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CA DEPARTMENT OF MANAGED HEALTH CARE APPROVES AETNA-HUMANA MEGA-MERGER WITH CONDITIONS, INCLUDING ENHANCED RATE REVIEW

- *California Department of Managed Health Care (DMHC) Approved Latest Insurer Mega-Merger, With Conditions*
- *Conditions Include Enhanced Rate Review, Given Track Record of Aetna Charging Unreasonable & Unjustified Rates*
- *Patient Groups Will Be Vigilant to Ensure Enforcement of Consumer Protections and Improvements, Including on Reasonable Rates*

SACRAMENTO, CA – Today, the California Department of Managed Health Care (DMHC) approved Aetna's proposed acquisition of Humana, along with some of the key conditions sought by consumer advocacy organizations.

Some of the conditions respond to concerns raised by consumer and patient advocates about Aetna's troubling track record in California's commercial market. In addition to imposing rate increases found "unreasonable" and "unjustified," Aetna also has a history of poor consumer quality ratings and has refused to participate in California's health reform efforts in Covered California and Medi-Cal.

"The Department is right to impose key conditions on Aetna's proposed takeover with Humana, given the insurer's track record and the merger's potential negative impacts on consumers and our health system as a whole. Given Aetna's troubling track record of imposing unjustified rate hikes, as well as poor consumer quality ratings, we urge the Department to be vigilant on making sure these conditions and consumer protections are enforced," said Anthony Wright, executive director of Health Access California, the statewide health care consumer advocacy coalition. "While many of the conditions are admonitions to follow existing law, and we sought additional commitments, we hope this agreement provides regulators new tools to keep Aetna accountable. We especially want to see how the enhanced rate review helps put a check on unreasonable premiums. Insurers should not get bigger without strong and enforceable conditions to get better, so consumers receive the benefits promised by company executives and existing problems are not exacerbated as this insurer gets increased market power."

This is the third of four major health insurance mergers have been finalized by the state of California; Blue Shield of California acquired Care1st last year and Centene's proposal to acquire Health Net was approved with conditions by state regulators in March. Last week, the CA Department of Insurance sent a letter to the Department of Justice to oppose the Anthem-Cigna merger, which is still pending at the DMHC.

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About Health Access California

Health Access California is the statewide health care consumer advocacy coalition, advocating for the goal of quality, affordable health care for all Californians. Health Access Foundation undertakes community organizing and education, applied research, and policy analysis, and advocates for reform to benefit health care consumers, both insured and uninsured. We represent consumers in the legislature, at administrative and regulatory agencies, in the media, and at public forums. For more information, please visit www.health-access.org.