Mega Merger Malaise – Bach Talk

As the health insurance marketplace, American citizens, and businesses continue to adapt to the Patient Protection and Affordable Care Act world, the pending mergers of Aetna/Humana and Cigna/Anthem will provide yet another curveball. Mergers of companies this large are almost never good for consumers. They generally mean fewer choices, less negotiating options, and higher premiums, yet both appear to be on track for approval. The U.S. Department of Justice and state regulators are reviewing the proposals, and the public can submit comments here. Interested parties can submit written or oral testimony for an upcoming hearing on the Cigna Anthem merger here. The only upside we can see could be lower drug prices that *could* result from the merged entities due to increased negotiating power and the ability to own and control their own pharmacies.

Recent failures of a number of Consumer Operated and Oriented Plans ("Co-Ops") will no doubt be cited by merger proponents, but many policyholder advocates see those failures as the result of disappointing enrollment numbers and politically motivated obstructionism.

For further reading:

How might proposed payer mergers impact state insurance markets, Health Care Affairs.org blog, by Douglas Hervey, David Muhlestein and Austin Bordelon, December 1, 2015

With Merging of Insurers, Questions for Patients About Costs and Innovation, New York Times, by Reed Abelson, July 5, 2015

An industry presentation on Health Mergers and Co-Op failures