

Two Putative Securities Class Actions Pending Against UnitedHealth Group Inc.

“UnitedHealth Group Inc. is defending against two putative securities class action law suits, as the company’s share price has declined significantly and various news stories have emerged regarding the company.”



Dow Jones Industrial component company and health insurer UnitedHealth Group Inc. (“UnitedHealth” or the “Company”) has had a challenging 12 months. This period included: the nationally reported execution style killing of one its most senior executives, two putative securities class actions filed against it, the opening of U.S. DOJ criminal inquiry into the Company, and seeing its stock price cut by more than half.

On May 14, 2024, a prominent plaintiff’s law firm filed an initial securities class action complaint against UnitedHealth for an alleged class period of between March 14, 2022, and February 27, 2024, inclusive in the U.S. District Court for the District of Minnesota.¹ On July 29, 2024, the court appointed the California Public Employees’ Retirement System (“CalPERS”) as Lead Plaintiff and Robbins Geller Rudman & Dowd LLP as Lead Counsel. Lead Plaintiff has filed five complaints in the action.

The most recent complaint (the “Complaint”),² filed on May 14, 2025, alleges a class period between September 22, 2021, and April 16, 2025, inclusive against UnitedHealth and various former or current executives (“Defendants”). The Complaint alleges that in order to inflate the Company’s stock price, Defendants formulated, implemented, and oversaw a fraudulent Medicare Advantage upcoding scheme, misrepresented certain firewall protections at a division, and engaged in anti-competitive practices to consolidate the Company’s control over healthcare services and eliminate competition. The Complaint alleges that investors were harmed when the truth was revealed, and the Company’s share price dropped.

Among other things, Lead Plaintiff asserted in the Complaint that the truth began to be revealed on February 27, 2024, when the *Wall Street Journal* reported on a U.S. DOJ antitrust investigation into the Company and that over the ensuing months, a series of investigative reports were published relating to the alleged upcoding scheme. The Complaint further contended that a February 21, 2025, *Wall Street Journal* article revealed another U.S. DOJ civil investigation of the Company, this time into its Medicare Advantage billing practices. Finally, the Complaint asserted that on April 17, 2025, the Company slashed its 2025 earnings per share guidance by 12%, resulting in an over 20% decline in the Company’s share price.

In a well-reported incident, on December 4, 2024, Brian Thompson, CEO of the Company’s insurance business, UnitedHealthcare (named as a defendant in the Complaint), was sadly gunned down in Manhattan—just blocks away from SCAS’ headquarters.



A suspect, Luigi Mangione, has been apprehended and charged with murder. News reports have stated that the words “deny”, “defend”, and “depose” were written on shell casings at the scene of the killing, an apparent reference to an alleged tactic of health insurers to deny claims.³

On May 7, 2025, another putative securities class action was filed against the Company in the U.S. District Court for the Southern District of New York, and an amended complaint was filed in that action on May 14, 2025 (“SDNY Complaint”).⁴ The SDNY Complaint alleges a class period between December 3, 2024, and May 12, 2025. The SDNY Complaint alleges that the Company in the wake of Mr. Thompson’s murder was under heightened public scrutiny for alleged denial rates which made their statements false or misleading.

The SDNY Complaint alleges that on May 13, 2025, the Company announced that its CEO (a named defendant in the Complaint and the SDNY Complaint), Andrew Witty, was stepping down immediately, with former CEO Steve Hemsley (a named defendant in the Complaint) resuming his role as CEO. The Company’s share price fell from a close of \$378.75 on May 12th to close at \$311.38 on May 13th, or nearly 18%. The *Wall Street Journal* reported on May 14, 2025, that UnitedHealth was under criminal investigation focused on the Medicare Advantage program by the U.S. DOJ.⁵ On May 15, 2025, the Company’s share price fell from \$308.01 to \$274.35, or more than 12%, although by May 19th, the stock price had recovered that drop.

On May 16, 2025, Lead Plaintiff in the District of Minnesota action moved to intervene in the SDNY action in order to transfer the case to the District of Minnesota and to vacate the lead plaintiff deadline.⁶ If this motion is successful, the action in the SDNY will cease, with Lead Plaintiff likely consolidating the cases. Otherwise, two somewhat factually related actions would proceed in parallel.

In any event, the securities litigation against UnitedHealth will no doubt be watched closely by investors, as there is potential for a large, blockbuster settlement at some point if a case were to overcome a motion to dismiss. With a tragic killing that frightened many people working in Manhattan, the Company was catapulted into the news. UnitedHealth appears to be the subject of multiple investigations, and its stock price dropped from over \$610 in December 2024 to under \$275 by May 15, 2025, or approximately a \$300 billion decline in market capitalization. Thus, the saga of this Dow Jones Industrial component should be one of the more prominent in the coming months.

	Case 1	Case 2
Securities	UnitedHealth Group Inc. (UNH) common stock	UnitedHealth Group Inc. (UNH) securities
Class Period	Between September 22, 2021 and April 16, 2025 inclusive	Between December 3, 2024 and May 12, 2025 inclusive
Citation	<i>California Public Employees' Retirement System v. UnitedHealth Group Inc., et. al.</i> , No. 24-cv-1743 (JMB/DTS) (D. Minn.)	<i>Roberto Faller v. UnitedHealth Group Inc., et al.</i> , No. 1:25-cv-03799-AKH (S.D.N.Y)
Jurisdiction	U.S. District Court for the District of Minnesota (D. Minn.)	U.S. District Court for the Southern District of New York (S.D.N.Y.)
Lead Plaintiff	California Public Employees' Retirement System	TBD/ Could be Transferred
Plaintiffs' Counsel	Robbins Geller Rudman & Dowd LLP	TBD/ Could be Transferred

¹ Now styled as *California Public Employees' Retirement System v. UnitedHealth Group Inc., et. al.*, No. 24-cv-1743 (JMB/DTS) (D. Minn.).

² *Id.* at ECF No. 110.

³ See, e.g., Halpert, Madeline and Wendling, Mike. "Who is Luigi Mangione, CEO Shooting Suspect," BBC News, April 25, 2025, available at <https://www.bbc.com/news/articles/cp9nxee2r0do>.

⁴ *Roberto Faller v. UnitedHealth Group Inc., et al.*, No. 1:25-cv-03799-AKH (S.D.N.Y.), at ECF No. 5.

⁵ Weaver, Christopher and Wilde Mathews, Anna. "UnitedHealth Group Is Under Criminal Investigation for Possible Medicare Fraud," *The Wall Street Journal*, May 14, 2024, available at https://www.wsj.com/us-news/unitedhealth-medicare-fraud-investigation-df80667f?mod=hp_lead_pos2.

⁶ *Id.* at ECF No. 7.

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Author: Donald F. Grunewald, Director of Litigation Analysis, ISS SCAS