

February 28, 2017

Brent Snyder
Acting Assistant Attorney General
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

Re: The Anthem-CIGNA Merger: A Deal That Should Never Close

Dear Acting Assistant Attorney General Snyder:

On behalf of the American Medical Association (AMA) and our physician and medical student members, I am writing to express our alarm regarding recent statements by Anthem, made in the Delaware Court of Chancery, asserting that the company expects to close its merger transaction with CIGNA through “resolution *with a new DOJ*” (emphasis added). *See attached transcript of February 15, 2017 proceedings in the State of Delaware Chancery Court in Anthem v. CIGNA, at page 5 lines 16-24.* Moreover, an Anthem attorney stated in open court that the company believes that its prospects for a timely closing are enhanced by a “supportive” Vice President Mike Pence. *Id.* There have also been press reports of settlement negotiations.

On February 8, 2017, Judge Amy Berman Jackson of the U.S. District Court for the District of Columbia issued a ruling that blocked the proposed merger between Anthem and Cigna, finding that the merger would violate federal antitrust laws by stifling competition and harming consumers by increasing health insurance prices and hindering innovation that could lower health care costs. We find it implausible that the U.S. Department of Justice (DOJ), eleven states, and the District of Columbia—that have diligently and successfully prosecuted this antitrust merger case—could now be swayed to allow this merger to close pursuant to politically-driven settlement negotiations as Anthem has suggested. To do so would cause irreparable harm to the integrity of the federal courts to adjudicate anticompetitive behavior in a fair and impartial manner, leaving consumers at risk. We strongly believe that political influence should play no role in the enforcement of the antitrust laws and urge you

to vigorously defend Judge Jackson's ruling. We believe the evidence presented to the District Court is compelling and that blocking the proposed merger in its entirety is the only way to adequately protect patients and physicians from the anticompetitive effects of an Anthem-Cigna merger.

The AMA has explained, in great detail, why an Anthem-CIGNA merger would adversely affect health care access, quality, and affordability for consumers. *See attached November 11, 2015 letter to the Hon. William Baer.* Without the steadfast opposition of the DOJ and state government plaintiffs, the merger of Anthem and CIGNA—presently the nation's second and third largest health insurer carriers—would have created the single largest seller of health insurance to large commercial accounts in a market in which there are only four national carriers remaining. We are pleased that after weeks of trial and the testimony of many experts, Judge Jackson's decision and her thorough, well documented opinion, confirm that the proposed merger would likely have a substantial adverse effect on competition in what is already a highly concentrated market.

In conclusion, the AMA strongly supports Judge Jackson's ruling and respectfully urges the DOJ and state plaintiffs to reject any offers to settle the Anthem-CIGNA litigation.

Sincerely,

James L. Madara, MD

cc: Jeff Sessions
State Attorney General Plaintiffs