Delaware Joins Suit to Block Health Insurance Merger Of Aetna and Humana

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Combination Would Significantly Reduce Competition In Delaware Medicare Advantage Market

Delaware's Attorney General will join the U.S. Department of Justice and eight other attorneys general in opposing the merger of health insurance companies Aetna and Humana – the third and fifth largest health insurance companies in the country – arguing that the combination would reduce competition in Delaware and drive up prices.

Both Aetna and Humana sell Medicare Advantage plans in New Castle and Kent counties, which are offered as an alternative to traditional Medicare and a merger would result in high market share by the combined entity in those two counties.

“This proposed merger would very significantly reduce competition for health insurance through Medicare Advantage plans in the counties that contain three-quarters of our state's population,” Attorney General Matt Denn said. “At a time when health care costs are already a concern, this would move Delaware in the wrong direction.”

The complaint by the USDOJ and the attorneys general of eight states and the District of Columbia filed in U.S. District Court for the District of Columbia explains, “Today, Aetna and Humana compete across the country to sell Medicare Advantage plans, a market-based alternative to traditional Medicare. This competition benefits Americans who can least afford health insurance. It benefits seniors, who visit doctors and hospitals more than twice as much as the average person and have less income than the average American household.”

The challenge to the Aetna-Humana merger also is based on reduced competition between Aetna and Humana nationally in offering health coverage on state health care exchanges, but Humana does not currently participate in the exchange in Delaware.
USDOJ and a number of states also filed a challenge to the proposed merger of health insurance companies Anthem and Cigna. Anthem does not operate in Delaware.

A release from USDOJ announcing the federal-state action, including a link to the filed complaint, can be found HERE (https://www.justice.gov/opa/pr/justice-department-and-state-attorneys-general-sue-block-anthem-s-acquisition-cigna-aetna-s).
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