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News Release

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New Hampshire, US Department of Justice and state Attorneys General sue to prevent merger of Anthem and Cigna

Concord – The New Hampshire Attorney General, together with the U.S. Department of Justice and attorneys general from 11 other states filed suit today to block Anthem's proposed acquisition of Cigna. The plaintiffs allege that the transactions would increase concentration and harm competition not only in New Hampshire, but across the country, by reducing the number of actively competing providers of health insurance.

The Department and state attorneys general filed the merger challenge in the U.S. District Court for the District of Columbia. The complaint alleges that the mergers—valued at \$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.

"Competitive insurance markets are essential to providing Americans the affordable and high-quality healthcare they deserve," said U.S. Attorney General Loretta E. Lynch. "These mergers would restrict competition for health insurance products sold in markets across the country and would give tremendous power over the nation's health insurance industry to just three large companies. Our actions seek to preserve competition that keeps premiums down and drives insurers to collaborate with doctors and hospitals to provide better healthcare for all Americans."

"We all, including seniors, everyday workers and the previously uninsured and underinsured deserve affordable health insurance options," said Principal Deputy Associate Attorney General Bill Baer for the U.S. Department of Justice. "Competition today drives these four successful firms to fight to give us affordable options. There is no reason to put that dynamic at risk and that is why we are asking the court to stop these mergers and keep competition working for the benefit of the American consumer."

"With all the changes taking place in the delivery of healthcare services, New Hampshire healthcare consumers and providers have benefitted from the robust competition between Anthem and Cigna" said New Hampshire Attorney General Joseph Foster. "In New Hampshire, competition has inspired health insurers to explore new and innovative methods of providing and paying for health care while working to keep prices under control. In the absence of this competitive environment, healthcare in New Hampshire is likely to suffer. New competitors have found New Hampshire to be a difficult market to enter, and if the merger were to take place, it may take years for competition to return to its current level. In the meantime, to the detriment of New Hampshire consumers, innovation in cost control and delivery of services is likely to suffer. New Hampshire will continue to work with our state and federal colleagues to protect competition and innovation in this vitally important industry," Attorney General Foster stated.

12 states, including New Hampshire joined the department's challenge of Anthem's \$54 billion acquisition of Cigna. The suit 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, and that the merger would eliminate substantial head-to-head competition in all these markets and remove the independent competitive force of Cigna, which has been a leader in the industry's transition to value-based care.

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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