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Mergers Likely To Affect Healthcare Premiums

(Nebraska Radio Network)-- Blue Cross - Blue Shield insurer Anthem has agreed to acquire Cigna in a \$54-billion deal. Earlier this month Aetna and Humana struck a merger deal for \$37-billion. University of Nebraska - Omaha's Finance, Banking and Real Estate Development Chairman Dr. David Volkman says there is one thing that has spurred these mergers, keeping profits up.

With the Affordable Care Act restricting the pricing and margins, companies are looking for any way they can to keep profits high.

This latest mergers leaves only three big players in the health care game with the third being United Healthcare.

The question now is how will this affect premiums. Even though insurance companies say they will offer more competitive services due to more power, Dr. Volkman says when competition decrease typically rates go up.

There is also a danger the combined companies could get so big they could decrease the amount of services provided by trying to consolidate other services.

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