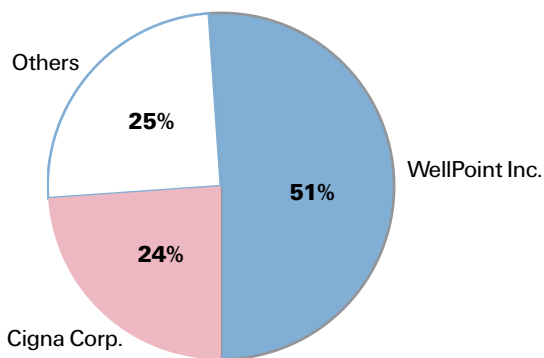


# New Hampshire Consumers Pay the Price For Health-Insurance Market Failure

- Anthem Blue Cross and Blue Shield, a WellPoint subsidiary, is the state’s biggest health insurer, with 51 percent of the commercial market. Together with Cigna Corp., New Hampshire’s second largest health insurer, they control 75 percent of the market.<sup>1</sup>
- Local markets are even more concentrated; in the Rochester-Dover area, WellPoint and Cigna Corp. together hold 91 percent of the commercial market.<sup>2</sup>
- Health insurance premiums for New Hampshire working families have skyrocketed, increasing 79 percent from 2000 to 2007.<sup>3</sup>
- For family health coverage in New Hampshire during that time, the average annual combined premium for employers and employees rose from \$7,525 to \$13,460.<sup>4</sup>
- For family health coverage in New Hampshire from 2000 to 2007, the average employer’s portion of annual premiums rose 72 percent, while the average worker’s share grew by 101 percent.<sup>5</sup>
- From 2000 to 2007, the median earnings of New Hampshire workers increased 16 percent, from \$27,226 to \$31,596. During that time health insurance premiums for New Hampshire working families rose 4.9 times faster than median earnings.<sup>6</sup>

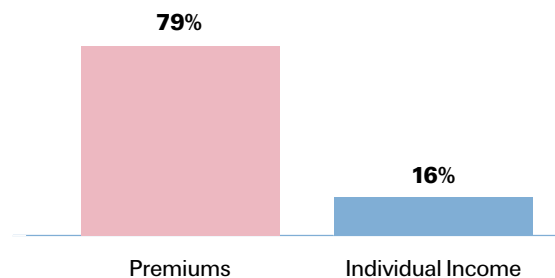
If one company holds more than a 42 percent share of a market the U.S. Justice Department would consider that market “highly concentrated.”<sup>7</sup> This means that an insurer, with impunity, could raise premiums and/or reduce the variety of plans or quality of services offered to customers.<sup>8</sup>

**New Hampshire Commercial Health Insurance Market Concentration**



Source: American Medical Association, “Competition in Health Insurance: A Comprehensive Study of U.S. Markets: 2007 Update.”

**Percent Increase in Premiums vs Income in New Hampshire, 2000–2007**



Sources: Families USA, “Premiums Versus Paychecks,” September 2008.

## 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>Ibid.

<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>9</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).

<sup>8</sup>American Hospital Association, "The Case for Reinforcing 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.