



November 9, 2015

Marguerite Salazar  
Commissioner of Insurance  
Colorado Division of Insurance  
*via email to: Marguerite.Salazar@state.co.us*

Dear Commissioner Salazar:

On behalf of our more than 100 hospital and health system members statewide, the Colorado Hospital Association (CHA) is writing regarding highly-publicized insurance company mergers, namely potential consolidation of Aetna and Humana, as well as Anthem and Cigna.

In your capacity as the Colorado Commissioner of Insurance, and also as a member of the National Association of Insurance Commissioners' (NAIC) Health Insurance and Managed Care Committee and as Chair of the NAIC Consumer Liaison Committee, CHA has two requests. First, we ask that the Colorado Division of Insurance conduct a Colorado-specific review of these consolidations on our insurance market, paying particular attention to the impact on rural communities, where insurance competition has traditionally been less than in Colorado's urban areas. Second, we – in partnership with the American Hospital Association (AHA) – ask that you urge NAIC to establish a special committee to study the impact of these transactions across the country.

In their issues consistent complementary assessments, the Division of Insurance and an NAIC special committee should, at a minimum, consider the following with the standards established by NAIC's Model Legislation for Insurance Holding Companies, which Colorado adopted with near-unanimous support in 2014 (Senate Bill 14-152):

1. Whether the transactions would substantially lessen competition in Colorado or other markets across the nation.
2. Whether the acquiring companies have plans to make any material change in corporate structure or management that is unfair to policyholders or contrary to the public interest. In this analysis, we ask that change-in-control payments also be reviewed.
3. Whether the transactions would be prejudicial to policyholders or to the insurance buying public. This is a different and much broader standard than the Act's competition standard.

The experience the Colorado Division of Insurance can bring to these pending transactions will help Coloradans and consumers nationwide better understand the potential effects of the transactions on health care costs, quality of care, and access to care.

Thank you for your time and consideration. CHA looks forward to working with you as this issue evolves.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven J. Summer', written in a cursive style.

Steven J. Summer  
President and Chief Executive Officer