

Subject: Concerns Regarding Amedisys–UHC Divestiture and Pennant Group Benefits

To Jill Maguire, Acting Chief of Healthcare and Consumer Products Section

I am writing to provide input on the proposed divestiture of Amedisys/LHC Group home health agencies by UnitedHealthcare, specifically regarding the transfer of employees to Pennant Group. As a close companion to employees of LHC Group, I have deep concerns about how Pennant's current benefits structure will impact staff retention, competitiveness, and ultimately patient care.

One of the stated goals of a divestiture is to ensure a competitive organization that can attract and retain skilled healthcare professionals. Unfortunately, several aspects of Pennant's benefits packages and operations fall short of that standard:

1. **401(k) Contributions** – LHC Group currently offers a 100% match up to 2%, while Pennant only offers 25% of 4% (effectively 0.5%). This is far below industry norms and is not competitive in today's labor market.
2. **Paid Time Off (PTO)** – While Pennant's structure combines sick time and PTO, the overall total still falls several days short compared to LHC's system. In addition, Pennant's maximum carryover is significantly lower than LHC's 280 hours, reducing flexibility for employees and penalizing long-tenured staff.
3. **PTO Cash-Out** – LHC offers PTO cash-out, which is widely utilized by clinical staff. Pennant does not, and this will negatively affect many employees who rely on this flexibility.
4. **Pay Freezes** – Pennant Group has a significantly different pay range for some positions. Higher earners are concerned with facing pay freezes, which would absolutely mean departures when their income is not keeping up with annual cost of living adjustments. Pennant risks a significant wave of departures if compensation and benefits are not brought in line with competitive standards well beyond that freeze period.
5. **Facilities and Hours** – There is uncertainty and concern among staff about potential changes to facility locations and operating hours. Many office staff and field clinicians depend on their current operating hours due to childcare arrangements, school hours, etc. This instability further contributes to dissatisfaction and attrition risk.

The common theme I hear from employees is frustration and anxiety, with many already considering leaving over these issues but many waiting to see what that initial benefits package looks like past the freeze period. It is assumed Pennant group's 2026 package will be what LHC will transition to after the freeze period. Pennant Group's current 2025 benefits package is available online and many staff have researched this and are poised to leave. Clinical staff in particular are in high demand everywhere and it would be a big mistake if Pennant does not at least maintain current benefits and PTO cash out at a minimum.

This divestiture has the potential to be successful, but only if Pennant Group addresses these gaps in its 2026 benefits guide and maintains competitive benefits well beyond the six-month freeze on changes. Without meaningful, long-term improvements, Pennant will face a mass exodus of skilled



staff prior, during or shortly after the freeze period. This will not only harm its own business operations but also negatively impact patients who rely on continuity of care from trusted clinicians.

Company wide, some departures have already begun even if they aren't stating this merger as the reason, it is a very large contributing factor. I strongly urge you to ensure that employee competitiveness, retention, and care quality are prioritized as part of this divestiture process.

Sincerely,

Joseph Mesa

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