

HEALTH CARE FOR AMERICA NOW!

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Contact

Matthew Weinstein
Maryland HCAN Coordinator
410-685-7004

Health Insurance Company Mergers Cause Higher Premiums for Marylanders

*Health Care for America Now Report Shows Maryland Health Insurance
Companies Use Near-Monopolies to Set Prices*

[Read the report online here](#)

Baltimore, MD – Today the Maryland partners of the [Health Care for America Now](#) campaign released a new report showing that consolidation in the private health insurance industry is creating skyrocketing premiums for both patients and employers. In Maryland, the state and most metropolitan areas are considered “highly concentrated” under U.S. Department of Justice guidelines. This kind of consolidation means that an insurer can, without fear of consequences, raise premiums and/or reduce the variety of plans or quality of services offered to customers.

Health insurance premiums for Maryland working families have increased 64% from 2000 to 2007. At the same time, the median earnings of Maryland workers increased 21% from \$30,252 to \$36,723. That means health insurance premiums for Maryland working families have risen three times faster than wages.

“When just a couple of companies hold a near-monopoly, they not only set the prices, but they also make the rules and call the shots,” said Matthew Weinstein, Maryland Coordinator of the Health Care for America Now. “Private health insurance companies have proven year after year they’ll do whatever they want when left to their own devices. It’s time for real comprehensive reform that includes regulation and the choice of a public health insurance plan so we are no longer at the mercy of the private health insurers in Maryland.”

The American Medical Association reports that the health insurance marketplace is dangerously concentrated with 94 percent of local markets in the United States currently considered highly concentrated. And contrary to what the health insurance industry claims, these mergers have undermined market efficiency. Premiums nationwide have gone up an average of more than 87 percent over the past six years.

“There is no real choice or competition in the private health insurance market, and only giving everyone the option of a public health insurance plan will guarantee we get quality, affordable health care we all can count on this year,” said Fred Mason, President of the Maryland and DC AFL-CIO. “A public health insurance option will force private health insurance companies to control cost, guarantee quality, stop hiding what they will and won’t cover, and put people’s health before corporate profit.”

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Some facts about the insurance industry in Maryland:

- CareFirst BlueCross BlueShield, Maryland's biggest health insurer, controls 52 percent of the state's market. CareFirst BlueCross BlueShield and UnitedHealth Group together hold 71 percent of the market.
- Local markets are even more concentrated. In metro Baltimore, CareFirst BlueCross BlueShield and UnitedHealth Group together control 78 percent of the market. The equivalent figures in other parts of Maryland are: 52% in the DC suburbs of Maryland, 85% in the Salisbury area, 81% in the Cumberland area, and 72% in the Hagerstown-Martinsburg metro area.
- UnitedHealth Group reported 2007 profits of \$4.7 billion and reaped bad publicity in recent years for its attempt to pay a \$1 billion bonus to its CEO.
- For family health coverage in Maryland during this period, the average annual combined premium for employers and employees rose from \$7,287 to \$11,960.
- For family health coverage in Maryland from 2000 to 2007, the average employer's portion of annual premiums rose 65 percent while the average worker's share increased 63 percent.

[Read the report online here](#)

[Health Care for America Now](#) - the nation's largest health care campaign - is made up of more than 1000 organizations representing more than 30 million people nationwide. President Obama and more than 190 Members of Congress – including 9 of the 10 from Maryland – support HCAN's principles for health care reform. All across the country, HCAN supporters are organized and mobilized to stress the urgent need for health care reform in 2009 -- reform that finally puts our health care needs before insurance company profits. In Maryland the organizations that make up the HCAN coalition include:

AFSCME Maryland
AFSCME Council 67
ACE-AFSCME, Local 2250
Alliance for Retired Americans
Amer. Academy of Pediatrics – Md.
CASA de Maryland, Inc.
Communications Workers of America
Maryland ACORN
Maryland Citizens Health Initiative
Maryland PIRG
Maryland State and DC AFL-CIO
Maryland State Teachers Association
Md. Women's Coalition for Health Care Reform
Montgomery Health Care Action
NAACP of Maryland

National Alliance on Mental Illness – Md.
National Association of Social Workers – Md.
National Council of Jewish Women
National Physicians Alliance
Planned Parenthood of Maryland
Progressive Maryland
Service Employees International Union (SEIU)
United Food and Commercial Workers Local 27
United Food and Commercial Workers Local 400
United Food and Commercial Workers Local 1994
Union for Reform Judaism – Mid-Atlantic Council
United Seniors of Maryland
United Workers Association
YWCA

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