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EXECUTIVE VICE PRESIDENT, CEO

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January 25, 2017

The Honorable Marguerite Salazar  
Insurance Commissioner  
Division of Insurance  
Colorado Department of Regulatory Agencies  
1560 Broadway, Suite 850  
Denver, CO 80202

Re: UnitedHealth Group, Inc. proposed acquisition of Rocky Mountain Health Organization, Inc., and Rocky Mountain Health Care Options, Inc.

Dear Commissioner Salazar:

The American Medical Association (AMA) greatly appreciates the opportunity to comment on UnitedHealth Group, Inc.'s (United's) proposed acquisition of Rocky Mountain Health Organization, Inc. (RMHO) and Rocky Mountain Health Care Options, Inc. (RMHCO).

The AMA believes that competition, not consolidation, is the right prescription for health insurance markets. Competition can lower health insurance premiums and incentivize insurers to enhance patient care. Competition is likely to be greatest when there are many sellers, none of which have any significant market share. Unfortunately, many US health insurance markets are highly concentrated, meaning that typically there are only a few health insurers in those markets and those insurers possess significant market shares. Thus, many health insurance markets are no longer competitive, and this lack of competition hurts patient care. Due to the vast disparity in bargaining power between the few, dominant health insurers and most physicians in those noncompetitive markets, physicians cannot adequately address their patient access, quality of care, and patient advocacy concerns through negotiation. Dominant health insurers can also use their market power to pay physicians below competitive levels. This hinders physicians' ability to invest in new equipment, technology, training, staff, and other practice infrastructure that could improve the access to, and quality of, patient care, and may also force physicians to spend less time with patients to meet practice expenses.

This lack of competition can hurt patients financially as well, as dominant insurers do not face competitive pressure to create adequate provider networks. As a result, patients are more likely to encounter providers who are outside their network and thereby incur higher out-of-pocket costs. It is also well-established that greater consolidation leads to premium increases, as opposed to greater efficiency or lower health care costs.

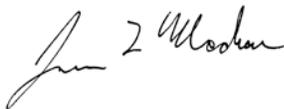
Therefore, the AMA encourages you to carefully scrutinize United's proposed acquisition of RMHO and RMHCO (acquisition) to ensure that a consummated acquisition will not adversely impact patients.

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We also understand that discussions are taking place concerning specific actions that United might be required to take subsequent to possible approval of the acquisition. One of these actions is United's proposal to study, and learn from, RMHP's physician business practices. As we understand it, United would then apply lessons learned to other parts of Colorado and the US. If your office and the involved parties are interested, the AMA might be able to meaningfully contribute to such a project in a least two ways. First, we could provide useful input from a national and state physician perspective concerning those aspects of United's physician relations that might benefit most from applying lessons learned from United's examination of the RMHP-physician experience. This input could help United evaluate what changes to its current business practices might have the most positive impact. Second, the AMA could help identify regional, state, or more local physician markets where the application of United's "lessons learned" would prove most effective. For example, we could assist United in identifying such potential physician markets via communications with state medical associations and national medical specialty societies. These kinds of communications could help United select those markets where local organized medicine might be a strong partner in helping United implement new or modified business practices.

Thank you again for the opportunity to comment on the acquisition, and for the opportunity to express the AMA's readiness to assist United in its proposed effort to "study, learn, and apply" RMHP's physician business practices. The AMA strongly supports the Colorado Medical Society's efforts to make the acquisition as beneficial as possible for patients, should you decide to approve the acquisition. If you or your staff would like to discuss the idea of AMA's participation, please contact Wes Cleveland, Senior Attorney, Advocacy Resource Center at [wes.cleveland@ama-assn.org](mailto:wes.cleveland@ama-assn.org), or (312) 464-4503.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L Madara". The signature is written in a cursive, flowing style.

James L. Madara, MD

cc: Colorado Medical Society