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June 4, 2012

Joshua H. Soven
Chief, Litigation I Section
Antitrust Division
U.S. Department of Justice
450 Fifth Street, NW
Suite 4100
Washington, DC 20530

Re: *United States v. Humana Inc. and Arcadian Management Services, Inc.*; Proposed Final Judgment and Competitive Impact Statement (1:12-cv-00464)

Dear Mr. Soven:

On behalf of the physician and medical student members of the American Medical Association (AMA), I write in regard to the complaint and proposed final judgment filed by the Department of Justice (DOJ) regarding the acquisition of Arcadian Management Services, Inc. ("Arcadian") by Humana Inc. ("Humana"). The AMA files these comments pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b-e) (the "Tunney Act"), because the DOJ's complaint and proposed final judgment address the important issue of health insurer consolidation. The consolidation of health insurance markets seriously impedes the proper functioning of health care markets overall, and oftentimes results in less care for patients, higher premiums, and interference with patient-physician relationships. The AMA supports the DOJ's careful review of health insurer mergers and the DOJ's proposed final judgment on the acquisition of Arcadian by Humana.

The DOJ's complaint asserts that the transaction would end the substantial "head-to-head" competition between Humana and Arcadian Medicare Advantage (MA) plans and impair competition in 45 counties located in Arizona, Arkansas, Louisiana, Oklahoma, and Texas. According to the DOJ's estimate, the acquisition would give Humana market shares ranging from 40 percent to 100 percent with respect to MA plans. These high market shares create a significant risk that the acquisition, if allowed to proceed unaltered, would give Humana anti-competitive market power in those 45 counties. MA plans in competitive markets have incentives to submit lower premium bids to the Centers for Medicare and Medicaid Services (CMS), have more robust physician networks, and seek high patient satisfaction and quality in order to retain members. In contrast, less competition between MA plans may decrease the plans' incentives to maintain seniors' access to health care providers and minimize out-of-pocket costs.

The AMA supports the DOJ's proposed final judgment regarding the acquisition of Arcadian by Humana and the DOJ's continued work to ensure that competition among insurers is sufficient to protect consumers.

Sincerely,

A handwritten signature in cursive script that reads "James L. Madara".

James L. Madara, MD