



Ken Pokalsky
Vice President

December 12, 2018

Peter Mucchetti
Chief, Healthcare and Consumer Products Section
Antitrust Division
United States Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

Dear Mr. Mucchetti:

I am the Vice President of The Business Council of New York State. We are the state's leading business organization representing nearly 2,300 members, employing more than 1 million New Yorkers— businesses large and small, insurers and the insured, all across the state. On behalf of the Business Council's members, I wish to submit these comments in favor of CVS Health Corporation's acquisition of Aetna Health Insurance Company of New York.

Year after year, our members report that the cost of healthcare is the leading cost-driver in their businesses. This has only been exasperated by changes brought on by the implementation of the ACA and subsequent increases in the cost of healthcare. Since CVS Health Corporation's acquisition of Aetna Health Insurance Company of New York would result in substantial efficiencies and other savings that will directly benefit premium payers and result in greater access to affordable healthcare, we view it as quite favorable to employers across the state.

As you know, the U.S. Justice Department has already given preliminary approval to this merger. The Justice Department said of the decision, "The divestitures required here allow for the creation of an integrated pharmacy and health benefits company that has the potential to generate benefits by improving the quality and lowering the costs of the healthcare services that American consumers can obtain..." We agree. This merger will have a beneficial impact on healthcare premiums for consumers, a primary issue to which the Department of Financial Services should be particularly sensitive.

My primary consideration on behalf of The Business Council's members is how any given policy or transaction will affect the cost of healthcare for employers. The proposed CVS Health Corporation's acquisition of Aetna Health Insurance Company of New York will provide the kind of change necessary to aid New York's employers in finding and providing affordable healthcare options for their employees.

We believe that the primary goal of this transaction is to enhance the ability of these two companies to operate more efficiently, improve quality of services and control healthcare costs. We believe that this integration will have downward pressure on premiums and healthcare costs.

The Business Council represents many employers throughout rural upstate New York. These employers and their employees face problems more complex than just rising costs, they also lack access to primary care and other healthcare essentials. This transaction seeks to remedy some of that burden by following the healthcare consumer and offering more access to local care with the availability of more localized options such as retail health clinics. The uniqueness of the physical presence of each of these companies only helps illustrate the synergies that would lead to better access.

The proposed merger holds promise of driving healthcare costs down and allowing the focus of healthcare to lean towards prevention and primary care. The integration of the expertise of two totally different healthcare companies will allow for a deeper understanding of the health goals of New Yorkers and allow for a safer, more efficient and less expensive system. Healthcare providers throughout the state will continue to have choices regarding their participation with different health plans and will be able to contract with any or all of those insurers. Employers and employees will simply have more choices than they do today.

This merger is designed to leverage CVS's vast array of clinical services to create efficiencies in healthcare delivery for privately insured New Yorkers. These efficiencies will ultimately translate into lower costs for employers and further economic growth in New York, adding more jobs and more opportunities, especially in rural areas. Whether it be from an economic development perspective or an affordability of health insurance perspective, this merger is in the best interest of New York and New York businesses.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to be "H. J. [unclear]", written in a cursive style.