen competition there.

Harvard Pilgrim is a regional health insurer based in Wellesley, Massachusetts. Its annual revenue in 2019 was approximately \$3 billion, with the vast majority coming from commercial insurance products.

Health Plan Holdings is a regional insurer based in Watertown, Massachusetts. Its annual revenue in 2019 was over \$5.5 billion, with roughly one-third coming from commercial insurance products. Health Plan Holdings sells commercial group health insurance plans to small and large employer groups in New Hampshire through Tufts Freedom.

As required by the Tunney Act, the proposed settlement, along with a competitive impact statement, will be published in the *Federal Register*. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Eric Welsh, Chief, Healthcare and Consumer Products Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street NW, Suite 4100, Washington, DC 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of New Hampshire may enter the final judgment upon finding it is in the public interest.

Attachment(s):

[Download Asset Preservation Stip and Order Standalone.pdf](#)

[Download Explanation of Consent Decree Procedures Filed.pdf](#)

[Download Filed Complaint.pdf](#)

[Download Proposed Final Judgment Standalone.pdf](#)

Topic(s):

Antitrust

Component(s):

[Antitrust Division](#)

Press Release Number:

20-1350

Updated December 14, 2020