



U.S., et al. v. Anthem, Inc. and Cigna Corp.

Plaintiffs' Opening Statement

Anthem recognizes national accounts as a separate market

https://antheminc.com/AboutAnthemInc/CustomerSegments/index.htm, as of Oct. 8, 2016

NYSE - ANTM 121.90 ▲ 0.45 (0.37%)
as of 10/8/2016 5:14:42 PM

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Anthem

Home About Anthem, Inc. Companies News & Media Investors Corporate Responsibility Careers

About Anthem, Inc.

- Purpose, Vision and Values
- Company History
- Business Strategy
- Customer Segments**
- Products & Services
- Leadership
- Government Relations

Customer Segments



Anthem, Inc. has long recognized that one size does not fit all. The company's affiliated health and specialty plans are organized around the following customer segments:

National Accounts	National Accounts are generally multi-state employer groups primarily headquartered in an Anthem, Inc. service area with 5,000 or more eligible employees, of which at least 5% are located outside of the headquarter state.
Local Group	Local Group includes customers with less than 5% of eligible employees located outside of the headquarter state, as well as customers with up to 5,000 eligible employees.
Individual	Individual customers under age 65 and their covered dependents.
Medicare Programs	Medicare-eligible individual members age 65 and over who have enrolled in Medicare Advantage, a managed care alternative for the Medicare program, or who have purchased Medicare Supplement.

See Also

- Press Releases
- Frequently Requested Materials
- 2015 Annual Report
- Corporate Responsibility Report

National Accounts

National Accounts are generally multi-state employer groups primarily headquartered in an Anthem, Inc. service area with 5,000 or more eligible employees, of which at least 5% are located outside of the headquarter state.

National Insurers: 4-to-3



BlueCross
BlueShield



UnitedHealthcare®

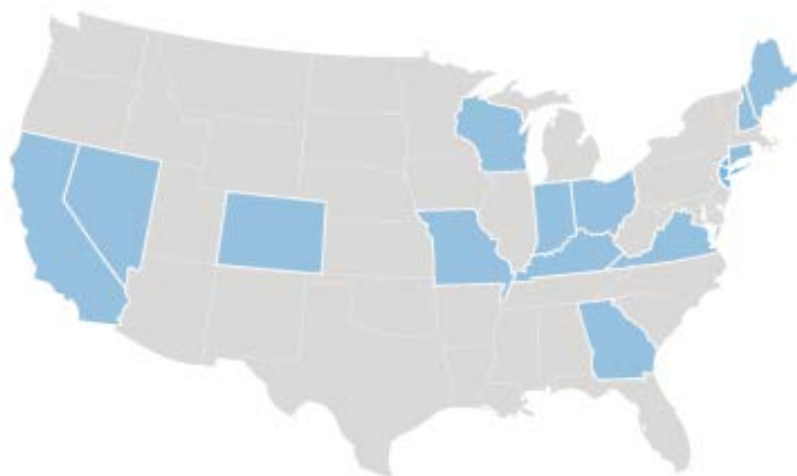


Cigna®

aetna®

National Accounts: Two Relevant Geographic Markets

14 Anthem States



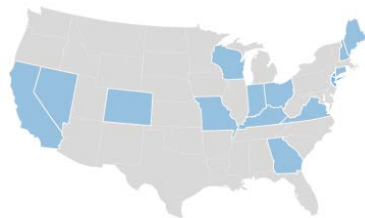
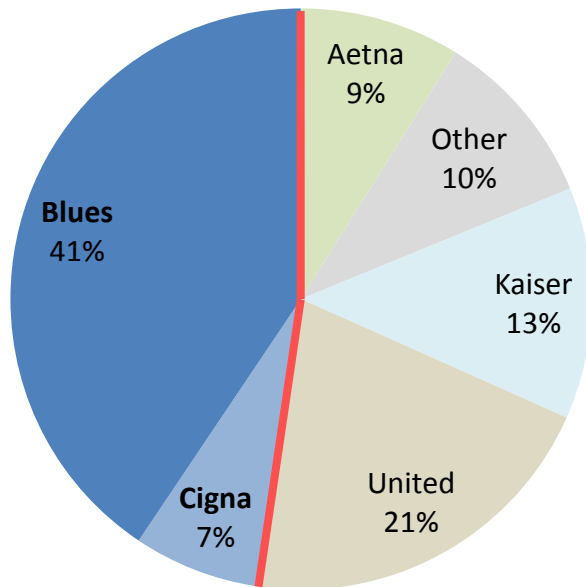
U.S. Market



The merger is presumptively unlawful in the national accounts market

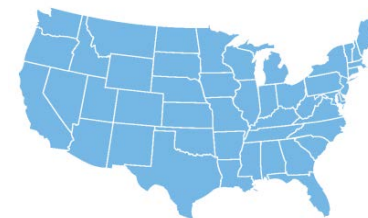
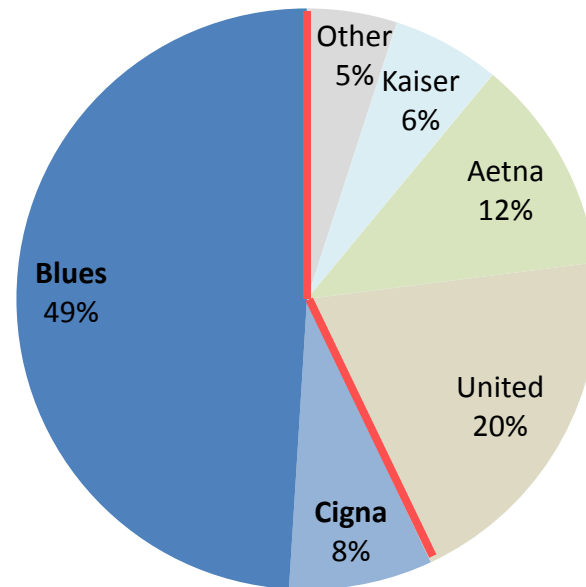
14 Anthem States

Market Share (5,000 or more employees)

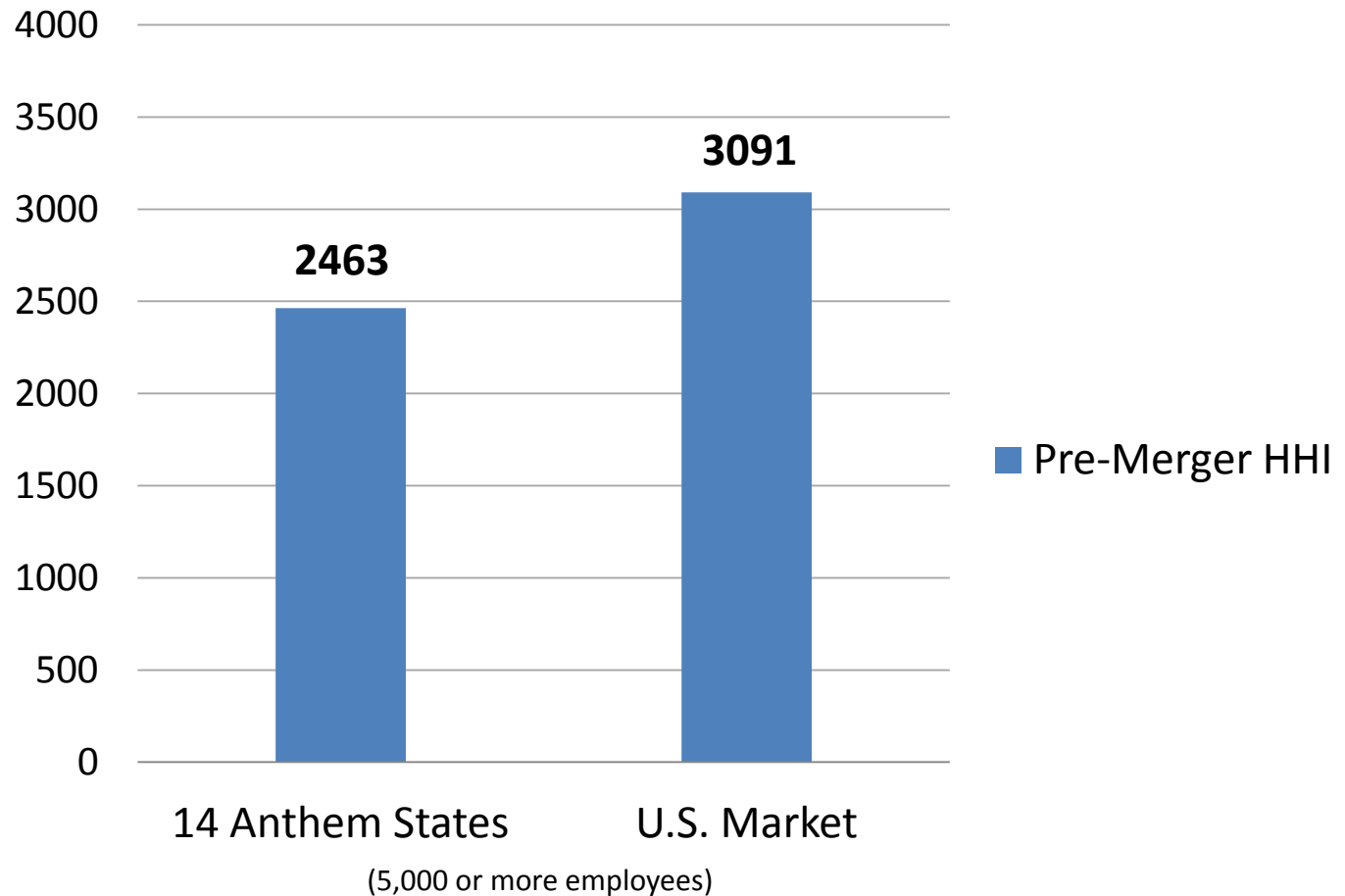


U.S. Market

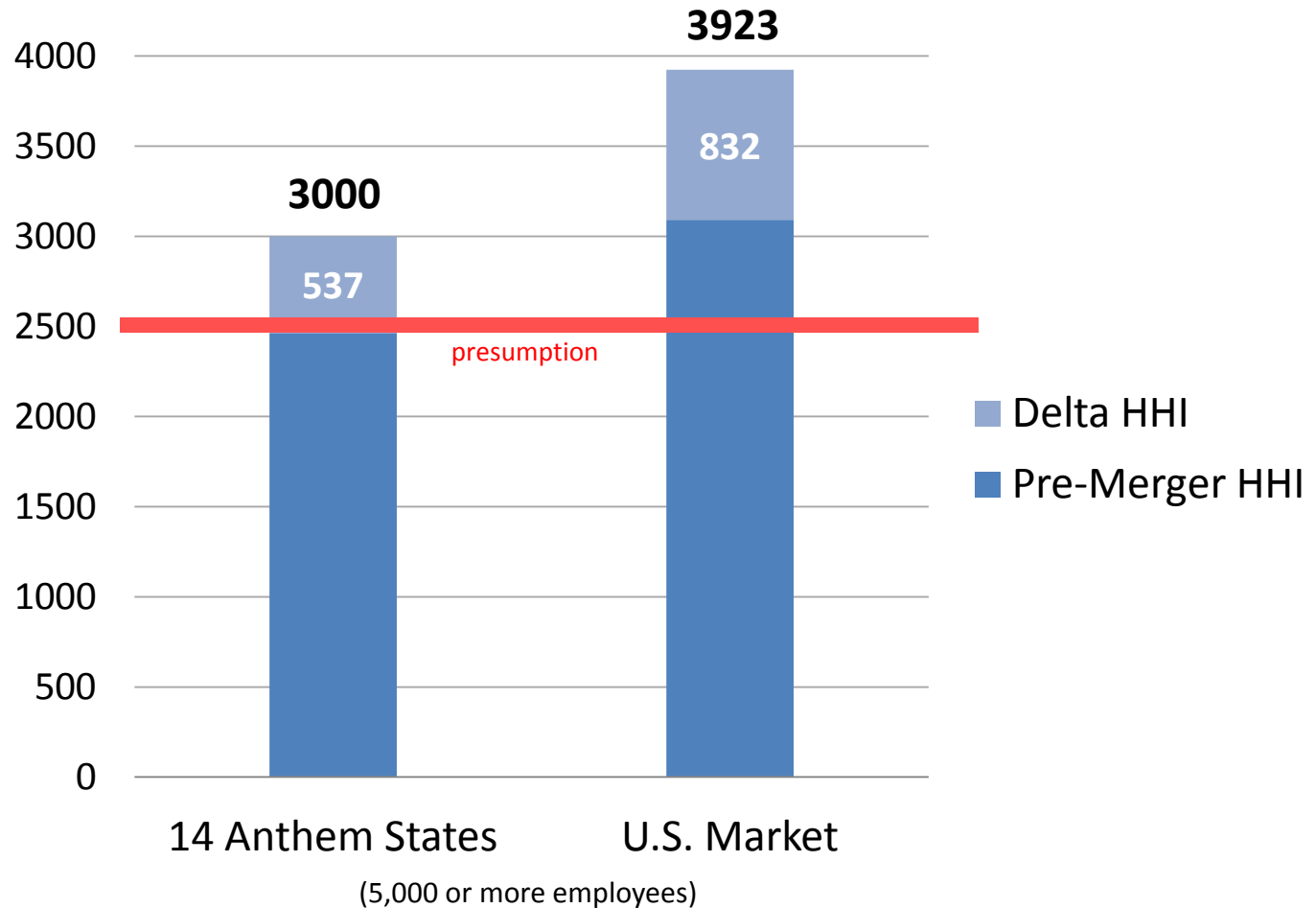
Market Share (5,000 or more employees)



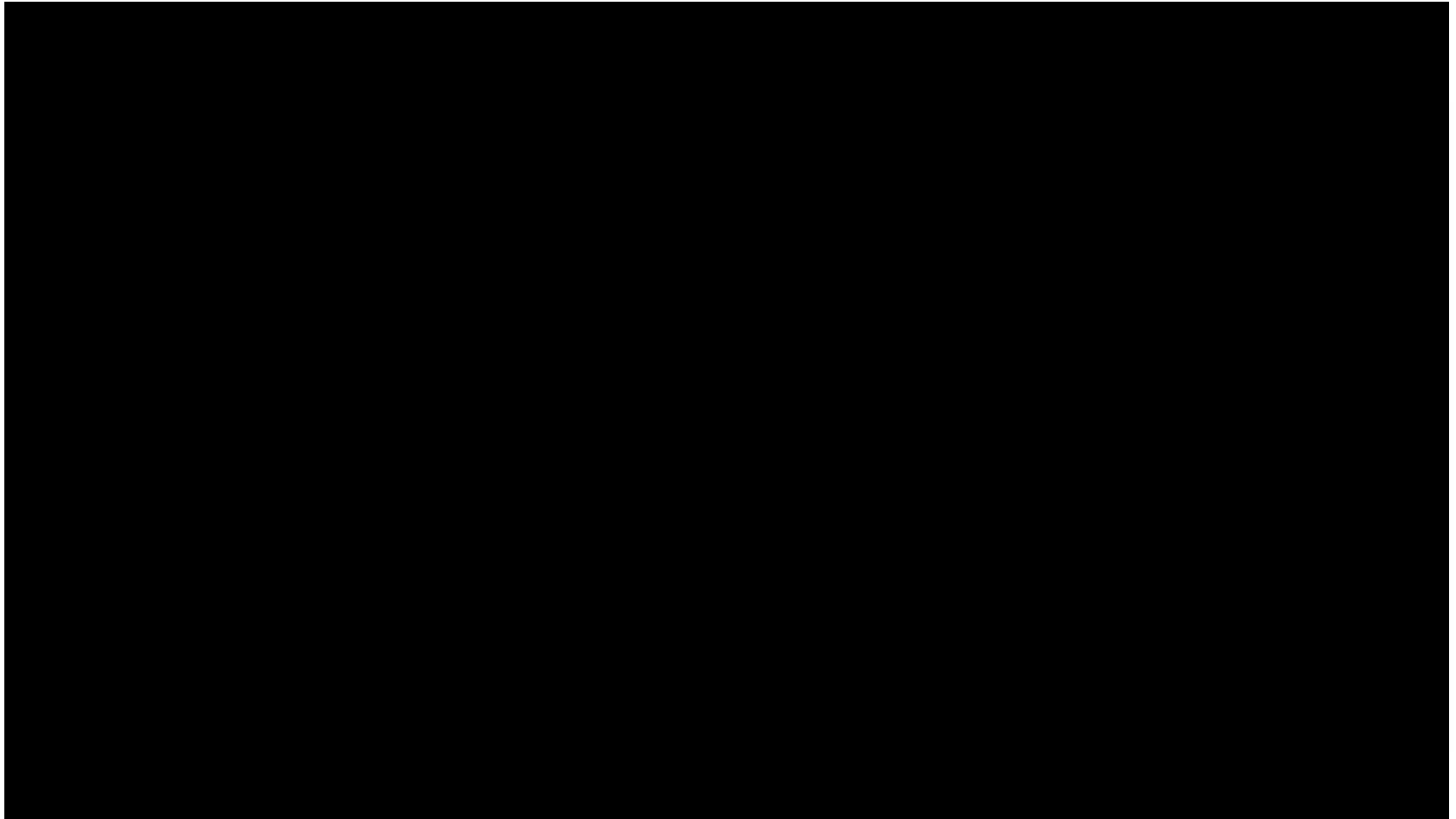
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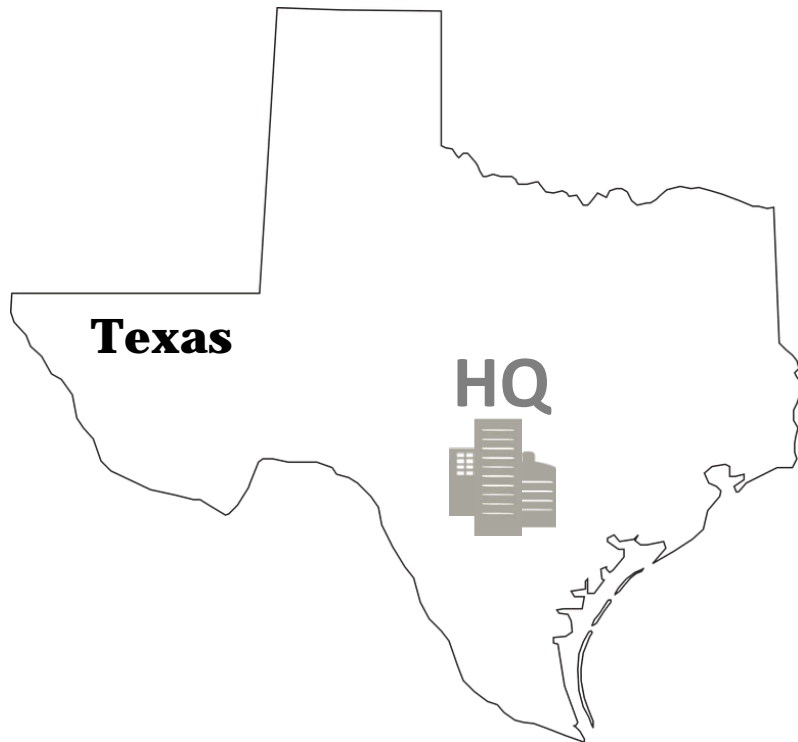
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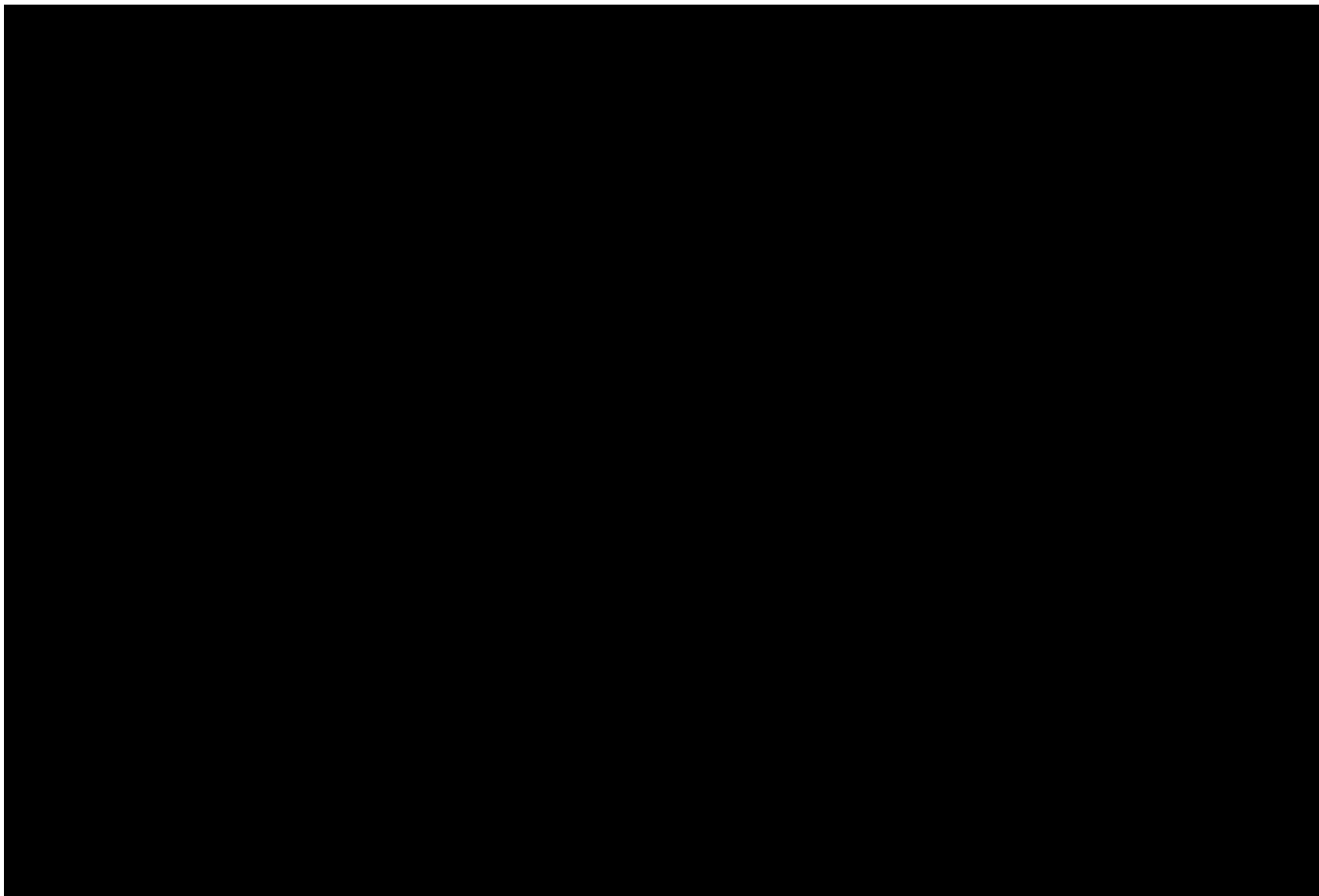
Blue Cross plans are a single competitor



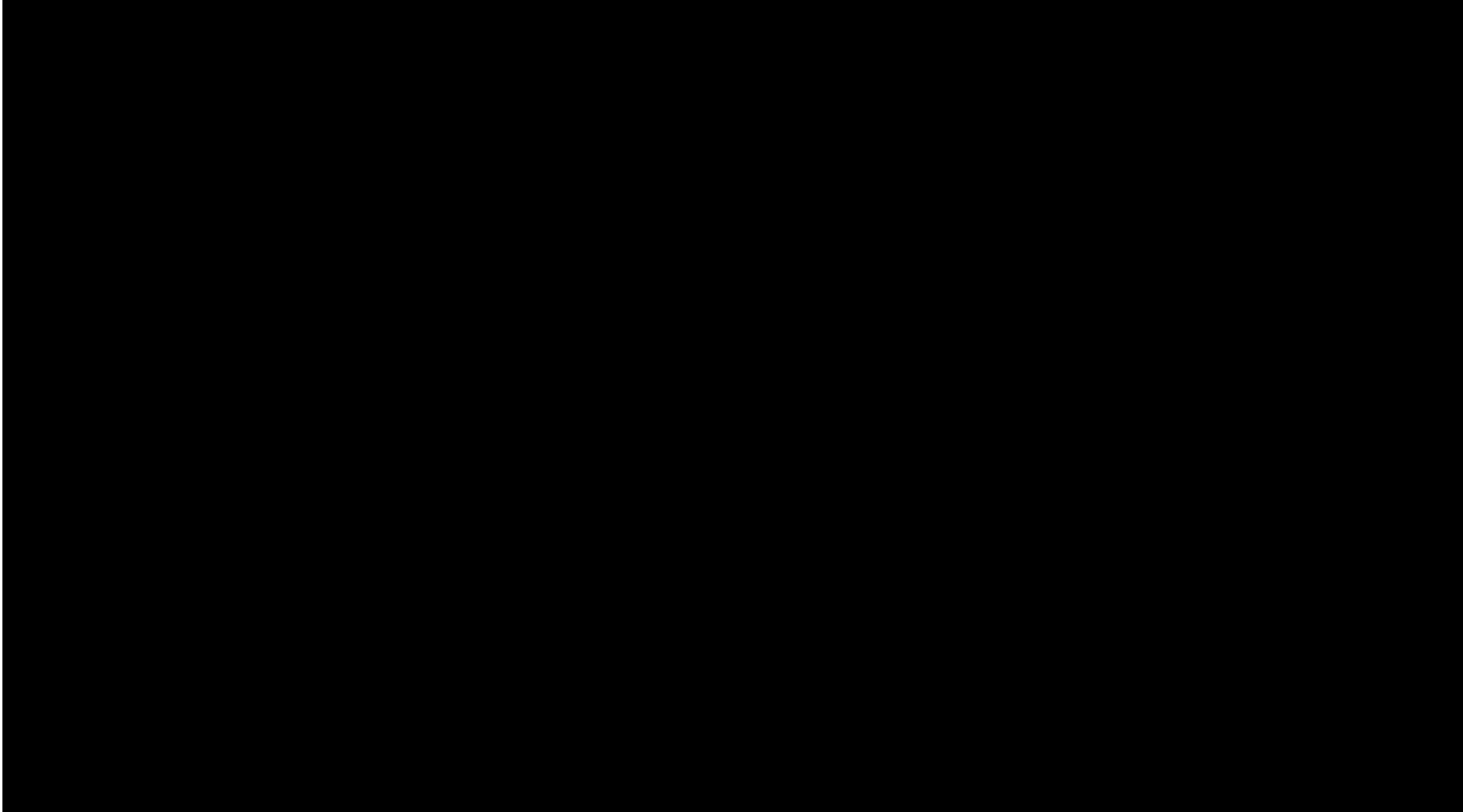
BlueCard or “Host” Fees



How Anthem views other Blue plans



Anthem and Cigna: Head-to-Head Competition

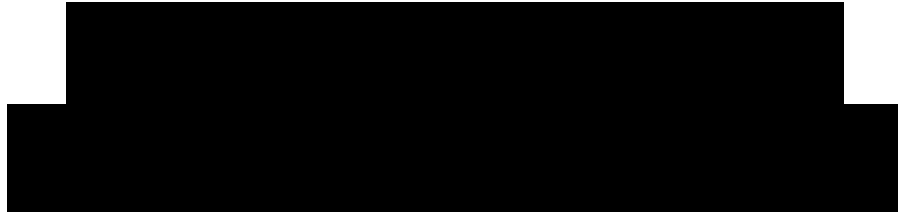


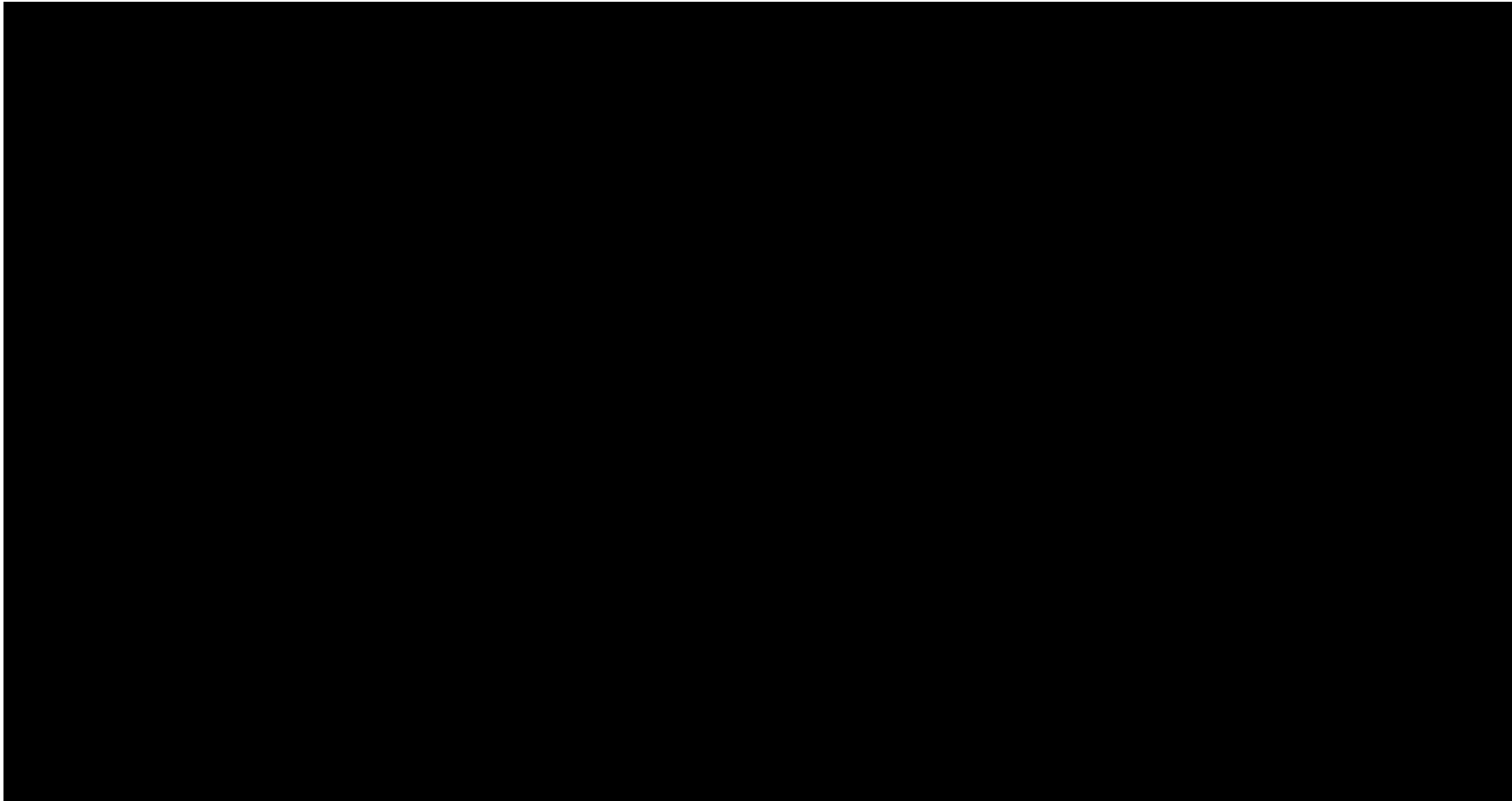
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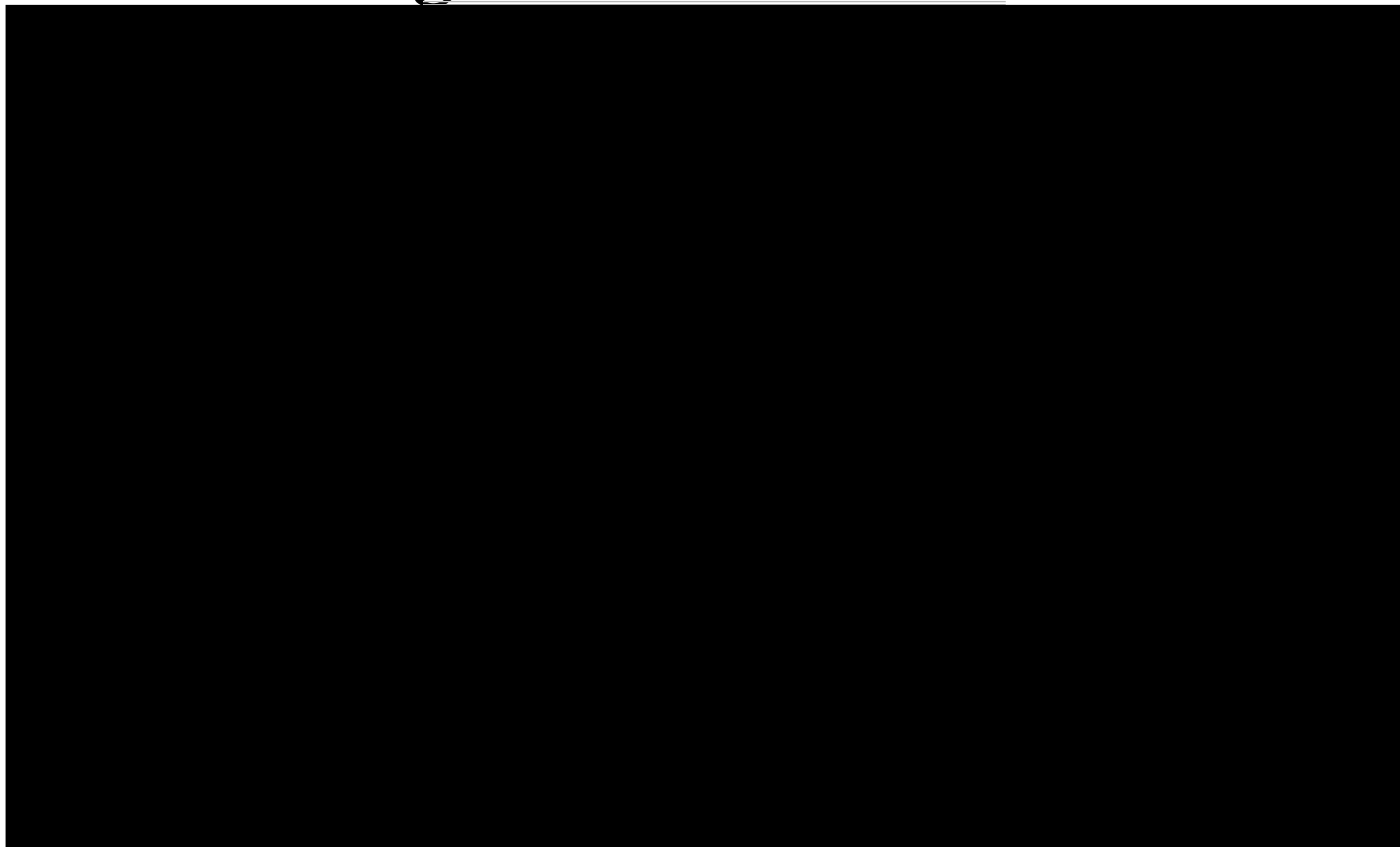


National Best Efforts Rule

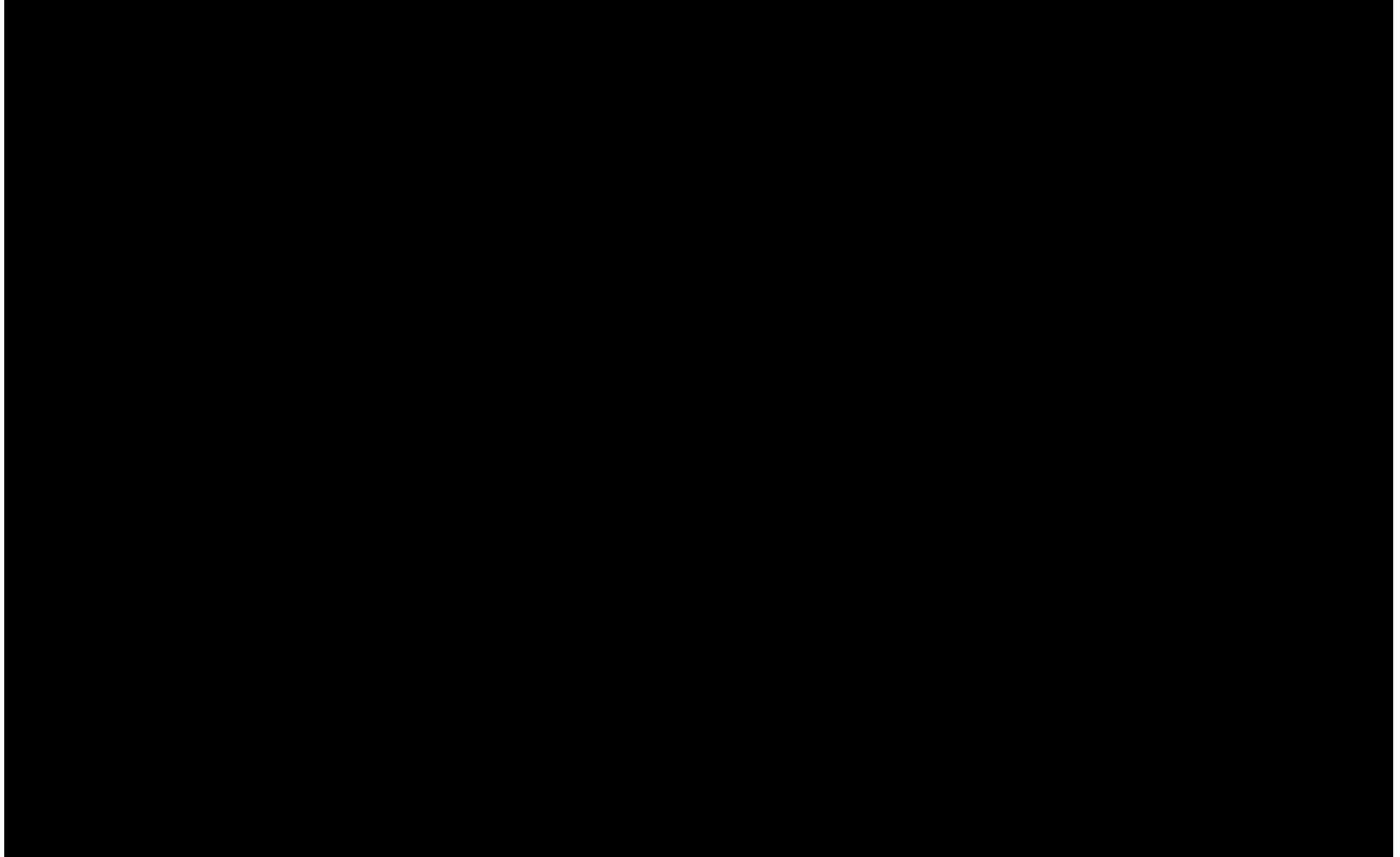
Two-thirds of Anthem's revenue
must come from Blue-branded business



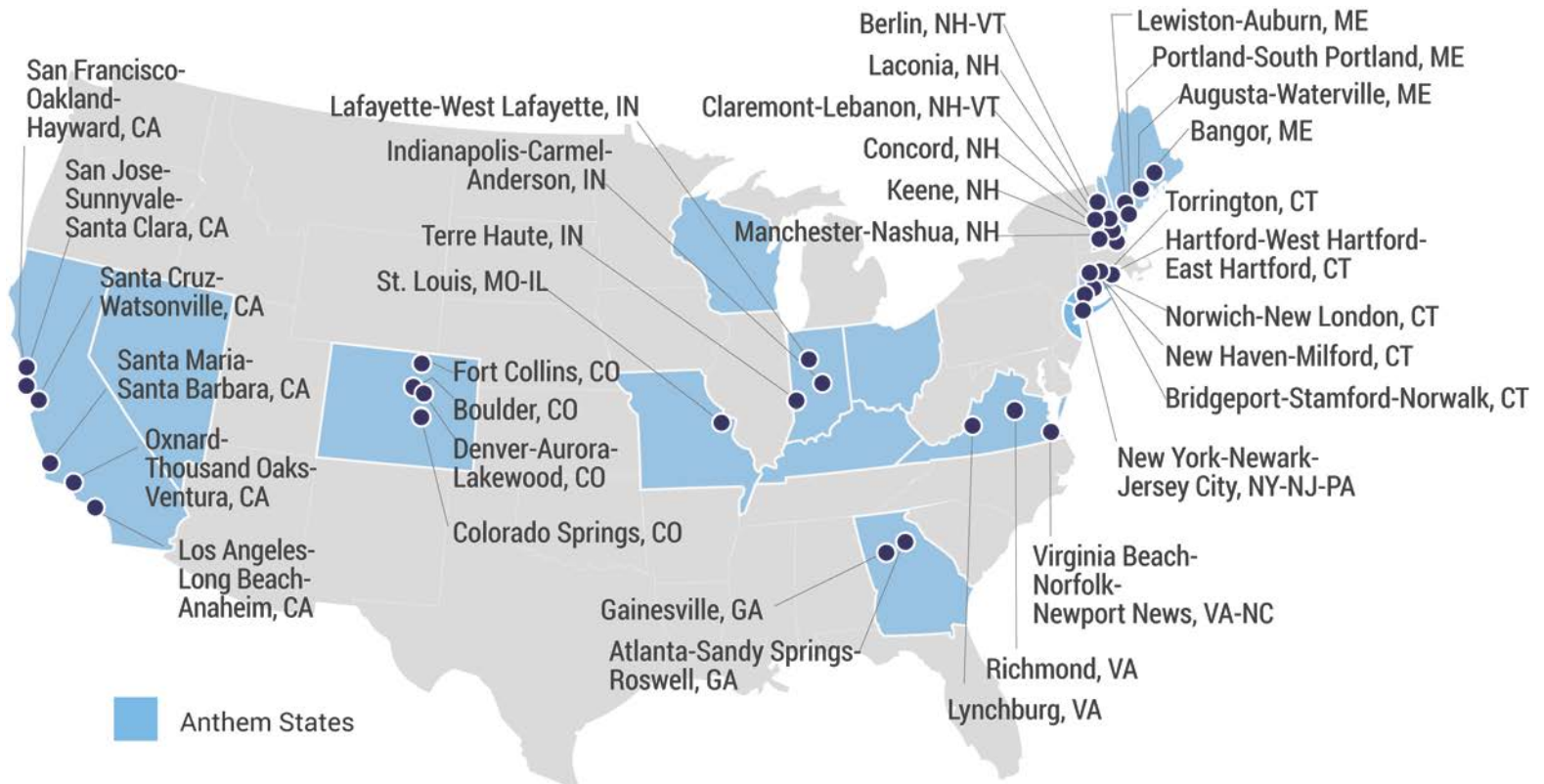
Anthem will rebrand Cigna lives as “Blue”



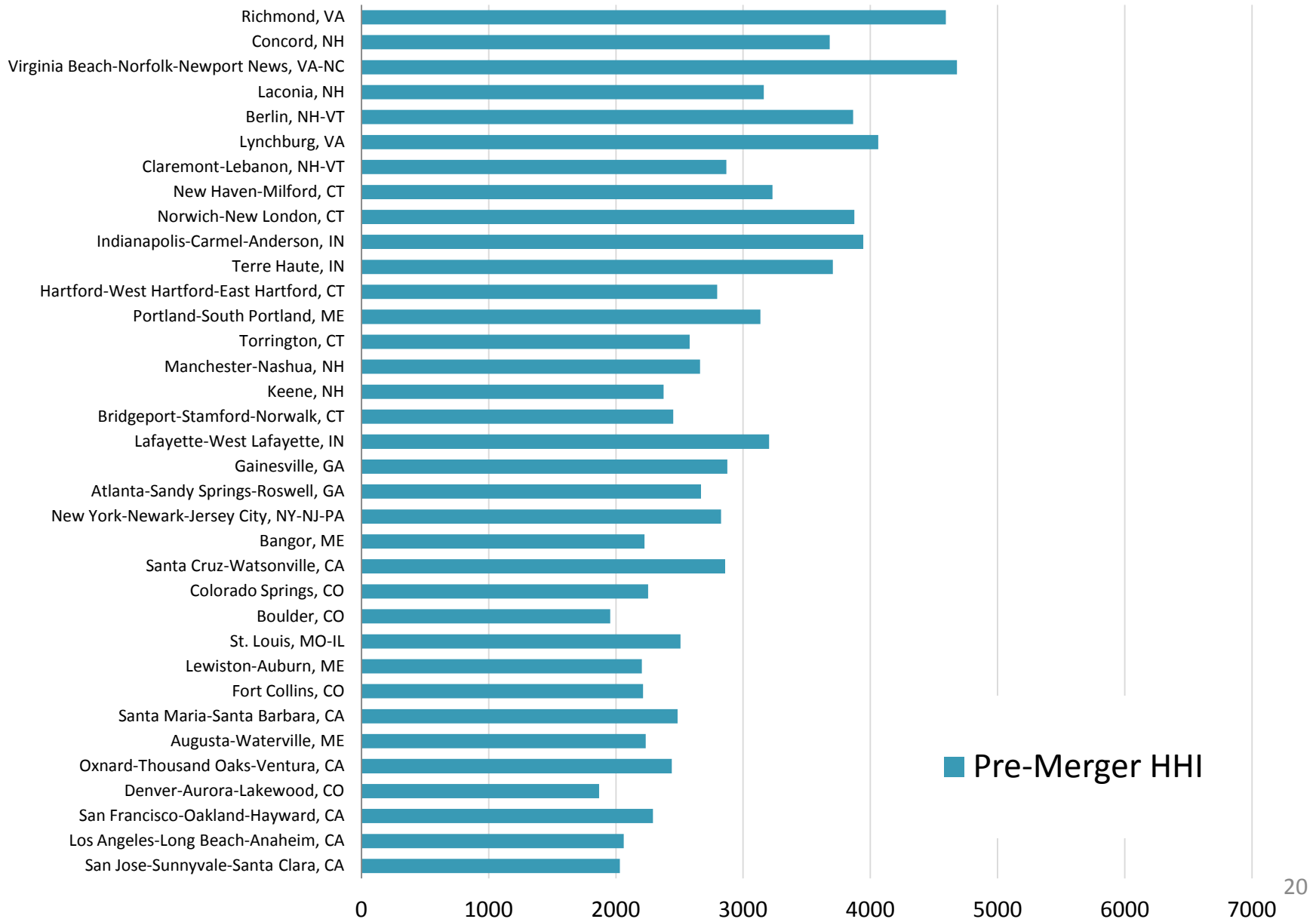
Rebranding: Not Merger Specific



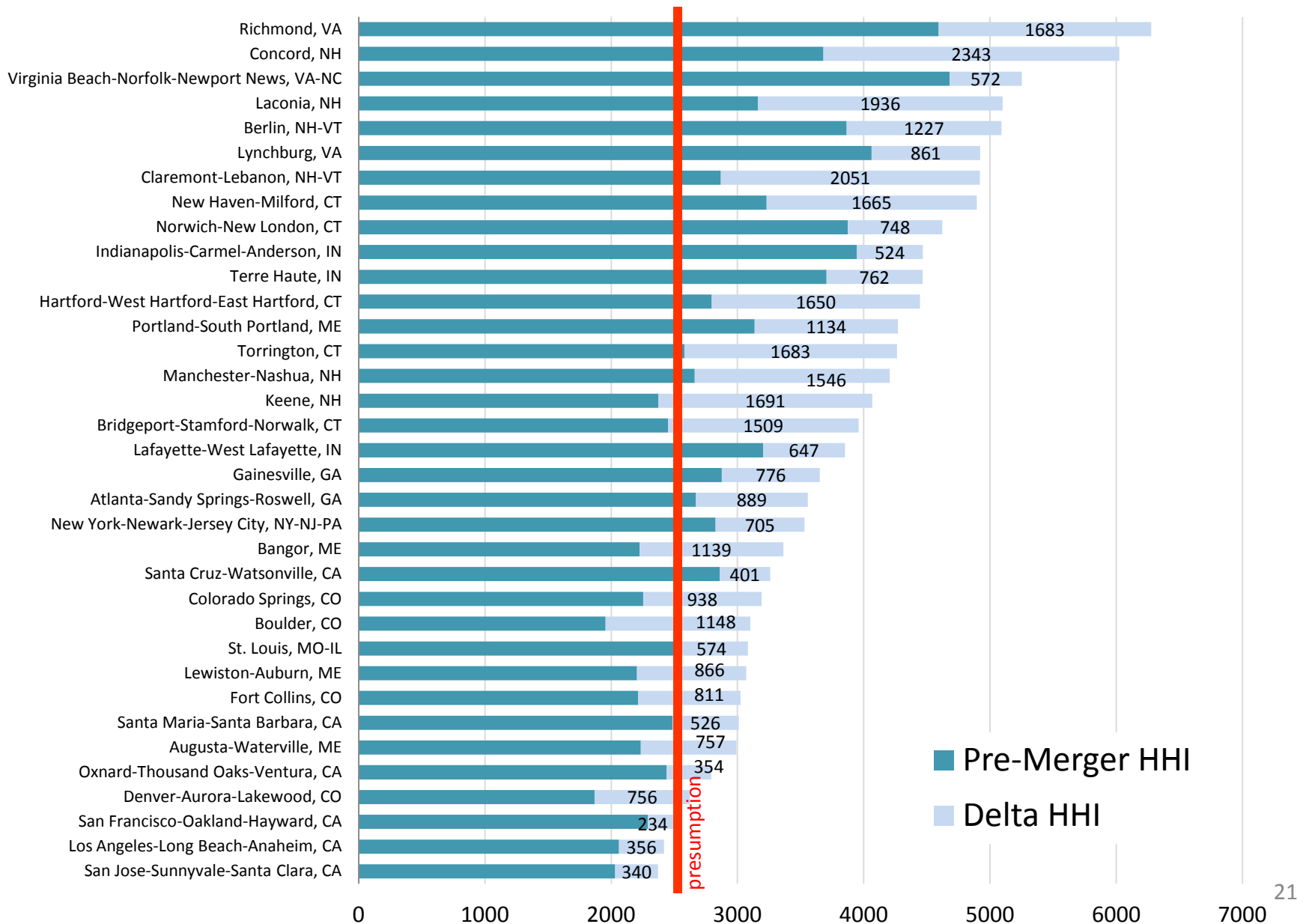
Large-Group Employer Case: 35 Relevant Markets



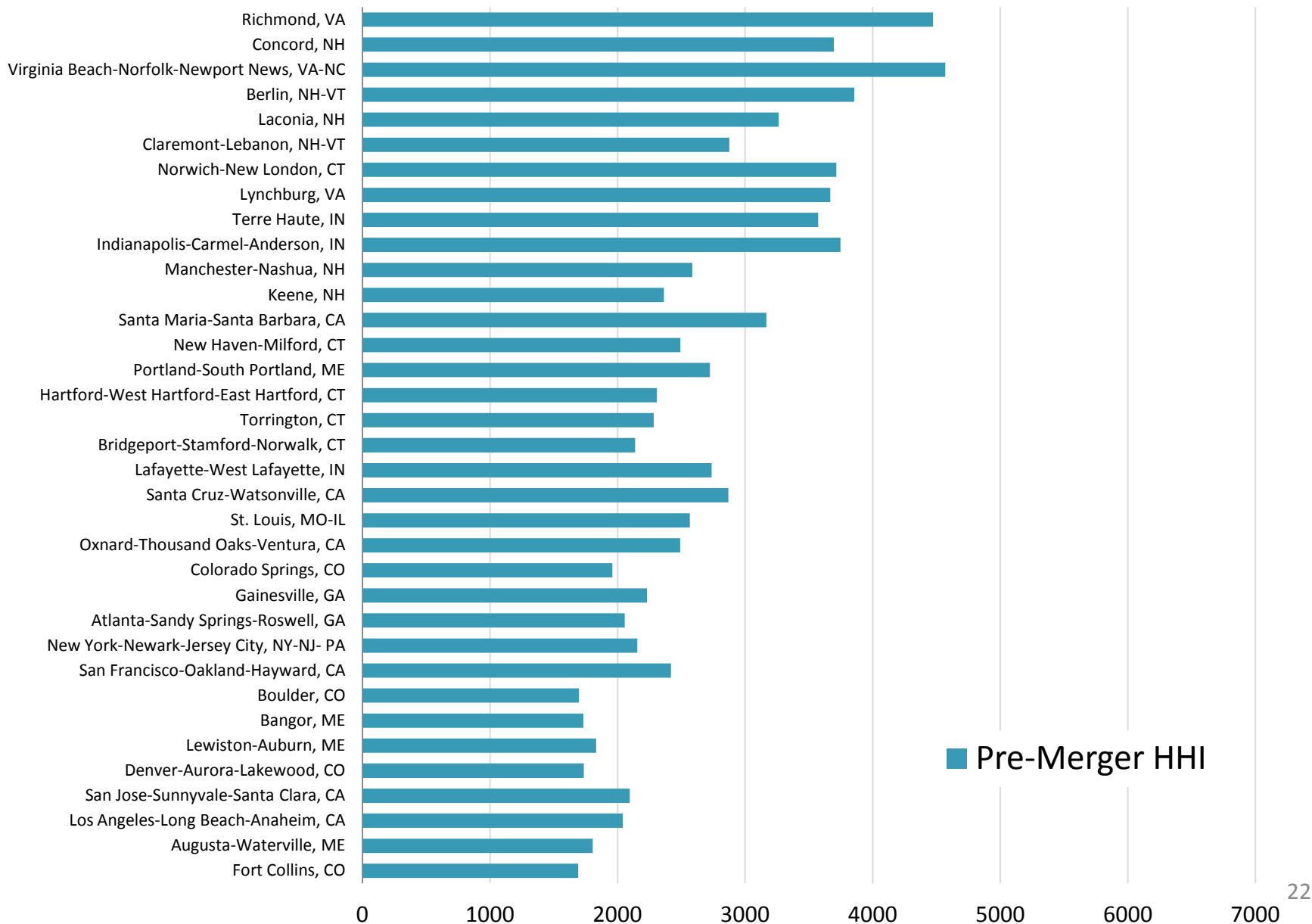
Large-group employers: The merger is presumptively unlawful in 33 markets



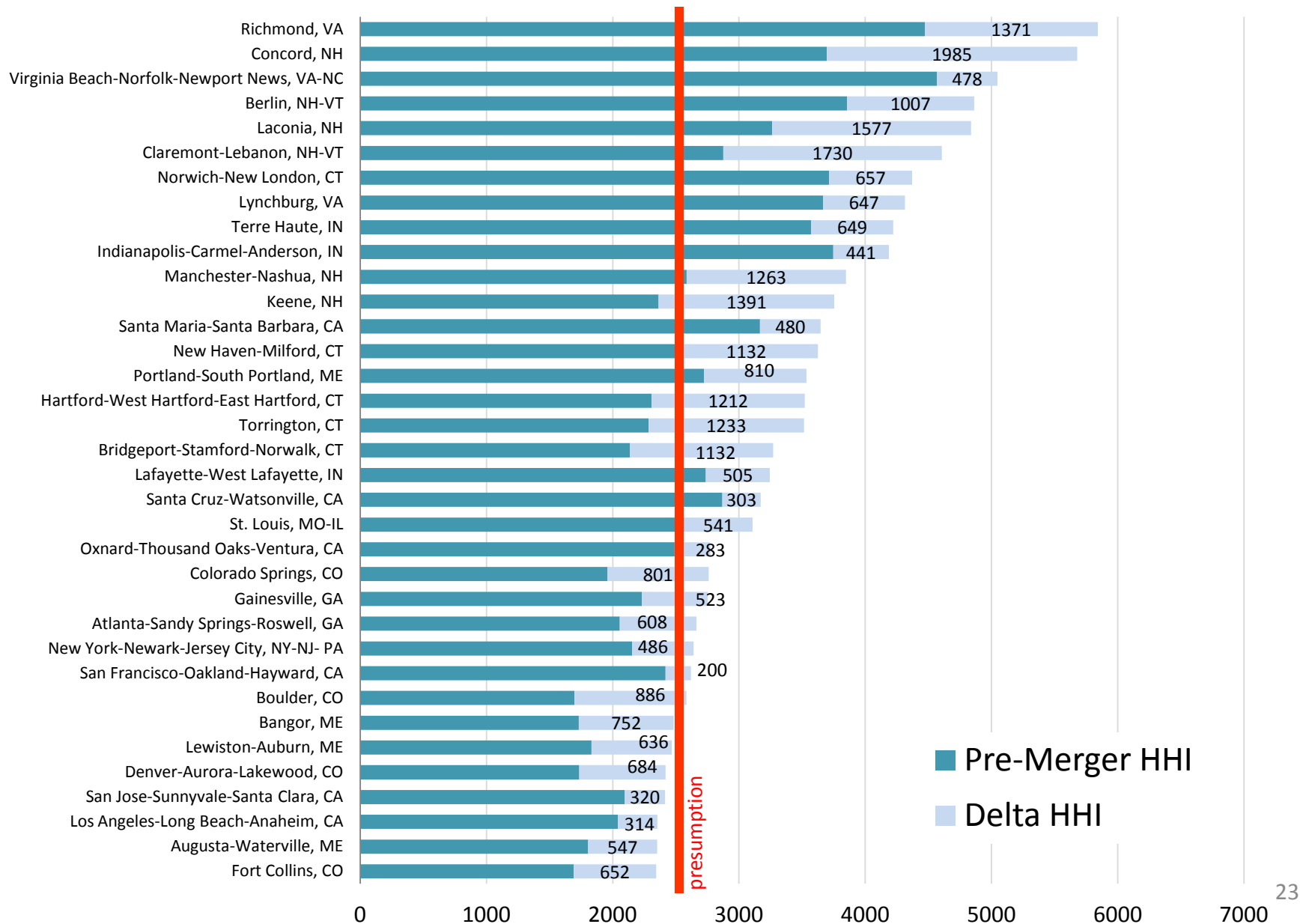
Large-group employers: The merger is presumptively unlawful in 33 markets



Purchase of doctor, hospital services: The merger is presumptively unlawful in 28 markets



Purchase of doctor, hospital services: The merger is presumptively unlawful in 28 markets



What creates innovation?

Competition creates innovation

BY MS. HANE:

Q Do you have an understanding of the size of Cigna's membership in California compared to Anthem?

A Anthem dwarfs them. I couldn't quote you numbers either way, but Anthem's the largest provider next to Kaiser.

Q So in your experience, Anthem's size in California has not given it an advantage in terms of innovating in wellness?

MR. LANCASTER: Objection; form.

THE WITNESS: Well, competition creates innovation. And if you are the wolf at the top of the hill, you know, you don't necessarily need to be the first out of the gate for innovation.

BY MS. HANE:

Q Why is that?

MR. LANCASTER: Objection; form.

THE WITNESS: To quote Arnold Schwarzenegger, "When you want the food, it's there."

When you're on the top of the hill, there's not quite the incentive to innovate.

“ [C]ompetition creates innovation. And if you are the wolf at the top of the hill, [...] you don't necessarily need to be the first out of the gate for innovation. ”

—Bryce Eddy

Broker, Tolman & Wiker Insurance Services
Ventura, California