

PRESS RELEASE

Court Order Halts \$37 Billion Merger That Was Bad Medicine for Elderly Patients in Washington, DC

January 23, 2017 – In a landmark win for organized medicine and the nation’s elderly, federal judge John D. Bates blocked a proposed merger between Aetna and Humana. The proposed \$37 billion merger between the two health insurance giants was opposed in a lawsuit filed on December 5, 2016, by the U.S. Department of Justice and numerous state Attorneys General, including Attorney General of the District of Columbia Karl A. Racine. The merger also met strong opposition from the Medical Society of the District of Columbia (MSDC) and a large national coalition led by the American Medical Association.

The case against the merger was clear and well-documented; the merger would have substantially lessened competition in Medicare Advantage and commercial health insurance markets. The AMA and its coalition partners fought vigorously on behalf of patients’ need for competition in the insurance marketplace. Bates wrote in his opinion that the proposed merger would have decreased competition substantially in the Medicare Advantage market in 364 counties nationwide. MSDC President Julian Craig, MD, objected to the impact this would have on patients, pointing out that such “consolidation would allow large insurers to influence the scope, coverage and quality of health care and exercise control over clinical decisions, weakening the patient-physician relationship.”

“Elderly patients were the big winners today,” according to AMA President Andrew W. Gurman, MD. The court’s ruling sets a notable legal precedent by recognizing Medicare Advantage as a separate and distinct market that does not compete with traditional Medicare. This was a view advocated by the AMA, as well as leading economists. The ruling helps ensure that elderly patients will have competitive access to high-quality medical care going forward.

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Media Contacts:

Pia Duryea
Medical Society of the District of Columbia
duryea@msdc.org
(202) 355-9414

About the Medical Society of the District of Columbia (MSDC)

The Medical Society of the District of Columbia, founded in 1817, represents more than 2,500 members and is dedicated to ensuring the well-being of physicians and their patients in metropolitan Washington.