



## Health insurance mergers

- On September 8, 2015, the AMA released the 2015 edition of *Competition in Health Insurance: A Comprehensive Study of U.S. Markets*, which offers the largest and most complete picture of competition in health insurance markets for 388 metropolitan areas (MSAs), as well as all 50 states and the District of Columbia. The study is based on 2013 data captured from commercial enrollment in HMOs, PPOs and POS plans. Based on the report:
  - 70 percent of MSAs had combined commercial markets (HMO+PPO+POS) that are highly concentrated.
  - A single insurer had a 50 percent or greater share of the combined commercial market in 14 states and 38 percent of MSAs.
  - 46 states had two insurers with at least a 50 percent market share of the combined commercial market.
- A special analysis undertaken using the data from the 2015 edition of the Competition Study – released on September 8 as well - revealed the following impact of the proposed Anthem-Cigna and Aetna-Humana mergers in commercial health insurance markets:
  - The Anthem-Cigna merger would diminish competition in up to 111 metropolitan areas within all 14 states that Anthem currently operates.
  - The Aetna-Humana merger would diminish competition in up to 58 metropolitan areas within 14 states.
- Both the Study and special analysis were received by all state medical association executives on September 8.
- The prospect of reducing five national health insurance carriers to just three should be viewed in the context of the unprecedented lack of competition that already exists in most health insurance markets. The AMA continues to urge federal and state regulators to carefully review the proposed mergers and use enforcement tools to preserve competition.
- The AMA testified twice in September before the House Judiciary Committee to express the AMA's concerns regarding the proposed Anthem-Cigna and Aetna-Humana mergers and met with key staff from both the US Senate and the House of Representatives to discuss the anticompetitive effects that the proposed mergers would likely have on the nation's physicians.

- AMA is also engaging the National Association of Attorneys General and will be presenting to a majority of state Attorneys General in late November on the AMA Competition Study and our position as it relates to the proposed mergers.
- AMA submitted comments to the US Department of Justice (DOJ) stating its opposition to the mergers. AMA urged DOJ to block the mergers, concluding that the mergers will likely result in higher premiums for patients, a reduction in the quality of health insurance (e.g., less availability of providers, lower consumer service), and lower payment rates for physicians that lead to lower quality or quantity of the services that physicians are able to offer patients (e.g., less investment in newer technology).
- Finally, the AMA continues to discuss options and offer assistance to state medical associations across the country – as they assess how to position themselves vis-à-vis the proposed mergers and the actions of their respective state regulatory agencies.