Centene Corp. on Wednesday said it will buy Affordable Care Act exchange rival WellCare Health Plans in an estimated $17.3 billion deal, even as the Trump administration looks to abolish the landmark healthcare law.

All in all, the two insurers would cover 22 million people in Medicare, Medicaid and the ACA exchanges. Centene CEO Michael Neidorff will serve as chairman and CEO of the merged company.

"With the addition of WellCare, we expect to bolster and diversify our product offerings, increase our scale and have access to new markets, which will in turn, enable us to continue investing in technology and better serve members with innovative programs designed to meet their needs," Neidorff said in a statement.

Centene saw its ACA exchange membership swell to almost 2 million during the latest open enrollment, giving it about a 20% market share across the country. WellCare's recent growth focused on Medicaid, where it has 3.9 million members, thanks in large part to its $2.5 billion acquisition of Meridian Health Plan that closed in September.

The merged insurer will include more than 12 million Medicaid beneficiaries, 5 million Medicare members and a Medicare prescription drug plan. The
insurer's rolls will also be bolstered by Centene's Medicaid contract win in North Carolina. The company's joint venture with the North Carolina Medical Society, Carolina Complete Health, scored a contract to serve Medicaid beneficiaries in two regions in North Carolina starting in 2020. Centene had been gunning for a statewide contract.

The news comes just days after the Justice Department changed course and told the 5th U.S. Circuit Court of Appeals that it supported striking down the entire Affordable Care Act. Previously, the federal government had supported a partial repeal.

Centene's shareholders would own 71% of the merged insurer and its board would fill nine of the 11 board seats after its projected close in the first half of 2020.

Centene will pay 3.38 shares of its stock and $120 in cash for each share of WellCare stock, or $305.39 per WellCare share. That's equates to a 32% premium to WellCare's Tuesday closing stock price.

WellCare's stock price bumped up 14% before market open while Centene's stock took a 5% dip.