Payer Mergers
A Provider Perspective

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The American Medical Association recently published an analysis on implications of the potential Anthem-Cigna and Aetna-Humana mergers. Here are some key findings from the report:

- The mergers would exceed antitrust guidelines in 97 metropolitan areas in 17 states.
- A significant absence of health insurer competition was found in 70% of metropolitan areas studied.
- In almost 40% of metropolitan areas, a single health insurer had at least a 50% share of the market.
- Both mergers would diminish competition in up to 154 metropolitan areas within 23 states.
- 46 states had two health insurers with at least a 50% share of the commercial health insurance market.
- Alabama has the least competitive insurance market and Louisiana saw the biggest drop in competition.
Anthem and Cigna Merger
Commercial Impact

The membership type is quite different between the two. Most of Anthem’s Texas membership is from Managed Medicaid (as Amerigroup), although they do have some out-of-state commercial plans, while Cigna has mostly Self-Funded Commercial Plans.

How will Anthem/BCBSA handle this in Texas?
Since only one BCBS plan per state can operate under the Blue Cross Blue Shield brand, how will they handle?

Currently Anthem members access providers in Texas via Blue Card/BCBSTX.

Will they try another brand, transfer lives to BCBS Texas, or move all out-of-state enrollment under Cigna name?
Commercial Impact of Anthem/Cigna & Humana/Aetna Mergers

Source: HealthLeaders Interstudy – January 2015 Enrollment (does not include Medicare/Medicaid/Other)
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Commercial Impact of Anthem/Cigna & Humana/Aetna Mergers

Austin/RR MSA - Commercial Enrollment
- United: 32%
- BCBS: 27%
- Aetna: 19%
- Cigna: 10%
- Humana: 6%
- SWHP: 4%
- Others: 2%

Austin/RR MSA - Post-Merger
- United: 32%
- BCBS: 27%
- Aetna/Humana: 25%
- Cigna: 10%
- SWHP: 4%
- Others: 2%

Source: HealthLeaders Interstudy – January 2015 Enrollment (does not include Medicare/Medicaid/Other)
Commercial Impact of Anthem/Cigna & Humana/Aetna Mergers

Bryan/CS MSA - Commercial Enrollment

- BCBS: 44%
- SWHP: 18%
- FirstCare: 8%
- United: 8%
- Cigna: 6%
- Aetna: 6%
- Humana: 7%
- Others: 1%

Bryan/CS MSA - Post Merger

- BCBS: 43%
- SWHP: 18%
- FirstCare: 8%
- Cigna: 8%
- United: 8%
- Aetna/Humana: 13%
- Others: 2%

Source: HealthLeaders Interstudy – January 2015 Enrollment (does not include Medicare/Medicaid/Other)
Commercial Impact of Anthem/Cigna & Humana/Aetna Mergers

Waco MSA - Commercial Enrollment

- BCBS: 32%
- SWHP: 24%
- United: 13%
- Aetna: 13%
- Cigna: 6%
- FirstCare: 5%
- Humana: 5%
- Others: 2%

Waco MSA - Post-Merger

- BCBS: 31%
- SWHP: 24%
- Aetna/Humana: 18%
- United: 13%
- Others: 2%

Source: HealthLeaders Interstudy – January 2015 Enrollment (does not include Medicare/Medicaid/Other)
MA Market Share if Aetna/Humana Merge

Source: Healthleaders Jan 2015

SWHP Enrollment is primarily SeniorCare cost plan, not MA
MA Impact of Aetna/Humana Merge to BSWH Markets

- **Dallas/Ft Worth** – United still #1; reduces market to two payors with 85% combined market share
- **Austin** – gives Aetna/Humana two-thirds* of market
- **Bryan/CS** – gives Aetna/Humana almost half* of market
- **Temple** – minimal impact since SWHP retains 70% of market
- **Waco** – biggest impact to BSWH since SWHP drops from market leader to #2

*Issues for regulators?