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HEALTH CARE MERGERS IN SPOTLIGHT AT SENATE HEALTH COMMITTEE HEARING TODAY

- ***New Trend of Insurer Mega-Mergers May Lead to Greater Consolidation, Less Choice, Higher Costs***
- ***Patient Advocates Urge Stronger Oversight and Consumer Protections to Ensure Mergers are in the Public Interest, With Strong Conditions and Commitments***
- ***Informational Hearing, with Public Comment, TODAY, Wednesday, March 16, 1:30 pm, Capitol Room 4203***
- ***Hearing Examining Largest of Pending Mergers, Anthem-Cigna, on March 29th in San Francisco at the Department of Insurance. See Health Access' [Comments on Mergers](#)***

SACRAMENTO, CA – On Wednesday afternoon, the Senate Health Committee is holding an informational hearing examining the trend and impact of mergers in the health care industry in California and nation-wide—a trend that can result in greater consolidation, less choice and competition, higher prices, and less accountability. In public comment, Health Access and other consumer and patient advocates will urge state policymakers to ensure that these mergers are in the public interest, with strong conditions and commitments.

While the Senate hearing will examine the overall consolidation trend in the health care industry, it was prompted by the three insurance mega-mergers currently pending in California-- Anthem Blue Cross-Cigna, Centene-Health Net and Aetna-Humana. The Department of Managed Health Care (DMHC) and the California Department of Insurance (CDI) have been holding public meetings and hearings to seek input from the public as they examine the effects of these mergers in California. Health Access, Consumers Union, and other consumer and patient groups have raised questions about the structure of these deals and their potential impact on California's patients and health system as well as ensuring proper oversight as health care companies merge and become larger.

“Consolidation in the health industry often means fewer choices and competition, higher prices, and less accountability. California policymakers need to ensure that the mergers

are in the interest of patients and the public, by imposing the necessary conditions and commitments. Especially when they have a track record of problems and deficiencies, health insurance companies should not be allowed to get bigger unless they get better,” said Anthony Wright, executive director of Health Access California, the statewide health care consumer advocacy coalition.

This month, both DMHC and CDI are examining Anthem Blue Cross’ pending takeover of Cigna. Anthem Blue Cross is one of the largest health insurance companies in California and operates in both the commercial and public market. [Consumer advocates argue](#) that Anthem’s troubling record of not meeting its obligations to its customers raises questions about whether those problems will only grow as the company gets bigger. For example, Anthem was fined last year for inaccurate provider directories that make it difficult for consumers to find a doctor in their network. State regulators also fined Anthem \$1.5 million for not paying for an important prenatal test, exposing 27,000 patients to unnecessary costs. Finally, Anthem’s has low quality ratings for its Covered California and Medi-Cal products. The public will have another opportunity to weigh-in on this specific mega-merger, as the California Department of Insurance is [holding a hearing](#) on the Anthem-Cigna merger on March 29th in San Francisco.

“When insurance companies with a spotty record like Anthem want to merge, they should be required to do a better job of serving their customers. California shouldn’t allow these insurers to get even bigger without strong, enforceable conditions to ensure consumers receive the benefits promised by company executives. The companies should make the commitments and investments to address any existing problems relating to cost, quality, and customer service,” said Wright. “State regulators should be skeptical of all of these insurer mega-mergers, and other forms of consolidation in the industry. We know that these mergers benefit the insurers, but they should be required to explain how they benefit California consumers and the health system on which we all rely.”

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