



April 21, 2016

Kayte Fisher, Attorney
California Department of Insurance
300 Capitol Mall, Suite 1600
Sacramento, CA 95814

RE: Aetna-Humana

Dear Ms. Fisher,

As the healthcare industry continues to experience consolidation, there has been a lot of discussion around the impact these changes will have on patients, providers and employers. From our perspective, we have seen and think we will continue to experience positive changes to the healthcare industry due to increased collaboration between payors and providers.

MemorialCare has had a longstanding, mutually beneficial partnership with Aetna in Southern California. We have contracted with Aetna for over thirty years, and as a health plan they have always sought to establish fair and equitable rates with our health system. Humana, on the other hand, is a relatively new health plan in our market, and they have very low membership in our service area that is predominately Medicare Advantage. The pending merger between Aetna and Humana will not create any issues for MemorialCare, and in fact will have some positive attributes for our system.

From an operational standpoint, it is easier and less costly for providers to deal with fewer health plans. It reduces our administrative burden and allows us to utilize more resources to improve quality and patient experience. In fact, MemorialCare has recently partnered with Aetna on a new product called Aetna Whole Health. This collaboration has created the structure and incentives for MemorialCare to work side by side with Aetna to improve clinical outcomes, manage inefficiency and waste, and provide a superior patient experience. This partnership directly translates to better value for employers and consumers in the Southern California market.

Consolidation in the healthcare market is inevitable, and it can lead to great things when it is focused on providing increased value for the people we jointly serve. We look forward to continuing our strong partnership with Aetna/Humana to provide higher levels of care, service and value to our community.

Sincerely,

John Cascell
Vice President, Managed Care