

Mergers and Acquisitions in the Healthcare Market

Item 3 - Group Insurance Board

Luis Caracas, Health Plan Policy Advisor

Office of Strategic Health Policy

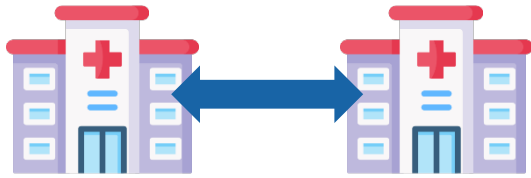


Informational Item Only

- No Board action is required.

Healthcare Consolidation

Different Types of Mergers and Acquisitions



Horizontal
Mergers

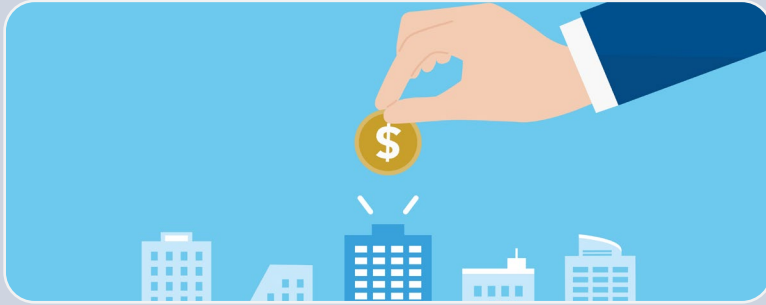


Vertical
Mergers



Cross-
Market
Mergers

Other Forms of Consolidations



Private
Equity
Investment



Affiliations

Why do Mergers and Acquisitions Occur?

- Reduce health care expenses and financial stability
- Drive quality
- Improve access in rural and underserved communities
- Driven by federal policies and programs

Challenges and Risks of Mergers and Acquisitions

Lead to price increases of 5% or more

Raised spending by \$204M in one year alone

Reduction of operating expenses by 6%, but 5% increase of costs for patients

No improvement in performance

Decrease in patient experience scores

Less access to critical services

Mergers and Acquisition in Wisconsin

May 2024

Common Ground Healthcare Cooperative by CareSource

Dec 2023

MercyCare Insurance Company and MercyCare HMO, Inc by MercyCare Merger Sub, Inc.

Nov 2023

Aspirus Health Plan, Inc by St. Luke's Hospital of Duluth

Sept 2023

Network Health Insurance Company and Network Health Plan by ThedaCare, Inc

Jan 2022

Quartz Health Plan Corporation, Quartz Health Insurance Corporation, and Quartz Health Benefit Plan Corporation by Bellin Gundersen Health System, Inc.

Aug 2021

Dean Health Insurance and Dean Health Plan by Medica Holding Company

Strategies Utilized by the Board

Competition

Data Protection

Customer Service Expectations



Questions?

Thank you



[wi_etf](#)



[etf.wi.gov](#)



ETF E-mail Updates



608-266-3285
1-877-533-5020