Premiums Soaring in Consolidated Health Insurance Market

Lack of Competition Hurts Rural States, Small Businesses

MAY 2009

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Acknowledgments

Health Care for America Now would like to thank Alex Lawson, Justin Berrier, Thomas M. Hunt, Deepika Mehta, Doneg McDonough, Diane Archer, Julie Chinitz, Monica Sanchez, Margarida Jorge, Dennis P. Osorio, Toby Chaudhuri, the Northwest Federation of Community Organizations and the Institute for America's Future.

Note

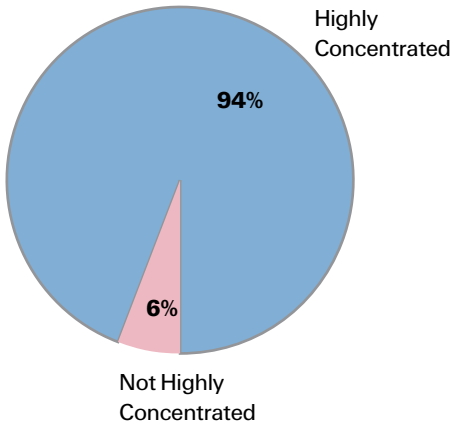
This report makes use of data published by the American Medical Association (AMA), which is not a member of the Health Care for America Now coalition. The AMA did not collaborate with HCAN on this report.

Families, Businesses Suffer as Insurers Pursue Local Monopolies Across U.S.

HEALTH CARE COSTS have surged in recent years, outpacing the growth in Americans' income. Commercial health insurance premiums have risen four times faster than wages and have more than doubled in the last nine years.[1] Shrinking competition among health insurance companies is a major cause of these spiraling costs. In the past 13 years more than 400 corporate mergers have involved health insurers, and a small number of companies now dominate local markets. The American Medical Association reports that 94 percent of insurance markets in the United States are now highly concentrated. Contrary to industry assertions, these mergers have undermined market efficiency; premiums have skyrocketed, increasing more than 87 percent, on average, over the past six years.[2,3] Families and employers—and the U.S. economy as a whole—cannot sustain that kind of cost growth. "The consequences of lax [antitrust] enforcement for consumers are clear," then-Senator Barack Obama said in a September 2007 address to the American Antitrust Institute. "The number of insurers has fallen by just under 20 percent since 2000. These changes were supposed to make the industry more efficient, but instead premiums have skyrocketed."[4]

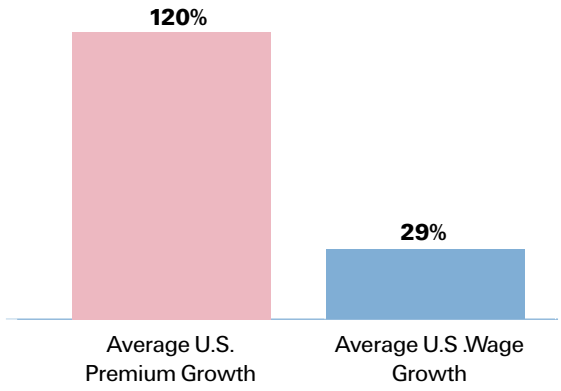
Insurer consolidation of market share disproportionately disadvantages rural and lower-population states. In Hawaii, Rhode Island, Alaska, Vermont, Alabama, Maine, Montana, Wyoming, Arkansas and Iowa, the two largest health insurers control at least 80 percent of the statewide market.[5] In Alabama,

Percentage of Statewide Commercial Health Insurance Markets Deemed "Highly Concentrated" Under U.S. Department of Justice Guidelines



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income Nationwide, 1999–2007



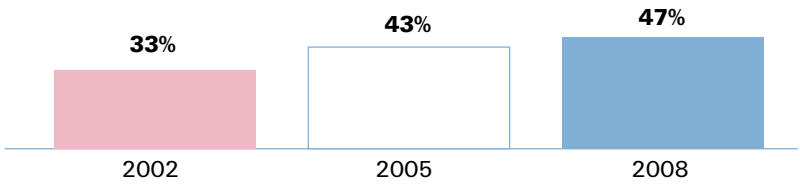
Sources: The Henry J. Kaiser Family Foundation. Employee Health Benefits: 2008 Annual Survey.

the biggest insurer holds 89 percent of the statewide market, the highest rate in the nation for a single company. More populous states have serious market concentration problems as well. Virginia's largest health insurer controls a 50 percent share of the statewide market.[6] Small business especially suffers from insurers' growing market consolidation. According to a nationwide survey by the Government Accountability Office, the median statewide market share of the largest insurer selling coverage to small employer groups increased to 47 percent in 2008 from 33 percent in 2002.[7]

At the local level, where distinct provider markets exist in metropolitan areas,[8] the health insurance industry's market concentration is even more severe. The U.S. Justice Department considers a market "highly concentrated" if one company holds more than a 42 percent share of that market,[9] a level that is common in Virginia and more than 30 other states. In Abilene, Texas, for example, the top insurer controls 85 percent of the market.[10] In Bangor, Maine, the biggest insurer controls 74 percent of the market.[11] The market leader in the Battle Creek, Michigan, area holds 83 percent, and 57 percent of the Lincoln, Nebraska, market is served by a lone insurer.[12]

Americans are paying for this unchecked private insurance industry consolidation in the form of higher health premiums and a growing number of uninsured people. Meanwhile, insurance company profits and compensation for the industry's top executives are surging, and the industry invests more in rewarding its shareholders than it does in ensuring good health outcomes for people with costly conditions. In several recent reports, leading experts on the American health care system have detailed how the injection of a robust new public health insurance plan as a competitor for private plans would expand choice for individuals and business and drive competition on price and quality in local markets across the country.[13,14,15,16]

Median Statewide Market Share of Largest Health Insurer Covering Small-Business Groups



Source: Government Accountability Office,"Private Health Insurance: 2008 Survey Results on Number and Market Share of Carriers in the Small Group Health Insurance Market," 2009.

Insurance Market Concentration: Ranked List (2007)

Rank	State	Health Insurer with Largest Market Share	Market Share %	Health Insurer with No. 2 Market Share	Market Share %	Combined Market Share % of Top Two Insurers
1	Hawaii	Blue Cross Blue Shield HI	78	Kaiser Permanente	20	98
2	Rhode Island	Blue Cross Blue Shield RI	79	UnitedHealth Group Inc.	16	95
3	Alaska	Premera Blue Cross	60	Aetna Inc.	35	95
4	Vermont	Blue Cross Blue Shield VT	77	CIGNA Corp.	13	90
5	Alabama	Blue Cross Blue Shield AL	83	Health Choice	5	88
6	Maine	WellPoint Inc. (BCBS)	78	Aetna Inc.	10	88
7	Montana	Blue Cross Blue Shield MT	75	New West Health Services	10	85
8	Wyoming	Blue Cross Blue Shield WY	70	UnitedHealth Group Inc.	15	85
9	Arkansas	Blue Cross Blue Shield AR	75	UnitedHealth Group Inc.	6	81
10	Iowa	Wellmark BC and BS	71	UnitedHealth Group Inc.	9	80
11	Missouri	WellPoint Inc. (BCBS)	68	UnitedHealth Group Inc.	11	79
12	Minnesota	Blue Cross Blue Shield MN	50	Medica	26	76
13	South Carolina	Blue Cross Blue Shield SC	66	CIGNA Corp.	9	75
14	Indiana	WellPoint Inc. (BCBS)	60	M*Plan (HealthCare Group)	15	75
15	New Hampshire	WellPoint Inc. (BCBS)	51	CIGNA Corp.	24	75
16	Idaho	Blue Cross of ID	46	Regence BS of Idaho	29	75
17	Louisiana	Blue Cross Blue Shield LA	61	UnitedHealth Group Inc.	13	74
18	Michigan	Blue Cross Blue Shield MI	65	Henry Ford Health System	8	73
19	North Carolina	Blue Cross Blue Shield NC	53	UnitedHealth Group Inc.	20	73
20	Maryland	CareFirst Blue Cross Blue Shield	52	UnitedHealth Group Inc.	19	71
21	Oklahoma	BCBS OK	45	CommunityCare	26	71
22	Georgia	WellPoint Inc. (BCBS)	61	UnitedHealth Group Inc.	8	69
23	Kentucky	WellPoint Inc. (BCBS)	59	Health Partners	10	69
24	Illinois	HCSC (Blue Cross Blue Shield)	47	WellPoint Inc. (BCBS)	22	69
25	Nebraska	Blue Cross Blue Shield NE	44	UnitedHealth Group Inc.	25	69
26	Utah	Regence Blue Cross Blue Shield	47	Intermountain Healthcare	21	68
27	Massachusetts	Blue Cross Blue Shield MA	50	Tufts Health Plan	17	67
28	Connecticut	WellPoint Inc. (BCBS)	55	Health Net Inc.	11	66
29	Arizona	Blue Cross Blue Shield AZ	43	UnitedHealth Group Inc.	22	65
30	Delaware	CareFirst Blue Cross Blue Shield	42	Coventry Health Care Inc.	23	65
31	New Mexico	HCSC (Blue Cross Blue Shield)	35	Presbyterian Hlth	30	65
32	Tennessee	Blue Cross Blue Shield TN	50	Total Choice	12	62
33	Virginia	WellPoint Inc. (BCBS)	50	Aetna Inc.	11	61
34	Washington	Premera Blue Cross	38	Regence Blue Shield	23	61
35	Texas	HCSC (Blue Cross Blue Shield)	39	Aetna Inc.	20	59
36	New Jersey	Horizon Blue Cross Blue Shield	34	Aetna Inc.	25	59
37	Ohio	WellPoint Inc. (BCBS)	41	Medical Mutual of Ohio	17	58
38	Nevada	Sierra Health	29	WellPoint Inc. (BCBS)	28	57
39	Colorado	WellPoint Inc. (BCBS)	29	UnitedHealth Group Inc.	24	53
40	Oregon	Providence Health & Services	25	Regence Blue Cross Blue Shield	23	48
41	New York	GHI	26	WellPoint Inc. (Empire BCBS)	21	47
42	Florida	Blue Cross Blue Shield FL	30	Aetna Inc.	15	45
43	California	Kaiser Permanente	24	WellPoint Inc. (Blue Cross)	20	44

Source: American Medical Association, "Competition in health insurance: A comprehensive study of U.S. Markets: 2007 Update."
Some states are not presented because available data does not reliably capture a sufficient portion of the insured population.

A National Problem

Anti-Competitive Behavior

Lack of competition in the insurance marketplace poses unique dangers to consumers. David Balto, former policy director of the Bureau of Competition of the Federal Trade Commission, said of the health insurance industry that a "vital component to assuring the competitive marketplace is protecting the ability of consumers to choose between alternatives. Antitrust enforcement against anti-competitive mergers and exclusionary conduct is essential to a competitive marketplace. This unprecedented level of concentration and the lack of antitrust enforcement pose serious policy and health care concerns."[17] Other experts agree, saying increases in the number of competitors are associated with lower health plan costs and premiums and that decreases in the number of competitors are associated with higher plan costs and premiums.[18]

On May 5, 2009, the Senate Finance Committee held a roundtable discussion on health reform. Scott Serota, the chief executive officer of the Blue Cross and Blue Shield Association, asserted that "it is a mischaracterization to indicate the markets are not competitive today. The median number of competitors in any market today is 27, so there are sufficient competitors today in the marketplace to create a competitive market." The same Government Accountability Office study that counted the 27 competitors in each state's market for small-group coverage also reported that the median market share for Blue Cross Blue Shield carriers in 38 states was about 51 percent, up from 44 percent in 2005 and 34 percent in 2002.[19]

The median market share of the largest carrier that provides small-group coverage increased to about 47 percent in 2008 from the 43 percent reported in 2005 and the 33 percent reported in 2002, according to the GAO report. Of the 29 states providing information in the 2002 and 2008 surveys, 24 states saw increases in the market share of the top carrier. Those increases ranged from about two to 39 percentage points.[20] The combined market share of the five largest insurers providing coverage to small business groups represented at least three-quarters of the market in 34 of 39 states, compared to 26 of 34 states reported in 2005 and 19 of 34 states reported in 2002.[21]

Health insurers play a unique role as both sellers of insurance and buyers of health care services. These companies use their power as buyers against the smaller medical providers while cooperating with larger providers to increase profits for both.[22,23] With only a handful of large insurers, physician practices often have no choice but to accept the prices offered without bargaining effectively. Larger providers, such as academic medical centers, can use their size and stature to negotiate rates. However, as long as insurers can continue to pass costs on to consumers in the form of higher premiums and cost-sharing, insurers are not necessarily hurt by paying higher fees to select providers; insurers would only be affected if other insurance companies were to get the same medical services for less and use the savings to woo away customers.

Without competition among insurers, insurers have no reason to drive costs down, and without additional choices in the marketplace, consumers have no choice but to continue to pay inflated prices.

These are not theoretical behaviors. Insurers have been exposed numerous times rigging the system. An investigation by the Boston Globe in December 2008 exposed a, "gentleman's

agreement that accelerated [the] health cost crisis."[24] The chiefs of the largest provider group in Massachusetts and the state's largest health insurer made a handshake deal to avoid creating written evidence of the arrangement. In that agreement, Blue Cross Blue Shield of Massachusetts pledged to increase payments if the provider group, Partners HealthCare, ensured that no other health plan would be charged less.[25]

When small, independent providers want to negotiate with multiple health plans, large insurers exert enormous pressure to stop them. The statewide trade group for doctors in New York sued UnitedHealth Group Inc., the nation's second-largest health insurer by enrollment, for allegedly using illegal coercion in just such a scheme to limit competition.[26]

In a separate matter UnitedHealth agreed to pay $400 million to settle multiple suits alleging price fixing and other anti-competitive behavior.[27,28] The attorney general of New York, Andrew Cuomo, stated that this was, "a huge scam that affected hundreds of millions of Americans [who were] ripped off by their health insurance companies."[29] Numerous other insurers were implicated in the same scheme, including Aetna Inc., Cigna Corp. and WellPoint Inc.[30]

If they chose to, private insurers could use their market power to drive hard bargains and lower costs, but instead they have passed along these costs through higher premiums to enrollees and employers. John Holahan and Linda Blumberg of the Urban Institute note that "[d]ominant insurers do not seem to use their market power to drive hard bargains with providers."[31] Large insurers do not face pressure from smaller insurers, which use premiums that "shadow" those of dominant insurers. Consequently, insurers are able to pass costs on to individuals.[32]

The Medicare Payment Advisory Commission, a respected expert panel appointed by Congress, reported that while, "insurers appear to be unable or unwilling to 'push back' and restrain payments to providers, they have been able to pass costs on to the purchasers of insurance and maintain their profit margins."[33] In a recent paper Jacob Hacker of the University of California, Berkeley, showed that Medicare demonstrates it is possible for savings to be shared with individuals instead of being taken as profit. Between 1997 and 2006, private health insurance spending per enrollee grew at an annual rate of 7.3 percent, compared with an annual growth rate of 4.6 percent in Medicare-a 37 percent difference.[34]

Oversized Profits, Executive Pay

Profits at 10 of the country's largest publicly-traded health insurance companies in 2007 rose 428 percent from 2000 to 2007, from $2.4 billion to $12.9 billion, according to U.S. Securities and Exchange Commission filings. In 2007 alone the chief executive officers at these companies collected combined total compensation of $118.6 million—an average of $11.9 million each. That is 468 times more than the $25,434 an average American worker made that year.[35]

The rising premiums paid by employers and families not only generate oversized net earnings, they also fuel controversial financial maneuvers designed to pump up insurers' stock prices, which in turn help executives reach their personal bonus targets. From 2003 through 2008 the seven largest publicly traded health insurers, which cover 116 million Americans, spent $52.4 billion buying back their own shares. Buybacks reduce the number of shares that are publicly traded, raising the value of existing shareholders' stakes. Companies make share repurchases with excess cash on hand or with borrowed funds. Buybacks are a way of removing money from a company's balance sheet for the benefit of investors, reflecting management's decision not to invest in improving a company's operations, making the health system run more efficiently or reducing customers' premiums. The companies prefer to hand over the money

to Wall Street investors and executives whose soaring compensation packages depend on reaching earnings-per-share goals that often would not be achieved without buybacks.

Insurers have demonstrated through their actions that they do not use consolidation to bring efficiency to the health insurance marketplace.[36] Instead health insurance companies use their size to engage in anti-competitive behavior, rig the system to impose premium increases that grow faster than individuals, families, and businesses can afford, and ensure "astounding levels of profit" for themselves and their shareholders.[37]

Profits and CEO Compensation for 10 Major Private Health Insurance Companies

Company	2000 Net Income (millions)	2007 Net Income (millions)	% Change 2007 vs. 2000	Chief Executive Officer 2007	Value of Total 2007 Compensation (millions)
Aetna	$ 127	$ 1,831	1,342	Ronald A. Williams	$ 23.0
Amerigroup Corp.	19	116	511	Jeffrey L. McWaters*	8.2
Centene Corp.	7	73	943	Michael F. Neidorff	8.8
CIGNA Corp.	987	1,115	13	H. Edward Hanway	25.8
Coventry Health Care Inc.	61	626	926	Dale B. Wolf*	14.9
Health Net Inc.	164	194	18	Jay M. Gellert	3.7
Humana Inc.	90	834	827	Michael McCallister	10.3
UnitedHealth Group Inc	736	4,654	532	Stephen J. Hemsley	13.2
Universal American Corp.	23	84	265	Richard A. Barasch	1.6
WellPoint	226	3,345	1,380	Angela F. Braly	9.1
Total	$ 2,440	$ 12,873	428		$ 118.6

Source: U.S. Secutiries and Exchange Commission filings. The companies are listed in the Corporate Library's "Insurance Health and Disability" category.
All companies are members of America's Health Insurance Plans, the industry trade group.
*No longer CEO.

Stock Repurchases (in millions)

	Aetna	Cigna	Coventry	Health Net	Humana	United Health Group	Wellpoint	Annual Total All
2003	$ 445	$ 0	$ 6	$ 288	$ 44	$ 1,607	$ 217	$ 2,608
2004	1,493	676	97	89	67	3,446	82	5,950
2005	1,650	1,618	17	0.4	2	2,557	333	6,178
2006	2,323	2,765	269	254	26	2,345	4,550	12,532
2007	1,696	1,185	439	232	27	6,599	6,151	16,330
2008	1,788	378	323	243	106	2,684	3,276	8,798
Total	$ 9,394	$ 6,622	$ 1,152	$ 1,106	$ 273	$ 19,238	$ 14,611	$ 52,396

Source: Annual 10-K filings, Securities and Exchange Commission.

Premiums Rising Out of Reach

Rising health premiums are exacerbating income inequality and making coverage too costly for many Americans. The Kaiser Family Foundation found that employer-sponsored health insurance premiums have more than doubled in the last nine years, a rate four times faster than wage increases.[38] A study by McKinsey Global Institute of widening income gaps among U.S. households found that rising employer-health insurance premiums constitute a much larger share of the income of lower-paid employees than higher-paid ones, and consume a bigger share of the household budget for lower income individuals who are lucky enough to have access to a workplace health plan. McKinsey found that in the bottom income group only one in five workers is covered. Moreover, families in the lowest income category spend 20 percent of household income on contributions to employer-sponsored health plan premiums, compared with only 3.3 percent for families in the top income group. The report concludes that rising health costs, reflected by spiraling insurance premiums, are widening income-group discrepancies as measured by participation rates in employer-paid health plans and insured workers' ability to afford premiums and out-of-pocket health care costs.[39]

As premiums have skyrocketed, many businesses have found themselves unable to offer their workers health benefits. One result is that more than 47 million people, or one out of seven Americans under age 65, are uninsured.[40] Low-wage workers are especially hard hit. The McKinsey survey found that 78 percent of low-wage workers don't receive health benefits from their employers.[41] Those not offered employer-sponsored health coverage must find insurance in the individual market.

The individual market generally provides more expensive plans with less comprehensive benefits. Insurers base individual coverage premiums on sex, age and health status, and they deny applications at a higher rate because risk usually isn't pooled effectively.[42]

For a typical family that moves from group to individual coverage with identical benefits, annual premiums will rise by more than $2,000.[43] The biggest losers in the individual market are those who are less healthy or coping with a chronic illness. Two-thirds of respondents in a recent survey said they found it difficult or impossible to find affordable coverage in the individual market.[44] The chronically ill aren't the only ones whose applications for coverage are rejected or whose rates are aggressively raised by insurers; people who don't consider themselves to be sick, such as women with a history of cesarean section, are treated in the same way.[45]

With premiums rising faster than peoples' ability to pay them, many Americans are being forced to choose between no coverage and inadequate coverage. Through a wave of consolidation, private health insurers have rigged the system to manufacture oversized profits while the country pays the price in the form of high premiums and poorer health.

Creating Healthy Competition

A public health insurance plan option would introduce a healthy dose of competition in the arenas of cost and quality. In a recent proposal the Commonwealth Fund recommended the creation of a public health insurance plan, saying it "plays a central role in harnessing markets for positive change."[46] Establishing a public health insurance plan, according to Commonwealth, would introduce "a new competitive dynamic in insurance markets and provide a strong foundation for payment and system reforms."[47]

In a March 2009 report, the Center for American Progress said, "Fortunately, our nation's health insurance market can be fixed with a big dose of what fixes most sectors of our economy—healthy, well-supervised competition. One of the best ways to introduce this much-needed competition is for the federal government to offer a public health insurance plan that can compete with private insurers within an insurance 'exchange' that ensures public and

private health insurance plans compete equally and transparently in the public marketplace."[48] The public plan would induce innovations in treatment, thereby improving the quality of care received by patients, according to the Urban Institute.[49]

Berkeley political scientist Jacob Hacker recently detailed how a public health insurance plan could be implemented on a level playing field with private health insurers, ensuring that quality of care would improve and cost growth would be slowed.

Without the introduction of real competition by means of a public health insurance plan, he concluded, "private health insurers, regardless of the degree of regulation, will still be able to game the system to maximize their profits while failing to provide health security over the long run—the same 'heads, I win; tails, you lose' deal we have seen in our financial sector."[50]

Private and public insurance plans should compete side by side on a level playing field to reward those that deliver better value and do the best job of improving their enrollees' health. Public health insurance can offer a benchmark for private plans and a source of stability for enrollees, especially those with the greatest medical needs. Private plans would provide an alternative for those who feel public insurance wouldn't serve their needs, as well as maintain pressure for the public health insurance plan and other private competitors to find innovations in benefit design and care management.[51] A critical element of a functional competitive marketplace is to protect the ability of consumers to choose between genuine alternatives. The highly consolidated health insurance industry we have today, with its unacceptable concentration of market power, does not allow this.

ENDNOTES

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[5] AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only.

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[8] Local markets are defined using the U.S. Census Bureau standard for metropolitan statistical areas. Each of the 363 metropolitan areas in the U.S. has a core urbanized area of 50,000 or more inhabitants forming a population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. Census reports that 83.6 percent of the U.S. population lives in metropolitan areas. See http://www.census.gov/Press-Release/www/releases/archives/population/013426.html.

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[48]Peter Harbage and Karen Davenport, "Competitive Health Care: A Public Health Insurance Plan that Delivers Market Discipline," http://www.americanprogressaction.org/issues/2009/03/public_plan.html.

[49] John Holahan and Linda Blumberg, "Can a Public Insurance Plan Increase Competition and Lower the Costs of Health Reform?," Urban Institute Health Policy Center, 2008.

[50] Jacob Hacker, "Healthy Competition: How to Structure Public Health Insurance Plan Choice to Ensure Risk-Sharing, Cost Control, and Quality Improvment," April 2009. Accessed at http://www.ourfuture.org/files/Hacker_Healthy_Competition_FINAL.pdf.

[51] Ibid.

Appendix A

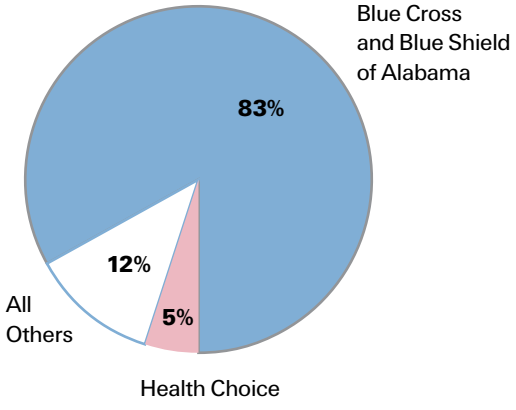
State Data

Alabama Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross Blue Shield of Alabama, the state's dominant health insurer, controls 83 percent of the commercial market.[1]
- Blue Cross Blue Shield of Alabama's net income grew by 148 percent from 2004 to 2007, rising from $28.9 million to $71.7 million. In the same time its membership grew by only 5.5 percent.[2]
- Health insurance premiums for Alabama working families have skyrocketed, increasing 79 percent from 2000 to 2007.[3]
- For family health coverage in Alabama during that time, the average annual combined premium for employers and employees rose from $6,262 to $11,216.[4]
- For family health coverage in Alabama, the average employer's portion of annual premiums rose 78 percent, while the average worker's share grew by 83 percent.[5]
- Between 2000 and 2007, the median earnings of Alabama workers increased 17 percent, from $21,627 to $25,298. During that time health insurance premiums for Alabama working families rose 4.7 times faster than median earnings.[6]

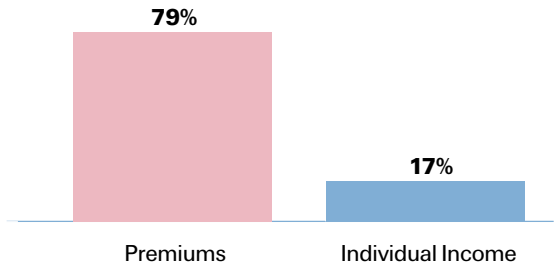
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

Alabama Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Alabama, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

[1]AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at http://www.ama-assn.org/go/competition2007.

[2]Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?" 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.

[3] Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[4] Ibid.

[5]Ibid.

[6]Ibid.

[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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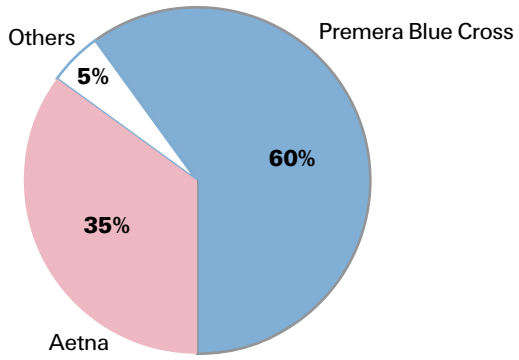
Alaska Consumers Pay the Price For Health-Insurance Market Failure

- Premera Blue Cross, the state's most powerful insurer, controls 60 percent of the commercial market. Together with Aetna Inc., Alaska's second largest health insurer, they control 95 percent of the market.[1]
- Health insurance premiums for Alaska working families have skyrocketed, increasing 74 percent from 2000 to 2007.[2]
- For family health coverage in Alaska during that time, the average annual premium (employer and worker share of premiums combined) rose from $7,456 to $12,942.[3]
- For family health coverage in Alaska, the average employer's portion of annual premiums rose 81 percent, while the average worker's share grew by 54 percent.[4]
- Between 2000 and 2007, the median earnings of Alaska workers increased 13 percent, from $27,373 to $30,931. During that time health insurance premiums for Alabama working families rose 5.7 times faster than median earnings.[5]

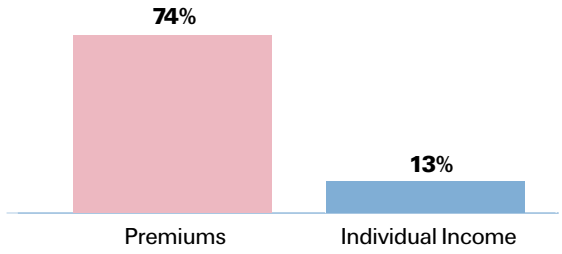
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Alaska Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Alaska, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2] Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[3] Ibid.

[4] Ibid.

[5] Ibid.

[6] US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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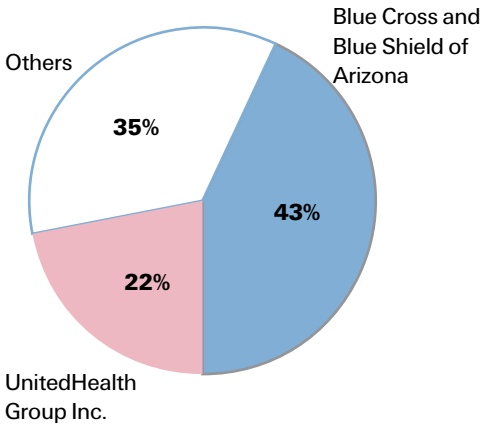
Arizona Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Arizona, the state's dominant insurer, controls 43 percent of the commercial market.[1]
- In 2007, Blue Cross and Blue Shield of Arizona recorded a profit of $96 million.[2]
- From 2004 to 2007 another top Arizona insurers, PacifiCare (which was acquired by UnitedHealth Group in 2005) saw its profit in the state grow by 59 percent, even as membership fell 32 percent.[3]
- Health insurance premiums for Arizona working families have skyrocketed, increasing 81 percent from 2000 to 2007.[4]
- For family health coverage in Arizona during that time, the average annual combined premium for employers and employees rose from $6,767 to $12,253.[5]
- For family health coverage in Arizona, the average employer's portion of annual premiums rose 83 percent, while the average worker's share grew by 76 percent.[6]
- Between 2000 and 2007, the median earnings of Arizona workers increased 23 percent, from $22,961 to $28,283. During that time health insurance premiums for Arizona working families rose 3.5 times faster than median earnings.[7]

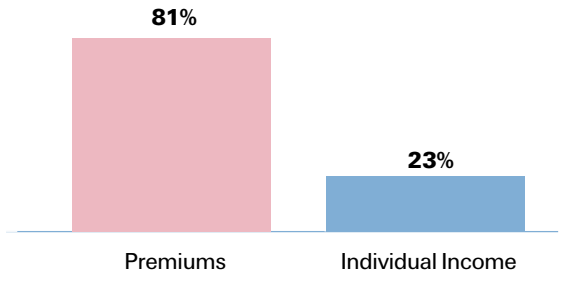
If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[8] This means that an insurer, with impunity, could raise premiums and/or reduce the variety of plans or quality of services offered to customers.[9]

Arizona Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Arizona, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.
[3]Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.
[4]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.
[5]Ibid.
[6]Ibid.
[7]Ibid.
[8]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html.
[9]American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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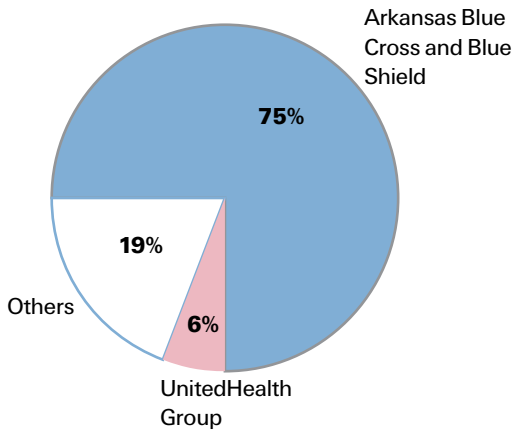
Arkansas Consumers Pay the Price For Health-Insurance Market Failure

- Arkansas Blue Cross and Blue Shield, the state's leading health insurer, controls 75 percent of the commercial market.[1]
- Health insurance premiums for Arkansas working families have skyrocketed, increasing 66 percent from 2000 to 2007.[2]
- For family health coverage in Arkansas during that time, the average annual combined premium for employers and employees rose 66 percent, from $6,355 to $10,534.[3]
- For family health coverage in Arkansas, the average employer's portion of annual premiums rose 56 percent, and the average worker's share grew by 91 percent.[4]
- From 2000 to 2007, the median earnings of Arkansas workers increased 12 percent, from $20,328 to $22,692. During that time health insurance premiums for Arkansas working families rose 5.7 times faster than median earnings.[5]

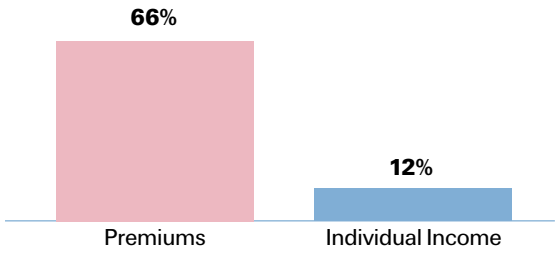
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Arkansas Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Arkansas, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[5]Ibid.

[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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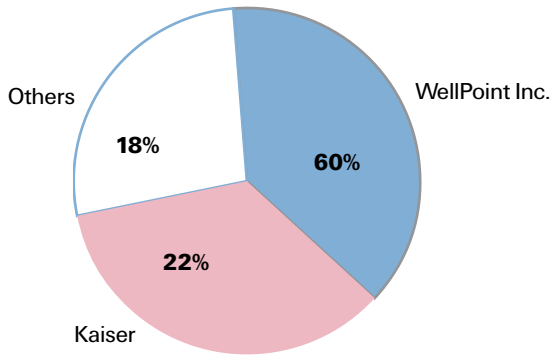
California Consumers Pay the Price For Health-Insurance Market Failure

- In 2008, WellPoint Inc., the state's largest insurer, controlled 30 percent of the commercial market. Together with Kaiser Permanente, they hold 58 percent of the market.[1]
- Local markets are even more concentrated. In Salinas, WellPoint Inc. controls 60 percent of the market.[2]
- Health insurance premiums for California working families have skyrocketed, increasing 96 percent from 2000 to 2007.[3]
- For family health coverage in California during that time, the average annual combined premium for employers and employees rose from $6,227 to $12,194.[4]
- For family health coverage in California, the average employer's portion of annual premiums rose 91 percent, while the average worker's share grew by 111 percent.[5]
- From 2000 to 2007, the median earnings of California workers increased 19 percent, from $25,740 to $30,702. During that time health insurance premiums for California working families rose five times faster than median earnings.[6]

When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated."[7] This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with little fear of resistance.[8]

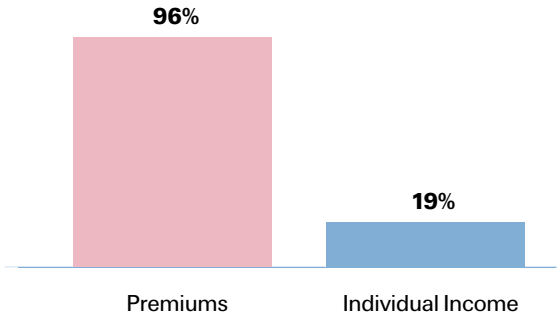
Commercial Health Insurance Market

Concentration in Salinas, California, Metro Area



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income in California, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2] Ibid.

[3] Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/testimony/hhi.htm.

[8] American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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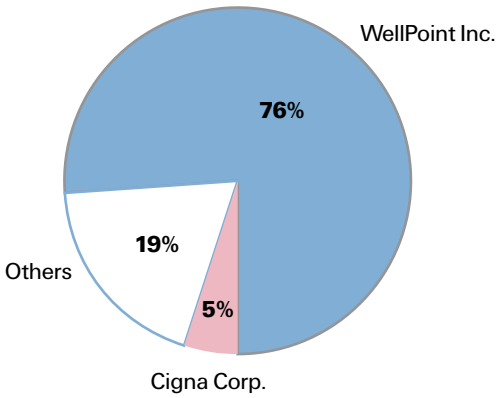
Colorado Consumers Pay the Price For Health-Insurance Market Failure

- WellPoint Inc.'s Anthem Blue Cross and Blue Shield subsidiary is Colorado's biggest for-profit health insurer, with 29 percent of the commercial market. Together with UnitedHealth Group Inc., the companies hold 53 percent of the market.[1]
- Local markets are even more concentrated. In Pueblo, WellPoint controls 76 percent of the market.[2]
- In 2007, Colorado's top three insurers reported $258 million in profit.[3]
- In 2007, UnitedHealth's PacifiCare subsidiary recorded profit of $75 million, an increase of 293 percent from 2004, even though its membership dropped by 42 percent.[4]
- Health insurance premiums for Colorado working families have skyrocketed, increasing 75 percent from 2000 to 2007.[5]
- For family health coverage in Colorado during that time, the average annual combined premium for employers and employees rose from $6,797 to $11,878.[6]
- For family health coverage in Colorado, the average employer's portion of annual premiums rose 68 percent, while the average worker's share grew by 97 percent.[7]
- From 2000 to 2007, the median earnings of Colorado workers increased 16 percent from $26,390 to $30,476. During that time health insurance premiums for Colorado working families rose 4.8 times faster than median earnings.[8]

When a company has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated."[9] The U.S Justice Department uses a rating system based on market share to determine if a market is concentrated or highly concentrated. If the market is rated from 1,000 to 1,800, it is considered to be "concentrated." Markets rated higher than 1,800 are deemed to be "highly concentrated."[10]

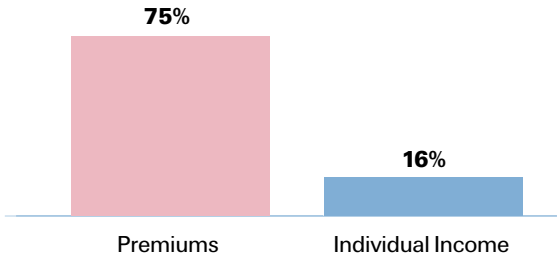
Commercial Health Insurance Market

Concentration in Pueblo, Colorado, Metro Area



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Colorado, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[3]Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.

[4] Ibid.

[5] Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[6]Ibid.

[7]Ibid.

[8]Ibid.

[17]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html.

[10]The HHI is used by the Department of Justice and the Federal Trade Commission in anti-trust proceedings. The HHI is the sum of the squared market shares of each firm in the market. The more competitive the market, the lower the HHI. The less competitive the market, the higher the HHI. An HHI above 1,800 is rated "highly concentrated." An HHI between 1,000 and 1,800 is considered "concentrated." Accessed at http://www.usdoj.gov/atr/public/testimony/hhi.htm.

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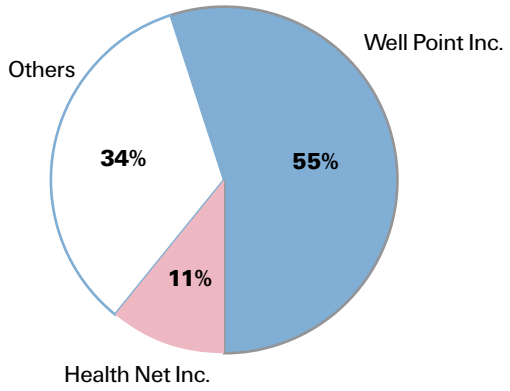
Results of Market Failure in Connecticut

- According to a 2007 report by the American Medical Association, WellPoint Inc., Connecticut's biggest health insurer, holds 55 percent of the commercial market. Together with Health Net Inc., the second largest, they control 66 percent of the state market.[1]
- Health insurance premiums for Connecticut working families have skyrocketed, increasing 81 percent from 2000 to 2007.[2]
- For family health coverage in Connecticut during that time, the average annual combined premium for employers and employees rose from $7,292 to $13,173.[3]
- From 2000 to 2007 the average employer's portion of annual premiums for family coverage in Connecticut rose 75 percent, while the average worker's share grew by 104 percent.[4]
- From 2000 to 2007, the median earnings of Connecticut workers increased 10 percent, from $32,106 to $35,281. During that time health insurance premiums for Connecticut working families rose 8.2 times faster than median earnings.[5]

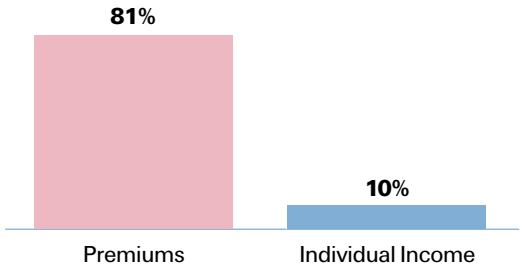
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Connecticut Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Connecticut, 2000–2007



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[6] US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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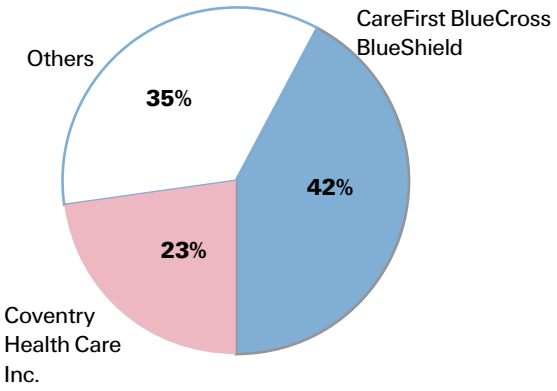
Delaware Consumers Pay the Price For Health-Insurance Market Failure

- CareFirst BlueCross BlueShield, Delaware's biggest health insurer, controls 42 percent of the commercial market. Together with Coventry Health Care Inc., the state's second largest, they hold 65 percent of the market.[1]
- Health insurance premiums for Delaware working families have skyrocketed, increasing 77 percent from 2000 to 2007.[2]
- For family health coverage in Delaware, the average annual combined premium for employers and employees rose from $7,553 to $13,370.[3]
- For family health coverage in Delaware, the average employer's portion of annual premiums rose 81 percent, while the average worker's share grew by 62 percent.[4]
- From 2000 to 2007, the median earnings of Delaware workers increased 15 percent, from $27,717 to $31,837. During that time health insurance premiums for Delaware working families rose 5.2 times faster than median earnings.[5]

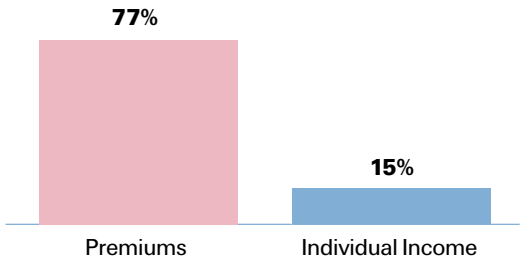
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Delaware Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Delaware, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

[1]AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at http://www.ama-assn.org/go/competition2007.

[2]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[3]Ibid.

[4]Ibid.

[5]Ibid.

[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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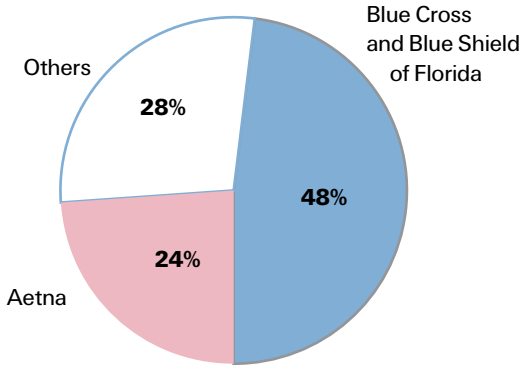
Florida Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Florida, the state's biggest insurer, controls 30 percent of the state commercial market. Together with Aetna Inc., the second leading health insurer, they hold 45 percent of the market.[1]
- Local markets are more concentrated; in Jacksonville, Blue Cross and Blue Shield of Florida holds 48 percent of the commercial market, and together with Aetna they control 72 percent.[2]
- Health insurance premiums for Florida working families have skyrocketed, increasing 72 percent from 2000 to 2007.[3]
- For family health coverage in Florida during that time, the average annual combined premium for employers and employees rose from $6,812 to $11,720.[4]
- For family health coverage in Florida, the average employer's portion of annual premiums rose 63 percent, while the average worker's share grew by 94 percent.[5]
- Between 2000 and 2007, the median earnings of Florida workers increased 20 percent from $22,753 to $27,353. During that time health insurance premiums for Florida working families rose 3.6 times faster than median earnings.[6]

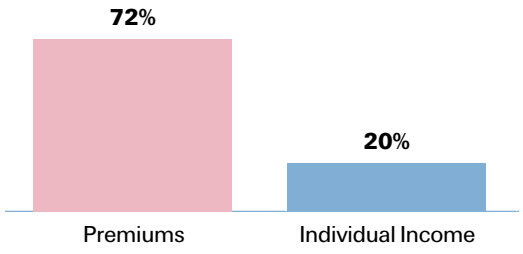
If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[7] The U.S Justice Department uses a rating system based on market share to determine if a market is concentrated or highly concentrated. If the market is rated from 1,000 to 1,800, it is considered to be "concentrated." Markets rated higher than 1,800 are deemed to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[8]

Jacksonville, Florida Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Florida, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Ibid.

[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[4]Ibid.

[5]Ibid.

[6] Ibid.

[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

[8]The HHI is used by the Department of Justice and the Federal Trade Commission in anti-trust proceedings. The HHI is the sum of the squared market shares of each firm in the market. The more competitive the market, the lower the HHI. The less competitive the market, the higher the HHI. An HHI above 1,800 is rated "highly concentrated." An HHI between 1,000 and 1,800 is considered "concentrated." Accessed at http://www.usdoj.gov/atr/public/testimony/hhi.htm.

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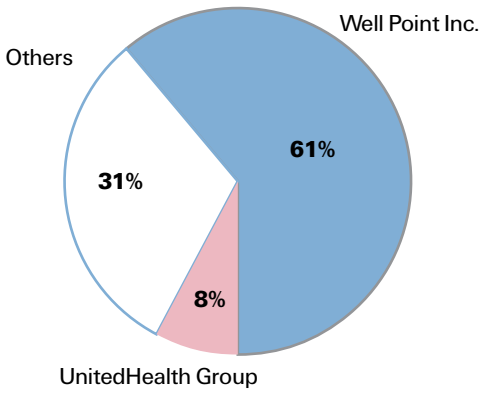
Georgia Consumers Pay the Price For Health-Insurance Market Failure

- WellPoint Inc., Georgia's biggest insurer, controls 61 percent of the commercial market. Together with UnitedHealth Group Inc., the second largest health insurer, they hold 69 percent of the market.[1]
- Health insurance premiums for Georgia working families have skyrocketed, increasing 73 percent from 2000 to 2007.[2]
- For family health coverage in Georgia during that time, the average annual combined premium for employers and employees rose from $6,637 to $11,451.[3]
- For family health coverage in Georgia, the average employer's portion of annual premiums rose 68 percent, while the average worker's share grew by 85 percent.[4]
- Between 2000 and 2007, the median earnings of Georgia workers increased 10 percent, from $25,525 to $28,178. During that time health insurance premiums for Georgia working families rose seven times faster than median earnings.[5]

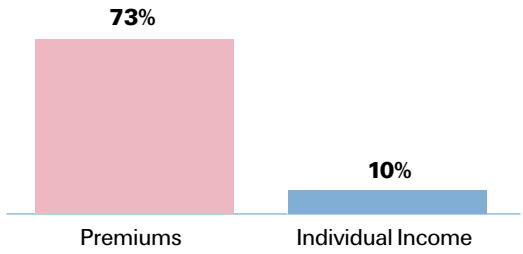
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Georgia Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Georgia, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[1]AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at http://www.ama-assn.org/go/competition2007.

[2]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[3]Ibid.

[4]Ibid.

[5]Ibid.

[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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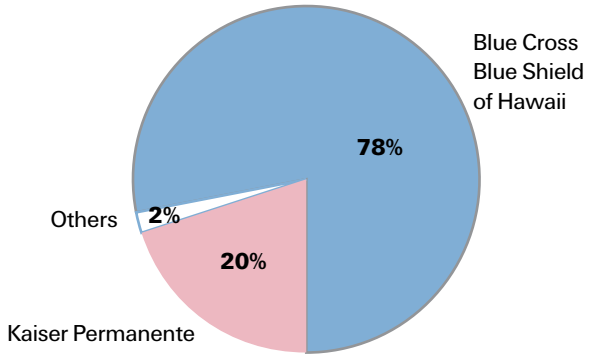
Hawaii Consumers Pay the Price For Health-Insurance Market Failure

- Hawaii Medical Service Association, doing business as Blue Cross Blue Shield of Hawaii, is the state's leading health insurer with 78 percent of the commercial market. Together with Kaiser Permanente, they hold 98 percent of the market.[1]
- Between 2004 and 2007 Blue Cross Blue Shield of Hawaii's surplus grew by 5.2 percent to $569 million.[2]
- Health insurance premiums for Hawaii working families have skyrocketed, increasing 65 percent from 2000 to 2007.[3]
- For family health coverage in Hawaii during that time, the average annual combined premium for employers and employees rose from $6,047 to $10,001.[4]
- For family health coverage in Hawaii, the average employer's portion of annual premiums rose 56 percent, while the average worker's share grew 101 percent.[5]
- From 2000 to 2007, the median earnings of Hawaii workers increased 19 percent, from $26,180 to $31,252. During that time health insurance premiums for Hawaii working families rose 3.4 times faster than median earnings.[6]

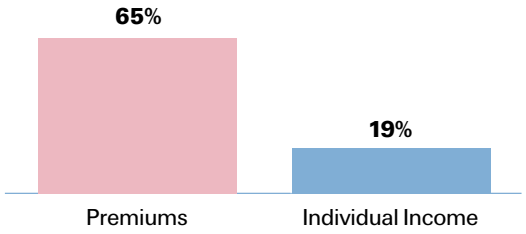
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

Hawaii Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Hawaii, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.

[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[4]Ibid.

[5]Ibid.

[6]Ibid.

[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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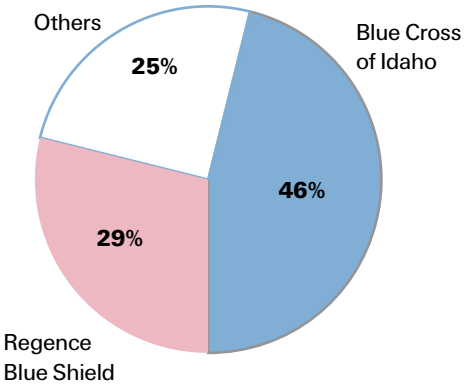
Idaho Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross of Idaho, the state's top health insurer, holds 46 percent of the state market. Its closest competitor, Regence BlueShield of Idaho, has 29 percent.[1]
- Health insurance premiums for Idaho working families have skyrocketed, increasing 122 percent from 2000 to 2007.[2]
- For family health coverage in Idaho during that time, the average annual combined premium for employers and employees rose from $5,160 to $11,432.[3]
- For family health coverage in Idaho, the average employer's portion of annual premiums rose 160 percent, while the average worker's share grew 40 percent.[4]
- Between 2000 and 2007, the median earnings of Idaho workers increased 31 percent, from $19,004 to $24,798. During that time health insurance premiums for Idaho working families rose four times faster than median earnings.[5]

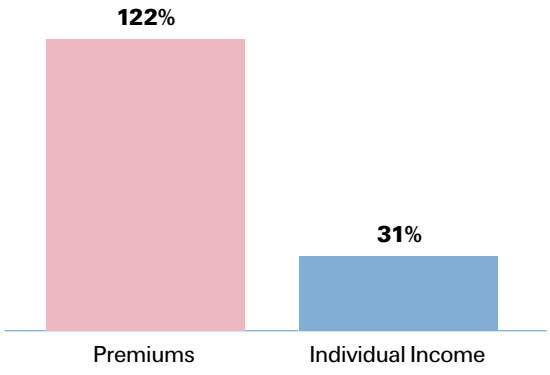
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Idaho Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Idaho, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

[1]Stephen Foreman, "Proposed Consolidation of Highmark and Independence Blue Cross," July 2008. Accessed at http://www.ins.state.pa.us/ins/lib/ins/highmark-ibc/0943.pdf.
[1]AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at http://www.ama-assn.org/go/competition2007.
[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.
[4]Ibid.
[5]Ibid.
[6]Ibid.
[13]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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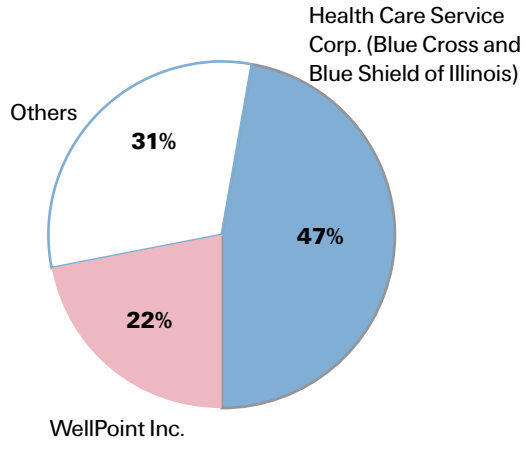
Illinois Consumers Pay the Price For Health-Insurance Market Failure

- Health Care Services Corp., doing business as Blue Cross and Blue Shield of Illinois, is the state's leading health insurer with 47 percent of the commercial market. Together with WellPoint Inc., they control 69 percent of the state market.[1]
- Health insurance premiums for Illinois working families have skyrocketed, increasing 73 percent from 2000 to 2007.[2]
- For family health coverage in Illinois during that time, the average annual premium (employer and worker share of premiums combined) rose from $7,220 to $12,500.[3]
- For family health coverage in Illinois from 2000 to 2007, the average employer's portion of annual premiums rose 72 percent, while the average worker's share increased 78 percent.[4]
- From 2000 to 2007, the median earnings of Illinois workers increased 13 percent, from $26,806 to $30,322. During that time health insurance premiums for Illinois working families rose 5.6 times faster than median earnings.[5]

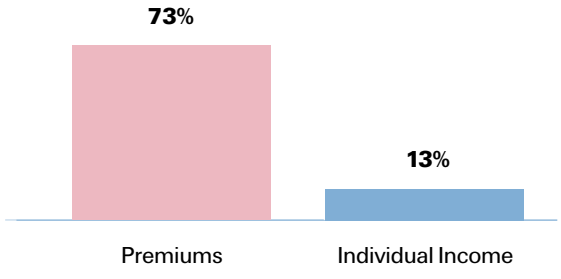
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[1]

Illinois Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Illinois, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[3]Ibid.

[4]Ibid.

[5]Ibid.

[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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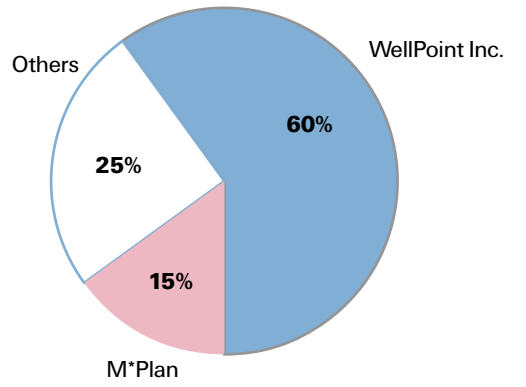
Indiana Consumers Pay the Price For Health-Insurance Market Failure

- WellPoint Inc., the state's top health insurer, controls 60 percent of the state market through its Anthem subsidiary. In 2007, together with M*Plan,[1] then the second largest health insurer in the state, they controlled 75 percent of the commercial market.[2]
- Health insurance premiums for Indiana working families have skyrocketed, increasing 83 percent from 2000 to 2007.[3]
- For family health coverage in Indiana during that time, the average annual combined premium for employers and employees rose from $6,628 to $12,153.[4]
- For family health coverage in Indiana from 2000 to 2007, the average employer's portion of annual premiums rose 75 percent, while the average worker's share grew by 116 percent.[5]
- From 2000 to 2007, the median earnings of Indiana workers increased 11 percent, from $24,531 to $27,330. During that time health insurance premiums for Indiana working families rose 7.3 times faster than median earnings.[6]

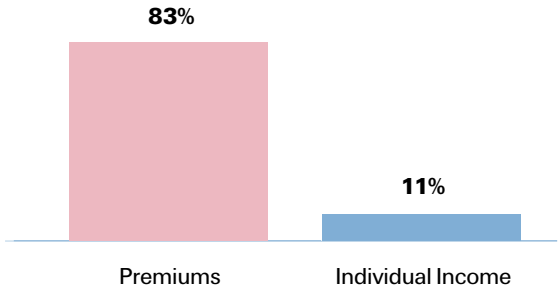
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

Indiana Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Indiana, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

[1]M*Plan ceased operations in 2008.

[1]AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at http://www.ama-assn.org/go/competition2007.

[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

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[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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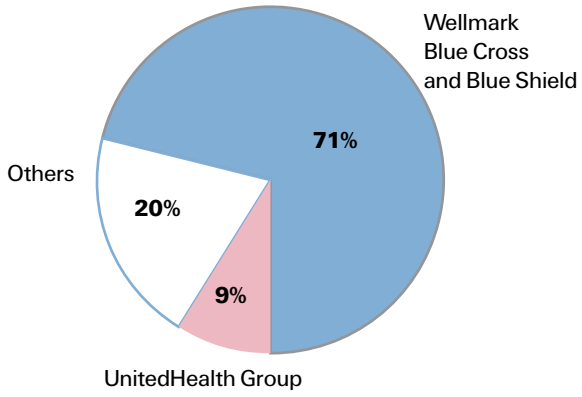
Iowa Consumers Pay the Price For Health-Insurance Market Failure

- Wellmark Blue Cross and Blue Shield is Iowa's biggest health insurer, with 71 percent of the commercial market. Together with UnitedHealth Group Inc., the second largest, they hold 80 percent of the market.[1]
- Health insurance premiums for Iowa working families have skyrocketed, increasing 73 percent from 2000 to 2007.[2]
- For family health coverage in Iowa from 2000 to 2007, the average annual combined premium for employers and employees rose from $6,487 to $11,194.[3]
- For family health coverage in Iowa, the average employer's portion of annual premiums rose 68 percent, while the average worker's share increased 87 percent.[4]
- Between 2000 and 2007, the median earnings of Iowa workers increased 19 percent, from $22,147 to $26,247. During that time health insurance premiums for Iowa working families rose 3.9 times faster than median earnings.[5]

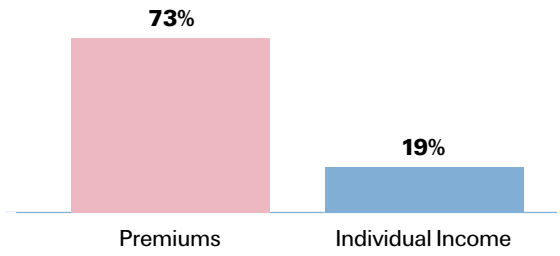
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Iowa Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Iowa, 2000–2007



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[3]Ibid.

[4]Ibid.

[5]Ibid.

[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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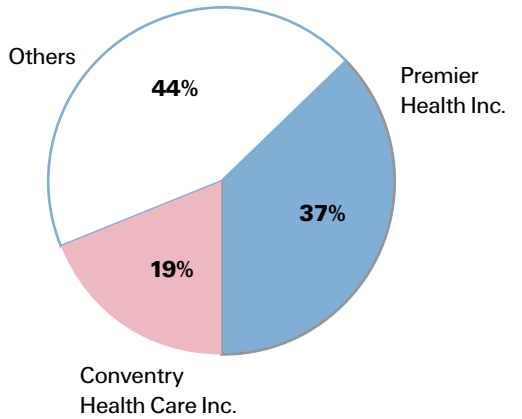
Kansas Consumers Pay the Price For Health-Insurance Market Failure

- Premier Health Inc.,[1] the state's biggest insurer, controls 37 percent of the state market for health insurance. Together with Coventry Health Care Inc., they control 56 percent of the commercial market.[2]
- Health insurance premiums for Kansas working families have skyrocketed, increasing 88 percent from 2000 to 2007.[3]
- For family health coverage in Kansas during that time, the average annual combined premium for employers and employees rose from $6,237 to $11,722.[4]
- For family health coverage in Kansas from 2000 to 2007, the average employer's portion of annual premiums rose 98 percent, while the average worker's share grew by 65 percent.[5]
- Between 2000 and 2007, the median earnings of Kansas workers increased 18 percent, from $22,351 to $26,307. During that time health insurance premiums for Kansas working families rose five times faster than median earnings.[6]

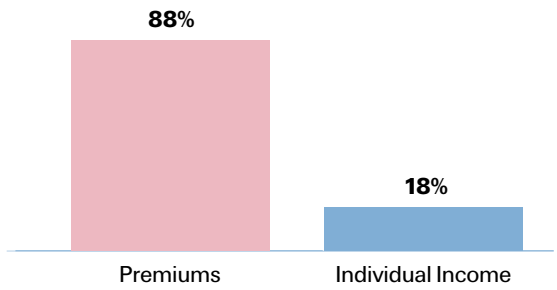
If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[7] The U.S Justice Department uses a rating system based on market share to determine if a market is concentrated or highly concentrated. If the market is rated from 1,000 to 1,800, it is considered to be "concentrated." Markets rated higher than 1,800 are deemed to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[8]

Kansas Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Kansas, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

[1]Premier Health Inc. is a joint venture of multiple insurers, BlueCross BlueShield of Kansas has a financial interest in Premier Health.
[2]AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. American Medical Association, "Competition in health insurance: A comprehensive study of U.S. markets: 2008 update."
[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.
[4]Ibid.
[5]Ibid.
[6]Ibid.
[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.
[8]The HHI is used by the Department of Justice and the Federal Trade Commission in anti-trust proceedings. The HHI is the sum of the squared market shares of each firm in the market. The more competitive the market, the lower the HHI. The less competitive the market, the higher the HHI. An HHI above 1,800 is rated "highly concentrated." An HHI between 1,000 and 1,800 is considered "concentrated." Accessed at http://www.usdoj.gov/atr/public/testimony/hhi.htm.

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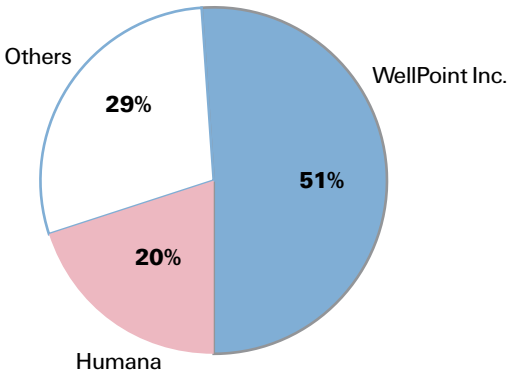
Kentucky Consumers Pay the Price For Health-Insurance Market Failure

- Anthem Blue Cross and Blue Shield, a subsidiary of WellPoint Inc., is Kentucky's biggest health insurer, with 51 percent of the state commercial market. Together with Humana Inc., they hold 71 percent of the market.[1]
- Local markets are even more concentrated in Kentucky. In Elizabethtown, WellPoint and Aetna Inc. together hold 92 percent of the market.[2]
- Health insurance premiums for Kentucky working families have skyrocketed, increasing 48 percent from 2000 to 2007.[3]
- For family health coverage in Kentucky during that time, the average annual combined premium for employers and employees rose from $7,096 to $10,466.[4]
- For family health coverage in Kentucky, the average employer's portion of annual premiums rose 44 percent, while the average worker's share grew 58 percent.[5]
- Between 2000 and 2007, the median earnings of Kentucky workers increased 17 percent, from $21,512 to $25,134. During that time health insurance premiums for Kentucky working families rose 2.8 times faster than median earnings.[6]

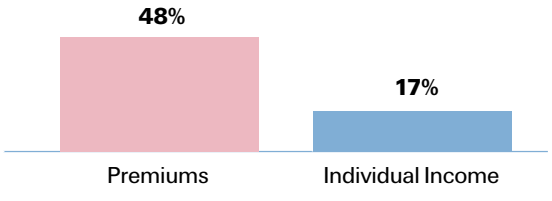
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

Kentucky Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income in Kentucky, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Ibid.
[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.
[4]Ibid.
[5]Ibid.
[6]Ibid.
[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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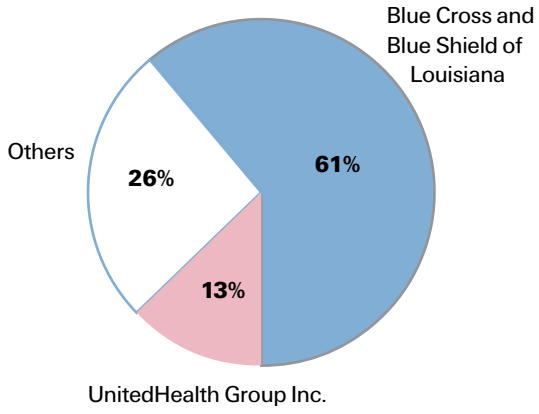
Louisiana Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Louisiana, the state's biggest health insurer, controls 61 percent of the state commercial market. Together with UnitedHealth Group Inc., the second largest Louisiana health insurer, they control 74 percent of the market.[1]
- Local markets are more concentrated; in Lafayette, Blue Cross and Blue Shield of Louisiana and Humana Inc. together hold 93 percent of the commercial market.[2]
- Health insurance premiums for Louisiana working families have skyrocketed, increasing 75 percent from 2000 to 2007.[3]
- For family health coverage in Louisiana during that time, the average annual combined premium for employers and employees rose from $6,536 to $11,455.[4]
- For family health coverage in Louisiana from 2000 to 2007, the average employer's portion of annual premiums rose 76 percent, while the average worker's share increased 74 percent.[5]
- From 2000 to 2007, the median earnings of Louisiana workers increased 23 percent, from $20,467 to $25,147. During that time health insurance premiums for Louisiana working families rose 3.3 times faster than median earnings.[6]

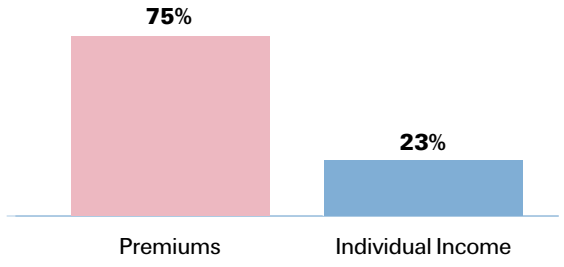
If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[7] This means that an insurer, with impunity, could raise premiums and/or reduce the variety of plans or quality of services offered to customers.[8]

Louisiana Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Louisiana, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Ibid.
[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.
[4]Ibid.
[5]Ibid.
[6]Ibid.
[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html.
[8]American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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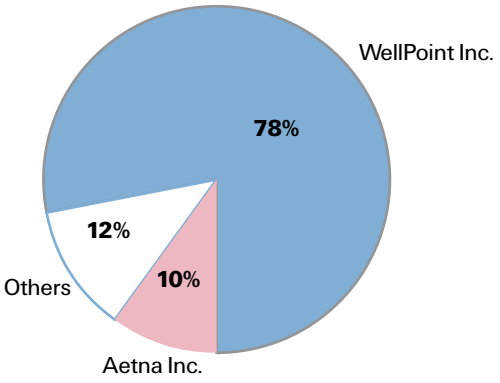
Results of Market Failure in Maine

- WellPoint Inc., Maine's biggest health insurer, holds 78 percent of the state commercial market. Together with Aetna Inc., they control 88 percent of the market.[1]
- From 2004 to 2007 Anthem Health Care, WellPoint Inc.'s Maine subsidiary, saw profit grow by 89 percent, from $40 million to $76 million, although its membership grew by only 2.4 percent.[2]
- Health insurance premiums for Maine working families have skyrocketed, increasing 90 percent from 2000 to 2007.[3]
- For family health coverage in Maine during that time, the average annual combined premium for employers and employees rose from $6,915 to $13,117.[4]
- For family health coverage in Maine from 2000 to 2007, the average employer's portion of annual premiums rose 87 percent, while the average worker's share grew by 96 percent.[5]
- From 2000 to 2007, the median earnings of Maine workers increased 17 percent, from $22,163 to $25,876. During that time health insurance premiums for Maine working families rose 5.4 times faster than median earnings.[6]

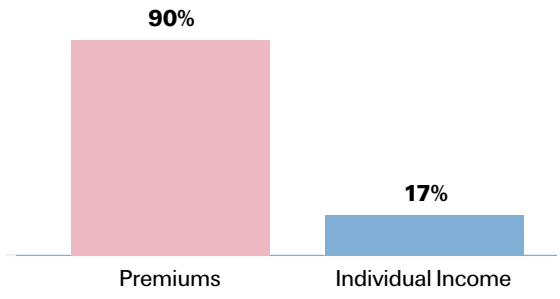
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

Maine Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Maine, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[1]AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at http://www.ama-assn.org/go/competition2007.

[2] Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.

[3] Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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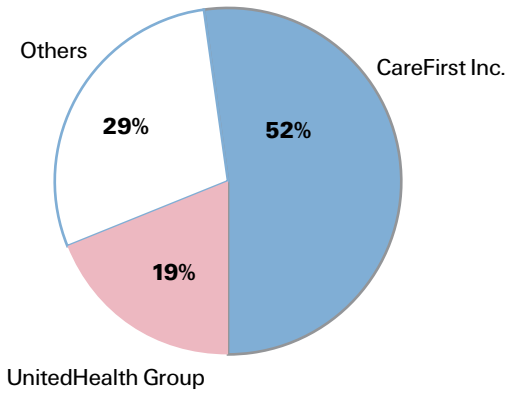
Maryland Consumers Pay the Price For Health-Insurance Market Failure

- CareFirst Inc., owner of Maryland's BlueCross BlueShield franchise, is the state's biggest health insurer with 52 percent of the state commercial market. Together with UnitedHealth Group Inc., they control 71 percent of the market.[1]
- Health insurance premiums for Maryland working families have skyrocketed, increasing 64 percent from 2000 to 2007.[2]
- For family health coverage in Maryland during that time, the average annual combined premium for employers and employees rose from $7,287 to $11,960.[3]
- For family health coverage in Maryland from 2000 to 2007, the average employer's portion of annual premiums rose 65 percent, while the average worker's share grew 63 percent.[4]
- From 2000 to 2007, the median earnings of Maryland workers increased 21 percent, from $30,252 to $36,723. During that time health insurance premiums for Maryland working families rose three times faster than median earnings.[5]

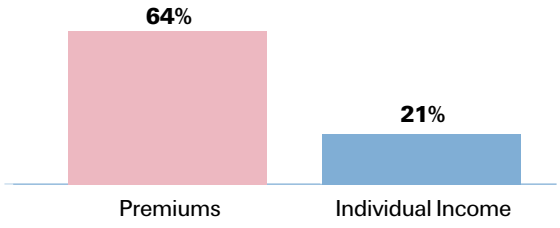
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Maryland Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Maryland, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

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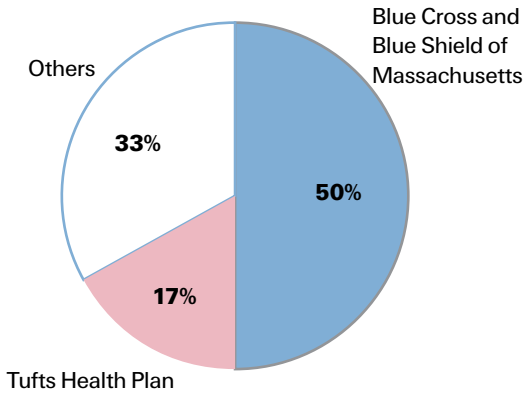
Massachusetts Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Massachusetts, the state's biggest health insurer, controls 50 percent of the state commercial market. Together with Tufts Health Plan, they hold 67 percent of the market.[1]
- Health insurance premiums for Massachusetts working families have skyrocketed, increasing 78 percent from 2000 to 2007.[2]
- For family health coverage in Massachusetts during that period, the average annual combined premium for employers and employees rose from $7,341 to $13,040.[3]
- For family health coverage in Massachusetts, the average employer's portion of annual premiums rose 67 percent, while the average worker's share grew by 119 percent.[4]
- From 2000 to 2007, the median earnings of Massachusetts workers increased 12 percent, from $30,964 to $34,542. During that time health insurance premiums for Massachusetts working families rose 6.7 times faster than median earnings.[5]

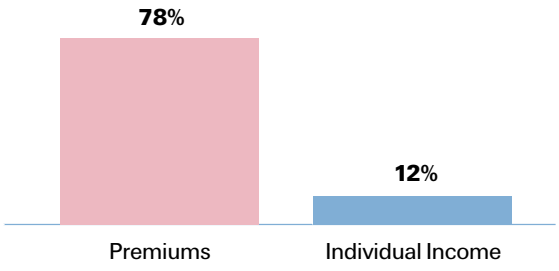
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Massachusetts Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Massachusetts, 2000–2007



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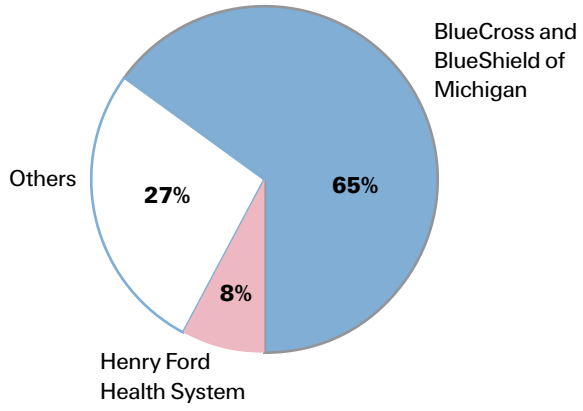
Michigan Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Michigan, the state's biggest health insurer, controls 65 percent of the state commercial market. Together with the Henry Ford Health System, they hold 73 percent of the market.[1]
- Health insurance premiums for Michigan working families have skyrocketed, increasing 78 percent from 2000 to 2007.[2]
- For family health coverage in Michigan during this time, the average annual combined premium for employers and employees rose from $6,817 to $12,151.[3]
- For family health coverage in Michigan from 2000 to 2007, the average employer's portion of annual premiums rose 63 percent, while the average worker's share grew by 171 percent.[4]
- From 2000 to 2007, the median earnings of Michigan workers increased 5 percent, from $25,910 to $27,096. During that time health insurance premiums for Michigan working families rose 17 times faster than median earnings.[5]

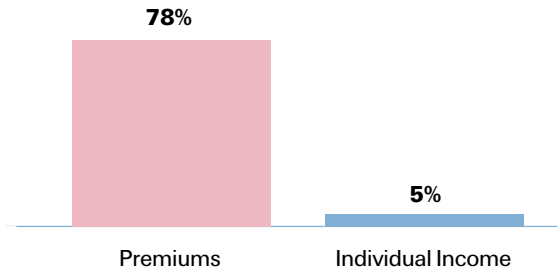
If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[6] This means that an insurer, with impunity, could raise premiums and/or reduce the variety of plans or quality of services offered to customers.[7]

Michigan Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Michigan, 2000–2007



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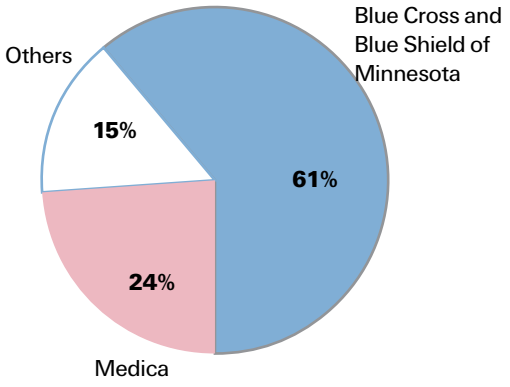
Minnesota Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Minnesota, the state's biggest health insurer, holds 61 percent of the state commercial market. Together with Medica, the second largest, they control 85 percent of the market.[1]
- Health insurance premiums for Minnesota working families have skyrocketed, increasing 74 percent from 2000 to 2007.[2]
- For family health coverage in Minnesota during that time, the average annual combined premium for employers and employees rose from $6,957 to $12,090.[3]
- For family health coverage in Minnesota from 2000 to 2007, the average employer's portion of annual premiums rose 77 percent, while the average worker's share grew by 66 percent.[4]
- From 2000 to 2007, the median earnings of Minnesota workers increased 17 percent, from $26,433 to $30,963. During that time health insurance premiums for Minnesota working families rose 4.3 times faster than median earnings.[5]

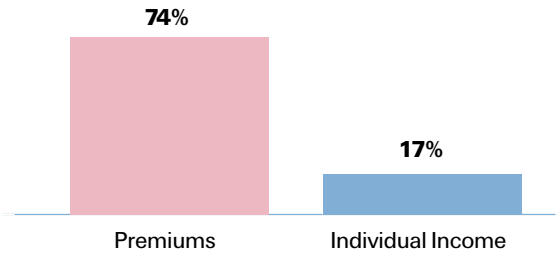
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Minnesota Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income in Minnesota, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

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[2]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.
[3] Ibid.
[4]Ibid.
[5]Ibid.
[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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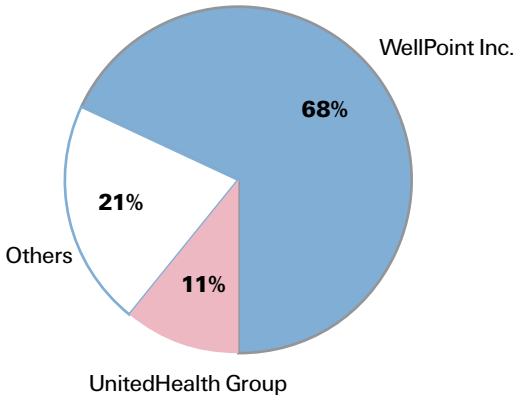
Missouri Consumers Pay the Price For Health-Insurance Market Failure

- Wellpoint Inc.'s Anthem Blue Cross Blue Shield subsidiary, the state's biggest health insurer, holds 68 percent of the commercial market. Together with UnitedHealth Group Inc. they control 79 percent of the market.[1]
- Health insurance premiums for Missouri working families have skyrocketed, increasing 76 percent from 2000 to 2007.[2]
- For family health coverage in Missouri during this period, the average annual combined premium for employers and employees rose from $6,731 to $11,852.[3]
- For family health coverage in Missouri from 2000 to 2007, the average employer's portion of annual premiums rose 72 percent, while the average worker's share grew by 91 percent.[4]
- Between 2000 and 2007, the median earnings of Missouri workers increased 17 percent, from $22,201 to $26,037. During that time health insurance premiums for Missouri working families rose 4.4 times faster than median earnings.[5]

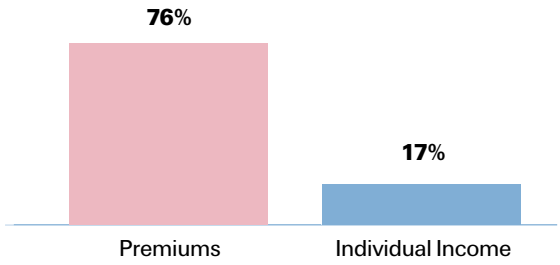
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Missouri Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Missouri, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[3]Ibid.

[4]Ibid.

[5]Ibid.

[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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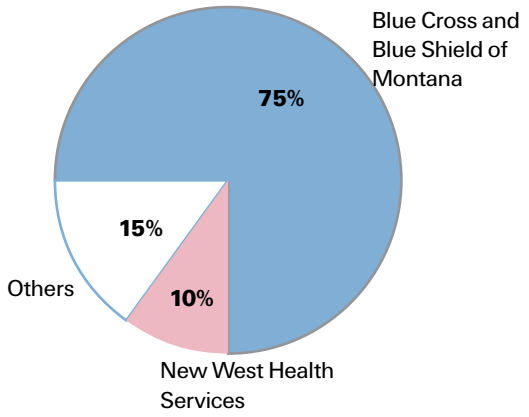
Montana Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Montana, the state's biggest health insurer, controls 75 percent of the statewide commercial market. Together with New West Health Services, they hold 85 percent of the market.[1]
- Health insurance premiums for Montana working families have skyrocketed, increasing 89 percent from 2000 to 2007.[2]
- For family health coverage in Montana during that time, the average annual combined premium for employers and employees rose from $6,220 to $11,743.[3]
- For family health coverage in Montana from 2000 to 2007, the employer portion of annual premiums rose 78 percent, while the worker share grew 133 percent.[4]
- Between 2000 and 2007, the median earnings of Montana workers increased 16 percent, from $19,073 to $22,170. During that time health insurance premiums for Montana working families rose 5.5 times faster than median earnings.[5]

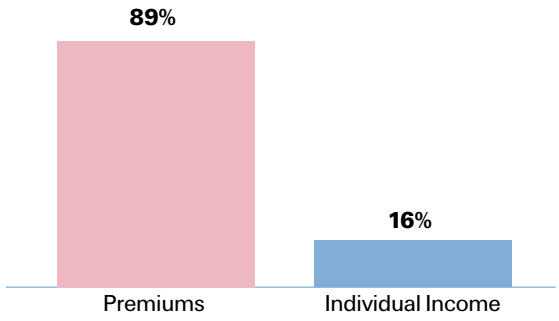
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Montana Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Montana, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[3]Ibid.

[4]Ibid.

[5]Ibid.

[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html, American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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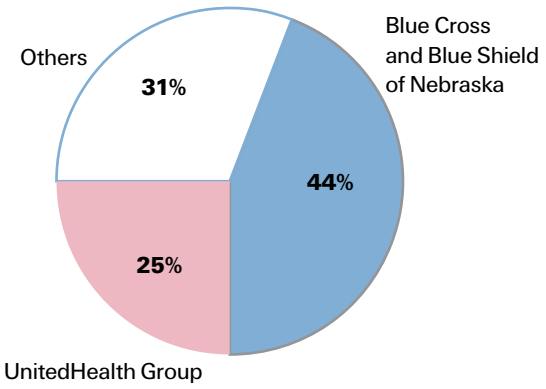
Nebraska Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Nebraska, the state's biggest health insurer, holds 44 percent of the state commercial market for health insurance. Together with UnitedHealth Group Inc., they control 69 percent of the market.[1]
- Health insurance premiums for Nebraska working families have skyrocketed, increasing 69 percent from 2000 to 2007.[2]
- For family health coverage in Nebraska during that time, the average annual combined premium for employers and employees rose from $6,760 to $11,434.[3]
- For family health coverage in Nebraska from 2000 to 2007, the average employer's portion of annual premiums rose 69 percent, and the average worker's share also grew by 69 percent.[4]
- From 2000 to 2007, the median earnings of Nebraska workers increased 21 percent, from $21,255 to $25,802. During that time health insurance premiums for Nebraska working families rose 3.2 times faster than median earnings.[5]

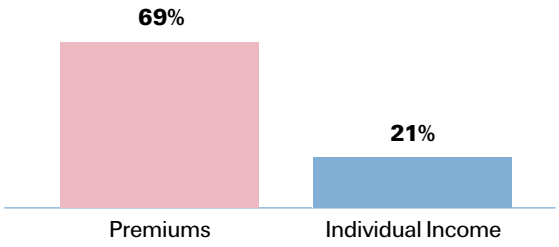
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Nebraska Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Nebraska, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[3]Ibid.

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[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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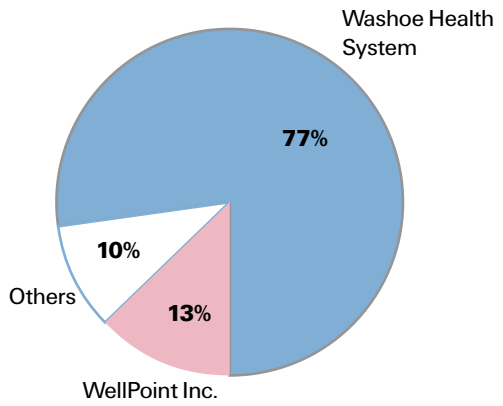
Nevada Consumers Pay the Price For Health-Insurance Market Failure

- Nevada's biggest health insurer, Sierra Health Services Inc. (which was acquired by UnitedHealth Group Inc. in 2008) held 29 percent of the Nevada commercial market for health insurance in 2007. Together with WellPoint Inc. they controlled 57 percent of the market that year.[1]
- Local markets were more concentrated; in Carson City, Washoe Health System and WellPoint Inc. together held 90 percent of the commercial market.[2]
- Health insurance premiums for Nevada working families have skyrocketed, increasing 55 percent from 2000 to 2007.[3]
- For family health coverage in Nevada during that period, the average annual combined premium for employers and employees rose from $6,688 to $10,341.[4]
- For family health coverage in Nevada, the average employer's portion of annual premiums rose 41 percent, while the average worker's share grew by 135 percent.[5]
- From 2000 to 2007, the median earnings of Nevada workers increased 21 percent, from $25,411 to $30,859. During that time health insurance premiums for Nevada working families rose 2.5 times faster than median earnings.[6]

If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[7] The U.S Justice Department uses a rating system based on market share to determine if a market is concentrated or highly concentrated. If the market is rated from 1,000 to 1,800, it is considered to be "concentrated." Markets rated higher than 1,800 are deemed to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[8]

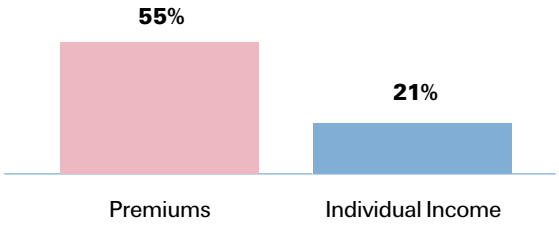
Commercial Health Insurance Market

Concentration in Carson City, Nevada, Metropolitan Area



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Nevada, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Ibid.

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[5]Ibid.

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[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

[8]The HHI is used by the Department of Justice and the Federal Trade Commission in anti-trust proceedings. The HHI is the sum of the squared market shares of each firm in the market. The more competitive the market, the lower the HHI. The less competitive the market, the higher the HHI. An HHI above 1,800 is rated "highly concentrated." An HHI between 1,000 and 1,800 is considered "concentrated." Accessed at http://www.usdoj.gov/atr/public/testimony/hhi.htm.

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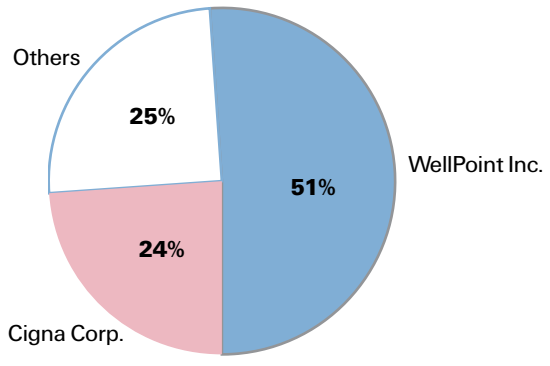
New Hampshire Consumers Pay the Price For Health-Insurance Market Failure

- Anthem Blue Cross and Blue Shield, a WellPoint subsidiary, is the state's biggest health insurer, with 51 percent of the commercial market. Together with Cigna Corp., New Hampshire's second largest health insurer, they control 75 percent of the market.[1]
- Local markets are even more concentrated; in the Rochester-Dover area, WellPoint and Cigna Corp. together hold 91 percent of the commercial market.[2]
- Health insurance premiums for New Hampshire working families have skyrocketed, increasing 79 percent from 2000 to 2007.[3]
- For family health coverage in New Hampshire during that time, the average annual combined premium for employers and employees rose from $7,525 to $13,460.[4]
- For family health coverage in New Hampshire from 2000 to 2007, the average employer's portion of annual premiums rose 72 percent, while the average worker's share grew by 101 percent.[5]
- From 2000 to 2007, the median earnings of New Hampshire workers increased 16 percent, from $27,226 to $31,596. During that time health insurance premiums for New Hampshire working families rose 4.9 times faster than median earnings.[6]

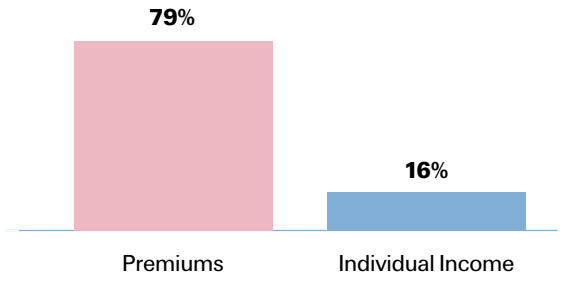
If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[7] This means that an insurer, with impunity, could raise premiums and/or reduce the variety of plans or quality of services offered to customers.[8]

New Hampshire Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in New Hampshire, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[9]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html.

[8]American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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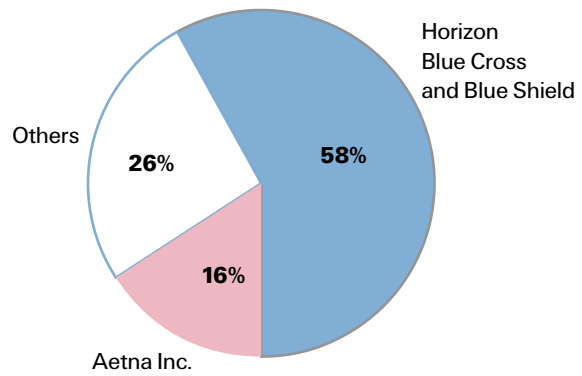
New Jersey Consumers Pay the Price For Health-Insurance Market Failure

- Horizon Blue Cross and Blue Shield, New Jersey's biggest health insurer, controls 43 percent of the state commercial market.[1]
- Local markets in New Jersey are more concentrated; in Ocean City, Horizon Blue Cross and Blue Shield and Aetna Inc. together hold 74 percent of the commercial market.[2]
- Health insurance premiums for New Jersey working families have skyrocketed, increasing 71 percent from 2000 to 2007.[3]
- For family health coverage in New Jersey during that time, the average annual combined premium for employers and employees rose from $7,592 to $12,979.[4]
- For family health coverage in New Jersey from 2000 to 2007, the average employer's portion of annual premiums rose 64 percent, while the average worker's share grew by 97 percent.[5]
- Between 2000 and 2007, the median earnings of New Jersey workers increased 15 percent, from $31,923 to $36,700. During that time health insurance premiums for New Jersey working families rose 4.7 times faster than median earnings.[6]

If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[7] This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with little fear of resistance.[8]

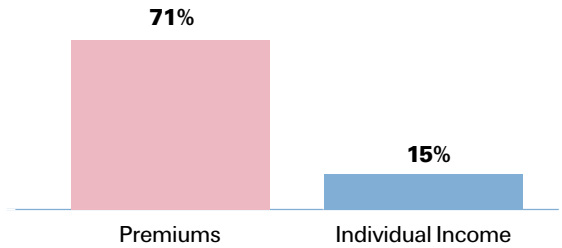
Commercial Health Insurance Market

Concentration in Ocean City, N.J., Area



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in New Jersey, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

[1] Since the time the data reported by the AMA was collected, Horizon Blue Cross Blue Shield has accumulated a larger share of the market. Other data in this report show a lower market share for Horizon from the American Medical Association, "Competition in health insurance: A comprehensive study of U.S. Markets: 2007 update." AMA data in this report is based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at http://www.ama-assn.org/go/competition2007.
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[6] Ibid.
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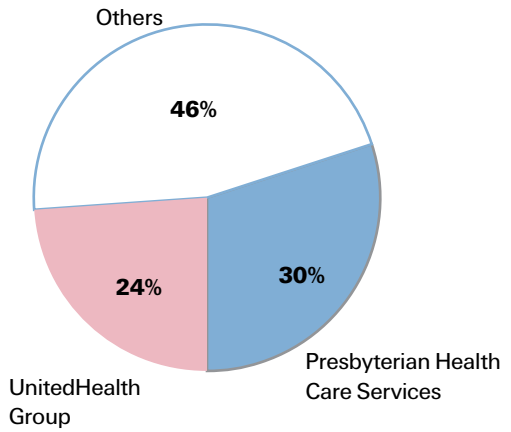
New Mexico Consumers Pay the Price For Health-Insurance Market Failure

- Presbyterian Healthcare Services is New Mexico's biggest health insurer, with 30 percent of the state commercial market. Together with United Health Group Inc. the two companies hold 54 percent of the market.[1]
- Health insurance premiums for New Mexico working families have skyrocketed, increasing 92 percent from 2000 to 2007.[2]
- For family health coverage in New Mexico during that time, the average annual combined premium for employers and employees rose from $6,222 to $11,967.[3]
- For family health coverage in New Mexico, the average employer's portion of annual premiums rose 114 percent, while the average worker's share grew by 50 percent.[4]
- Between 2000 and 2007, the median earnings of New Mexico workers increased 20 percent from $19,631 to $23,565. During that time health insurance premiums for New Mexico working families rose 4.6 times faster than median earnings.[5]

If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[6] The U.S Justice Department uses a rating system based on market share to determine if a market is concentrated or highly concentrated. If the market is rated from 1,000 to 1,800, it is considered to be "concentrated." Markets rated higher than 1,800 are deemed to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

New Mexico Commercial Health Insurance Market Concentration



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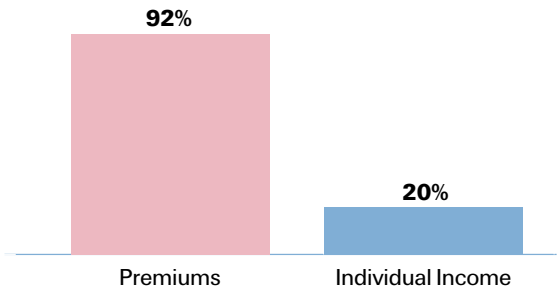
Percent Increase in Premiums vs Income in New Mexico, 2000–2007



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[3]Ibid.

[4]Ibid.

[5]Ibid.

[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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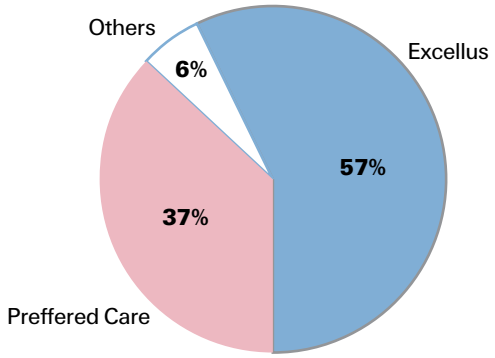
Results of Market Failure in New York

- GHI, New York's biggest health insurer, holds 26 percent of the state's market. GHI and Empire Blue Cross and Blue Shield, a subsidiary of WellPoint Inc., control 47 percent of the commercial market.[40]
- Local markets are even more concentrated; in Rochester, Excellus BlueCross BlueShield and Preferred Care[41] together control 94 percent of the commercial market.[42]
- Excellus reported net income of $198 million in 2005. The top three insurers posted a combined profit of $573 million from New York operations in 2007.[43]
- Health insurance premiums for New York working families have skyrocketed, increasing 81 percent from 2000 to 2007.[44]
- For family health coverage in New York during this period, the average annual combined premium for employers and employees rose from $7,090 to $12,811.[45]
- For family health coverage in New York from 2000 to 2007, the average employer's portion of annual premiums rose 79 percent, while the average worker's share increased 88 percent.[46]
- From 2000 to 2007, the median earnings of New York workers increased 11 percent, from $28,153 to $31,263. During that time health insurance premiums for New York working families rose 7.3 times faster than median earnings.[47]

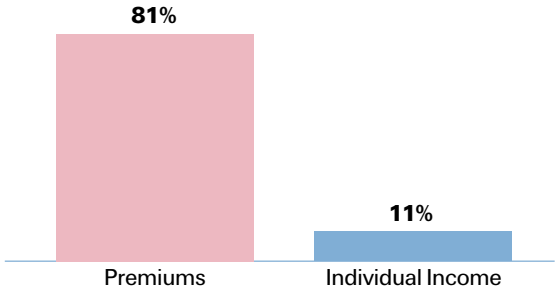
Commercial Health Insurance Market

Concentration in Rochester, New York, Area



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in New York, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2] Preferred Care is now called MVP Health Care.

[3] American Medical Association, "Competition in health insurance: A comprehensive study of U.S. Markets: 2007 update."

[4] Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.

[5] Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[6] Ibid.

[7] Ibid.

[8] Ibid.

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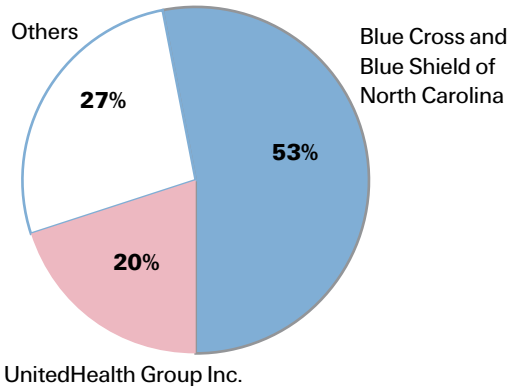
North Carolina Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of North Carolina, the state's biggest health insurer, holds 53 percent of the state commercial market. Together with UnitedHealth Group Inc., the companies control 73 percent of the market.[1]
- From 2004 to 2007, Blue Cross and Blue Shield of North Carolina's annual net income rose 32 percent, from $150 million to $198 million.[2]
- Health insurance premiums for North Carolina working families have skyrocketed, increasing 75 percent from 2000 to 2007.[3]
- For family health coverage in North Carolina during that time, the average annual combined premium for employers and employees rose from $6,649 to $11,618.[4]
- For family health coverage in North Carolina from 2000 to 2007, the average employer's portion of annual premiums rose 76 percent, while the average worker's share grew by 71 percent.[5]
- From 2000 to 2007, the median earnings of North Carolina workers increased 14 percent, from $23,080 to $26,316. During that time health insurance premiums for North Carolina working families rose 5.3 times faster than median earnings.[6]

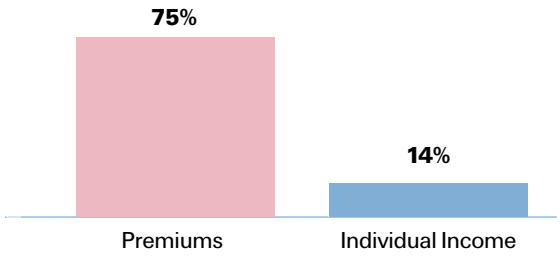
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

North Carolina Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in North Carolina, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.

[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[4]Ibid.

[5]Ibid.

[6]Ibid.

[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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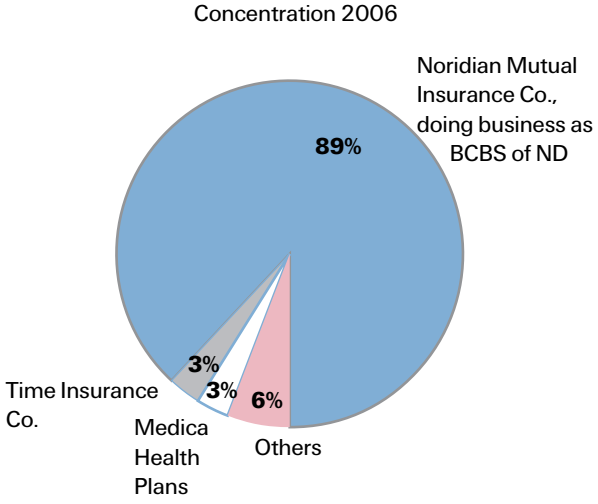
North Dakota Consumers Pay the Price For Health-Insurance Market Failure

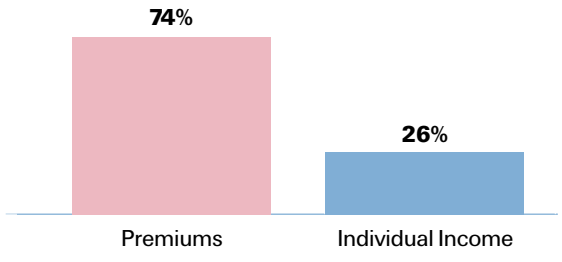
- Noridian Mutual Insurance Co., doing business as Blue Cross Blue Shield of North Dakota, holds 89 percent of the state's accident and health market, with Humana Inc. a distant second.
- Health insurance premiums for North Dakota working families have skyrocketed, increasing 74 percent from 2000 to 2007.[1]
- For family health coverage in North Dakota during this period, the average annual combined premium for employers and employees rose from $6,124 to $10,674.[2]
- For family health coverage in North Dakota from 2000 to 2007, the average employer's portion of annual premiums rose 70 percent, while the average worker's share grew by 86 percent.[3]
- From 2000 to 2007, the median earnings of North Dakota workers increased 26 percent, from $19,196 to $24,255. During that time health insurance premiums for North Dakota working families rose 2.8 times faster than median earnings.[4]

North Dakota Health and Accident Insurance Market



Source: North Dakota Insurance Department, 2008.

Percent Increase in Premiums vs Income in North Dakota, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

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[2]Ibid.

[3]Ibid.

[4]Ibid.

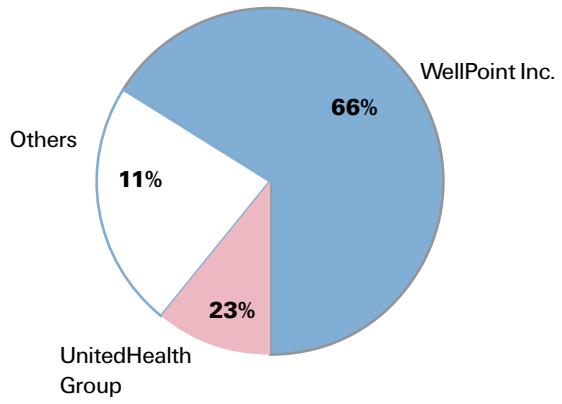
Ohio Consumers Pay the Price For Health-Insurance Market Failure

- WellPoint Inc.'s Anthem Blue Cross and Blue Shield subsidiary is Ohio's biggest health insurer, controlling 41 percent of the state commercial market. Together with Medical Mutual of Ohio, they hold 58 percent of the market.[1]
- Local markets are even more concentrated; in the Dayton area, WellPoint and UnitedHealth Group Inc. together hold 89 percent of the commercial market.[2]
- Health insurance premiums for Ohio working families have skyrocketed, increasing 76 percent from 2000 to 2007.[3]
- For family health coverage in Ohio during this period, the average annual combined premium for employers and employees rose from $6,596 to $11,636.[4]
- For family health coverage in Ohio from 2000 to 2007, the average employer's portion of annual premiums rose 75 percent, while the average worker's share grew by 80 percent.[5]
- From 2000 to 2007, the median earnings of Ohio workers increased 9 percent, from $25,017 to $27,255. During that time health insurance premiums for Ohio working families rose 8.5 times faster than median earnings.[6]

If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[7] The U.S Justice Department uses a rating system based on market share to determine if a market is concentrated or highly concentrated. If the market is rated from 1,000 to 1,800, it is considered to be "concentrated." Markets rated higher than 1,800 are deemed to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[8]

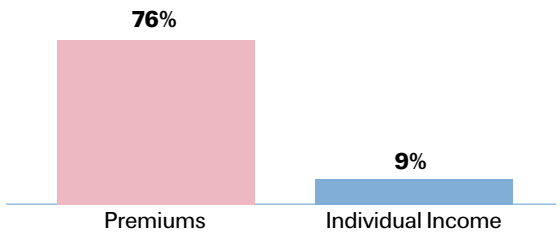
Commercial Health Insurance Market

Concentration in Dayton, Ohio, Area



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income in Ohio, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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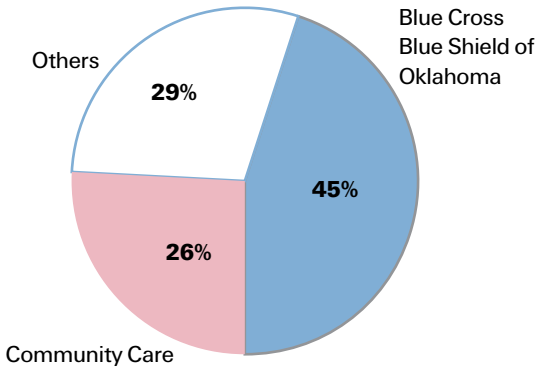
Oklahoma Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Oklahoma, the state's biggest health insurer, holds 45 percent of the commercial market. Together with CommunityCare they control 71 percent of the market.[1]
- Health insurance premiums for Oklahoma working families have skyrocketed, increasing 62 percent from 2000 to 2007.[2]
- For family health coverage in Oklahoma during this period, the average annual combined premium for employers and employees rose from $6,937 to $11,238.[3]
- For family health coverage in Oklahoma from 2000 to 2007, the average employer portion of annual premiums rose 57 percent, while the average worker share grew by 77 percent.[4]
- From 2000 to 2007, the median earnings of Oklahoma workers increased 19 percent, from $20,791 to $24,710. During that time health insurance premiums for Oklahoma working families rose 3.3 times faster than median earnings.[5]

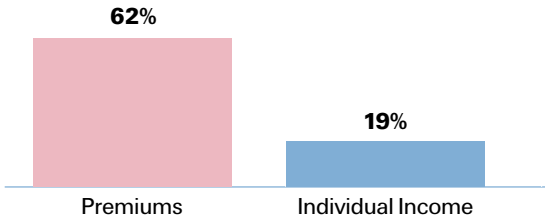
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Oklahoma Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Oklahoma, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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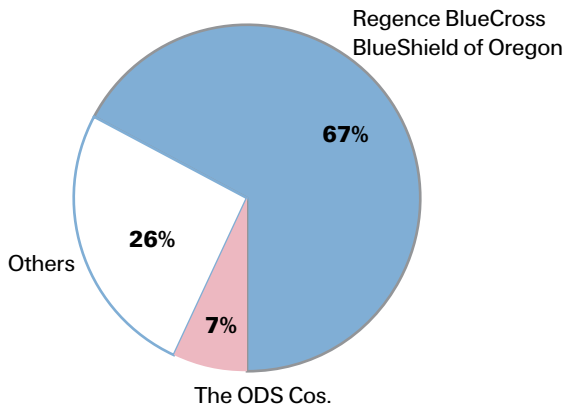
Oregon Consumers Pay the Price For Health-Insurance Market Failure

- Regence BlueCross BlueShield of Oregon, the state's largest health insurer, controlled 26 percent of the commercial market in 2008. Together with Providence Health & Services, they hold 52 percent.[1]
- Local markets are more concentrated; in Medford, Regence BlueCross BlueShield of Oregon and ODS Health Plans together hold 74 percent of the commercial market.[2,3]
- Health insurance premiums for Oregon working families have skyrocketed, increasing 85 percent from 2000 to 2007.[4]
- For family health coverage in Oregon during this time, the average annual combined premium for employers and employees rose from $6,654 to $12,321.[5]
- For family health coverage in Oregon from 2000 to 2007, the average employer's portion of annual premiums rose 77 percent, while the average worker's share grew by 111 percent.[6]
- From 2000 to 2007, the median earnings of Oregon workers increased 18 percent, from $22,401 to $26,444. During that time health insurance premiums for Oregon working families rose 4.7 times faster than median earnings.[7]

If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[8] The U.S Justice Department uses a rating system based on market share to determine if a market is concentrated or highly concentrated. If the market is rated from 1,000 to 1,800, it is considered to be "concentrated." Markets rated higher than 1,800 are deemed to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[9]

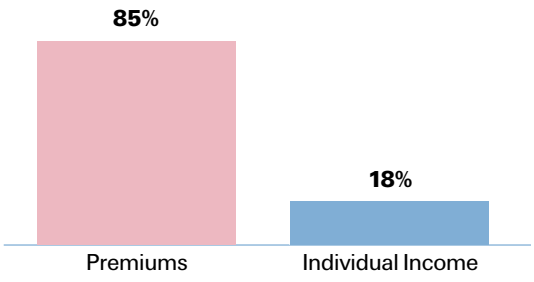
Commercial Health Insurance Market

Concentration in Medford, Oregon



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income in Oregon, 2000–2007



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[2] Ibid.

[3] Regence BlueCross BlueShield of Oregon lost a major state wide contract in 2009 that is likely to affect its market share. See http://www.thelundreport.org/resource/regence_loses_major_public_employee_contract.

[4] Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[5] Ibid.

[6] Ibid.

[7] Ibid.

[8] US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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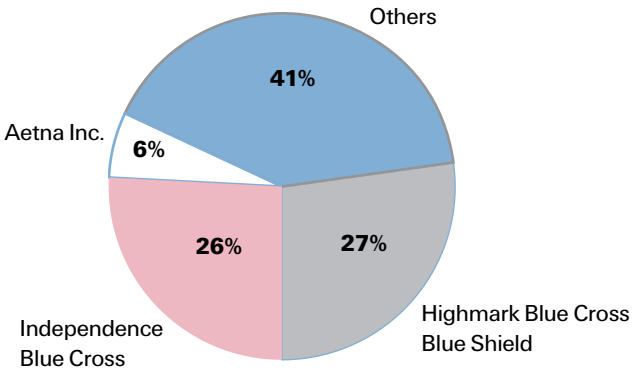
Pennsylvania Consumers Pay the Price For Health-Insurance Market Failure

- In 2007, the three largest insurers, Aetna Inc., Independence Blue Cross, and Highmark Blue Cross Blue Shield, posted combined profits of $381 million for business written in the state. From 2004 to 2007 Highmark's profits increased 22 percent even as membership fell 41 percent.[1]
- Health insurance premiums for Pennsylvania working families have skyrocketed, increasing 86 percent from 2000 to 2007.[2]
- For family health coverage in Pennsylvania during that time, the average annual combined premium for employers and employees rose from $6,721 to $12,513.[3]
- For family health coverage in Pennsylvania, the average employer's portion of annual premiums rose 76 percent, while the average worker's share grew by 128 percent.[4]
- From 2000 to 2007, the median earnings of Pennsylvania workers increased 13 percent, from $24,834 to $28,155. During that time health insurance premiums for Pennsylvania working families rose 6.4 times faster than median earnings.[5]

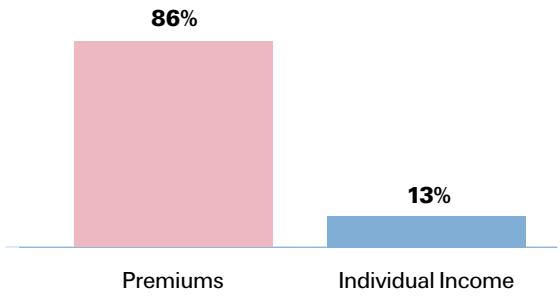
Pennsylvania Health and Accident Insurance Market

Concentration 2006



Source: National Association of Insurance Commissioners, "2006 Market Share Reports for the Top 125 Accident and Health Insurers by State and Countrywide"

Percent Increase in Premiums vs Income in Pennsylvania, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[4]Ibid.

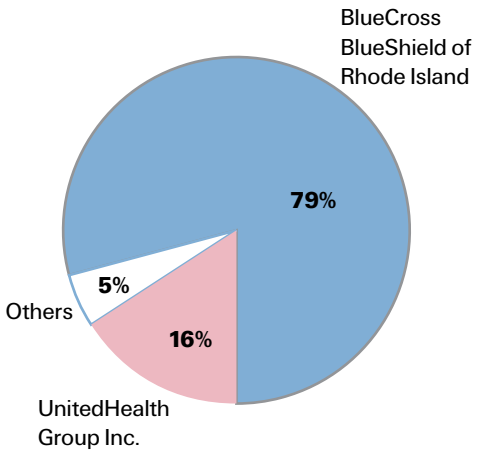
[5]Ibid.

Results of Market Failure in Rhode Island

- Blue Cross Blue Shield of Rhode Island, the state's biggest health insurer, holds 79 percent of the state commercial market. Together with UnitedHealth Group Inc., they control 95 percent of the market.[1]
- From 2004 to 2007 Blue Cross Blue Shield of Rhode Island's annual profits grew 331 percent to $61.3 million from $14.2 million. UnitedHealth's profit on Rhode Island business grew by 86.7 percent—from $13.4 million to $25.1 million—even as its membership dropped by 31 percent.[2]
- Health insurance premiums for Rhode Island working families have skyrocketed, increasing 83 percent from 2000 to 2007.[3]
- For family health coverage in Rhode Island during that time, the average annual combined premium for employers and employees rose from $6,904.[4]
- For family health coverage in Rhode Island, the average employer's portion of annual premiums rose 91 percent, while the average worker's share grew by 58 percent.[5]
- Between 2000 and 2007, the median earnings of Rhode Island workers increased 17 percent, from $26,164 to $30,566. During that time health insurance premiums for Rhode Island working families rose five times faster than median earnings.[6]

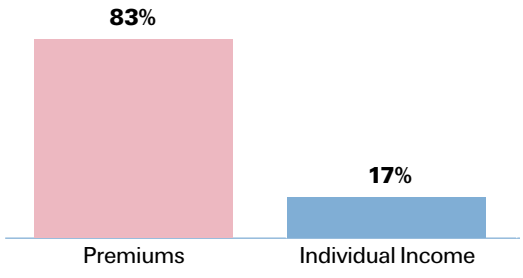
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

Rhode Island Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Rhode Island, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

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[2] Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.

[3] Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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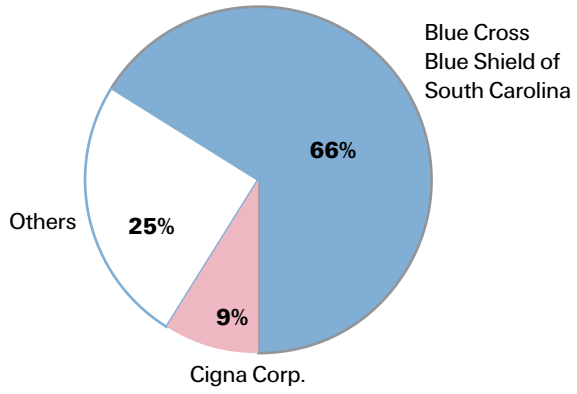
South Carolina Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross Blue Shield of South Carolina, the state's dominant insurer, controls 66 percent of the South Carolina commercial health insurance market. Together with Cigna Corp., the state's second largest health insurer, they hold 75 percent of the market.[1]
- Health insurance premiums for South Carolina working families have skyrocketed, increasing 76 percent from 2000 to 2007.[2]
- For family health coverage in South Carolina during that time, the average annual combined premium for employers and employees rose from $6,600 to $11,624.[3]
- For family health coverage in South Carolina, the average employer's portion of annual premiums rose 74 percent, while the average worker's share grew by 82 percent.[4]
- Between 2000 and 2007, the median earnings of South Carolina workers increased 13 percent, from $23,057 to $26,140. During that time health insurance premiums for South Carolina working families rose 5.7 times faster than median earnings.[5]

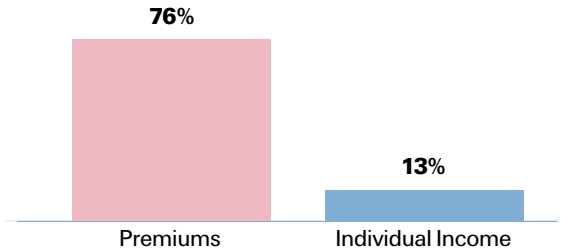
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

South Carolina Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in South Carolina, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[3]Ibid.

[4]Ibid.

[5]Ibid.

[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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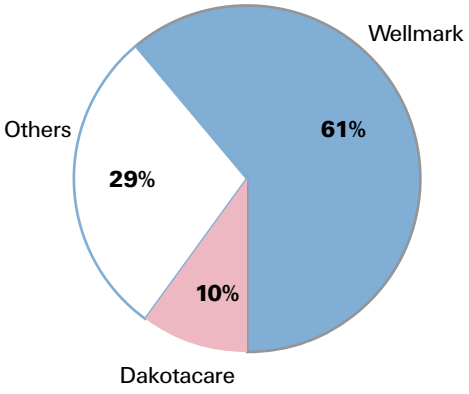
South Dakota Consumers Pay the Price For Health-Insurance Market Failure

- Wellmark Blue Cross and Blue Shield of South Dakota, the state's dominant health insurer, holds 61 percent of the state commercial market. Together with Dakotacare, they control 71 percent of the market.[1]
- Health insurance premiums for South Dakota working families have skyrocketed, increasing 55 percent from 2000 to 2007.[2]
- For family health coverage in South Dakota during that time, the average annual combined premium for employers and employees rose from $6,760 to $10,477.[3]
- For family health coverage in South Dakota, the average employer's portion of annual premiums rose 58 percent, while the average worker's share grew 46 percent.[4]
- From 2000 to 2007, the median earnings of South Dakota workers increased 17 percent, from $20,299 to $23,699. During that time health insurance premiums for South Dakota working families rose 3.3 times faster than median earnings.[5]

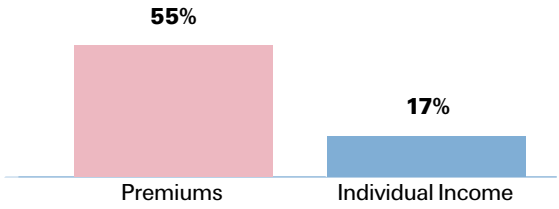
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

South Dakota Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income in South Dakota, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[3]Ibid.
[4]Ibid.
[5]Ibid.
[6]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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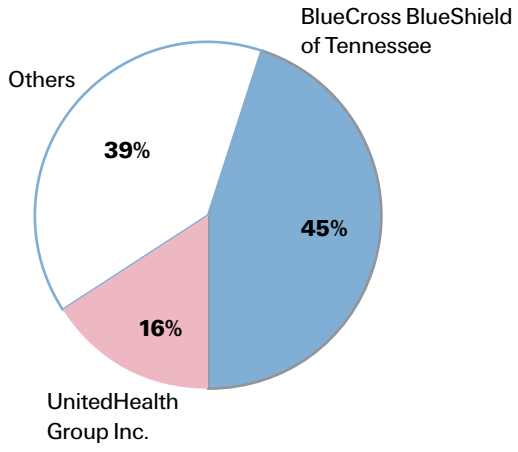
Tennessee Consumers Pay the Price For Health-Insurance Market Failure

- BlueCross BlueShield of Tennessee, the state's dominant health insurer, holds 45 percent of the commercial market. Together with UnitedHealth Group Inc., the state's second largest health insurer, they control 61 percent of the market.[1]
- Blue Cross Blue Shield of Tennessee recorded profit of $149 million in 2004. UnitedHealth reported a 721 percent increase in profit from its Tennessee operations from 2004 to 2007. During that time net earnings in the state climbed from $5.6 million to $46 million, while membership grew 28 percent.[2]
- Health insurance premiums for Tennessee working families have skyrocketed, increasing 62 percent from 2000 to 2007.[3]
- For family health coverage in Tennessee during that time, the average annual combined premium for employers and workers rose 62 percent from $6,550 to $10,606.[4]
- For family health coverage in Tennessee, the average employer's portion of annual premiums rose 58 percent, while the average worker's share grew by 73 percent.[5]
- Between 2000 and 2007, the median earnings of Tennessee workers increased 12 percent from $22,863 to $25,639. During that time health insurance premiums for Tennessee working families rose 5.1 times faster than median earnings.[6]

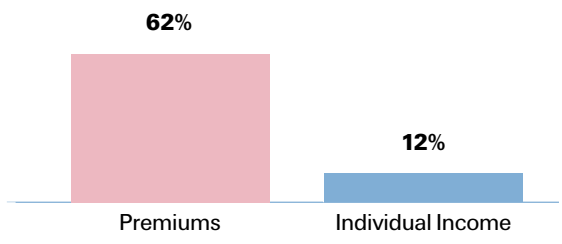
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

Tennessee Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income in Tennessee, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[2]Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf.
[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.
[4]Ibid.
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[6]Ibid.
[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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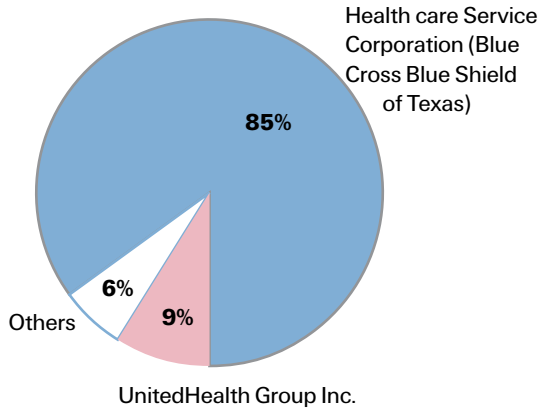
Texas Consumers Pay the Price For Health-Insurance Market Failure

- According to a 2008 AMA report, Health Care Service Corp., the biggest Texas health insurer, controls 44 percent of the state commercial market through its BlueCross BlueShield of Texas subsidiary. Together with UnitedHealth Group Inc., the second largest Texas health insurer, they hold 68 percent of the market.[1]
- Some local markets are even more concentrated. In Abilene, Health Care Service Corp. has an 85 percent commercial market share.[2]
- Health insurance premiums for Texas working families have skyrocketed, increasing 87 percent from 2000 to 2007.[3]
- For family health coverage in Texas during that time, the average annual combined premium for employers and employees rose from $6,638 to $12,403.[4]
- For family health coverage in Texas, the average employer's portion of annual premiums rose 88 percent, while the average worker's share grew by 83 percent.[5]
- From 2000 to 2007, the median earnings of Texas workers increased 15 percent, from $23,032 to $26,484. During that time health insurance premiums for Texas working families rose 5.8 times faster than median earnings.[6]

When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[7]

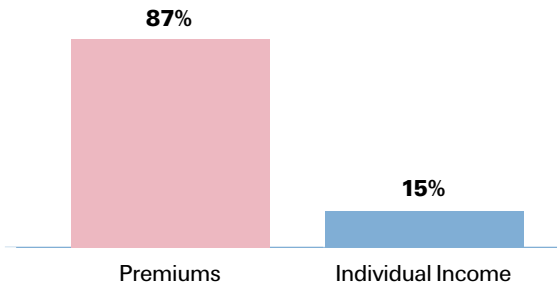
Commercial Health Insurance Market

Concentration in Abilene, Texas, Metro Area



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income in Texas, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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[4] Ibid.

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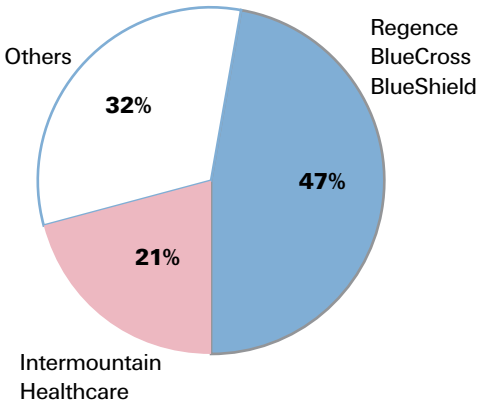
Utah Consumers Pay the Price For Health-Insurance Market Failure

- Regence BlueCross BlueShield of Utah, the state's dominant health insurer, holds 47 percent of the commercial market. Together with Intermountain Healthcare, the second largest, they control 68 percent of the market.[1]
- Health insurance premiums for Utah working families have skyrocketed, increasing 85 percent from 2000 to 2007.[2]
- For family health coverage in Utah during that time, the average annual combined premium for employers and employees rose from $6,305 to $11,644.[3]
- For family health coverage in Utah, the average employer's portion of annual premiums rose 83 percent, while the average worker's share grew by 92 percent.[4]
- From 2000 to 2007, the median earnings of Utah workers increased 17 percent, from $21,497 to $25,205. During that time health insurance premiums for Utah working families rose 4.9 times faster than median earnings.[5]

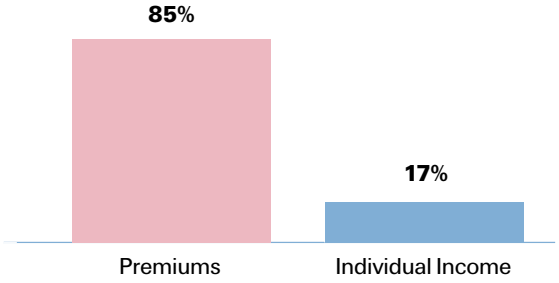
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Utah Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Utah, 2000–2007



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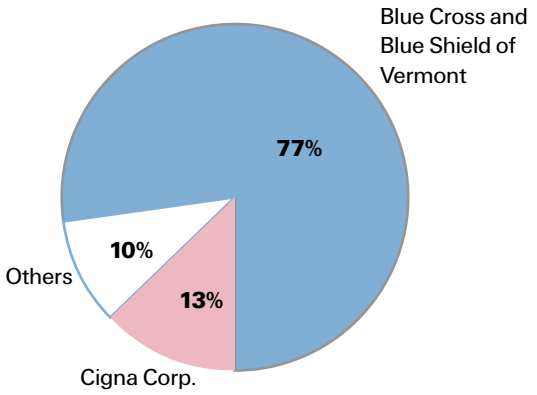
Results of Market Failure in Vermont

- Blue Cross and Blue Shield of Vermont, the state's dominant health insurer, holds 77 percent of the state's commercial market. Together with Cigna Corp. they control 90 percent of the market.[1]
- Health insurance premiums for Vermont working families have skyrocketed, increasing 75 percent from 2000 to 2007.[2]
- For family health coverage in Vermont during that time, the average annual combined premium for employers and employees rose from $7,054 to $12,340.[3]
- For family health coverage in Vermont, the average employer's portion of annual premiums rose 66 percent, while the average worker's share grew 115 percent.[4]
- From 2000 to 2007, the median earnings of Vermont workers increased 20 percent, from $22,155 to $26,585. During that time health insurance premiums for Vermont working families rose 3.7 times faster than median earnings.[5]

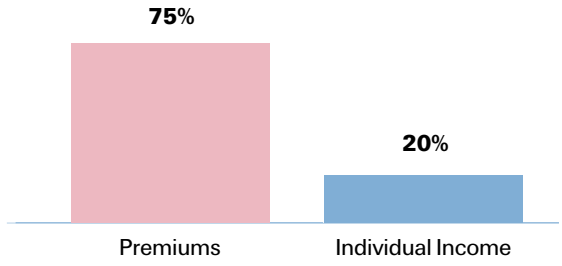
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Vermont Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Vermont, 2000–2007



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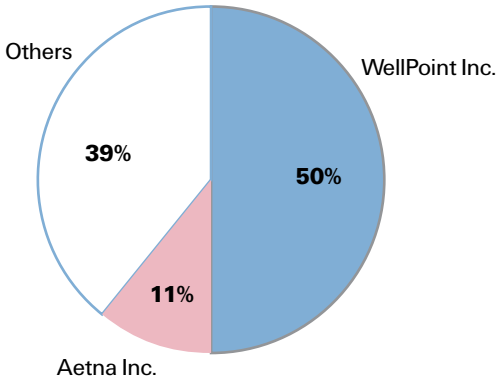
Virginia Consumers Pay the Price For Health-Insurance Market Failure

- WellPoint Inc., the state's dominant health insurer, holds 50 percent of the Virginia market through its Anthem subsidiary. Together with Aetna Inc., they control 61 percent of the commercial market.[1]
- Health insurance premiums for Virginia working families have skyrocketed, increasing 83 percent from 2000 to 2007.[2]
- For family health coverage in Virginia during that time, the average annual combined premium for employers and employees rose from $6,684 to $12,198.[3]
- For family health coverage in Virginia, the average employer's portion of annual premiums rose 81 percent, while the average worker's share grew 85 percent.[4]
- From 2000 to 2007, the median earnings of Virginia workers increased 20 percent, from $26,459 to $31,800. During that time health insurance premiums for Virginia working families rose 4.1 times faster than median earnings.[5]

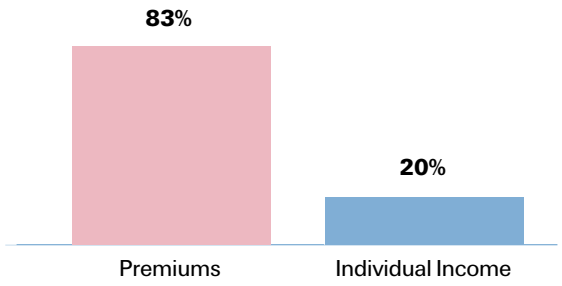
When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[6]

Virginia Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Virginia, 2000–2007



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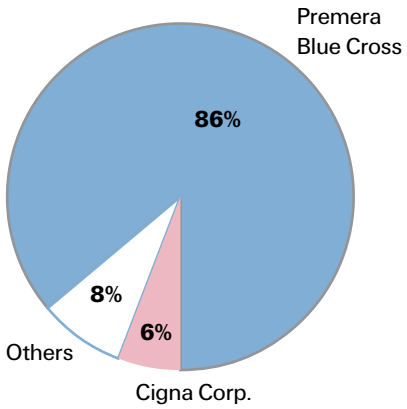
Washington Consumers Pay the Price For Health-Insurance Market Failure

- Premera Blue Cross, Washington's largest insurer, holds 38 percent of the commercial market. Together with Regence BlueShield, the second largest health insurer in the state, they control 61 percent of the market.[1]
- In Wenatchee, Premera Blue Cross holds 86 percent of the commercial market, and together with Cigna Corp., they control 92 percent.[2]
- Health insurance premiums for Washington working families have skyrocketed, increasing 87 percent from 2000 to 2007.[3]
- For family health coverage in Washington during that time, the average annual combined premium for employers and employees rose from $6,496 to $12,120.[4]
- For family health coverage in Washington, the average employer's portion of annual premiums rose 98 percent, while the average worker's share grew 60 percent.[5]
- From 2000 to 2007, the median earnings of Washington workers increased 16 percent, from $26,761 to $31,143. During that time health insurance premiums for Washington working families rose 5.3 times faster than median earnings.[6]

If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market "highly concentrated."[7] The U.S Justice Department uses a rating system based on market share to determine if a market is concentrated or highly concentrated. If the market is rated from 1,000 to 1,800, it is considered to be "concentrated." Markets rated higher than 1,800 are deemed to be "highly concentrated." This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.[8]

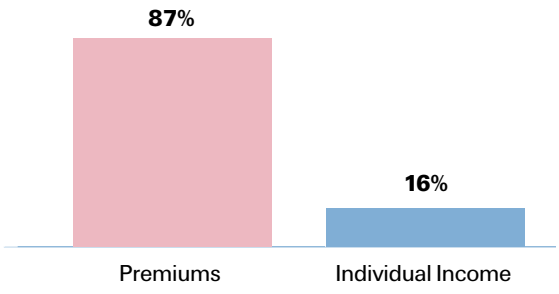
Commercial Health Insurance Market

Concentration in the Wenatchee, Washington, Metro Area



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Washington, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

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[2]Ibid.

[3]Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[4]Ibid.

[5]Ibid.

[6]Ibid.

[7]US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

[8]The HHI is used by the Department of Justice and the Federal Trade Commission in anti-trust proceedings. The HHI is the sum of the squared market shares of each firm in the market. The more competitive the market, the lower the HHI. The less competitive the market, the higher the HHI. An HHI above 1,800 is rated "highly concentrated." An HHI between 1,000 and 1,800 is considered "concentrated." Accessed at http://www.usdoj.gov/atr/public/testimony/hhi.htm.

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West Virginia Consumers Pay the Price For Health-Insurance Market Failure

- Coventry Health Care Inc., the state's biggest health insurer, controls 36 percent of the West Virginia commercial market. Together with Acordia Inc., the second largest, they control 54 percent of the market.[1]
- Some local markets are more concentrated. In Charleston, Coventry and Aetna Inc. together hold 67 percent of the commercial market.[2]
- Health insurance premiums for West Virginia working families have skyrocketed, increasing 75 percent from 2000 to 2007.[3]
- For family health coverage in West Virginia during that time, the average annual combined premium for employers and employees rose from $6,844 to $11,970.[4]
- For family health coverage in West Virginia, the average employer's portion of annual premiums rose 81 percent, while the average worker's share increased 56 percent.[5]
- From 2000 to 2007, the median earnings of West Virginia workers increased 19 percent, from $19,876 to $23,599. During that time health insurance premiums for West Virginia working families rose four times faster than median earnings.[6]

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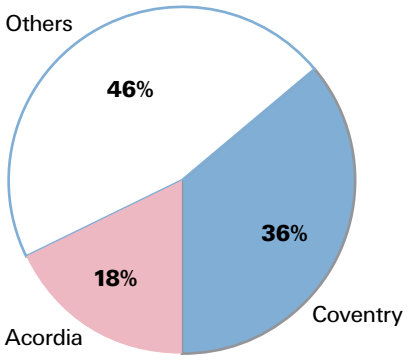
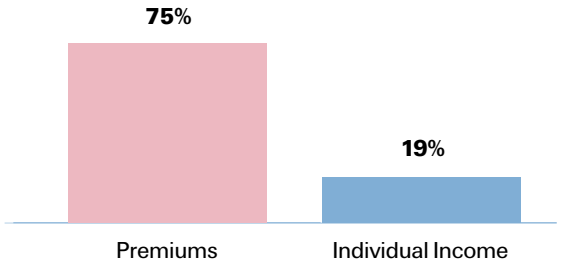
West Virginia Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2008 Update."

Percent Increase in Premiums vs Income in West Virginia, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

ENDNOTES

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[2] Ibid.

[3] Families USA, "Premiums versus Paychecks," September 2008. Accessed at http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html.

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html; American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf.

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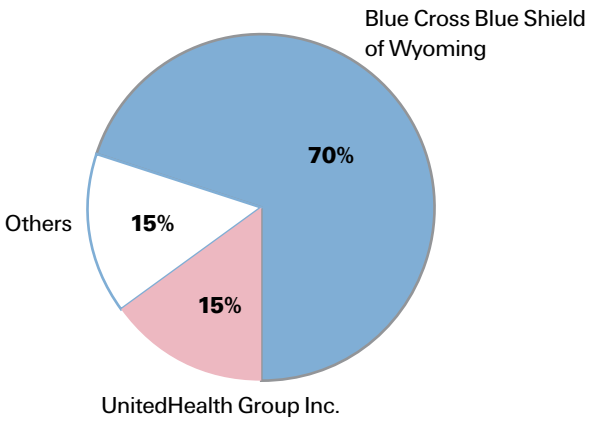
Wyoming Consumers Pay the Price For Health-Insurance Market Failure

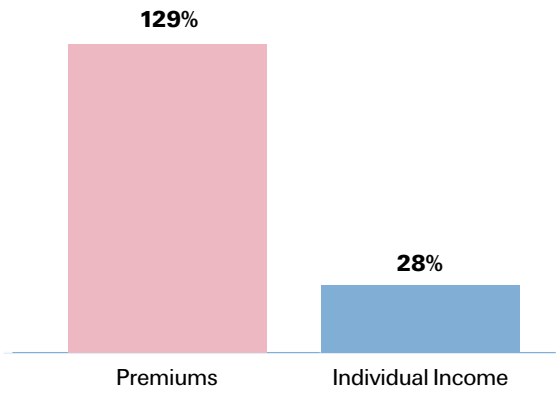
- The state's top insurer, Blue Cross Blue Shield of Wyoming, holds 70 percent of the commercial market. The second biggest, UnitedHealth Group Inc., controls 15 percent.[1]
- Health insurance premiums for Wyoming working families have skyrocketed, increasing 129 percent from 2000 to 2007.[2]
- For family health coverage in Wyoming during that time, the average annual combined premium for employers and employees rose from $5,605 to $12,824.[3]
- For family health coverage in Wyoming, the average employer's portion of annual premiums rose 121 percent, while the average worker's share increased 167 percent.[4]
- From 2000 to 2007, the median earnings of Wyoming workers increased 28 percent, from $20,765 to $26,561. During that time health insurance premiums for Wyoming working families rose 4.6 times faster than median earnings.[5]

Wyoming Commercial Health Insurance Market Concentration



Source: American Medical Association, "Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update."

Percent Increase in Premiums vs Income in Wyoming, 2000–2007



Sources: Families USA, "Premiums Versus Paychecks," September 2008.

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