

Anticompetitive market power common in managed care plans

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(HealthDay)—For each of the three most popular types of managed care plans in the United States (point-of-service plan [POS], health maintenance organization [HMO], and preferred provider organization [PPO]), anticompetitive market power is widespread, according to a Nov. 28 news release from the American Medical Association (AMA).

To examine competition in the health insurance industry, researchers from the AMA conducted a large analysis of the commercial health insurance market shares and market concentration levels for 385 metropolitan areas within all 50 states and the District of Columbia.

According to the report, in 70 percent of the metropolitan areas

examined there was a significant absence of health insurer competition. In 67, 68, and 68 percent of areas studied, 50 percent or more of the HMO, PPO, and POS market share, respectively, was held by one health insurer. Alabama, Hawaii, Michigan, Delaware, and Alaska were included in the top 10 least competitive health insurance markets. A single insurer accounted for a majority share of the health insurance market in each of these states; for example, a single insurer accounted for 88 percent of the health insurance market in Alabama.

"The broad scope of the new AMA analysis provides the most complete picture of the consolidation trend in [health insurance](#) markets," Jeremy A. Lazarus, M.D., president of the AMA, said in a statement "The new data demonstrate that most areas of the country have a single health insurer with an anticompetitive share of the HMO, PPO or POS market."

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