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CONSUMER ADVOCATES RAISE CONCERNS ABOUT AETNA-HUMANA MEGA-MERGER AT CALIFORNIA DEPARTMENT OF INSURANCE HEARING

- *California Department of Insurance (DCI) To Hold Official Hearing for Latest Insurer Mega-Merger*
- *Track Record of Aetna, Including Charging Unreasonable Rates, Scrutinized as it Seeks to Acquire Humana and Get Even Bigger*
- *Patient Groups & Public Demand Strong and Enforceable Consumer Protections and Improvements if Approved*
- *Public Testimony Will Be Heard by the California Department of Insurance TOMORROW, Wednesday, April 27, 9:00 am, State Capitol, Hearing Room 113, Sacramento*

SACRAMENTO, CA – On Wednesday morning, Health Access California and Consumers Union along with other consumer groups will testify at an official hearing of the California Department of Insurance (CDI) on Aetna's proposed acquisition of Humana. This hearing takes place after a public meeting held by the Department of Managed Health Care (DMHC) in January.

Consumer and patient advocates will focus on Aetna's troubling track record in California's commercial market. In addition to instituting 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.

"Aetna's proposed merger with Humana would have substantial impacts on consumers, other purchasers, and our health system as a whole. We ask CDI to reject the merger unless the companies can show consumers will actually benefit from it in the form of lower premiums, lower out-of-pocket costs, higher quality care, and reduced health disparities," said Tam Ma, policy counsel for Health Access California, the statewide health care consumer advocacy coalition. "If CDI approves this merger, strong and

enforceable conditions need to be established to ensure consumers receive the benefits promised by company executives and existing problems are not exacerbated as this insurer get bigger.”

This hearing comes on the heels of a Senate Health Committee hearing last week on [SB 932 \(Hernandez\)](#), a bill that ensures that mergers and consolidations in California’s health care marketplace do not have a negative impact on cost, quality, and access to care for California consumers. Currently, two 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. The Aetna-Humana merger is one of two mergers still pending, along with Anthem-Cigna. Other hospital and health mergers have also taken place, including the Daughters of Charity Health System purchase by an investment firm in 2015.

"Experience suggests that an even larger Aetna with more market power would be less motivated to innovate, improve quality and pass along savings to consumers," said Dena Mendelsohn, staff attorney for Consumers Union, the policy and advocacy division of nonprofit Consumer Reports. "Aetna's history in California on both pricing and quality suggest that without compulsion by regulators, a bigger, more powerful Aetna would not improve consumers' lot. There are also ongoing antitrust investigations that could block this deal. If this merger goes through, state regulators and the Attorney General must secure concrete, enforceable assurances from Aetna that the marketplace will be improved—not just for the companies —but for consumers."

The CDI official hearing is Wednesday, April 27, at 9:00 am at the State Capitol, Hearing Room 113, Sacramento, CA. The hearing notice can be [found here](#).

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