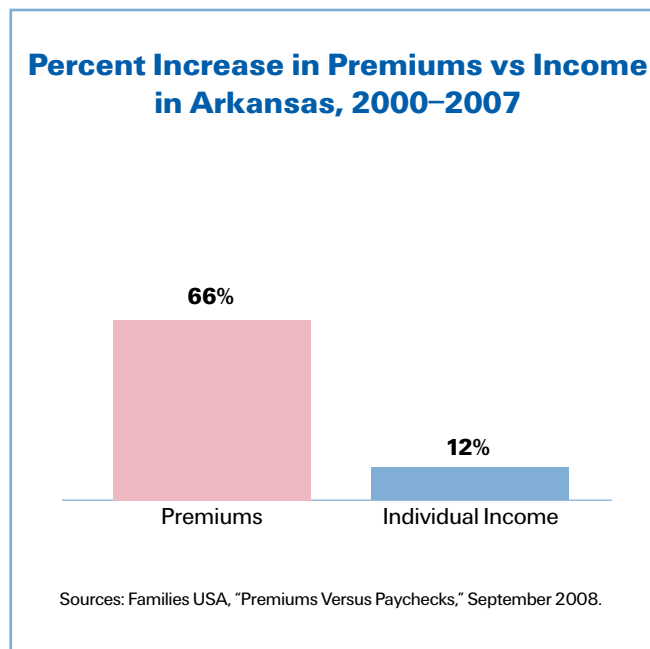
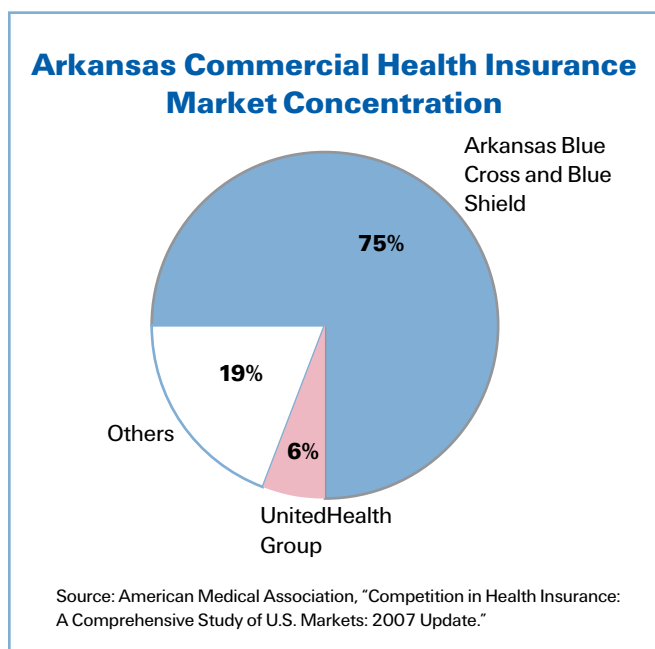


Arkansas Consumers Pay the Price For Health-Insurance Market Failure

- Arkansas Blue Cross and Blue Shield, the state's leading health insurer, controls 75 percent of the commercial market.¹
- Health insurance premiums for Arkansas working families have skyrocketed, increasing 66 percent from 2000 to 2007.²
- For family health coverage in Arkansas during that time, the average annual combined premium for employers and employees rose 66 percent, from \$6,355 to \$10,534.³
- For family health coverage in Arkansas, the average employer's portion of annual premiums rose 56 percent, and the average worker's share grew by 91 percent.⁴
- From 2000 to 2007, the median earnings of Arkansas workers increased 12 percent, from \$20,328 to \$22,692. During that time health insurance premiums for Arkansas working families rose 5.7 times faster than median earnings.⁵

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.⁶



ENDNOTES

¹American Medical Association, "Competition in health insurance: A comprehensive study of U.S. markets: 2007 update." AMA data in this report is based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and in metropolitan statistical areas (MSAs) as defined by the U.S. census bureau. Accessed at <http://www.ama-assn.org/go/competition2007>.

²Families USA, "Premiums versus Paychecks," September 2008. Accessed at <http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html>.

³Ibid.

⁴Ibid.

⁵Ibid.

⁶US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at 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>.