



The Maryland State Medical Society

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MEDCHI APPLAUDS ATTORNEY GENERAL'S LAWSUIT TO BLOCK ANTHEMS ACQUISITION OF CIGNA

BALTIMORE, July 21, 2016 — MedChi applauds Maryland Attorney General Brian E. Frosh's announcement that his office has joined the U.S. Department of Justice and state attorneys general in a lawsuit to block Anthem's proposed acquisition of Cigna, alleging that the transactions would increase concentration and harm competition across the country. MedChi had urged Attorney General Frosh to take this step back in December, stating that Maryland citizens have already been damaged by extreme market concentration in the health insurance sector.

The Department of Justice has also filed suit blocking Aetna's proposed acquisition of Humana. If these two mergers were to be approved, it would reduce from five to three the number of large national health insurers, in the nation.

The suit against Anthem and Cigna claims the merger would substantially reduce competition for millions of consumers who receive commercial health insurance coverage from national employers throughout the United States; from large-group employers in at least 35 metropolitan areas, including New York, Los Angeles, San Francisco, Denver, and Indianapolis; and from public exchanges created by the Affordable Care Act in St. Louis and Denver. The complaint also alleges that the elimination of Cigna threatens competition among commercial insurers for the purchase of healthcare services from hospitals, physicians, and other healthcare providers. The merger would eliminate substantial head-to-head competition in all these markets. It would remove the independent competitive force of Cigna, which has been a leader in the industry's transition to value-based care.

Gene Ransom, MedChi CEO, states, "Maryland joins ten other states and the District of Columbia in the department's challenge of Anthem's \$54 billion acquisition of Cigna and MedChi is happy to support Attorney General Frosh in this decision."

About MedChi

MedChi, The Maryland State Medical Society, is a non-profit membership association of Maryland physicians. It is the largest physician organization in Maryland. The mission of MedChi is to serve as Maryland's foremost advocate and resource for physicians, their patients and the public health of Maryland. For more information, please visit www.medchi.org.