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Commissioner

Board of County Commissioners

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May 14, 2008

Joshua H. Soven, Chief
Litigation 1 Section
U.S. Department of Justice
Antitrust Division
1401 H Street, NW, Ste. 400
Washington, DC 20530

RE: Tunney Act Comments, United States v. UnitedHealth Group,
Civil Case No. 08-0322

Dear Mr. Soven:

As an individual Commissioner of Clark County, I am submitting these comments to express my serious concerns with the proposed final judgment entered into by the U.S. Department of Justice ("DOJ") with UnitedHealth Group, Inc. and Sierra Health Services, Inc. over the UnitedHealth/Sierra acquisition. I believe that this proposed final judgment is inadequate to resolve the very serious competitive concerns raised by this merger.

UnitedHealth's acquisition of Sierra will create a single health insurance company that will dominate the Clark County market. By combining these two companies, a single firm will have over a 50% share of the commercial health insurance market. This single firm will have substantial power to dictate the terms and conditions in which employers, particularly small employers, will be forced to purchase health insurance. Clark County is a significant distance from other major metropolitan markets and the commercial health insurance market has traditionally been dominated by a small group of firms.

The DOJ's decree is inadequate because it fails to recognize the potential competitive harm from the merger on employers who purchase insurance, and uninsured and underinsured individuals in Clark County. Clark County is the largest county in Nevada with a population of 2 million individuals, over 300,000 of which are uninsured, over 17% of the Clark County population. This merger is of particular concern for the county, which because it operates the largest public hospital in Nevada, University Medical Center ("UMC"). UMC is the safety net healthcare facility for the county. Uninsured and underinsured individuals use UMC as their primary source of healthcare services.

Department of Justice
May 14, 2008
Page 2

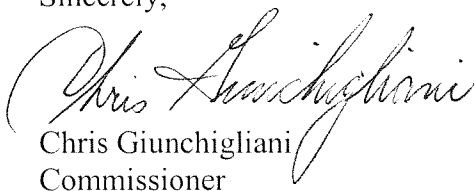
This merger, by permitting the creation of a single dominant health insurer in Clark County will substantially increase the costs of numerous commercial health insurance products, ultimately harming the consumers in Clark County.

This, in turn, will increase the number of uninsured individuals. This impact will be particularly felt by relatively small employers in Clark County. As the cost of insurance increases substantially, small employers will be increasingly unable to provide health insurance to their employees, and in turn this will further substantially increase the number of uninsured individuals in the county. Those individuals must rely on UMC for most of their healthcare services. Thus, the merger will ultimately increase the cost of healthcare services in Clark County. Moreover, this merger will diminish the service and quality of health care that patients receive as more demand is placed on the services of UMC.

The Nevada State Attorney General filed a complaint and a final judgment simultaneous to the DOJ action. The Attorney General was able to secure some modest relief to address the concerns of UMC, including the payment of overdue claims for UMC. Although these remedies aim to solve some ongoing problems between UnitedHealth and UMC, they do not provide any long-term relief to protect the interests of UMC, the uninsured, or Clark County. Now that the merger is consummated, Clark County is left dealing with an incredibly powerful health insurance company that can unilaterally reduce reimbursement, which in turn will significantly diminish the ability of the county to deliver adequate services to both insured and uninsured individuals.

I believe that the DOJ's proposed enforcement action should be rejected, and the Department should re-open its investigation to secure adequate relief to protect the uninsured individuals in Clark County and the concerns of the County itself.

Sincerely,


Chris Giunchigliani
Commissioner