

## DOJ Cites Exchange Competition As One Reason To Block Mergers

The Department of Justice (DOJ) formally filed suit to block the two pending health insurance mergers, partially due to the risk of reduced competition in the exchanges, and sent a strong signal that the key players would have little recourse but to challenge the move in court. Aetna, which has been working on a \$37 billion acquisition of Humana, and Anthem, which placed a \$54 billion bid for Cigna, immediately said they would fight back.

DOJ found that allowing Anthem-Cigna to move forward would harm consumers by reducing competition in the large group market, and that the Aetna-Humana marriage would shrink choices for seniors. Both mergers

would reduce options in the health insurance exchanges, according to the complaints.

DOJ said that 11 states -- California, Colorado, Connecticut, Georgia, Iowa, Maine, Maryland, New Hampshire, New York, Tennessee and Virginia -- and the District of Columbia joined the department's challenge of the Anthem-Cigna merger, and eight states -- Delaware, Florida, Georgia, Iowa, Illinois, Ohio, Pennsylvania and Virginia -- and the District of Columbia joined the suit to block the Aetna-Humana merger.