

Rob Fuller Quoted in Business Insurance Article “Anthem-Cigna merger under powerful microscope”



The August 2nd article from Business Insurance titled “Anthem-Cigna merger under

powerful microscope” by Matt Dunning covers Anthem’s recent purchase of rival health insurer Cigna for what it values as \$54.2 billion in cash and stock. Health insurers Anthem Inc. and Cigna Corp. could struggle to gain regulatory approval of their proposed \$54 billion merger, especially if the deal is weighed against other large-scale transactions in the industry.

Should it win U.S. Justice Department, Federal Trade Commission and state insurance regulator support, Anthem’s acquisition of Cigna — expected to close in the second-quarter of 2016 — would establish the nation’s largest publicly traded health insurer by medical membership, covering an estimated 53 million people.

“I think in terms of the product markets, a combined Anthem and Cigna presents a very large problem in the commercial markets,” said [Rob Fuller](#), of counsel at Los Angeles-based law firm [Nelson Hardiman LLP](#). “The companies will have some efficiency arguments if they’re challenged on that issue, particularly on things like analytics, underwriting and other background functions. But that’s why Cigna was attractive to Anthem in the first place, because it’s accretive to their existing commercial business, not because it necessarily opens them up to new product lines.”

Experts said another regulatory hurdle that both deals likely would have to clear is how they would affect competition in public health insurance exchanges established under the health care reform law.

At minimum, Mr. Fuller said he expects “attorneys general to become active in states that are running their own insurance exchange under health care reform, because they would have a vested interest in making sure there were sufficient competitors in their exchanges in order to maintain pricing.”

Those states include California, Connecticut and Colorado.

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