Key Takeaways and Observations

**Lucrative Medicare Business**
Humana, Cigna and Health Net are each notable for their standing in the Medicare product category. Rising numbers of Medicare-eligible individuals have made Medicare far more lucrative.

**Opportunity for Regional Carriers**
Regional health insurance carriers will likely see a potential differentiator in highlighting local service and network capabilities to customers.

**Expanded Geographic Footprint**
CVS will now expand into Target stores nationwide while Aetna and Anthem will have a foothold in new markets through the Medicare/Commercial product categories.

**Rising Rx Costs**
As prescription prices continue to rise, carriers and PBMs view larger market share in sector as an advantage for clients by offering the potential for greater cost control.
Navigation Homepage

Carrier Mergers

PBM Mergers
Carrier Mergers
Key Mergers/Acquisitions

- Centene/Health Net (7/2/15)
- Aetna/Humana (7/3/15)
- Anthem/Cigna (7/24/15)
# National Market Share

- Figures below represent combined post-merger membership figures (in millions) based on most recent data made available by carriers.
- BlueCross BlueShield carriers across the country cover more than 106 million Americans.

**Chart Title**

<table>
<thead>
<tr>
<th>Health Group</th>
<th>Membership</th>
<th>Post-Merger Membership</th>
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<tbody>
<tr>
<td>Anthem-Cigna</td>
<td>37.5</td>
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<td>UnitedHealth Group</td>
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<td>Aetna-Humana</td>
<td>23.7</td>
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<td>Centene-Health Net</td>
<td>4.1</td>
<td>6.1</td>
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Cigna had rejected a previous bid by Anthem to acquire the carrier in late June, but by late July the two carriers had reached an agreement.

“This transaction will accelerate the realization of our vision to be America’s valued health partner.”
Carrier Response to Anthem / Cigna Merger

BlueCross BlueShield of Tennessee sought to reassure brokers while HealthPartners addressed an existing network partnership with Cigna that it promised would not be impacted.

“Because Cigna competes nationwide, including here in Tennessee, the merger raises numerous questions about how the transaction will affect BlueCross BlueShield of Tennessee and our customers.”
Aetna / Humana

Aetna and Humana combined to create a company that now covers the most Medicare Advantage members in the United States

“Aetna to acquire Humana; combined entity to drive consumer-focused, high-value health care”
Centene targeted Health Net for their members and strength in key product categories, including Medicaid/Medicare.

“Health Net and Centene today announced that they will combine to create a leading diversified health care services enterprise with more than 10 million members across the country.”
PBM Mergers
Key Mergers/Acquisitions

- Rite Aid/EnvisionRx (2/11/15)
- UHC/Catamaran (3/30/15)
- CVS/Omnicare (5/21/15)
- CVS/Target (6/15/15)
After having partnered in the past to offer Medicare Advantage plans, Rite Aid acquired EnvisionRx in order to develop an integrated care model.

“A combination between EnvisionRx and Rite Aid is well aligned with Rite Aid’s strategic priorities.”
CVS Health / Target

CVS Health greatly expands its market/geographic footprint by gaining access to Target stores nationwide

“CVS Health and Target to offer best-in-class pharmacy and medical clinic services”
CVS Health / Omnicare

By acquiring a leader in pharmacy services to LTC facilities, CVS hopes to expand its reach among the senior patient population.

“Acquisition provides new pharmacy dispensing channel for CVS Health, enhancing continuity of care for patients as they transition through the health care system.”
In an official announcement to brokers, UnitedHealthcare outlines the advantages of combining OptumRx with Catamaran, among them “size and scalability.”

“The new OptumRx will focus on driving smarter connections to address the needs of each individual consumer.”
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