

CVS Health and Aetna Merger Approved by DOJ By John Runkel, J.D. Candidate 2020 | October 16, 2018

On Wednesday, October 10th, following the conclusion of an anti-trust review, the Department of Justice gave CVS Health a conditional go ahead to acquire health insurance giant Aetna in a [\\$69 billion deal](#). CVS's acquisition of Aetna marks the [largest ever](#) American health insurance deal. While the Justice Department said that the initial merger plan could have proven harmful to competition, the acquisition could go forward safely so long as Aetna sold off part of its [private Medicare prescription business](#).

The CVS-Aetna merger is the latest example of large-scale consolidation occurring in the health care industry. Just last month the Justice Department agreed to Cigna's takeover of CVS competitor Express Scripts. Likewise, major health insurers [Anthem](#) and UnitedHealth Group have either implemented or made plans to establish their own in-house pharmacies. As a result, these massive healthcare conglomerates plan to integrate a wide array of services, extending far beyond insurance and [running pharmacies](#).

This development has concerned a number of professional groups and consumer advocacy organizations. Many of the critics of the latest CVS-Aetna deal reference the negative consequences of similar recent mergers. These organizations claim that such massive acquisitions have left consumers with higher medical bills and reduced choices. One such group is the Consumers Union, a consumer advocacy organization. The Consumers Union has stated that mergers like CVS and Aetna's will lead to fewer major players dominating the consumer health industry, pushing out smaller players. Further, the Consumers Union predicts this will create reduced competition and accordingly higher prices.

The American Medical Association has also come out against the merger. According to AMA president, Barbara McAneny, the AMA has been relentless in attempts to prevent the merger. McAneny claims that the AMA has already presented empirical evidence to regulators demonstrating that the merger would prove harmful to patients. Chief among the AMA's concerns are potential increases in costs for out of pocket medical expenses and rises in insurance premiums.

CVS and Aetna leaders have suggested otherwise. They claim that the merger will allow for more comprehensive and effective treatment, as well as reduced prices. CVS CEO Larry Merlo has suggested that the deal could result in the prevention of future health problems before they occur due to the highly integrated format CVS and Aetna would offer. Further, Aetna CEO Mark Bertoloni has emphasized that the merger could help customers stay on their medication and perhaps even assist patients that have difficulty showing up for medical [appointments](#). Both companies have emphasized a focus on improving local and community health.



Certainly, considering that CVS operates nearly 10,000 retail outlets and 1,100 Minute Clinics, while Aetna provides insurance for over 22 million customers, there is no question that a vast number of American's will experience a change in their healthcare experience. Whether this means such patients will enjoy fewer doctor visits and less red tape in getting medical care, or experience increased prices and fewer healthcare options is yet to be seen.

The CVS-Aetna deal is expected to close before the end of the year.