



April 13, 2023

Acquisitions

DHS/DMS/BPP

PO Box 309

1 West Wilson, Room 518

Madison, WI 53701-0309

Submitted electronically to: dhsltccomments@dhs.wisconsin.gov and ocifinancial@wisconsin.gov

Re: Proposed Acquisitions of Inclusa by Humana, Inc. and My Choice Wisconsin by Molina Health Care, Inc.

The Greater Wisconsin Agency on Aging Resources, Inc. (GWAAR) thanks the Wisconsin Office of the Commissioner of Insurance (OCI) for providing two virtual public hearings this week and an opportunity to provide written feedback on the two proposed acquisitions of Wisconsin Family Care managed care organizations (MCOs). Feedback provided by stakeholders during the public hearings, as well as in the forums conducted by DHS demonstrated a high level of concern related to this significant transition in Wisconsin's locally developed and operated long term care system.

GWAAR is a nonprofit agency committed to supporting the successful delivery of aging programs and services in our service area consisting of seventy of the state's seventy-two counties and all eleven tribes in Wisconsin. We are one of three Area Agencies on Aging in Wisconsin. Our mission is to deliver innovative support to lead aging agencies as we work together to promote, protect, and enhance the well-being of older people in Wisconsin.

We understand OCI's review role relates to financial solvency regulation and ensuring that organizations have sufficient funds to pay claims. Given the fluidity of the insurance industry, this is no small task. We regularly hear about new mergers and acquisitions taking place. In fact, according to this article posted earlier this week - <https://www.managedcaremag.com/archives/1998/7/united-healthcare-and-humana-plan-55-billion-merger/>, Humana is currently involved in one of the largest instances of consolidation ever to take place in the managed care industry. With this merger now imminent, we would ask OCI to consider the solvency of not only Humana, but United HealthCare as well.

We ask both DHS and OCI to consider whether this acquisition is in the best interests of Wisconsin's long term care population given some of the recent concerns expressed regarding United HealthCare. These concerns include CMS' suspension of Medicare Part D enrollments in 2022 for three United HealthCare plans based upon their failure to maintain a required medical loss ratio of 85% for three years (2018 – 2020) - [cms-suspends-part-d-enrollment-2022-for-unitedhealth-anthem-plans-for-failing-to-meet-medical-loss-ratio-requirements](#). Additionally, United HealthCare has experienced customer satisfaction concerns from their Medicare Advantage plan members and ranks below the industry average in a recent member satisfaction survey -

<https://www.nerdwallet.com/article/insurance/medicare/unitedhealthcare-medicare-advantage> (Note, the Better Business Bureau also listed a number of customer complaints).

Consistency is very important to long-term care participants. As we morph Wisconsin's home-grown long-term care system into one controlled by large national health insurers, we are concerned that consistency for members will be jeopardized. As quickly as these mergers and acquisitions are happening, they can also just as quickly be undone when organizations unload less profitable operations and leave for greener pastures.

Wisconsin's long-term care system already faces a shortage of providers to meet members' needs. Lack of an adequate provider network could become even more challenging if payments to providers were not made promptly. Payment delays resulting from a failure to timely resolve provider disputes would jeopardize the financial stability of many of the state's smaller providers. This is the situation that faced providers in California who were waiting for payments from Molina -

<https://www.dmhc.ca.gov/AbouttheDMHC/Newsroom/June17,2022.aspx>. The California Department of Managed Health Care noted Molina had, "systemic failures to timely resolve provider disputes..." and announced enforcement actions against Molina including "a \$1 million fine for the plan's failure to timely acknowledge and resolve 29,124 provider disputes." Molina was required to pay the fine and remedy their actions by paying out \$80.3 million in payments to providers, plus an additional \$1.8 million in interest. Is this a company we want providing long-term care services in Wisconsin?

If the Humana (United HealthCare) and Molina acquisitions are approved, 67% of Wisconsin's long-term care participants would be served by these two national companies. Once our locally grown MCOs are gone, participants could be negatively impacted as the focus shifts to profits over people, the provider network could shrink even further, the state's bargaining power will be diminished, and there will be no way to return to the system we once had if for-profit agencies find business in Wisconsin to be less profitable than expected.

Our experiences with some HMOs and NEMT vendors have shown us bigger isn't always better. Please help us maintain state and local control over the care thousands of vulnerable Wisconsin residents receive from our publicly funded long-term care system by saying "no" to large for-profit insurance companies wanting to take over long-term care in Wisconsin.

Thank you again for this opportunity to provide feedback. For additional information, please contact Janet Zander, Advocacy & Public Policy Coordinator at janet.zander@gwaar.org or (608) 228-7253.

Sincerely,



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