March 8, 2017

Brent Snyder  
Acting Assistant Attorney General  
United States Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530-0001

Dear Acting Assistant Attorney General Snyder:

On behalf of the American College of Physicians I am writing to express significant concern about recent statements by Anthem, made in the Delaware Court of Chancery, claiming that the company expects to be able to close its merger transaction with Cigna through “resolution with a new DOJ” noting that “now Vice President Pence was supportive of the transaction as the governor of Indiana.” Press reports of settlement negotiations are also concerning. ACP previously expressed its strong opposition to the merger in a letter (attached) and subsequent conversations with Department of Justice officials. We continue to believe that the pending merger between Anthem and Cigna would have negative effects on competition in the health insurance market.

ACP is the largest medical specialty organization and the second largest physician group in the United States. ACP members include 148,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

ACP strongly supports the ruling by Judge Amy Berman Jackson for the District of Columbia that blocked the proposed merger between Anthem and Cigna. We agree with Judge Jackson that the evidence has “shown that the merger is likely to result in higher prices, and that it will have other anticompetitive effects: it will eliminate the two firms’ vigorous competition against each other for national accounts, reduce the number of national carriers available to respond to solicitations in the future, and diminish the prospects for innovation in the market.”

The College strongly supports Judge Jackson’s ruling and believes that political influence should not impact enforcement of antitrust laws. We urge the DOJ and state plaintiffs to defend Judge Jackson’s ruling and reject any offers to settle the Anthem-Cigna litigation. The consolidation between these companies seriously threatens to undermine the spirit of competition in the health insurance market and could lead to significant increases in insurer concentration, decreased choice and increased costs for patients and employers, and a reduction in physician ability to negotiate with insurance companies over provision of services.

Sincerely,

Nitin S. Damle, MD, MS, MACP  
President  
American College of Physicians
December 3, 2015

The American College of Physicians has significant concerns about the pending mergers between Aetna/Humana and Anthem/Cigna and the potential negative effects they could have on competition in the health insurance market. ACP is specifically concerned that the consolidation between these companies could lead to significant increases in insurer concentration, decreased choice and increased costs for patients and employers, and a reduction in physician ability to negotiate with insurance companies over provision of services.

ACP is the largest medical specialty organization and the second largest physician group in the United States. ACP members include 143,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

Physicians should be given the opportunity to negotiate with health insurers on fair pricing and reimbursement rates for services provided under their care. An increase in insurance consolidation would harm the process of negotiation as physicians could be forced to accept anti-competitive reimbursement, which is harmful to physicians and patients, who may see an increase in premium pricing or a change in services covered under their insurance plans. Especially concerning to ACP is a finding from an Aetna/Prudential merger that showed premiums increasing by 7 percent post-merger. The claim that savings from a merger would be passed on to consumers or result in innovation or higher quality of care must be thoroughly scrutinized.

Recent studies have shown that 70 percent of metropolitan areas have highly concentrated commercial health insurance markets, and 97 percent of Medicare Advantage markets are highly concentrated. Allowing for anti-competitive consolidation would be antithetical to the goals set by the Affordable Care Act, which prioritizes a robust level of competition, and ACP urges the Antitrust Division to oppose any deal that compromises this quality.

Consolidating four of the largest health insurance companies into two entities seriously threatens to undermine the spirit of competition in the health insurance market and could likely have adverse effects on physicians and patients. It is imperative that the Department of
Justice Antitrust Division consider both the local and collective impact these mergers could have, and block any deal that significantly increases health insurer concentration resulting in decreased choice and increased cost for patients and employers, reduces access due to changing and narrowing networks of physicians and hospitals, or prevents physicians from negotiation over provision of health services with those insurers.

Sincerely,

Wayne J. Riley, MD, MPH, MBA, MACP
President
American College of Physicians