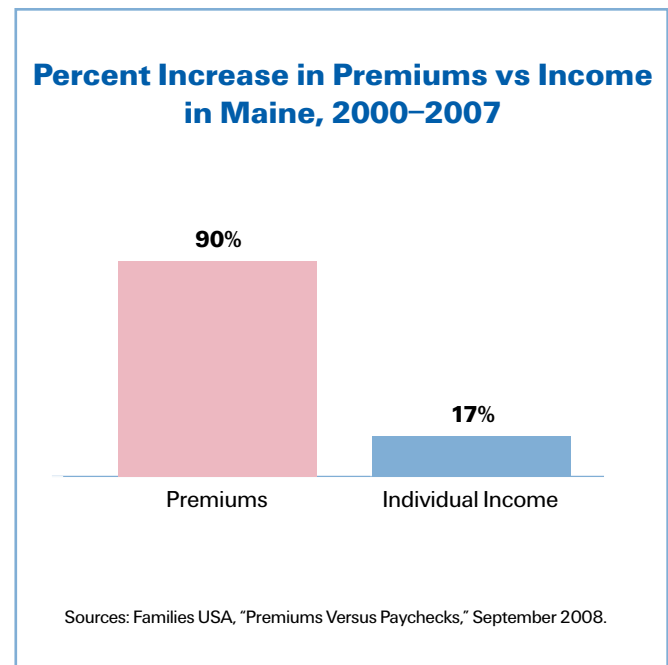
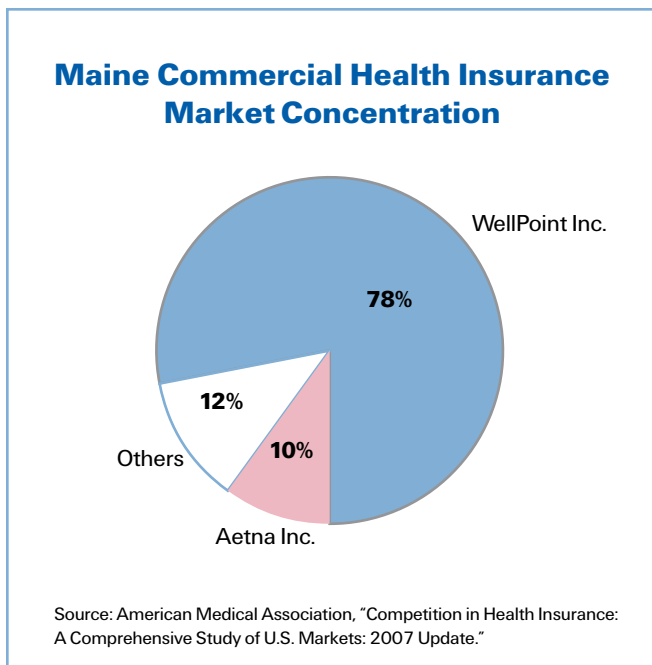


# Results of Market Failure in Maine

- WellPoint Inc., Maine’s biggest health insurer, holds 78 percent of the state commercial market. Together with Aetna Inc., they control 88 percent of the market.<sup>1</sup>
- From 2004 to 2007 Anthem Health Care, WellPoint Inc.’s Maine subsidiary, saw profit grow by 89 percent, from \$40 million to \$76 million, although its membership grew by only 2.4 percent.<sup>2</sup>
- Health insurance premiums for Maine working families have skyrocketed, increasing 90 percent from 2000 to 2007.<sup>3</sup>
- For family health coverage in Maine during that time, the average annual combined premium for employers and employees rose from \$6,915 to \$13,117.<sup>4</sup>
- For family health coverage in Maine from 2000 to 2007, the average employer’s portion of annual premiums rose 87 percent, while the average worker’s share grew by 96 percent.<sup>5</sup>
- From 2000 to 2007, the median earnings of Maine workers increased 17 percent, from \$22,163 to \$25,876. During that time health insurance premiums for Maine working families rose 5.4 times faster than median earnings.<sup>6</sup>

When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be “highly concentrated.” This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.<sup>7</sup>



## ENDNOTES

<sup>1</sup>AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at <http://www.ama-assn.org/go/competition2007>.

<sup>2</sup>Northwest Federation of Community Organizations, "Insuring Health or Ensuring Profit?," 2008. Accessed at [http://www.nwfco.org/pubs/2008.0727\\_insuring.health.or.ensuring.profit.pdf](http://www.nwfco.org/pubs/2008.0727_insuring.health.or.ensuring.profit.pdf).

<sup>3</sup>Families USA, "Premiums versus Paychecks," September 2008. Accessed at <http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html>.

<sup>4</sup>Ibid.

<sup>5</sup>Ibid.

<sup>6</sup>Ibid.

<sup>7</sup>US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at [http://www.usdoj.gov/atr/public/guidelines/horiz\\_book/15.html](http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html); American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at <http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf>.

This report makes use of data published by the American Medical Association (AMA), which is not a member of the Health Care for America Now coalition. The AMA did not collaborate with HCAN on this report.