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## Iowa Joins Two Joint Federal-State Lawsuits Challenging Anthem-Cigna and Aetna-Humana Mergers

Antitrust lawsuits allege acquisitions would increase concentration and harm competition in Iowa and nationwide

DES MOINES – Attorney General Tom Miller today joined two joint federal-state antitrust lawsuits seeking to block two proposed mergers between four of the nation’s largest health insurance companies.

The lawsuits allege that Aetna Inc.’s proposed acquisition of Humana Inc., and Anthem Inc.’s proposed acquisition of Cigna Corp., would increase concentration and harm competition in Iowa and across the country. The mergers would reduce the number of large, national health insurers in the nation from five to three.

The complaints, filed in the U.S. District Court for the District of Columbia, allege that the two mergers—valued at \$37 billion and \$54 billion—would harm seniors, working families and individuals, employers, and doctors and other healthcare providers by limiting price competition, reducing benefits, decreasing incentives to provide innovative wellness programs, and lowering the quality of care.

“Our office joined these two lawsuits because of our concerns that reduced competition in the health care marketplace will harm consumers,” Attorney General Tom Miller said. “We are troubled with the prospect that these mergers would substantially consolidate the industry, resulting in potentially higher premiums and reduced innovation.”

### **Aetna-Humana Lawsuit**

Iowa and seven states—Delaware, Florida, Georgia, Illinois, Ohio, Pennsylvania, and Virginia—and the District of Columbia joined the U.S. Department of Justice lawsuit challenging Aetna’s \$37 billion acquisition of Humana.

[The lawsuit against Aetna and Humana](#) alleges that their merger would

substantially reduce Medicare Advantage competition in more than 350 counties in 21 states, including Iowa, affecting more than 1.5 million Medicare Advantage customers in those areas.

In Iowa, Aetna and Humana have competing Medicare Advantage contracts in 57 Iowa counties, 53 of which are highly concentrated. Aetna currently has a 40 percent Medicare Advantage market share, and Humana has 40 percent. Post-merger, Aetna would have a 64 percent market share, well above what the U.S. Supreme Court has found to be an undue concentration.

In Polk County, for example, a post-merger Aetna-Humana company would control 77 percent of the Medicare Advantage market.

Nationally, Aetna had pursued aggressive expansion in Medicare Advantage before seeking to acquire Humana. Aetna has nearly doubled its Medicare Advantage footprint over the past four years.

The lawsuit also alleges that Aetna's purchase of Humana would substantially reduce competition to sell commercial health insurance to individuals and families on the public exchanges in 17 counties in Florida, Georgia, and Missouri, affecting more than 700,000 people in those counties. The lawsuit alleges that by buying Humana, Aetna would eliminate one of its strongest and most capable competitors in these markets.

Aetna Inc. is headquartered in Hartford, Connecticut. It is the nation's third-largest health insurer, and the nation's fourth-largest Medicare Advantage insurer by membership. It operates in every state and the District of Columbia, and provides health insurance to 23 million people. In 2015, Aetna reported \$60 billion in revenues.

Humana Inc. is headquartered in Louisville, Kentucky. It is the nation's fifth-largest health insurer, operates in every state and the District of Columbia, provides health insurance to 14 million people, and is the nation's second-largest Medicare Advantage insurer by membership. In 2015, Humana reported \$54 billion in revenues.

### **Anthem-Cigna Lawsuit**

Iowa and ten states—California, Colorado, Connecticut, Georgia, Maine, Maryland, New Hampshire, New York, Tennessee, and Virginia—and the District of Columbia joined the DOJ's challenge of Anthem's \$54 billion acquisition of Cigna.

[The suit against Anthem and Cigna](#) alleges that their merger would substantially reduce competition for millions of consumers who receive commercial health insurance coverage from national employers throughout the United States; from large-group employers in at least 35 metropolitan areas, including New York, Los Angeles, San Francisco, Denver, and Indianapolis; and from public exchanges created by the Affordable Care Act in St. Louis and

Denver.

The complaint also alleges that the elimination of Cigna threatens competition among commercial insurers for the purchase of healthcare services from hospitals, physicians, and other healthcare providers.

The merger would eliminate substantial head-to-head competition in all these markets, and it would remove the independent competitive force of Cigna, which has been a leader in the industry's transition to value-based care.

The two companies provide coverage to Iowans through group plans based in other states.

Anthem Inc. is headquartered in Indianapolis, Indiana. It is the nation's second-largest health insurer, and the largest member of the Blue Cross and Blue Shield Association. It holds the Blue Cross license in 14 states and provides health insurance to 39 million people. In 2015, Anthem reported over \$79 billion in revenues.

Cigna Corp. is headquartered in Hartford, Connecticut. It is the nation's fourth-largest health insurer. It operates in every state and the District of Columbia, and provides health insurance to 15 million people. In 2015, Cigna reported \$38 billion in revenues.

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