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## PRESS RELEASE

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### CONSUMER GROUPS TESTIFY AT CDI HEARING EXAMINING CENTENE-HEALTH NET MERGER

- *California Department of Insurance (CDI) Holds Official Hearing for Latest Insurer Megamerger*
- *Consumer Groups Will Testify to Ensure Strong Consumer Protections and Improvements in Consumer Access*
- *Hearing Could Last 6+ Hours; Cross-Examination Will be Allowed by Insurance Commissioner, Consumer Groups and Others*
- *Testimony Will Be Heard TOMORROW, Friday, January 22, starting at 11am at the State Capitol Building, Room 4202, 10th and L Streets, Sacramento*

SACRAMENTO, CA – On Friday, consumer groups will testify at an official hearing of the California Department of Insurance (CDI) on the proposed merger of Centene and Health Net. The official hearing takes place a month after a public meeting held by the Department of Managed Health Care (DMHC).

Consumer groups, including Health Access, Consumers Union, and others, will be testifying at the hearing to ensure consumers are at the center of the discussion and proper oversight is provided as insurance companies seek to merge and become larger.

"As with the other pending megamerger, we want to see strong consumer protections in place if Centene is allowed to take over HealthNet. HealthNet has a poor track record of providing care for patients in California, with terrible quality ratings for poor customer service and for not helping customers to get the care they need when they need it. Health Net has also received significant fines from regulators for violating patient rights and not providing medically necessary services," said Tam Ma, policy counsel with Health Access California, the statewide health care consumer advocacy coalition. "If this deal is approved, Centene would become one of the largest insurers in the state. CDI should place strong conditions on this merger to ensure that insurance companies get better as they get bigger.

"If they can't follow our most basic consumer protections, why should they be allowed to have even greater market share? In particular, because Centene is an out-of-state company acquiring Health Net, a California-based insurer. It should be required to have

California-based legal counsel, medical director, and customer service staff who are knowledgeable about California's strong consumer protections and other requirements we place on our health insurers," continued Ma.

The proposed Centene-Health Net merger is one of three pending insurer mergers being reviewed by state regulators. Earlier this year, the DMHC [approved a merger between Blue Shield and Care1st](#), following Health Access' and other consumer groups' request for [strong conditions](#) to address potential negative impacts. Health Access is also monitoring merger requests from Anthem-Cigna and Aetna-Humana and will continue to fully engage state regulators, including the DMHC and CDI, to ensure strong consumer protections and a commitment to improving California's health system as a whole.

"This trend of insurer megamergers is troubling, both for the potential for reduced competition and choice, but also letting many insurers--and their bad practices--get bigger. We know that these mergers are in the interest of the insurers, but there's little evidence that they benefit the patient, the consumer, or our health system. We urge the Insurance Commissioner to carefully review these mergers and make sure they are in the best interest of its patients and California's health system." said Anthony Wright, executive director of Health Access California.

The CDI hearing is Friday, January 22, 2016, starting at 11 am at the State Capitol Building, Room 4202, 10th and L Streets, Sacramento, CA.

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