

# US drugstore chain CVS to buy medical insurer Aetna for \$69 billion

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US drugstore chain CVS Health announced Sunday it would buy medical insurer Aetna for about \$69 billion, in a move that would create a new giant in the healthcare sector.

The deal would see Aetna shareholders receive \$207 per share, with \$145 in cash and the rest in newly issued stock. The overall cost of the transaction rises to \$77 billion with the assumption of Aetna's debt.

"The transaction is expected to close in the second half of 2018," CVS said in a statement, adding: "It is subject to approval by CVS Health and Aetna shareholders, regulatory approvals and other customary closing conditions."

Talks between the two have been reported since late October, and are believed to have been driven by rumors of online shopping behemoth Amazon's entry into the drugstore market.

The merger between CVS and Aetna comes amid rising medical [costs](#) for many citizens and employers, including prescription medicines.

The healthcare industry, meanwhile, is preparing for possible cuts to government-funded programs such as Medicaid as a result of Republican tax cuts.

"Today, increasing numbers of consumers are taking on more and more responsibility for paying for their health care as the burden of costs is

being shifted to them," the statement said, adding that by merging, the company would be better placed to help customers manage their costs.

"With the analytics of Aetna and CVS Health's human touch, we will create a [health](#) care platform built around individuals," said CVS Health President and Chief Executive Officer Larry J. Merlo.

Aetna in February announced it had given up its effort to buy rival Humana following 19 months of negotiations, due to opposition by the US Department of Justice which said it would stifle competition.

The acquisition would be considered a so-called "vertical merger" because the companies operate in non-competing industries.

Such deals are usually not opposed by the US government but the Department of Justice last month sued to block a merger between telecommunications giant AT&T and entertainment conglomerate Time Warner.

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