



**CONNECT
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August 28, 2015

The Honorable Dave Jones, California Insurance Commissioner
California Department of Insurance
300 Capitol Mall, Suite 1700
Sacramento, CA 95814

RE: A Health Care Merger Involving Anthem Blue Cross and Cigna Corporation

Dear Commissioner Jones:

This letter seeks to express concerns from the California Association of Marriage and Family Therapists (“CAMFT”) in connection with the proposed acquisition of Cigna Corporation by Anthem Blue Cross. Specifically, CAMFT believes that the above-mentioned merger will not only decrease competition in an otherwise consolidated health care marketplace, but it will also lead to less choice at the unfortunate cost of higher premiums for patients in California.

CAMFT is a professional organization representing more than 31,000 highly trained mental health providers throughout California. CAMFT has obtained feedback from members of the CAMFT Insurance and Healthcare Reform Committee regarding the merger involving Anthem Blue Cross and Cigna Corporation. This merger, involving two of the five largest health care insurance companies in the United States, has raised many concerns, including but not limited to, the following: a decrease in patients’ choice for the selection of health care insurance coverage in the marketplace; less competition in the health care market due to an increase of power to a monopolistic insurance company; and an increase of health insurance premiums for patients.

These concerns are supported by relevant studies in the health care field. According to a study by the American Medical Association, it was found that “...premiums increased after the merger by almost 14 percent relative to a control group” where there was a past merger involving two other insurance companies.¹ In light of the above-mentioned study, and that “[i]n California, there is no authority to reject excessive health insurance rate increases...” as stated in your press release dated July 24, 2015, the proposed acquisition of Cigna Corporation by Anthem Blue Cross is very concerning.² CAMFT is hopeful that you will scrutinize this proposed merger. We look forward to hearing back from you. Thank you for your time and consideration.

¹ See “Insurance Mergers Will Reduce Competition and Choice” by Steven J. Stack, MD, and President of the American Medical Association dated July 24, 2015 at: <http://www.ama-assn.org/ama/pub/news/news/2015/2015-07-24-insurance-mergers-reduce-competition-choice.page>.

² See “Insurance Commissioner raises concerns about impacts of health insurance mergers on competition, choice, and prices” by California Insurance Commissioner Dave Jones dated July 24, 2015 at: <https://www.insurance.ca.gov/0400-news/0100-press-releases/2015/statement074-15.cfm>.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew".

Andrew Wellisch, J.D.
Staff Attorney

A handwritten signature in black ink, appearing to read "Jill Epstein".

Jill Epstein, J.D.
Executive Director