



# Health Care Competition

## Insurance Market Domination Leads to Fewer Choices

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Today many Americans have few choices when it comes to health insurance. This is because many insurance markets are dominated by only a handful of firms, even though there are over 1,000 private health insurance carriers in the United States. This concentration limits employers' and families' health insurance options as well as the care they receive.

In many states small insurers compete against one another in the individual market to insure only low-risk, healthy individuals. They refuse to insure Americans with pre-existing conditions such as high blood pressure, asthma, cancer, or diabetes and those who have ever taken certain prescription drugs—and they create barriers to needed care for those who are insured.

The table shows that in many states insurance markets are dominated by only one or two insurance carriers. In at least 21 states, one carrier controls more than half the market. More than half of the market is controlled by two carriers in at least 39 states. In 2007, a survey conducted by the American Medical Association found that in more than 95 percent of insurance markets, a single commercial carrier controlled at least 30 percent of the insurance market.<sup>1</sup>

The result of this market concentration is that health insurance interests come before Americans' health care needs. Where markets are dominated by only a few firms, health insurers revenues are growing faster than health inflation as insurers maximize rates they charge employers and families and create barriers to care.<sup>2</sup> Employers are then unable to afford meaningful health insurance options for their employees or, in the case of small businesses, are unable to offer their employees insurance at all, while most Americans seeking health insurance in the individual market never purchase coverage.

Real health care reform, which includes the creation of a new public health insurance plan, will encourage the type of competition that benefits patients, employers, and health care providers. As a new competitor in consolidated insurance markets, the public plan will force private insurers to compete on price and value and require them to increase accountability and efficiency. The ultimate result of vigorous competition will be to give American families more and better choices.

### Most American insurance markets dominated by one or two large companies

State	Health insurer with largest market share	Market share %	Health Insurer with second largest market share	Market share %	Combined market share % of top two insurers
Alabama	Blue Cross Blue Shield AL	83%	Health Choice	5%	88%
Alaska	Premera Blue Cross	60%	Aetna Inc.	35%	95%
Arizona	Blue Cross Blue Shield AZ	43%	UnitedHealth Group Inc.	22%	65%
Arkansas	Blue Cross Blue Shield AR	75%	UnitedHealth Group Inc.	6%	81%
California	Kaiser Permanente	24%	WellPoint Inc. (Blue Cross)	20%	44%
Colorado	WellPoint Inc. (BCBS)	29%	UnitedHealth Group Inc.	24%	53%
Connecticut	WellPoint Inc. (BCBS)	55%	Health Net Inc.	11%	66%
Delaware	CareFirst Blue Cross Blue Shield	42%	Coventry Health Care Inc.	23%	65%
District of Columbia	Data Unavailable				
Florida	Blue Cross Blue Shield FL	30%	Aetna Inc.	15%	45%
Georgia	WellPoint Inc. (BCBS)	61%	UnitedHealth Group Inc.	8%	69%
Hawaii	Blue Cross Blue Shield HI	78%	Kaiser Permanente	20%	98%
Idaho	Blue Cross of ID	46%	Regence BS of Idaho	29%	75%
Illinois	HCSC (Blue Cross Blue Shield)	47%	WellPoint Inc. (BCBS)	22%	69%
Indiana	WellPoint Inc. (BCBS)	60%	M*Plan (HealthCare Group)	15%	75%
Iowa	Wellmark BC and BS	71%	UnitedHealth Group Inc.	9%	80%
Kansas	Data unavailable				
Kentucky	WellPoint Inc.	59%	Health Partners	10%	69%
Louisiana	Blue Cross Blue Shield LA	61%	UnitedHealth Group Inc.	13%	74%
Maine	WellPoint Inc. (BCBS)	78%	Aetna Inc.	10%	88%
Maryland	CareFirst Blue Cross Blue Shield	52%	UnitedHealth Group Inc.	19%	71%
Massachusetts	Blue Cross Blue Shield MA	50%	Tufts Health Plan	17%	67%
Michigan	Blue Cross Blue Shield MI	65%	Henry Ford Health System	8%	73%
Minnesota	Blue Cross Blue Shield MN	50%	Medica	26%	76%
Mississippi	Data Unavailable				
Missouri	WellPoint Inc. (BCBS)	68%	UnitedHealth Group Inc.	11%	79%
Montana	Blue Cross Blue Shield MT	75%	New West Health Services	10%	85%
Nebraska	Blue Cross Blue Shield NE	44%	UnitedHealth Group Inc.	25%	69%
Nevada	Sierra Health	29%	WellPoint Inc. (BCBS)	28%	57%
New Hampshire	WellPoint Inc. (BCBS)	51%	CIGNA Corp.	24%	75%
New Jersey	Horizon Blue Cross Blue Shield	34%	Aetna Inc.	25%	59%
New Mexico	HCSC (Blue Cross Blue Shield)	35%	Presbyterian Hlth	30%	65%
New York	GHI	26%	WellPoint Inc. (Empire BCBS)	21%	47%
North Carolina	Blue Cross Blue Shield NC	53%	UnitedHealth Group Inc.	20%	73%
North Dakota	Data Unavailable				
Ohio	WellPoint Inc. (BCBS)	41%	Medical Mutual of Ohio	17%	58%
Oklahoma	BCBS OK	45%	CommunityCare	26%	71%
Oregon	Providence Health & Services	25%	Regence Blue Cross Blue Shield	23%	48%
Pennsylvania	Data Unavailable				
Rhode Island	Blue Cross Blue Shield RI	79%	UnitedHealth Group Inc.	16%	95%
South Carolina	Blue Cross Blue Shield SC	66%	CIGNA Corp.	9%	75%
South Dakota	Data Unavailable				
Tennessee	Blue Cross Blue Shield TN	50%	Total Choice	12%	62%
Texas	HCSC (Blue Cross Blue Shield )	39%	Aetna Inc.	20%	59%
Utah	Regence Blue Cross Blue Shield	47%	Intermountain Healthcare	21%	68%
Vermont	Blue Cross Blue Shield VT	77%	CIGNA Corp.	13%	90%
Virginia	WellPoint Inc. (BCBS)	50%	Aetna Inc.	11%	61%
Washington	Premera Blue Cross	38%	Regence Blue Shield	23%	61%
West Virginia	Data Unavailable				
Wisconsin	WellPoint Inc.	52%	United Healthcare	10%	62%
Wyoming	Blue Cross Blue Shield WY	70%	UnitedHealth Group Inc.	15%	85%

Source: Health Care for America Now, available at [http://hcfan.3cdn.net/dadd15782e627e5b75\\_g9m6ist1.pdf](http://hcfan.3cdn.net/dadd15782e627e5b75_g9m6ist1.pdf).

### Endnotes

1 American Medical Association, "2007 Update: Competition in Health Insurance, A Comprehensive Study of US Markets: 2007 Update," available at [http://www.ama-assn.org/ama1/pub/upload/mm/368/compstudy\\_52006.pdf](http://www.ama-assn.org/ama1/pub/upload/mm/368/compstudy_52006.pdf).

2 Peter Harbage and Karen Davenport, "Competitive Health Care: A Public Health Insurance Plan that Delivers Market Discipline" (Washington, D.C.: Center for American Progress Action Fund, March 2009), available at [http://www.americanprogressaction.org/issues/2009/03/pdf/competitive\\_health.pdf](http://www.americanprogressaction.org/issues/2009/03/pdf/competitive_health.pdf)