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AMA to DOJ: Health insurer merger not in the public interest

The AMA, Nevada State Medical Association and Clark County Medical Society announced last week that they have filed joint comments with the Department of Justice (DOJ) urging it to withdraw from its proposed settlement with UnitedHealth Group and Sierra Health Services.

Unless abandoned by the DOJ or rejected by the federal district court in Washington, D.C., as "not in the public interest," the settlement would allow the two firms to merge and control 56 percent of the commercial insurance market for the purchase of physician services in the Las Vegas area.

The filed comments emphasize that the DOJ's settlement protects neither insurance beneficiaries from higher premiums nor physicians from fees falling below levels that would prevail in a competitive market. According to health economist David Dranove, the Northwestern University Walter McNERney Distinguished Professor of Health Industry Management, whose affidavit supported the AMA's comments, physicians who receive lower fees will be forced to do more with less, and consumers will not receive the level of service and quality associated with a competitive market.

Formerly the DOJ has blocked mergers substantially similar to the United-Sierra merger in order to resolve competition concerns. "The decision to approve the Sierra acquisition, despite the anti-competitive concerns in the Las Vegas market, was a step backward for the DOJ's enforcement actions," said AMA Immediate Past President William G. Plested III, MD. "If the DOJ has changed its enforcement policy on health insurance mergers, it should disclose the reasons for those changes so that the court can determine whether the proposed final judgment is in the public's interest."

[View](#) the full news release.