Dear Chairman Walden:

I am writing to request that you hold a hearing on Cigna’s recently proposed plan to acquire Express Scripts. On March 8th, the health insurance company, Cigna, proposed to purchase the nation’s largest Pharmacy Benefit Manager (PBM), Express Scripts, for $67 billion. The subsequent operation would be just one of many recent mergers and acquisitions in American health care delivery, including the CVS-Aetna merger last December. During a recent hearing in the Subcommittee on Oversight and Investigations, witnesses overwhelmingly emphasized concern for harm to consumers across the country as the health care industry continues to consolidate, including “mega mergers” such as this. We believe these concerns warrant a specific hearing directed towards both the Cigna-Express Scripts and CVS-Aetna deals.

The acquisition of Express Scripts is but the most recent development in an ongoing trend of consolidation and transformation in our health care system, with few signs of slowing down. In recent years, various types of mergers and acquisitions in the health care system have become


more common, especially across traditionally separate lines of business.\textsuperscript{4} Increasingly, health systems are offering health insurance and insurers are buying or partnering with health care providers. Just recently we heard of the announced merger of CVS and Aetna, for example. The newly proposed acquisition of a PBM by an insurance carrier is not a new concept in health care acquisitions either.\textsuperscript{5} Other insurers, such as UnitedHealth Group, have acquired or absorbed PBM operations, in a move to provide a more “coordinated approach” to health care delivery.\textsuperscript{6} Experts have expressed concern, however, over the size of these consolidations. The Cigna acquisition is likely the largest; Express Scripts is the largest PBM in the country, responsible for the drug plans of more than 80 million Americans, including beneficiaries in Medicare Part D and Tricare.\textsuperscript{7} The Cigna acquisition news also comes in the wake of an announcement by Amazon to team up with other behemoths J.P. Morgan Chase and Berkshire Hathaway to create an independent health care delivery system of their own.\textsuperscript{8}

The Committee has an ongoing responsibility to evaluate and consider these changes to our health care system, so as to better understand the impact of these changes on consumers, patients, and providers. Due to the scale of the proposed Cigna-Express Scripts and CVS-Aetna deals, these changes should be thoroughly scrutinized and understood by the members of this Committee. To best understand the matter, it would be in this Committee’s best interest to hear directly from representatives of the companies involved, in addition to other perspectives.


\textsuperscript{7} Pharmalittle: Cigna Will Buy Express Scripts; massive opioid litigation may not get settled, STAT (Mar. 8, 2018) (https://www.statnews.com/pharmalot/2018/03/08/cigna-expressscripts-opioids/).

The Honorable Greg Walden  
March 14, 2018  
Page 3  

I encourage you to schedule a hearing with these parties on this important matter as soon as possible.

Sincerely,

Frank Pallone, Jr.  
Ranking Member