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Deal with Big Health Insurance could result in outsourcing of over 3,000 Wisconsin jobs and higher health insurance rates.

MADISON - Late last week Governor Walker's Commission of Insurance, Ted Nickel, approved the merger of health insurance giants Humana and Aetna without any significant conditions. The Office of the Commissioner of Insurance (OCI) made no public announcement of the decision.

The [final decision](#) and the hearing examiner's [report](#) swept all of the objections raised by consumer advocates under the rug. The hearing examiner's report went as far as to stipulate to that the "competence and integrity" of Aetna's management was such that it was in the public interest to approve the merger. Aetna was one of the national insurance companies that used to engage in ethically deplorable business practices before they were outlawed, including profiting from discrimination against people with pre-existing conditions.

OCI could have required the combined company not to outsource the over 3,000 Humana jobs in Green Bay. Instead, OCI simply requires notification of jobs cuts for three years, without any public recourse if the jobs are eliminated. OCI also could have put in safeguards against large health insurance rate increases, but choose to do nothing to protect health care consumers.

The lawyers representing Aetna and Humana touted \$1.7 billion in savings due to the merger at the public hearing on March 30, but did not comment on whether these savings came in part from outsourcing jobs in Wisconsin. OCI has broad authority under Wisconsin law it could have used to either block the merger or set conditions to protect the interest of consumers and workers. Senator Dave Hansen and Representative Eric Genrich asked OCI to require that there be [no net job reductions as a result of the merger](#).

On March 18 organizations advocating for consumers and workers [sent a letter](#) raising concerns about the merger. The letter includes academic research that such mergers have

Walker Administration Rubber Stamps Humana, Aetna Merger

Written by Citizen Action of Wisconsin, Robert Kraig
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always increased health insurance rates, and that savings from consolidation are not passed on to consumers.

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

“It is outrageous that the Walker Administration is doing nothing to safeguard Wisconsin jobs or protect health care consumers in return for allowing this mega health insurance merger to go forward,” said Robert Kraig, Executive Director of Citizen Action of Wisconsin. “It is deeply troubling that the Walker Administration is allowing big insurance companies to further rig the health care system against health consumers and workers.”

The Walker Administration could have blocked the merger, or it could have imposed 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 proposed that the new company should guarantee no reduction in its Wisconsin workforce. Humana currently employees over 3,000 people in Green Bay and 3,700 workers statewide.