



*News from:*  
**COMPTROLLER KEVIN LEMBO**

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**COMPTROLLER LEMBO CALLS FOR OPEN, INCLUSIVE AND THOROUGH REVIEW OF ANTHEM-CIGNA MERGER**

Comptroller Kevin Lembo, in a letter to the state Department of Insurance (DOI) this week, urged an open and thorough review of a proposed merger between Anthem and Cigna in order to address significant concerns raised by health care consumers and providers.

Lembo, as the administrator of the state's largest health plan, covering over 200,000 members, expressed his support for a recent request by the Connecticut Campaign for Consumer Choice to ensure that the DOI's review of the proposed merger adequately accounts for the concerns raised by those most affected by the merger.

A merger between Anthem and Cigna would increase the Connecticut health insurance concentration over 40 percent, Lembo reported, noting that only Georgia is expected to experience a more significant increase in market concentration.

“Studies have shown that concentration in the fully insured commercial market can lead to higher fully insured premiums for consumers,” Lembo said. “Significant market concentration has also been associated with lower provider reimbursement rates. As the administrator of a self-insured health plan, I welcome the potential for lower prices for health services – however, in certain instances, the lower reimbursement rates negotiated by a dominant insurer in a market may result in a reduction in access to care provided by physicians.

“Additionally, the significant increase in negotiating leverage achieved by a combined Anthem and Cigna entity in their relationship with providers in the state could spur additional provider consolidation. Increased provider consolidation would offset the potential for lower health care prices associated with the Anthem and Cigna merger and

reduce consumer choice. The potential for these issues to manifest themselves in response to an Anthem and Cigna merger in the Connecticut health insurance market must be fully evaluated.”

Specifically, Lembo is requesting that DOI accept the recommendations of the Connecticut Campaign for Consumer Choice to:

- Require that the public hearing be held at a venue and time that allows for maximum public participation.
- Grant interested parties intervener status to allow for an adequate review of the proposed merger.
- Commission a study that will analyze the potential impact on cost, access and quality.

“Holding public hearings at times and locations that are easily accessible to the public will ensure that consumers and providers that have specific concerns about the proposed merger can be heard and their views considered as a part of the review of the proposed merger. Specifically, I am requesting that the DOI hold hearings at an easily accessible location with free public parking, outside of the 9-to-5 work day.”

Lembo explained the importance of granting intervener status to both consumer and provider groups with a significant stake in the outcome of the proposed merger – and the need for an independent analysis of how the merger will impact the state economy.

“Consumers and providers have raised reasonable concerns about the impact of the proposed Anthem and Cigna merger,” Lembo said. “Allowing these parties to have intervener status will allow them to call and cross examine witnesses.

“Finally, a complete and in-depth analysis on the potential impact on cost, access, quality and the Connecticut economy should be performed as a part of the review of the merger. The analysis should be performed by an independent party with the analytic capacity to review the diverse potential impacts.”

Lembo said he is not, at this point, advocating that the DOI deny or approve the proposed Anthem and Cigna merger – but simply urges an open, inclusive and thorough review.

“It is important that the evaluation of the merger give equal weight to any potential negative impacts it may pose on cost, access and quality of care. The outcome of the merger will have a significant impact on the health care market in Connecticut for many years in the future. It is essential that the evaluation of the impact of the merger on cost, access and quality of care incorporate the voices of all interested parties.”

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