

Health Insurance Merger Threatens to Raise Consumer Costs, Outsource Jobs

Written by Citizen Action of Wisconsin, Robert Kraig
Friday, 25 March 2016 08:32

<http://newiprogressive.com/images/stories/S5/humana-gb-s5.jpg>



Advocates send letter of concern to Walker's Insurance Commission Hearing on Humana and Aetna merger next week. Humana employs over 3,000 people in Green Bay, jobs that could be outsourced to other states.

STATEWIDE - A proposed merger between two of the five largest health insurers in the U.S., Humana and Aetna, could have major ramifications for health insurance costs and employment in Wisconsin. Such mergers increase health insurance rates for consumers, according to academic research.

In addition, Humana employs over 3,000 people in Green Bay, jobs that could be outsourced to other states.

Advocates for consumers and workers [sent a letter to the Wisconsin Office of the Commissioner of Insurance](#) (OCI), the Walker Administration's insurance regulation agency, on Wednesday raising concerns about the merger. OCI has the power to either block the merger or set conditions to protect the interest of Wisconsin consumers. OCI will have a hearing on the proposed merger [March 30th in Madison.](#)

The CEO of Humana, Bruce Broussard, will receive a [golden parachute of over \\$40 million](#) as a result of the deal.

“It is imperative that Wisconsin not allow big insurance companies to further rig the health care system against health consumers and workers,” said Robert Kraig, Executive Director of Citizen Action of Wisconsin. “This goliath will have an outsized influence in health insurance markets across the nation. If the outgoing CEO of Humana is getting a \$40 million dollar golden parachute, the least they can do is guarantee Wisconsinites that their health insurance premiums will not not skyrocket and jobs will not be outsourced.”

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The Walker Administration could block the merger, or it could impose conditions. Some of the conditions suggested in [the letter from advocates for consumers and workers](#) include

1.

Requiring premium stability or heightened rate control for a number of years post-merger.

2.

Requiring that the merged company pass along any cost savings associated with the merger to consumers, in the form of lower premiums and deductibles.

3.

Requiring the merged company to enter the Wisconsin Exchange.

Citizen Action of Wisconsin further proposes that the new company should guarantee no reduction in its Wisconsin workforce. Humana currently employs over 3,000 people in Green Bay and 3,700 workers statewide.

Signatories to the letter include Citizen Action of Wisconsin, Consumers Union, ABC for Health, Wisconsin Federation of Nurses and Health Professionals, Coalition of Wisconsin Aging Groups, Wisconsin Farmers Union, National Association of Social Workers Wisconsin Chapter, National Alliance on Mental Illness Wisconsin, Wisconsin AFL CIO, WISPIRG, Consumer Action, Consumer Federation of America, SEIU Health Care Wisconsin, U.S. PIRG, Wisconsin Jobs Now, American Federation of State, County and Municipal Employees (AFSCME), and 9 to 5 Association of Working Women, Wisconsin.