

# The Columbus Dispatch

## Health-insurance mega mergers worry some Ohioans

Written by: Ben Sutherly, 2/11/16

Consumer-advocacy groups, citing concern about the impact in Ohio of four health-insurance titans potentially merging into two, are urging the state Department of Insurance to hold public hearings on the matter.

“Past mergers have led to significant premium increases and less consumer choice,” said David Balto, an antitrust attorney who is working with consumer organizations such as Consumers Union and the Universal Health Care Action Network of Ohio.

The consumer groups wrote to the Department of Insurance late Wednesday outlining concerns about the proposed merger of Cigna with Anthem Blue Cross and Blue Shield in Ohio, as well as Aetna with Humana, and requesting a hearing for each.



The letter states that the Anthem-Cigna merger might eliminate competition for some commercial insurance products in Columbus, Cincinnati and other Ohio cities. That merger would create a company that would control nearly 60 percent of the portion of the Ohio market that’s predominantly made up of large employers that pay for their own workers’ health care costs and purchase administrative services through an insurer, according to the letter.

The letter also states that the Aetna-Humana transaction would “substantially lessen” choices for Medicare Advantage consumers in Franklin, Delaware and a handful of other counties across the state. In Ohio, a merger of Aetna and Humana would include half of all people enrolled in a Medicare Advantage plan.

“We are concerned that, in Ohio, these mergers will further entrench Anthem and Aetna’s preexisting market power, reducing their incentives to compete and improve care,” the letter states.

In a prepared statement, Anthem said it and Cigna have “limited overlap” in Ohio.

“We will deliver for consumers by operating more efficiently to reduce our own costs, while enhancing our ability to manage the cost drivers that negatively impact affordability for consumers,” the statement read, in part. “We are confident that the transaction’s consumer benefits will be understood by state and federal regulators.”

Aetna, meanwhile, said that there would continue to be competition in the Medicare program, and that Medicare beneficiaries have a choice of more than 19 plans on average in 2016.

Aetna and Humana combined would operate a Medicare Advantage business with about 4.4 million Medicare Advantage enrollees, which it said is only about 8 percent of all Medicare beneficiaries.

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Merger proponents have argued that the transactions will give insurance companies more leverage at the bargaining table with health-care providers such as hospitals, many of which also are growing through mergers.

But Balto, the lawyer working with the consumer groups, said he isn't so sure.

He said because the Affordable Care Act limited the portion of premium dollars that health insurers can devote to administration, marketing and profits, health insurance companies don't have as much incentive to try to force down health-care providers' reimbursement rates because that could limit their own profits.

A spokesman for the Ohio Department of Insurance said in a prepared statement, "The matter is currently under review by the department, but the department is not permitted to publicly divulge its analysis of the companies."

The spokesman also told The Dispatch that the department does not hold public hearings on such mergers.

Instead, he said, consumers can send comments by mail to: Attention: Consumer Affairs; Ohio Department of Insurance; 50 W. Town St., Suite 300; Columbus, OH 43215.

Comments also can be filed electronically at: <https://gateway.insurance.ohio.gov/>

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