

Colorado Medical Society

Memorandum

To: Board of Directors

From: Peter Ricci, MD
Chair, Committee on Physician Practice Evolution
Chair, Working Group on Managed Care Reform

Date: March 7, 2016

Subject: Recommendations regarding proposed health plan mergers

On March 3 the Committee on Physician Practice Evolution and the Working Group on Managed Care Reform held a special meeting to study the proposed health plan mergers between Aetna and Humana and Anthem and Cigna, and as directed by the board to make a recommendation regarding changing the official CMS position on these mergers.

During this meeting the committee and the task force considered:

- The charge from the CMS Board of Directors and the organization's current position of scrutiny regarding the mergers;
- The results of the CMS membership poll; and
- The latest information and actions by the Department of Justice, the Colorado Division of Insurance, the Colorado legislature, other states and the American Medical Association (AMA).

Recommendations approved by the CMS board of directors March 11, 2016

The committee and the task force respectfully recommend that:

The Colorado Medical Society strongly oppose the Aetna/Humana and Anthem/Cigna mergers given the:

- Overwhelming opposition to the mergers expressed by physician members through the statewide survey on the subject;
- Lack of transparency by the Division of Insurance surrounding the process and information used to evaluate the mergers, and the demonstrated unwillingness to receive input from principal stakeholders including physicians and patients;
- AMA analysis of Colorado metropolitan statistical areas (MSA) that demonstrates a current, significant anti-competitive health insurance marketplace in many MSAs that these mergers will only augment;
- Ongoing and aggressive development by health plans of narrow provider networks that limit access to care and choice of physicians with little to no transparency about the standards used to create and maintain these networks; and
- Strong support of the AMA and their efforts nationally to oppose the mergers.