

## Health-Care Mergers Face Scrutiny From Senate Panel

By Shira Stein

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- Senate subcommittee to hold June hearing
- House, regulators have also been watching merger activity

Health-care mergers—already under scrutiny from regulators and House lawmakers—are about to get some additional attention from the Senate.

The Senate Judiciary Committee's antitrust panel plans to hold a hearing on vertical health-care mergers in June, a spokesman for Chairman Mike Lee (R-Utah) told Bloomberg Law May 13. Vertical mergers involve companies in different parts of the same industry.

The hearing comes less than a year after the Justice Department approved two mega-mergers in the industry, CVS Health Corp.-Aetna Inc. and Cigna-Express Scripts, deals that totaled \$137 billion.

The three largest pharmacy benefit managers—CVS Caremark, Express Scripts, and Optum Rx, which control 85% of the market—are all integrated with insurance companies.

Mergers are also occurring between drug companies, like Bristol-Myers Squibb Inc. and Celgene Corp. in April. In addition, insurers are buying up health-care facilities and managed care plans, with Centene Corp. agreeing to buy managed-care provider WellCare Health Plans Inc.

Hospital and health system merger and acquisition activity has jumped over the past 15 years, from 38 transactions in 2003 to 115 in 2017, according to an analysis by management consulting and software firm Kaufman Hall.

The House Judiciary antitrust subcommittee has also made health-care consolidation a top priority and Chairman David Cicilline (D-R.I.) has said he intends to craft legislation allowing the Federal Trade Commission to more easily punish anticompetitive behavior in the health-care industry.

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