PRESS RELEASE

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CA INSURANCE COMMISSIONER COMES OUT AGAINST ANTHEM-CIGNA MERGER, CITING REDUCED COMPETITION

- With No Direct Authority, Commissioner Jones Says Merger Would "Lessen Competition" in Letter to US Department of Justice
- CA Department of Managed Health Care Still Reviewing Anthem-Cigna Merger as a Material Modification to Anthem’s License
- In Recent Hearings on Anthem-Cigna Merger, Consumer Advocates Cited Spotty Track Record of Anthem Blue Cross, California’s Largest Insurer, With Regard to Low Quality and Unreasonable Rate Increases.
- Limited Authority Spotlights Need for California to Strengthen Its Laws to Review Health Mergers and Overall Consolidation, as Proposed in SB 932 (Hernandez)

SACRAMENTO, CA – California Insurance Commissioner Dave Jones announced today his opposition to Anthem Blue Cross’ proposed takeover of Cigna, the biggest of a series of health insurance mega-mergers in the last year. While the California Department of Insurance (CDI) does not have direct authority to disapprove the merger, the Commissioner submitted a detailed letter analysis to the U.S. Department of Justice, raising concerns that the merger would lead to reduced competition, increased prices, and reduced quality.

In hearings earlier this year, consumer and patient groups including Health Access California, the statewide healthcare consumer advocacy coalition, raised similar questions about the proposed merger and its potential impact on California's patients and health system, and called for strong oversight as insurance companies sought to continue to merge and become larger.

"The Insurance Commissioner is right to raise the concerns that this merger will likely lead to reduced competition, increased prices, and more market power for an insurer with a troublesome track record. This merger would give more market power to Anthem, which already has low quality rating and imposes unjustified rate increases." said Anthony Wright, executive director of Health Access California. "The Anthem-Cigna merger is the most troubling of the insurance mega-mergers in California and nationally. As one of the largest insurance companies in California, Anthem provides coverage for millions of consumers yet has a record of not meeting basic patient protection laws."
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 grows. 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. Anthem’s has low quality ratings for its Covered California and Medi-Cal products. Anthem has also repeatedly proceeded with rate increases the Department of Insurance found to be unreasonable.

"While our Department of Insurance does not direct authority to disapprove the merger, we hope these concerns about its impact in the country's largest state is heeded by the US Department of Justice and by the Connecticut regulators reviewing the deal. We hope the California's Department of Managed Health Care, which is reviewing the merger as a modification to Anthem's license, also opposes the merger--unless there are clear conditions to protect patients," said Wright. "Ultimately, California should strengthen our laws so state regulators are able to review and approve these health care mergers that have such an impact on our health care system." SB 923 (Hernandez) was introduced this year to have greater review over consolidation in our health system.

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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](http://www.health-access.org).*