

Judge Blocks \$54 Billion Anthem-Cigna Health Insurance Merger

A federal judge blocked the \$54 billion merger between health insurance giants Anthem and Cigna, saying the deal would increase prices and reduce competition, according to a report by *The Washington Post*.

Carolyn Y. Johnson reports that this ruling is the second recent court decision to uphold the Justice Department's opposition to deals that would have consolidated the five largest insurers in the United States into three companies.

"The evidence has also shown that the merger is likely to result in higher prices, and that it will have other anticompetitive effects: it will eliminate the two firms' vigorous competition against each other for national accounts, reduce the number of national carriers available to respond to solicitations in the future, and diminish the prospects for innovation in the market," U.S. District Judge Amy Berman Jackson wrote in a 12-page order.

In the merger agreement, Anthem had agreed to pay Cigna a \$1.85 billion termination fee if the deal is blocked because of regulatory interference.

Read the *Washington Post* article.

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