

insights

TYPES NOT MAPPED YET December 04, 2023 | TTR not mapped yet | Mackenzie S. Wallace

Cigna and Humana potentially merging

Can the highly concentrated health insurance industry bear this? This will further impact the managed care litigation space and be unfavorable to providers. The merger would be likely to increase the bargaining power of the merged entity over health care providers, leading to even lower reimbursement rates. Creating another health care titan in an already complex system will likely increase the bad practices that already result in expensive litigation between providers and these payers.

But the US health insurance industry is already highly concentrated. Cigna's market cap is just under \$80 billion while Humana's is almost \$60 billion. Even if their combination looks far smaller than UnitedHealth Group Inc. — the market leader with a market value of almost half a trillion dollars — it would surely trigger antitrust scrutiny from the competition-conscious Biden administration.

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