

Press Release

Office of Attorney General joins lawsuit to block Aetna's \$37 billion proposed acquisition of Humana

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HARRISBURG - Pennsylvania Attorney General Kathleen G. Kane's office today joined the U.S. Department of Justice and attorneys general from seven other states and the District of Columbia in filing a lawsuit to block Aetna's proposed acquisition of Humana. The DOJ also filed a separate lawsuit in another insurance company merger involving Anthem and Cigna.

The lawsuit alleges that the transaction would increase concentration and harm competition across the country by reducing the number of large, national health insurers in the nation. Aetna's proposed acquisition of Humana is valued at \$37 billion.

"The merger of Aetna and Humana would adversely impact countless people throughout the Commonwealth by reducing competition between two fierce competitors," Attorney General Kane said. "Our action today was made to keep insurance premiums in check and to preserve affordable healthcare for the people of Pennsylvania."

The lawsuit alleges that the merger would substantially reduce Medicare Advantage competition in more than 350 counties in 21 states, affecting more than 1.5 million Medicare Advantage customers in those counties. Ten counties in Pennsylvania will be particularly impacted.

Today, Aetna and Humana compete across the country to sell Medicare Advantage plans, a market-based alternative to traditional Medicare. This competition benefits seniors, who visit doctors and hospitals more than twice as much as the average person and have less income than the average American household. The merger would end this rivalry and deny the consumers their benefits.

Aetna's attempt to buy Humana undermines the central role that competition is meant to play in Medicare Advantage in holding down healthcare costs and improving quality for seniors and their families.

Before seeking to acquire Humana, Aetna had pursued aggressive expansion in Medicare Advantage. Aetna, the nation's fourth-largest Medicare Advantage insurer by membership, has nearly doubled its Medicare Advantage footprint over the past four years.

Humana is the nation's second-largest Medicare Advantage insurer by membership. The lawsuit alleges that by buying Humana, Aetna would eliminate one of its strongest and most capable competitors in Medicare Advantage markets.

"Seniors deserve the benefit of competition like other healthcare consumers," Attorney General Kane said. "Our lawsuit seeks to protect those seniors who purchase their Medicare coverage through the Medicare

Advantage Program."

Aetna Inc. is headquartered in Hartford, Conn. It is the nation's third-largest health insurer. 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, Ky. It is the nation's fifth-largest health insurer, operates in every state and the District of Columbia, and provides health insurance to 14 million people. In 2015, Humana reported \$54 billion in revenues.

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