THE GREENLINING INSTITUTE
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March 25, 2016

Dave Jones
California Department of Insurance (CDI)
300 Capitol Mall, Suite 1600
Sacramento, CA 95814

RE: Proposed merger between Anthem and Cigna – Oppose

Dear Commissioner Jones:

The Greenlining Institute writes to express our concerns regarding the proposed merger between Anthem and Cigna due to a lack of public benefits for consumers of color. As a majority-minority state, Anthem and Cigna must acknowledge their obligation to serving the needs of communities of color. Greenlining strives to uplift the needs of communities of color who face some of the most challenging barriers to good health and economic stability. This proposed merger threatens to perpetuate systemic inequities, especially considering Anthem's history of limited provider networks, rising premiums, and substandard degree of access to care. Greenlining urges CDI to not approve this merger unless the needs of communities of color are addressed.

In order to most effectively meet the needs of their consumers, Anthem and Cigna must also adopt best practices that seek to combat the economic, and health disparities that disproportionately affect communities of color. The following areas outline our concerns regarding this merger.

I. NON-TRANSPARENT AND INEQUITABLE ACCESS TO HEALTH COVERAGE

Communities of color comprise over 60 percent of California's population; moreover, Latino, Asian, and African-Americans account for 86 percent of the state's remaining uninsured.[1,2] Similarly, 25 percent of Californians reported speaking English "not at all" or "not well."[3] These demographics, coupled with Anthem's history of misrepresenting enrollment benefits, pose significant problems for communities of color.[4]

CDI must not allow this merger to proceed without adequate reassurances addressing the needs of communities and non-English speaking consumers. Should Anthem be permitted to acquire Cigna without the strong measures requiring transparency and engagement with vulnerable populations, then Anthem's negligence will have a more detrimental impact on California's patient population. Greenlining recommends that Anthem expand its provider network, especially to regions

[1] U.S. Census Bureau. (2014). *California QuickFacts*. Retrieved from http://quickfacts.census.gov/qfd/states/06000 html
[2] Lucia, L.; Dietz, M.; Jacobs, K.; Chen, X.; Kominski, G. (2015). *Which Californians will Lack Health Insurance Under the Affordable Care Act?*. Retrieved from http://healthpolicy.ucla.edu/publications/Documents/PDF/2015/ uninsuredbrief-jan2015.pdf
[3] United States Census Bureau. (2013). *Language Use in the United States: 2011*. Retrieved from https://www. census.gov/prod/2013pubs/acs-22.pdf
[4] McDermott, Will, & Emery. (2015). *Challenges Facing "Narrow" Provider Networks on the ACA Health Care Insurance Exchanges*. Retrieved from http://www.mwe.com/files/Uploads/Documents/News/Challengs-Facing-Narrow-Provider-Networks.pdf

where geographic barriers obstruct access to health care. Furthermore, Anthem must ensure that the most vulnerable regions are allowed access to coverage – especially considering these communities oftentimes have the highest concentration of people of color.

II. ANTHEM MUST REFLECT CALIFORNIA'S POPULATION AT ALL LEVELS

Anthem must acknowledge the dire need for greater diversity at all levels, especially among executive and board-level management. Currently, there is a severe lack of diversity among senior decision-makers for both Anthem and Cigna. Neither can adequately serve Californians unless they reflect the populations that they serve.

Anthem needs to commit to training, recruiting, and hiring a diverse workforce that reflects California's population. Doing so will provide good-paying, high-quality jobs for Californians, and in turn, will strengthen the state's economy. Furthermore, Anthem must diversify its senior executive and board-level management. If Anthem elects to perpetuate the same institutional biases in selecting its key decision-makers, then consumers should expect this merger to continue to reflect an out-of-touch organization that does not seek to improve health outcomes in California. CDI must push Anthem to recognize the importance of racial equity, not just in terms of improving health outcomes, but also in creating a diverse and inclusive leadership structure.

III. ANTHEM SHOULD BUILD UPON ITS SUPPLIER DIVERSITY RECORD

Supplier diversity promotes economic development in diverse communities, and generates a better return on investment by increasing competition and diversity in the supply chain. Because California represents the largest market for minority-owned businesses, supplier diversity can also create opportunities for groups who are disproportionately affected by poor economic conditions. As an anchor institution seeking to expand its influence over the market, Anthem has an obligation to prop up the communities they depend on. Specifically, Anthem must commit to building its network with small, minority-owned businesses, which are a key engine of economic development for communities of color. An inclusive procurement process needs to be a central requirement of this proposal.

From 2013-2014, Anthem more than doubled its supplier diversity investments; however, they also spent nearly $1 million less on partnerships with African-American and Latino businesses.[5] This trend signifies a step in the wrong direction, and one that has important consequences to the health of communities of color given the direct link between health and wealth.

However, while Anthem has built a solid supplier diversity record, Cigna has made almost no effort to prioritize supplier diversity. From 2013-2014, their investments in diverse businesses barely increased from 0.37 percent to 0.60 percent.[6] Moreover, their investments in African-American businesses decreased from an abysmal $301 in 2013, to a mere $23 in 2014.[7]

[5] California Department of Insurance. (2015). *2015 Insurer Supplier Diversity Survey – ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY*. Retrieved from http://www.insurance.ca.gov/diversity/10-isds/2015/upload/ISD-2015-Anthem-Blue-Cross-Life-and-Health-Insurance-Company.pdf
[6] California Department of Insurance. (2015). *2015 Insurer Supplier Diversity Survey – CIGNA HEALTH GROUP*. Retrieved from http://www.insurance.ca.gov/diversity/10-isds/2015/upload/ISD-2015-Cigna-Health-Group.pdf
[7] Ibid.

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CDI must hold Anthem accountable by setting clear benchmarks, and mandating stringent guidelines for increasing supplier diversity. This merger represents a prime opportunity to leverage Anthem's expanded resources in order to create a fairer, more equitable supplier network, which will benefit California's network of minority-owned businesses.

IV. ANTHEM MUST INCREASE PHILANTHROPY AND PUBLIC BENEFIT INVESTMENTS, PARTICULARLY IN UNDERSERVED COMMUNITIES

If Anthem's resources and investment potential are allowed to expand, Greenlining strongly advocates that CDI mandate strong measures for upstream, preventive health investments. Anthem must pledge its commitment to investing in vital community health resources such as affordable housing, environmental improvements, jobs and workforce development, grants to community-based organizations, and other strategies that target the root cause of poor health.

Anthem and Cigna must recognize their obligation to holistically improving health outcomes for all Californians, not just by providing access to health coverage. Should this merger proceed, Anthem's expanded capacity will allow for greater investments in public health services that reduce health disparities and promote health equity.

We cannot support this merger unless Anthem and Cigna are required to invest more in communities through grant dollars, workforce development, diversity amongst company decision-makers, and supplier diversity investments. We urge CDI to consider what type of future this merger will leave for young people of color in California.

V. CONCLUSION

If this merger proceeds without a clear commitment to improving health and economic outcomes for communities of color, then California will continue to suffer from systemic barriers that have led to such blatant health and wealth disparities. If Anthem is truly committed to serving California's growing communities of color, Greenlining urges Anthem to establish robust partnerships with consumers and health equity advocates across the state in order to institutionalize diversity and inclusion as core principles. Furthermore, Anthem must engage with minority-owned businesses in order to most effectively assess and address the needs of underserved communities of color throughout California.

If you have any questions, please feel free to contact us. Thank you for your consideration.

Sincerely,

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