



Department of Justice

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**AMERIGROUP CORP.'S DIVESTITURE OF ITS VIRGINIA OPERATIONS
ADDRESSES DEPARTMENT OF JUSTICE'S CONCERNS WITH WELLPOINT INC.'S
PROPOSED ACQUISITION OF AMERIGROUP**

Divestiture Will Maintain Competition in Medicaid Managed Care Plans

WASHINGTON – The Department of Justice announced today that Amerigroup Corp.'s sale of its subsidiary, Amerigroup Virginia Inc., addresses the department's concerns with WellPoint Inc.'s proposed acquisition of Amerigroup. The department said that the merger, as originally proposed, would have substantially lessened competition in the provision of Medicaid managed care plans in Northern Virginia. WellPoint and Amerigroup are the only two providers of Medicaid managed care plans in Northern Virginia.

Amerigroup has agreed to sell Amerigroup Virginia to the Inova Health System Foundation. Today, the department closed its investigation of the sale of Amerigroup Virginia to the Inova Health System Foundation, allowing the parties to proceed to consummate their transaction. The department worked closely with the Virginia Attorney General's office in reviewing that transaction.

"The divestiture of Amerigroup Virginia will ensure continued competition in the markets for Medicaid managed care plans in Northern Virginia," said Acting Assistant Attorney General Renata B. Hesse in charge of the Department of Justice's Antitrust Division. "Preserving competition in health care markets is vital to ensuring that consumers receive better and more innovative health care services."

Without the divestiture, WellPoint's proposed acquisition of Amerigroup would result in a merger to monopoly in Medicaid managed care in Arlington, Culpeper, Fairfax, Fauquier, Frederick, Loudon, Prince William, Rappahannock and Warren counties, plus the cities of Alexandria, Falls Church, Fairfax and Manassas Park. No new Medicaid managed care plan has entered these areas since 2005. The divestiture ensures that Medicaid beneficiaries in Northern Virginia will continue to have a choice of at least two Medicaid managed care entities.

The Virginia Medicaid managed care program provides enrollees with access to preventive and coordinated care through managed care organizations, including WellPoint and Amerigroup.

WellPoint and Amerigroup compete in Northern Virginia on the breadth and quality of their provider networks of physicians, hospitals and pharmacies; plan design; service; care management; and programs and services to improve the health status of Medicaid enrollees, such as immunization incentives, disease prevention and health education. Congress has recognized the importance of choice to Medicaid beneficiaries by generally requiring that states give beneficiaries a choice of at least two Medicaid managed care entities if the state requires beneficiaries to enroll in managed care plans.

WellPoint is headquartered in Indianapolis, and is a licensee of the Blue Cross and Blue Shield Association. WellPoint and its subsidiaries serve more than 65 million members and had 2011 revenues of \$60.7 billion.

Amerigroup Corporation is headquartered in Virginia Beach, Va., and coordinates services for individuals in publicly funded healthcare programs. Amerigroup serves more than 2 million members and had 2011 revenue of more than \$6 billion.

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