



COLORADO MEDICAL SOCIETY

"ADVOCATING EXCELLENCE IN THE PROFESSION OF
MEDICINE"

September 10, 2015

The Honorable Marguerite Salazar
Insurance Commissioner
Department of Regulatory Agencies
Division of Insurance
1560 Broadway, Suite 850
Denver, CO 80202

Dear Honorable Marguerite Salazar,

Thank you for meeting with us on August 31, 2015. As promised during our meeting, we submit the enclosed information recently released by the American Medical Association (AMA) about the key findings of analyses of the impact of the proposed Anthem-Cigna and Aetna-Humana health insurance mergers for your consideration under governing statutes C.R.S. §§ 10-3-803 and 803.5, as well as Regulation 3-4-1. The AMA analyses coincides with the release of the 2015 Update of the AMA's *Competition in Health Insurance: A Comprehensive Study of U.S. Markets*.

Anthem-Cigna Merger:

Notably, the results in analysis Tables 1 and 3 conclude that an Anthem-Cigna merger would be presumed likely to enhance market power in the commercial combined (HMO + PPO + POS) markets in the State of Colorado as well as in Metropolitan Statistical Areas (MSA) level markets including Grand Junction, Fort Collins-Loveland, Greeley, Pueblo, Colorado Springs, Boulder and Denver-Aurora.

Table 9 shows that in Colorado the merger will be presumed likely to enhance market power in the POS market. The results by MSA, Table 7, shows MSAs including Greeley, Pueblo, Fort Collins-Loveland, Denver-Aurora, Colorado Springs, Grand Junction and Boulder, the merger is presumed likely to enhance market power in the POS market. Importantly, all MSA-level results show that the merger would cause important and significant increase greater than 200 points in the HHI (Concentration).

Aetna-Humana Merger:

In Table 9, the merger potentially raises serious significant competitive concerns and often warrants scrutiny in the PPO market in Colorado. Table 10 shows that in MSAs including Colorado Springs and Grand Junction, the merger is presumed likely to



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enhance market power in the PPO market. Table 11 shows that in Greeley, Boulder, Pueblo, Fort Collins-Loveland, the merger potentially raises significant competitive concerns that often warrant scrutiny for the PPO markets.

Finally, it should be noted that the merger would cause important changes and increases in the HHI (Concentration) in Colorado's HMO and PPO markets; resulting from Humana's or Aetna's high shares in these markets.

Such a shift in market power will not only impact consumer choice, it will have a significant impact on the physicians' ability to negotiate and contract with the remaining plans. We look forward to continuing discussions as you move forward with your analysis of the Colorado market. Please feel free to contact us should you have any questions.

Very Truly Yours,

Susan Koontz, JD

Email: susan_koontz@cms.org

Cell: 303-408-7504

/Enclosures

cc: The Honorable Michael E. Conway, Assistant Attorney General
President of the Senate, The Honorable Bill L. Cadman
Speaker of the House, The Honorable Dickey Lee Hullinghorst
Kyle Brown, Sr. Health Policy Advisor, Office of the Governor
CMS Board of Directors
Alfred Gilchrist, Chief Executive Officer, CMS
Marilyn Rissmiller, Sr. Director/Division of Health Care Financing, CMS
Jerry Johnson, Lobbyist



Markets where an Aetna-Humana merger warrants antitrust scrutiny

Analysis of data from the 2015 update to “Competition in health insurance: A comprehensive study of U.S. markets”

Health Policy Group
American Medical Association

This analysis provides the *commercial* market share and concentration (HHI) effects of a proposed merger between Aetna and Humana. Data used in this analysis are from the 2015 Update to the American Medical Association’s “Competition in health insurance” study (i.e., 2013 HealthLeaders-InterStudy data). Using the 2010 Department of Justice (DOJ)/Federal Trade Commission (FTC) Horizontal Merger Guidelines, it presents the state and metropolitan statistical area (MSA) level markets where the merger would raise competitive concerns based on how the Guidelines classify markets. Under the DOJ/FTC merger guidelines:

- MSAs with an HHI less than 1500 are *unconcentrated*; mergers are unlikely to raise competitive concerns.
- MSAs with an HHI between 1500 and 2500 are *moderately concentrated*; mergers that increase the HHI by more than 100 points potentially raise significant competitive concerns and often warrant scrutiny.
- MSAs with an HHI of more than 2500 are *highly concentrated*; mergers that increase the HHI by 100 to 200 points potentially raise significant competitive concerns and often warrant scrutiny, and those that increase it by more than 200 points will be presumed likely to enhance market power.

The following set of tables report those markets’ pre- and post-merger HHIs and the change in HHIs resulting from the proposed merger. The results are presented for *commercial*, combined (HMO+PPO+POS) product markets, as well as for HMO, PPO and POS markets separately. For each product market, they are reported at the state-level and then by MSA.

Tables 1, 3, 5, 6, 8, 10 and 12 list those states and MSAs where such a merger would be presumed likely to enhance market power according to the guidelines above (i.e., combination of a highly concentrated market with a significant increase in the HHI). Those are the markets that would be expected to be most adversely affected by the merger.

Tables 2, 4, 7, 9, 11 and 13 list those states and MSAs where such a merger potentially raises significant competitive concerns and often warrants scrutiny (i.e., combination of moderately to highly concentrated market with a meaningful increase in the HHI).

Results for the combined (HMO+PPO+POS) product market

The results of the analysis in Table 1 conclude that an Aetna-Humana merger would be presumed likely to enhance market power in the *commercial*, combined (HMO+PPO+POS) markets in the state of Kentucky.

Also focusing on the *commercial*, combined (HMO+PPO+POS) markets, the results of the analysis in Table 2 conclude that an Aetna-Humana merger potentially raises significant competitive concerns and often warrants scrutiny in four additional states (TX, GA, UT, FL).

Although Table 1 and Table 2 show that the merger would cause important changes in the HHI (concentration), it should be noted that in the state of Kentucky, Aetna's pre-merger share was only 4.8 percent. Similarly, in the states listed in Table 2, Humana's pre-merger market shares were small—ranging from 3.7 percent in Florida to 4.6 percent in Texas. The significant increases in the HHI would be the result of Aetna's (or Humana's) high shares in those states.

Turning to the results by MSA, the results of the analysis in Table 3 conclude that an Aetna-Humana merger would be presumed likely to enhance market power in the *commercial*, combined (HMO+PPO+POS) markets in MSAs located in seven states (FL, GA, IL, KY, OH, TX, UT).

Also focusing on the *commercial*, combined (HMO+PPO+POS) markets, the results of the analysis in Table 4 conclude that an Aetna-Humana merger potentially raises significant competitive concerns and often warrants scrutiny in MSAs in 14 states (AZ, FL, GA, IL, IN, KY, LA, MS, OH, TN, TX, UT, WI, WV).

Results for separate HMO, PPO and POS product markets

Table 5 shows the six states (TN, KS, TX, OH, FL, GA) in which the merger will be presumed likely to enhance market power in the *HMO* market, and Table 8 shows the three states (UT, KY, TX) in which the merger will be presumed likely to enhance market power in the *PPO* market.

Table 9 shows that in six states (WI, CO, KS, IL, LA, MS), the merger potentially raises significant competitive concerns and often warrants scrutiny in the *PPO* market.

Turning to the results by MSA, Table 6 shows the MSAs, which are located across seven states (FL, GA, IL, MO, OH, TN, TX), where the merger is presumed likely to enhance market power in the *HMO* market. Table 10 shows that MSAs meeting those criteria in the *PPO* market are located in 14 states (CO, FL, IL, IN, KS, KY, LA, MO, MS, OH, TX, UT, WI, WV), and Table 12 shows one MSA (in GA) meeting those criteria in the *POS* market.

Table 7 shows the three MSAs (in FL, IL) where the merger potentially raises significant competitive concerns and often warrants scrutiny in the *HMO* market. Table 11 shows the MSAs classified in that way, which are located in 12 states (AZ, CO, FL, IL, IN, KS, LA, MO, MS, TN, TX, WI), for the *PPO* market, and Table 13 shows the one MSA (in GA) classified in that way for the *POS* market.

It is uncertain, however, whether separate product markets would be considered as constituting separate antitrust markets (i.e., not clear they are substitutes for each other).

Finally, it should be noted that although all MSA-level results show that the merger would cause important changes in the HHI (concentration), in many MSAs in the combined (HMO+PPO+POS) markets and in some MSAs in *HMO* and *PPO* markets, Humana's (or Aetna's) pre-merger shares were small, particularly when the change in the HHI was not very large. For example, that would generally be the case in many combined (HMO+PPO+POS) MSA-level markets across most states and in *HMO* and *PPO* markets in MSAs in several states (MO, FL, IL, CO, KS, MO, AZ, TX, IN, MS). The significant increases in the HHI are the result of Humana's (or Aetna's) high shares in those MSAs.

Combined (HMO+PPO+POS) markets

Table 1. States where an Aetna-Humana merger will be presumed likely to enhance market power

State	Total HHI	Total HHI post-merger	Change in HHI
Kentucky	2992	3304	312

Table 2. States where an Aetna-Humana merger potentially raises significant competitive concerns and often warrants scrutiny

State	Total HHI	Total HHI post-merger	Change in HHI
Texas	2537	2699	162
Georgia	2127	2280	153
Utah	2232	2382	150
Florida	2285	2407	122

Table 3. MSAs where an Aetna-Humana merger will be presumed likely to enhance market power, by state

MSA name	Total HHI	Total HHI post-merger	Change in HHI
Florida			
Jacksonville, FL	2304	2592	289
Sarasota-Bradenton-Venice, FL	2463	2723	260
Tampa-St. Petersburg-Clearwater, FL	2372	2576	204
Georgia			
Macon, GA	2215	2819	604
Illinois			
Rockford, IL	3748	4023	276
Kentucky			
Louisville, KY-IN	2726	3081	355
Elizabethtown, KY	3586	3939	354
Lexington-Fayette, KY	2580	2865	285
Ohio			
Springfield, OH	1989	2593	604
Cincinnati-Middletown, OH-KY-IN	2591	2841	250
Texas			
El Paso, TX	2519	2871	352
San Antonio, TX	2455	2759	304
Corpus Christi, TX	2854	3062	207
Utah			
St. George, UT	2235	2522	287
Provo-Orem, UT	2719	2939	220

Table 4. MSAs where an Aetna-Humana merger potentially raises significant competitive concerns and often warrants scrutiny, by state

MSA name	Total HHI	Total HHI post-merger	Change in HHI
Arizona			
Yuma, AZ	3196	3325	129
Florida			
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	2109	2305	196
Lakeland-Winter Haven, FL	2170	2362	192
Miami-Miami Beach-Kendall, FL	1925	2080	154
West Palm Beach-Boca Raton-Boynton Beach, FL	2237	2377	140
Georgia			
Rome, GA	1982	2385	402
Gainesville, GA	1889	2169	280
Atlanta-Sandy Springs-Marietta, GA	2032	2249	217
Athens-Clarke County, GA	2265	2394	129
Illinois			
Kankakee-Bradley, IL	3636	3817	181
Bloomington-Normal, IL	3398	3544	146
Lake County-Kenosha County, IL-WI	3177	3316	138
Peoria, IL	2580	2688	108
Indiana			
Evansville, IN-KY	3419	3539	120
Kentucky			
Owensboro, KY	4993	5112	119
Bowling Green, KY	3986	4101	115
Louisiana			
Lake Charles, LA	3502	3654	152
Monroe, LA	3455	3583	128
New Orleans-Metairie-Kenner, LA	3677	3794	118
Mississippi			
Gulfport-Biloxi, MS	2738	2917	179
Ohio			
Dayton, OH	2786	2929	143
Tennessee			
Clarksville, TN-KY	2034	2328	294
Johnson City, TN	3549	3655	106
Texas			
Victoria, TX	2965	3160	196
Beaumont-Port Arthur, TX	2697	2878	181
Houston-Sugar Land-Baytown, TX	2389	2566	178
San Angelo, TX	3287	3462	176
Brownsville-Harlingen, TX	3528	3687	159
Fort Worth-Arlington, TX	2578	2733	155
Killeen-Temple-Fort Hood, TX	1998	2152	155
Waco, TX	2178	2316	138
Austin-Round Rock, TX	2775	2912	137
McAllen-Edinburg-Mission, TX	3560	3692	132

MSA name	Total HHI	Total HHI post-merger	Change in HHI
Lubbock, TX	3010	3137	127
Dallas-Plano-Irving, TX	2647	2762	115
Tyler, TX	3410	3511	100
Utah			
Salt-Lake City, UT	2200	2350	151
Wisconsin			
Milwaukee-Waukesha-West Allis, WI	3548	3698	150
Sheboygan, WI	2443	2590	147
Racine, WI	3683	3825	142
Oshkosh-Neenah, WI	1899	2028	129
Appleton, WI	2158	2280	122
West Virginia			
Huntington-Ashland, WV-KY-OH	1971	2315	344

HMO markets

Table 5. States where an Aetna-Humana merger will be presumed likely to enhance market power

State	HMO HHI	HMO HHI post-merger	Change in HMO HHI
Tennessee	3293	4584	1291
Kansas	4252	5471	1219
Texas	1894	2581	686
Ohio	1836	2521	685
Florida	2087	2684	597
Georgia	2511	2908	397

Table 6. MSAs where an Aetna-Humana merger will be presumed likely to enhance market power, by state

MSA name	HMO HHI	HMO HHI post-merger	Change in HMO HHI
Florida			
Jacksonville, FL	2823	4374	1551
Sarasota-Bradenton-Venice, FL	3566	4927	1361
Lakeland-Winter Haven, FL	2067	3176	1109
Tampa-St. Petersburg-Clearwater, FL	2176	3239	1063
West Palm Beach-Boca Raton-Boynton Beach, FL	2721	3764	1043
Orlando-Kissimmee, FL	2115	3096	981
Ocala, FL	2580	3407	827
Port St. Lucie-Fort Pierce, FL	3103	3799	696
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	2867	3478	611
Miami-Miami Beach-Kendall, FL	2596	2878	282

MSA name	HMO HHI	HMO HHI post-merger	Change in HMO HHI
Georgia			
Macon, GA	3495	5135	1639
Gainesville, GA	2760	3468	708
Atlanta-Sandy Springs-Marietta, GA	2845	3298	452
Illinois			
Kankakee-Bradley, IL	3503	5021	1518
Rockford, IL	3633	4954	1321
Missouri			
Kansas City, MO-KS	4843	5089	246
Ohio			
Cincinnati-Middletown, OH-KY-IN	5757	6332	575
Springfield, OH	8289	8851	562
Dayton, OH	6321	6722	401
Tennessee			
Clarksville, TN-KY	5414	7916	2503
Texas			
Houston-Sugar Land-Baytown, TX	3899	5659	1760
Austin-Round Rock, TX	2785	3954	1168
San Antonio, TX	2325	3303	979

Table 7. MSAs where an Aetna-Humana merger potentially raises significant competitive concerns and often warrants scrutiny, by state

MSA name	HMO HHI	HMO HHI post-merger	Change in HMO HHI
Florida			
Gainesville, FL	3528	3699	171
Deltona-Daytona Beach-Ormond Beach, FL	5588	5725	137
Illinois			
Peoria, IL	4295	4468	173

PPO markets

Table 8. States where an Aetna-Humana merger will be presumed likely to enhance market power

State	PPO HHI	Total PPO HHI post-merger	Change in PPO HHI
Utah	3572	4088	516
Kentucky	3661	4154	493
Texas	4529	4745	215

Table 9. States where an Aetna-Humana merger potentially raises significant competitive concerns and often warrants scrutiny

State	PPO HHI	Total PPO HHI post-merger	Change in PPO HHI
Wisconsin	1809	2252	443
Colorado	2810	2976	166
Kansas	3645	3788	142
Illinois	5214	5350	136
Louisiana	6189	6298	110
Mississippi	4883	4991	108

Table 10. MSAs where an Aetna-Humana merger will be presumed likely to enhance market power, by state

MSA name	PPO HHI	PPO HHI post-merger	Change in PPO HHI
Colorado			
Colorado Springs, CO	2720	3022	302
Grand Junction, CO	2518	2795	277
Florida			
Miami-Miami Beach-Kendall, FL	3305	3618	313
Tampa-St. Petersburg-Clearwater, FL	2865	3122	256
Lakeland-Winter Haven, FL	3346	3572	227
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	3364	3580	215
Illinois			
Rockford, IL	5382	5648	266
Indiana			
Evansville, IN-KY	4634	4896	261
Kansas			
Wichita, KS	4402	4668	266
Kentucky			
Louisville, KY-IN	3633	4339	707
Elizabethtown, KY	4086	4582	496
Lexington-Fayette, KY	2931	3361	431

MSA name	PPO HHI	PPO HHI post-merger	Change in PPO HHI
Louisiana			
New Orleans-Metairie-Kenner, LA	4806	5022	216
Lake Charles, LA	5560	5775	215
Missouri			
Columbia, MO	5466	5857	391
Jefferson City, MO	3148	3501	352
Springfield, MO	2990	3311	321
Mississippi			
Gulfport-Biloxi, MS	4118	4440	323
Ohio			
Cincinnati-Middletown, OH-KY-IN	3910	4220	310
Texas			
El Paso, TX	4236	4625	389
San Antonio, TX	4166	4536	370
Houston-Sugar Land-Baytown, TX	4283	4531	249
Corpus Christi, TX	4768	5013	245
Fort Worth-Arlington, TX	4309	4545	236
Austin-Round Rock, TX	4265	4499	234
Victoria, TX	4738	4959	221
Killeen-Temple-Fort Hood, TX	3164	3369	205
Utah			
Provo-Orem, UT	2511	4088	1577
St. George, UT	3246	3954	708
Salt Lake City, UT	3450	4067	618
Ogden-Clearfield, UT	2945	3432	487
Wisconsin			
Sheboygan, WI	2712	3608	897
Milwaukee-Waukesha-West Allis, WI	2338	3216	878
Racine, WI	2217	3094	877
Oshkosh-Neenah, WI	2249	2665	416
West Virginia			
Huntington-Ashland, WV-KY-OH	2296	2785	489

Table 11. MSAs where an Aetna-Humana merger potentially raises significant competitive concerns and often warrants scrutiny, by state

MSA name	PPO HHI	PPO HHI post-merger	Change in PPO HHI
Arizona			
Yuma, AZ	5092	5222	130
Colorado			
Greeley, CO	2834	3005	172
Boulder, CO	2867	3020	154
Pueblo, CO	3531	3669	138
Fort Collins-Loveland, CO	4030	4135	105

MSA name	PPO HHI	PPO HHI post-merger	Change in PPO HHI
Florida			
Jacksonville, FL	4035	4215	179
Cape Coral-Fort Myers, FL	3408	3580	172
Palm Bay-Melbourne-Titusville, FL	2452	2621	170
Punta Gorda, FL	3045	3214	169
Fort Walton Beach-Crestview-Destin, FL	4638	4791	153
Illinois			
Bloomington-Normal, IL	4839	4999	161
Chicago-Naperville-Joliet, IL	5769	5921	152
Kankakee-Bradley, IL	6281	6400	120
Peoria, IL	3270	3372	102
Indiana			
Gary, IN	4721	4866	145
Bloomington, IN	5241	5378	137
Kansas			
Lawrence, KS	4606	4742	137
Louisiana			
Baton Rouge, LA	6064	6227	163
Houma-Bayou Cane-Thibodaux, LA	6498	6611	114
Monroe, LA	6662	6764	102
Lafayette, LA	6020	6122	102
Missouri			
Joplin, MO	2476	2674	198
Mississippi			
Jackson, MS	4919	5093	175
Tennessee			
Clarksville, TN-KY	3015	3186	171
Texas			
San Angelo, TX	5529	5728	200
Lubbock, TX	5596	5786	190
Beaumont-Port Arthur, TX	4614	4801	187
Waco, TX	4165	4350	186
Dallas-Plano-Irving, TX	4393	4575	182
Brownsville-Harlingen, TX	5418	5570	153
McAllen-Edinburg-Mission, TX	5737	5872	135
Tyler, TX	6108	6237	129
Sherman-Denison, TX	5195	5308	114
College Station-Bryan, TX	6097	6204	107
Abilene, TX	6437	6543	105
Wisconsin			
Appleton, WI	1961	2460	498
Green Bay, WI	1899	2203	304
Janesville, WI	1776	2056	280
Eau Claire, WI	2206	2384	178
Madison, WI	1711	1831	120

POS markets

Table 12. MSAs where an Aetna-Humana merger will be presumed likely to enhance market power

MSA name	POS HHI	POS HHI post-merger	Change in POS HHI
Georgia			
Macon, GA	2615	2878	263

Table 13. MSAs where an Aetna-Humana merger potentially raises significant competitive concerns and often warrants scrutiny, by state

MSA name	POS HHI	POS HHI post-merger	Change in POS HHI
Georgia			
Gainesville, GA	2664	2783	118



Markets where an Anthem-Cigna merger warrants antitrust scrutiny

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Health Policy Group
American Medical Association

This analysis provides the *commercial* market share and concentration (HHI) effects of a proposed merger between Anthem (WellPoint) and Cigna. Data used in this analysis are from the 2015 update to the American Medical Association’s “Competition in health insurance” study (i.e., 2013 HealthLeaders-InterStudy data). Using the 2010 Department of Justice (DOJ)/Federal Trade Commission (FTC) Horizontal Merger Guidelines, it presents the state and metropolitan statistical area (MSA) level markets where the merger would raise competitive concerns based on how the Guidelines classify markets. Under the DOJ/FTC merger guidelines:

- MSAs with HHI less than 1500 are *unconcentrated*; mergers are unlikely to raise competitive concerns.
- MSAs with HHI between 1500 and 2500 are *moderately concentrated*; mergers that increase the HHI by more than 100 points potentially raise significant competitive concerns and often warrant scrutiny.
- MSAs with an HHI of more than 2500 are *highly concentrated*; mergers that increase the HHI by 100 to 200 points potentially raise significant competitive concerns and often warrant scrutiny, and those that increase it by more than 200 points will be presumed likely to enhance market power.

The following set of tables report those markets’ pre- and post-merger HHIs and the change in HHIs resulting from the proposed merger. The results are presented for *commercial*, combined (HMO+PPO+POS) product markets, as well as for PPO and POS markets separately.¹ For each product market, they are reported at the state-level and then by MSA.

Tables 1, 3, 5, 7, 9 and 10 list those states and MSAs where such a merger would be presumed likely to enhance market power according to the guidelines above (i.e., combination of a highly concentrated market with a significant increase in the HHI). Those are the markets that would be expected to be most adversely affected by the merger.

Tables 2, 4, 6, 8 and 11 list those states and MSAs where such a merger potentially raises significant competitive concerns and often warrants scrutiny (i.e., combination of moderately to highly concentrated market with a meaningful increase in the HHI).

Results for the combined (HMO+PPO+POS) product market

The results of the analysis in Table 1 conclude that an Anthem-Cigna merger would be presumed likely to enhance market power in the *commercial*, combined (HMO+PPO+POS) markets in 10 of the 14 states (NH, IN, CT, ME, VA, GA, CO, MO, NV, KY) in which Anthem is licensed to provide commercial coverage.

1. The analysis did not suggest any increased anticompetitive effects in the HMO product market.

Also focusing on the *commercial*, combined (HMO+PPO+POS) markets, the results of the analysis in Table 2 conclude that an Anthem-Cigna merger potentially raises significant competitive concerns and often warrants scrutiny in the other four states where Anthem operates (OH, CA, NY, WI).

Although Table 1 and Table 2 show that the merger would cause important changes in the HHI (concentration), it should be noted that in the states of Kentucky and Wisconsin, Cigna's pre-merger market shares were only 4 percent and 3 percent respectively. The significant increases in the HHI would be the result of Anthem's high shares in those states.

Turning to the results by MSA, the results of the analysis in Table 3 conclude that an Anthem-Cigna merger would be presumed likely to enhance market power in the *commercial*, combined (HMO+PPO+POS) markets in MSAs located in 13 of the 14 states (CA, CO, CT, GA, IN, KY, ME, MO, NH, NV, NY, OH, VA) in which Anthem is licensed to provide commercial coverage.

Also focusing on the *commercial*, combined (HMO+PPO+POS) markets, the results of the analysis in Table 4 conclude that an Anthem-Cigna merger potentially raises significant competitive concerns and often warrants scrutiny in MSAs located in CA, CT, KY, MO, NH, NV, NY, OH, VA and WI.

Results for separate PPO and POS product markets

Table 5 shows the three states (IN, CO, GA) in which the merger will be presumed likely to enhance market power in the *PPO* market, and Table 9 shows that in all 14 "Anthem states" (CA, CO, CT, GA, IN, KY, ME, MO, NV, NH, NY,

OH, VA, WI), the merger will be presumed likely to enhance market power in the *POS* market.

Table 6 shows that in one additional state (NV), the merger potentially raises significant competitive concerns and often warrants scrutiny in the *PPO* market.

Turning to the results by MSA, Table 7 shows the MSAs, which are located across nine states (CA, CO, IN, GA, ME, MO, NH, OH, VA), where the merger is presumed likely to enhance market power in the *PPO* market, and Table 10 shows that MSAs meeting those criteria in the *POS* market are located in all 14 "Anthem states" (CA, CO, CT, GA, IN, KY, ME, MO, NV, NH, NY, OH, VA, WI).

Table 8 shows one additional MSA (in NV) where the merger potentially raises significant competitive concerns and often warrants scrutiny in the *PPO* market, and Table 11 shows MSAs classified in that way—located in OH and WI—for the *POS* market.

It is uncertain, however, whether separate product markets would be considered as constituting separate antitrust markets (i.e., not clear they are substitutes for each other).

Finally, it should be noted that although all MSA-level results show that the merger would cause important changes in the HHI (concentration), in some MSAs Cigna's pre-merger shares were small, particularly when the change in the HHI was not very large. For example, that would generally be the case in combined (HMO+PPO+POS) and *PPO* markets in California and Ohio MSAs. The significant increase in the HHI in these two states would be the result of Anthem's high shares in those MSAs.

Combined (HMO+PPO+POS) markets

Table 1. States where an Anthem-Cigna merger will be presumed likely to enhance market power

State	Total HHI	Total HHI post-merger	Change in HHI
New Hampshire	2769	4452	1682
Indiana	3385	4999	1614
Connecticut	2544	3855	1311
Maine	2921	4089	1169
Virginia	2545	3439	894
Georgia	2127	2976	848
Colorado	1893	2734	841
Missouri	2074	2576	502
Nevada	2459	2906	447
Kentucky	2992	3323	331

Table 2. States where an Anthem-Cigna merger potentially raises significant competitive concerns and often warrants scrutiny

State	Total HHI	Total HHI post-merger	Change in HHI
Ohio	2043	2354	311
California	2108	2399	291
New York	1712	1921	210
Wisconsin	1482	1592	109

Table 3. MSAs where an Anthem-Cigna merger will be presumed likely to enhance market power, by state

MSA name	Total HHI	Total HHI post-merger	Change in HHI
California			
Santa Cruz-Watsonville, CA	2934	3530	596
Santa Ana-Anaheim-Irvine, CA	1986	2514	528
Santa Barbara-Santa Maria, CA	3371	3849	478
Salinas, CA	4446	4888	442
Oxnard-Thousand Oaks-Ventura, CA	2471	2838	367
Los Angeles-Long Beach-Glendale, CA	2256	2575	319
Bakersfield, CA	2664	2969	305
El Centro, CA	3125	3416	291
Modesto, CA	2453	2668	215
Colorado			
Grand Junction, CO	2040	3371	1331
Fort Collins-Loveland, CO	2457	3711	1253
Greeley, CO	2055	3180	1125

MSA name	Total HHI	Total HHI post-merger	Change in HHI
Pueblo, CO	1990	2939	949
Colorado Springs, CO	1725	2671	947
Boulder, CO	1999	2899	900
Denver-Aurora, CO	2000	2631	631
Connecticut			
Hartford-West Hartford-East Hartford, CT	2426	3783	1357
New Haven-Milford, CT	3139	4440	1300
Waterbury, CT	3108	4403	1295
Bridgeport-Stamford-Norwalk, CT	2442	3723	1282
Danbury, CT	2355	3591	1236
Norwich-New London-Westerley, CT-RI	3121	3921	800
Georgia			
Dalton, GA	3340	5924	2584
Columbus, GA-AL	2780	3998	1218
Valdosta, GA	3113	4291	1178
Savannah, GA	2389	3549	1160
Hinesville-Fort Stewart, GA	3543	4695	1152
Rome, GA	1982	3090	1107
Albany, GA	3142	4203	1061
Brunswick, GA	2935	3880	944
Warner Robins, GA	3701	4587	886
Atlanta-Sandy Springs-Marietta, GA	2032	2758	726
Athens-Clarke County, GA	2265	2946	681
Gainesville, GA	1889	2545	656
Macon, GA	2215	2720	505
Augusta-Richmond County, GA-SC	1996	2500	505
Indiana			
Indianapolis, IN	3299	5716	2417
Lafayette, IN	2780	4762	1982
Terre Haute, IN	5436	7047	1611
Kokomo, IN	3764	5191	1427
Anderson, IN	4803	6073	1270
Gary, IN	3059	4274	1215
Evansville, IN-KY	3419	4621	1202
Fort Wayne, IN	3595	4762	1167
Michigan City-La Porte, IN	4064	5135	1071
Elkhart-Goshen, IN	4328	5161	833
Muncie, IN	3771	4299	528
South Bend-Mishawaka, IN-MI	2813	3295	482
Bloomington, IN	3748	4189	440
Kentucky			
Bowling Green, KY	3986	4895	909
Owensboro, KY	4993	5589	596
Louisville, KY-IN	2726	3166	441

MSA name	Total HHI	Total HHI post-merger	Change in HHI
Maine			
Bangor, ME	2884	4427	1543
Lewiston-Auburn, ME	3234	4597	1362
Portland-South Portland, ME	2872	3870	998
Missouri			
Joplin, MO	2117	2676	559
St. Louis, MO-IL	2571	3100	529
Jefferson City, MO	2779	3165	386
Springfield, MO	2281	2553	272
Kansas City, MO-KS	2307	2548	241
Columbia, MO	3405	3612	207
New Hampshire			
Rochester-Dover, NH	2808	4354	1546
Manchester, NH	2683	4215	1531
Nashua, NH-MA	2384	3640	1256
Portsmouth, NH-ME	2733	3940	1207
Nevada			
Carson City, NV	2092	2503	411
Las Vegas-Paradise, NV	3138	3491	352
New York			
Suffolk County-Nassau County, NY	2928	3162	233
Ohio			
Weirton-Steubenville, WV-OH	2458	2966	508
Cincinnati-Middletown, OH-KY-IN	2591	3027	435
Columbus, OH	2363	2716	353
Lima, OH	2320	2661	342
Dayton, OH	2786	3112	326
Sandusky, OH	2677	3002	324
Tennessee			
Kingsport-Bristol, TN-VA	2345	3085	739
Chattanooga, TN-GA	2623	3157	533
Virginia			
Richmond, VA	3514	5241	1727
Winchester, VA-WV	3663	4851	1188
Lynchburg, VA	4484	5436	952
Roanoke, VA	4358	5069	710
Virginia Beach-Norfolk-Newport News, VA-NC	3333	3977	644
Blacksburg-Christiansburg-Radford, VA	4902	5528	626
Danville, VA	7177	7724	548
Harrisonburg, VA	5473	5987	514
Charlottesville, VA	3212	3545	333

Table 4. MSAs where an Anthem-Cigna merger potentially raises significant competitive concerns and often warrants scrutiny, by state

MSA name	Total HHI	Total HHI post-merger	Change in HHI
California			
San Jose-Sunnyvale-Santa Clara, CA	2112	2453	341
San Diego-Carlsbad-San Marcos, CA	1622	1890	267
San Francisco-San Mateo-Redwood City, CA	2063	2305	242
Riverside-San Bernardino-Ontario, CA	2162	2375	213
Oakland-Fremont-Hayward, CA	2859	3031	172
Sacramento-Arden-Arcade-Roseville, CA	2466	2578	112
District of Columbia			
Washington-Arlington-Alexandria, DC-VA-MD-WV	1760	2086	326
Massachusetts			
Haverhill-Newburyport-Amesbury Town, MA-NH	1760	2107	347
Lawrence-Methuen-Salem, MA-NH	2023	2205	182
Springfield, MA-CT	1966	2106	140
Missouri			
St. Joseph, MO-KS	3221	3359	138
Nevada			
Reno-Sparks, NV	1913	2416	503
New York			
New York-White Plains-Wayne, NY-NJ	1987	2319	332
Poughkeepsie-Newburgh-Middletown, NY	1781	2009	228
Ohio			
Canton-Massillon, OH	1904	2143	239
Youngstown-Warren-Boardman, OH-PA	1978	2214	236
Akron, OH	2197	2425	227
Toledo, OH	2247	2449	201
Cleveland-Elyria-Mentor, OH	2658	2843	185
Mansfield, OH	2911	3034	123
Tennessee			
Clarksville, TN-KY	2034	2413	379
Wisconsin			
Racine, WI	3683	3848	165
Milwaukee-Waukesha-West Allis, WI	3548	3683	135
Janesville, WI	1487	1605	118
West Virginia			
Huntington-Ashland, WV-KY-OH	1971	2257	286
Wheeling, WV-OH	1899	2153	254

PPO markets

Table 5. States where an Anthem-Cigna merger will be presumed likely to enhance market power

State	PPO HHI	PPO HHI post-merger	Change in PPO HHI
Indiana	4771	6509	1737
Colorado	2810	3820	1010
Georgia	3214	3592	379

Table 6. States where an Anthem-Cigna merger potentially raises significant competitive concerns and often warrants scrutiny

State	PPO HHI	PPO HHI post-merger	Change in PPO HHI
Nevada	1901	2450	549

Table 7. MSAs where an Anthem-Cigna merger will be presumed likely to enhance market power, by state

MSA name	PPO HHI	PPO HHI post-merger	Change in PPO HHI
California			
Santa Cruz-Watsonville, CA	4403	4975	572
El Centro, CA	3377	3724	347
Colorado			
Greeley, CO	2834	4324	1491
Pueblo, CO	3531	4767	1235
Fort Collins-Loveland, CO	4030	5106	1076
Denver-Aurora, CO	2770	3657	887
Colorado Springs, CO	2720	3592	872
Grand Junction, CO	2518	3342	824
Boulder, CO	2867	3608	742
District of Columbia			
Washington-Arlington-Alexandria, DC-VA-MD-WV	2535	2788	253
Georgia			
Dalton, GA	3110	5668	2558
Valdosta, GA	2184	3892	1707
Hinesville-Fort Stewart, GA	2277	3127	850
Brunswick, GA	2423	3269	846
Albany, GA	2474	3231	757
Rome, GA	3646	4239	593
Warner Robins, GA	2601	3131	530
Savannah, GA	2221	2747	526
Athens-Clarke County, GA	2890	3398	508

MSA name	PPO HHI	PPO HHI post-merger	Change in PPO HHI
Macon, GA	2741	3153	411
Columbus, GA-AL	2222	2592	370
Atlanta-Sandy Springs-Marietta, GA	4059	4300	241
Augusta-Richmond County, GA-SC	2716	2921	205
Indiana			
Indianapolis, IN	4188	7423	3234
Gary, IN	4721	5571	850
Elkhart-Goshen, IN	6013	6660	647
Terre Haute, IN	6949	7563	614
Evansville, IN-KY	4634	5127	493
Maine			
Bangor, ME	3568	3943	375
Missouri			
Jefferson City, MO	3148	3539	391
Joplin, MO	2476	2781	306
New Hampshire			
Rochester-Dover, NH	3467	4052	585
Ohio			
Lima, OH	3330	3583	253
Columbus, OH	2803	3053	250

Table 8. MSAs where an Anthem-Cigna merger potentially raises significant competitive concerns and often warrants scrutiny, by state

MSA name	PPO HHI	PPO HHI post-merger	Change in PPO HHI
Nevada			
Las Vegas-Paradise, NV	1864	2331	467

POS markets

Table 9. States where an Anthem-Cigna merger will be presumed likely to enhance market power

State	POS HHI	Total POS HHI post-merger	Change in POS HHI
Maine	4200	7684	3483
New Hampshire	3595	6477	2882
Connecticut	2884	4858	1974
Indiana	2855	4337	1482
Virginia	2352	3715	1363
Georgia	2988	4244	1256
California	3037	4228	1191
Nevada	3857	4842	985
Kentucky	3363	4235	872
Colorado	4196	4875	680
Missouri	4153	4768	615
Ohio	4197	4712	515
New York	3994	4401	407
Wisconsin	5123	5332	208

Table 10. MSAs where an Anthem-Cigna merger will be presumed likely to enhance market power, by state

MSA name	POS HHI	Total POS HHI post-merger	Change in POS HHI
California			
Santa Barbara-Santa Maria, CA	3025	5236	2212
Salinas, CA	3599	5663	2064
Visalia-Porterville, CA	3478	5386	1907
Madera, CA	3655	5560	1904
Modesto, CA	3184	5065	1881
San Luis Obispo-Paso Robles, CA	3850	5651	1801
Napa, CA	3453	5241	1788
Merced, CA	3308	5077	1769
Fresno, CA	3410	5068	1658
Redding, CA	4004	5559	1555
Oxnard-Thousand Oaks-Ventura, CA	3034	4587	1553
Santa Cruz-Watsonville, CA	3062	4614	1552
Bakersfield, CA	3269	4753	1485
Santa Ana-Anaheim-Irvine, CA	3130	4527	1397
Stockton, CA	3360	4716	1356
Los Angeles-Long Beach-Glendale, CA	2669	3952	1283
Yuba City-Marysville, CA	4159	5353	1194
Sacramento-Arden-Arcade-Roseville, CA	3613	4705	1092
Chico, CA	4020	5098	1078
Vallejo-Fairfield, CA	3813	4755	942

MSA name	POS HHI	Total POS HHI post-merger	Change in POS HHI
Santa Rosa-Petaluma, CA	3892	4831	939
San Diego-Carlsbad-San Marcos, CA	3531	4455	924
Oakland-Fremont-Hayward, CA	3878	4715	837
San Francisco-San Mateo-Redwood City, CA	3970	4747	777
Riverside-San Bernardino-Ontario, CA	2391	3165	774
San Jose-Sunnyvale-Santa Clara, CA	3854	4535	681
Colorado			
Grand Junction, CO	3875	4724	850
Colorado Springs, CO	3921	4741	819
Fort Collins-Loveland, CO	4111	4920	809
Pueblo, CO	4000	4807	806
Boulder, CO	4176	4888	711
Greeley, CO	4140	4842	701
Denver-Aurora, CO	4406	4938	531
Connecticut			
Waterbury, CT	2953	5442	2489
New Haven-Milford, CT	2967	5454	2488
Hartford-West Hartford-East Hartford, CT	2866	4755	1888
Bridgeport-Stamford-Norwalk, CT	3201	4982	1780
Danbury, CT	3153	4831	1678
Norwich-New London-Westerley, CT-RI	3244	4326	1082
District of Columbia			
Washington-Arlington-Alexandria, DC-VA-MD-WV	2944	3327	383
Georgia			
Dalton, GA	5271	8764	3493
Columbus, GA-AL	3546	5296	1751
Rome, GA	2571	4093	1522
Savannah, GA	2916	4357	1441
Athens-Clarke County, GA	3554	4914	1360
Hinesville-Fort Stewart, GA	4193	5536	1343
Atlanta-Sandy Springs-Marietta, GA	2899	4086	1186
Warner Robins, GA	4331	5506	1175
Albany, GA	3900	5052	1152
Gainesville, GA	2664	3694	1030
Brunswick, GA	3815	4845	1030
Valdosta, GA	3777	4571	793
Augusta-Richmond County, GA-SC	3256	4010	755
Macon, GA	2615	3338	723
Indiana			
Kokomo, IN	3296	6036	2740
Terre Haute, IN	3560	6142	2582
Anderson, IN	3328	5565	2237
Lafayette, IN	4053	6046	1993
Fort Wayne, IN	3261	5123	1862
Evansville, IN-KY	2984	4649	1665
Indianapolis, IN	3166	4821	1655
Michigan City-La Porte, IN	3377	4938	1561

Markets where an Anthem-Cigna merger warrants antitrust scrutiny | Analysis of data from the 2015 update to *Competition in Health Insurance*

MSA name	POS HHI	Total POS HHI post-merger	Change in POS HHI
Elkhart-Goshen, IN	3742	4971	1229
Gary, IN	3470	4640	1170
South Bend-Mishawaka, IN-MI	3669	4835	1166
Muncie, IN	2747	3453	706
Bloomington, IN	3121	3621	500
Kentucky			
Bowling Green, KY	2937	4836	1898
Owensboro, KY	3573	4802	1229
Elizabethtown, KY	3140	4187	1046
Lexington-Fayette, KY	3359	4175	816
Louisville, KY-IN	3983	4658	675
Massachusetts			
Haverhill-Newburyport-Amesbury Town, MA-NH	3220	4863	1643
Lawrence-Methuen-Salem, MA-NH	3256	4514	1258
Springfield, MA-CT	3046	4286	1240
Worcester, MA-CT	3339	4238	899
Lowell-Billerica-Chelmsford, MA-NH	3538	4337	799
Maine			
Lewiston-Auburn, ME	4479	8454	3975
Bangor, ME	4089	7950	3861
Portland-South Portland, ME	4135	7204	3069
Minnesota			
Duluth, MN-WI	4710	5067	357
Minneapolis-St. Paul-Bloomington, MN-WI	3845	4093	249
Missouri			
St. Joseph, MO-KS	3648	4959	1311
Joplin, MO	4289	5097	808
Springfield, MO	4465	5018	553
Columbia, MO	5086	5532	446
Kansas City, MO-KS	4183	4618	435
St. Louis, MO-IL	4540	4955	415
Jefferson City, MO	5704	5993	289
New Hampshire			
Rochester-Dover, NH	3562	6681	3119
Manchester, NH	3481	6066	2585
Portsmouth, NH-ME	3372	5939	2567
Nashua, NH-MA	3401	5799	2398
Nevada			
Reno-Sparks, NV	3862	4757	896
Las Vegas-Paradise, NV	4125	4965	839
New York			
Glens Falls, NY	2799	4210	1411
Albany-Schenectady-Troy, NY	3098	3985	887
Kingston, NY	4051	4792	742
Poughkeepsie-Newburgh-Middletown, NY	4147	4875	729
Suffolk County-Nassau County, NY	5418	5783	365
New York-White Plains-Wayne, NY-NJ	3792	4135	343

Markets where an Anthem-Cigna merger warrants antitrust scrutiny | Analysis of data from the 2015 update to *Competition in Health Insurance*

MSA name	POS HHI	Total POS HHI post-merger	Change in POS HHI
Ohio			
Weirton-Steubenville, WV-OH	2668	4266	1598
Sandusky, OH	3340	4729	1389
Lima, OH	3647	4976	1330
Canton-Massillon, OH	3194	3996	802
Youngstown-Warren-Boardman, OH-PA	3811	4606	795
Cleveland-Elyria-Mentor, OH	3488	4199	711
Akron, OH	2670	3364	694
Toledo, OH	2875	3463	588
Cincinnati-Middletown, OH-KY-IN	4105	4628	524
Mansfield, OH	4869	5344	474
Dayton, OH	4828	5124	296
Columbus, OH	6039	6327	288
Tennessee			
Chattanooga, TN-GA	3889	5367	1478
Clarksville, TN-KY	2652	3811	1159
Kingsport-Bristol, TN-VA	4993	6033	1041
Virginia			
Winchester, VA-WV	3381	6088	2707
Richmond, VA	3177	5294	2117
Blacksburg-Christiansburg-Radford, VA	3600	5559	1959
Roanoke, VA	3364	5242	1878
Lynchburg, VA	2541	4301	1760
Danville, VA	4377	6011	1634
Harrisonburg, VA	3015	4342	1327
Virginia Beach-Norfolk-Newport News, VA-NC	2553	3828	1275
Charlottesville, VA	2269	2853	583
Wisconsin			
Madison, WI	2318	3596	1278
Janesville, WI	2246	3048	802
La Crosse, WI-MN	3323	3971	648
West Virginia			
Wheeling, WV-OH	2741	3551	810
Huntington-Ashland, WV-KY-OH	3513	4321	808

Table 11. MSAs where an Anthem-Cigna merger potentially raises significant competitive concerns and often warrants scrutiny, by state

MSA name	POS HHI	POS HHI post-merger	Change in POS HHI
Ohio			
Springfield, OH	4877	5027	150
Wisconsin			
Racine, WI	6766	6895	129
Milwaukee-Waukesha-West Allis, WI	6813	6923	110