# Report on the Review of Aetna Inc.'s Acquisition of Humana and Affiliates

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FLORIDA OFFICE OF INSURANCE REGULATION

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## Executive Summary

The Office of Insurance Regulation (Office) is required by statute to consider the impacts on market structure and competition resulting from proposed mergers between insurance companies operating in the state. This report analyzes the potential market impact in Florida of the proposed merger between the relevant Aetna and Humana companies.

The analysis is based on well-recognized methodologies that rely on current and historical data and is used largely to consider the impact of horizontal mergers, where the entities involved in the proposed merger offer the same, or highly substitutable, products. Particular care is taken to ensure that the analysis provides an accurate and appropriate representation of Florida product and geographic markets.

The report finds:

- The majority of geographic and product markets identified would be characterized as either moderately or highly concentrated before consideration of the proposed merger.

- The impact of the merger in the markets considered is a matter of the degree to which the already existing conditions for the ability of market power to be exercised is enhanced and not where the merger would create the opportunity for the exercise of market power where it did not previously exist.

- Minimum Loss Ratio requirements effectively limit the ability to exercise market power, independent of concentration.

- Network adequacy requirements limit, to some extent, the ability to exercise monopsony power, independent of concentration.

- When using county definitions, Florida Agency for Health Care Administration (AHCA) region definitions or Metropolitan Statistical Areas (MSA) region definitions, (a Bureau of Census definition), the results are similar and show some increase in the degree of concentration that would be viewed as meaningful in some group insurance markets, relatively few individual markets and most noticeably in the Medicare Advantage markets. The impact generally is more noticeable in the more populous regions. Smaller population areas do not seem to experience any meaningful impact from the proposed merger.

- The relatively strong impact in the Medicare Advantage markets should be viewed in context. While the degree of concentration rises sharply in some regions in the private Advantage markets, it is also true that when traditional Medicare is considered, the proposed merger does little to impact the dominance of the Federal program throughout the state. This market warrants additional monitoring moving forward as it is difficult to characterize it as a stable market.

- Taken as a whole, while there may be some particular product and regional areas where additional factors and discussion, outside the scope of this analysis, is likely appropriate, overall, there is not strong evidence of an overall significant reduction in the competitive landscape of the private Florida health insurance markets resulting from this proposed merger.

## Introduction

The Office is required by statute to consider the impacts on market structure and competition resulting from proposed mergers between insurance companies operating in the state.[1]This report analyzes the potential market impact in Florida of the proposed merger between Aetna and Humana (including relevant subsidiary companies)[2].

The analysis and conclusions presented here apply to the potential impact of this proposed merger on the Florida health insurance marketplace. While this is a national level merger, the Office has the regulatory responsibility and authority to analyze the effects of the proposed merger on activity within the state. While other states are conducting their own analysis, likely using similar measures and methodologies, the results are likely to be different, in some cases dramatically so, across the states based on the current business models and activity of the two insurance groups. As such, the results and conclusions provided in this repot are not, and should not be, directly comparable to the results and findings from other states.

The core of the analysis provided here is based on well-recognized methodologies that rely on current and historical data and is used largely to consider the impact of horizontal mergers, where the entities involved in the proposed merger offer the same, or highly substitutable, products. The veracity of the analysis depends on the accurate representation of product and geographic markets.

This report recognizes that health insurance products are not generally considered close substitutes for one another, but vary considerably in terms of providers, policyholders and geographic markets. To that end, this report provides results based on careful definitions of product markets, and considers several different definitions of geographic regions.

Moreover, one product market, the Medicare market, is considered separately as this is the one market characterized by a significant public market provider (e.g. the Federal government) in addition to the private market insurers.

The focus on the competitive impact resulting from mergers is based on concerns that the mergers can have on output pricing and quantity (e.g. monopoly power) and on input pricing and quantity (e.g. monopsony power). In the health insurance markets, the concerns over the exercise of monopoly power are expressed in terms of the cost and availability of health insurance products to current and potential policyholders. Concerns regarding the exercise of monopsony power are expressed in terms of fee schedules and accessibility for physicians, hospitals, and other medical service providers.

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[1] For this merger application, this requirement would be subject to Sections 628.461, F.S.; 628.4615, F.S.; 636.065, F.S.; and 641.255(3), F.S.

[2] These companies from the Humana Group include CarePlus Health Plans, Inc. (HMO), CompBenefits Company (Pre-Paid Limited Health Service Organization), Humana Health Insurance Company of Florida, Inc. (Life & Health Insurer), and Humana Medical Plan, Inc. (HMO).

While these are valid concerns, the current regulatory and legal framework in the health insurance market is designed to address the issues, at least on some level. For policyholders, the Minimum Loss Ratio (MLR) requirement would, all else equal, tend to dampen price (premium) increases. For example, in the individual market if the MLR were to fall below 80% for an insurer, some portion of premium income is rebated back to policyholders. For providers, there is as well some protection as the laws require health maintenance organizations and exclusive provider organizations to have a minimum number of contracts in place in a specific market.

The focus of the current analysis is on the competitive impact of the proposed merger on the output portion of the market. This is consistent with the Office's regulatory responsibility regarding market stability, availability, and cost.

## Methodology

### *Measurement Metrics*

Market concentration is often one useful indicator of likely competitive effects of a horizontal merger, and a key measure explicitly considered by the Department of Justice (DOJ) and other agencies. In evaluating market concentration, the typical analysis considers both the pre-merger level of market concentration and the change in concentration resulting from a merger.

Typically, more weight is given to market concentration analysis when market shares have been stable over time, especially in the face of historical changes in relative prices or costs.

The most frequently used measure of market concentration is the Herfindahl-Hirschman Index (HHI). The HHI is calculated by summing the squares of the individual firms' market shares, and thus gives proportionately greater weight to the larger market shares. When using the HHI, the analysis considers both the post-merger level of the HHI and the increase in the HHI resulting from the merger. The increase in the HHI is equal to twice the product of the market shares of the merging firms.

In addition, other metrics are frequently used to describe market concentration and competitive nature. Commonly used measures based on the market share of the 3, 4, 5 or 10 largest firms in a market are often recited. In Florida, references to four firm concentration ratios are sometimes used in regulatory considerations. These measures, however, lack the robustness necessary to consider the impact of an overall market and all of the participants in the market.

In contrast, the HHI is a more robust measure of the size of firms in relation to the overall market or industry being considered and is a broader indicator of the amount of competition among them. As a result, the HHI is an economic concept widely applied in legal challenges regarding competition law and anti-trust challenges.

The HHI in practice is defined as the sum of the squares of the market shares of the 50 largest firms (or summed over all the firms if there are fewer than 50) within an industry or defined market. The result is proportional to the average market share, weighted by market share.

To provide some context for the HHI consider two extreme examples. At one extreme, a market may consist of one firm capturing 100% of the market. The resulting HHI would be 10,000 (e.g. $100^2$). At the other extreme, consider a market with 100 firms each with a 1% market share. The resulting HHI would be 100. "High" values of the HHI indicate a limited degree of competition and a high degree of market power while "low" values of the HHI indicate higher degrees of competition and a reduction in potential market power.

The determination of competitiveness in a market or industry using the HHI, then, relies on interpretation of the calculation. Standards common in practice can be found in the Horizontal Merger Guidelines published jointly by the DOJ and the Federal Trade Commission (FTC)[3] In these guidelines the Agencies find:

> *Based on their experience, the Agencies generally classify markets into three types:*
> - **Unconcentrated Markets**: HHI below 1500
> - **Moderately Concentrated Market**s: HHI between 1500 and 2500
> - **Highly Concentrated Markets**: HHI above 2500
>
> *The Agencies employ the following general standards for the relevant markets they have defined:*
> - **Small Change in Concentration**: Mergers involving an increase in the HHI of less than 100 points are unlikely to have adverse competitive effects and ordinarily require no further analysis.
> - **Unconcentrated Markets**: Mergers resulting in unconcentrated markets are unlikely to have adverse competitive effects and ordinarily require no further analysis.
> - **Moderately Concentrated Markets**: Mergers resulting in moderately concentrated markets that involve an increase in the HHI of more than 100 points potentially raise significant competitive concerns and often warrant scrutiny.
> - **Highly Concentrated Markets**: Mergers resulting in highly concentrated markets that involve an increase in the HHI of between 100 points and 200 points potentially raise significant competitive concerns and often warrant scrutiny. Mergers resulting in highly concentrated markets that involve an increase in the HHI of more than 200 points will be presumed to be likely to enhance market power. The presumption may be rebutted by persuasive evidence showing that the merger is unlikely to enhance market power.

[3] *Horizontal Merger Guidelines*, U.S. Department of Justice and Federal Trade Commission, Issued August 19, 2010.

Using market share data based on policy enrollment, then, the HHI in the following analysis is calculated as[4]:

$$H = \sum_{i=1}^{N} s_i^2$$

where

***H*** = HHI index value,
***N***= number of firms in a particular market as defined,
$s_i$ = market share of firm i in the defined market.

While a relatively straightforward calculation, the usefulness of an HHI analysis is critically dependent on the definition of product and geographic markets chosen for analysis.

Again, the purpose of these thresholds is not to provide a rigid screen to separate competitively benign mergers from anti-competitive ones but to provide one way to identify some mergers unlikely to raise competitive concerns and some others for which it is particularly important to examine whether other competitive factors confirm, reinforce, or counteract the potentially harmful effects of increased concentration. The higher the post-merger HHI and the increase in the HHI, the greater are the potential competitive concerns and the greater is the likelihood that other information and analysis will be needed.

***Data***

The company specific data underlying this report were obtained through the Major Medical and Medicare Advantage (MMMA) data call performed by the Office in the Fall of 2015. Data were requested at the county level from a constrained list of companies that make up roughly 95% of Florida GAP reported premiums as collected in the *Accident & Health Markets Gross Annual Premium and Enrollment Summary CY 2014* (GAP).

These data were selected for the analysis as they provided more granularity of reporting for the appropriate geographic markets than would be available from Statutory Annual Statement filings.

Traditional Medicare enrollment data were obtained from the Centers for Medicare and Medicaid Services (CMS)[5].

[4] For this analysis enrollment data was selected for measuring market share rather than premium data as the enrollment data is a more direct reflection of the "touch" of an insurer on the consuming public.

[5] https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2015-Press-releases-items/2015-07-28.html

***Product Markets***
For the analytical purposes of this report, the assumption is made that not all "health" insurance products are substitutes for one another. Recognizing substantial differences in the marketplace, with regard to both providing insurers and policyholders, a number of product markets, e.g. lines of business, are identified[6]. These are:

- Large Group;
- Medium Group;
- Small Group;
- Individual;
- Other Commercial;
- Medicare and Medicare Advantage, and;
- Medicaid.

***Geographic Markets***
There are a number of ways to segment the Florida market geographically. Much of the work done in insurance market structure in Florida for regulatory and policy purposes relies upon reporting done on a by county basis. The data could alternatively be grouped by regions as defined by the AHCA in their reporting.[7] Finally, The American Medical Association (AMA) uses data grouped by Metropolitan Statistical Areas (MSAs) in their reporting of health insurance and competition[8].

## Statewide Analysis by Product Line

In the case of the Aetna/Humana merger, there are several health insurance product lines where both groups currently write business. A merger then, could potentially increase market power, as the resulting product market would, by definition, become more concentrated.

At the broadest level, the analysis begins by examining the degree of market concentration resulting from the proposed merger on a statewide basis. Table 1 below provides the estimated pre-merger and post-merger HHI values based on the reported data. The data provide several important insights. First, only in the case where the entire state is considered the geographic market and where all different lines of health insurance business are considered interchangeable (perfect or close substitutes) can a finding of a "highly competitive" market be shown, that is a market identified as being unconcentrated, prior to calculating the impact of the proposed merger. At this broad level of defined market, the impact of the proposed merger is minimal. As Table 1 shows, the measured HHI moves from 1,261 (unconcentrated) to1,568 (just barely over the boundary between unconcentrated and moderately concentrated, again as defined by the DOJ).

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[6] Detailed definitions of these product lines are in Appendix 2. Several lines identified in the Appendix are not included in this analysis as either none of the companies involved are active in those lines of business (Conversion and Healthy Kids) or the Federal Government is responsible for granting access to the line of business and is thus out of the purview of the Office (Federal Employee).
[7] The mapping of counties into AHCA regions is included in Appendix 3.
[8] See Appendix 3 for MSA definitions used in this analysis.

The second insight can be found by looking at the impact of the proposed merger on the separate lines of business, recognizing that these lines are not in most cases very close substitutes for each other. The measured pre-merger HHIs suggest that, on a statewide basis, all but two of the markets can already be characterized as highly concentrated. The remaining two, Medicare Advantage and Medicaid, are moderately concentrated. This can also be seen by examining the calculated four firm concentration ratios, which show that except for the Large Group line, Medicare Advantage and Medicaid, the markets were almost entirely served by the four largest firms. Following the merger, using extant data, the Large Group market shows a significant increase in four firm concentration.

**Table 1: Statewide Herfindahl-Herschman Index (HHI) by Line**

| Product Line | Current HHI | Post-Merger HHI | Increase in HHI due to Aetna/Humana | Increase in HHI due to Anthem/Cigna | Statewide Four-Firm Concentration Pre-Merger | Statewide Four-Firm Concentration Post-Merger |
|---|---|---|---|---|---|---|
| Small Group | 2,836 | 3,120 | 284 | 0 | 93.37% | 98.76% |
| Medium Group | 3,564 | 3,662 | 98 | 0 | 97.16% | 99.01% |
| Large Group | 2,676 | 2,912 | 236 | 0 | 88.13% | 97.22% |
| Individual | 3,038 | 3,954 | 916 | 0 | 95.69% | 99.01% |
| Other Commercial | 9,519 | 9,519 | 0 | 0 | 100.00% | 100.00% |
| Medicare Advantage | 2,228 | 2,712 | 470 | 15 | 73.70% | 79.63% |
| Medicaid | 1,980 | 2,006 | 27 | 0 | 79.19% | 79.19% |
| All Lines Combined* | 1,261 | 1,568 | 274 | 33 | 62.68% | 71.40% |
| Total Medicare | 4,223 | 4,291 | 66 | 2 | | |
| Commercial Lines | 2,570 | 2,992 | 422 | 0 | | |
| Public Lines | 1,449 | 1,582 | 112 | 21 | | |

*Includes all lines of business as defined in the the text,not just those line highlighted in the Table.

When considered post-merger, the markets that were highly concentrated prior to considering the merger of course remain so, and the Medicare Advantage line of business can be characterized as moving from being moderately concentrated to highly concentrated, although as further analysis below will show, this result may be somewhat misleading on a practical economic basis.

More specifically, using the DOJ guidelines on the change in HHI in market structure, five lines exceed the 200 threshold value considered meaningful for further consideration, beyond the scope of the type of analysis considered here. These are the Small Group insurance, Large Group insurance, Individual insurance, Medicare Advantage, as noted.

In summary, when measuring the competitive impact of the proposed merger on a statewide basis, the data suggest that the markets generally exhibit the characteristics necessary for the exercise of market power (monopoly or monopsony) currently. The proposed merger does not create the possibility where it did not previously exist, but rather exacerbates the degree, at some level, to which such activity may already exist. In five of the markets considered, the degree to which this possibility is increased is suggested to warrant further consideration as to cause, effect, or mitigating conditions.

## Regional Analysis by Product Line

In practical terms, it is also important to consider geographic variation in analyzing the overall competitive effects of the proposed Aetna/Humana merger. In many cases, disparate geographies can be characterized by different market structures, either as a result of demographics, private insurer business models, or, in the case of HMOs regulatory and legal restrictions. The purpose is to examine these geographic markets to see if the changes and impacts reported on a statewide basis are uniform, or are more concerning in some areas rather than others. In this more detailed analysis, geographic granularity is combined with segmentation in product markets to gain some insight into where more specific issues and concerns might arise.

There are a number of ways to segment the Florida market geographically. Much of the work done in insurance market structure in Florida for regulatory and policy purposes relies upon reporting done on a by county basis. [9] The data could alternatively be grouped by regions as defined by the AHCA in their reporting.[10] Finally, The AMA uses data grouped by MSAs in their reporting of health insurance and competition[11]. These last two regional groupings are important as they may well obviate the methodological and interpretive issued by providing additional stability and robustness to the county analysis where seemingly small changes in less populated counties can skew overall interpretations.

### *Analysis by County*

Table 2 below provides the estimated pre- and post-merger HHI measures for each line of business considered for each of Florida's sixty seven counties, using the same data reported for the statewide analysis above. If neither Aetna nor Humana wrote a line of business, it was omitted from the Table.

The data in Table 2 show that much of what was found on a statewide basis is retained when examining the product line market on a more detailed geographic basis. In the group insurance markets, only two counties (Broward and Miami-Dade) had HHI index values that fell below the highly concentrated range for Small Group, all of the counties showed high concentration values for Medium Group, and eight counties showed moderate concentration for Large Group.

The post-merger calculations suggest that both of the moderately concentrated counties move just into the highly concentrated range for Small Group, all of the counties show, of course, continued measures of being highly concentrated for Medium Group, and six of the eight moderately concentrated counties move over the threshold into the highly concentrated range for Large Group. The data in Table 2 also show that the most dramatic impact seems to occur in more populous counties.

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[9] The analysis begins with by county reporting. While the county level analysis does provide interesting insights, there is always a concern that results from significantly smaller counties can skew overall interpretations.

[10] The mapping of counties into AHCA regions is included in the Appendix 3.

[11] See AMA report and Appendix 3 for MSA definitions used in this analysis.

**Table 2: County Level HHI for Enrollment by County**

| | Small Group | | | Medium Group | | | Large Group | | | Individual | | | Medicare Advantage | | | Medicaid | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| County | HHI Before | HHI After | Increase HHI Aetna/Humana | HHI Before | HHI After | Increase HHI Aetna/Humana | HHI Before | HHI After | Increase HHI Aetna/Humana | HHI Before | HHI After | Increase HHI Aetna/Humana | HHI Before | HHI After | Increase HHI Aetna/Humana | HHI Before | HHI After | Increase HHI Aetna/Humana |
| Alachua | 6,310 | 6,314 | 4 | 6,124 | 6,124 | | 4,694 | 4,697 | 3 | 9,195 | 9,200 | 5 | 3,096 | 3,237 | *141* | 3,524 | 3,524 | |
| Baker | 3,138 | 3,286 | *149* | 4,841 | 4,841 | | 3,918 | 3,927 | 10 | 8,436 | 8,440 | 4 | 4,760 | 4,814 | 54 | 3,378 | 3,378 | |
| Bay | 7,832 | 7,832 | 0 | 4,909 | 4,909 | | 7,115 | 7,115 | 0 | 9,196 | 9,200 | 0 | 2,829 | 2,956 | *127* | 8,493 | 8,493 | |
| Bradford | 4,516 | 4,516 | | 4,705 | 4,705 | | 4,540 | 4,542 | 2 | 7,743 | 7,746 | 3 | 4,096 | 4,227 | *131* | 3,302 | 3,302 | |
| Brevard | 3,259 | 3,285 | 26 | 3,564 | 3,566 | 2 | 2,209 | 2,216 | 7 | 4,727 | 5,014 | **287** | 3,406 | 3,463 | 57 | 3,192 | 3,192 | 0 |
| Broward | 2,155 | 2,935 | **780** | 2,913 | 3,282 | **368** | 2,015 | 2,872 | **856** | 4,063 | 5,997 | **1,934** | 2,937 | 5,331 | **2,395** | 4,212 | 4,212 | |
| Calhoun | 9,737 | 9,737 | | 7,648 | 7,648 | | 8,079 | 8,079 | | 8,147 | 8,147 | | 3,274 | 3,304 | 29 | 7,548 | 7,548 | |
| Charlotte | 3,816 | 3,954 | *138* | 5,434 | 5,438 | 5 | 3,602 | 3,623 | 20 | 4,400 | 5,031 | **631** | 2,404 | 3,144 | **740** | 6,821 | 6,821 | |
| Citrus | 5,143 | 5,173 | 30 | 4,885 | 4,885 | | 5,713 | 5,724 | 11 | 8,547 | 8,555 | 8 | 2,532 | 2,689 | *157* | 4,738 | 4,738 | 0 |
| Clay | 3,819 | 3,895 | 76 | 4,404 | 4,404 | | 5,001 | 5,007 | 7 | 7,485 | 7,575 | 90 | 3,001 | 3,147 | *146* | 3,623 | 3,623 | |
| Collier | 7,078 | 7,087 | 9 | 6,424 | 6,424 | | 4,179 | 4,203 | 24 | 7,800 | 7,855 | 54 | 2,980 | 3,520 | **540** | 4,975 | 4,975 | |
| Columbia | 6,135 | 6,136 | 0 | 5,817 | 5,817 | | 7,026 | 7,026 | | 8,287 | 8,299 | 11 | 3,900 | 4,015 | *116* | 3,385 | 3,385 | |
| Miami-Dade | 2,361 | 2,678 | **317** | 3,319 | 3,541 | **222** | 2,398 | 2,693 | **295** | 3,085 | 3,494 | **409** | 2,465 | 2,478 | 13 | 1,657 | 1,801 | *144* |
| DeSoto | 4,249 | 4,272 | 23 | 5,632 | 5,632 | | 4,999 | 4,999 | 0 | 7,645 | 7,648 | 3 | 3,714 | 4,077 | **364** | 7,395 | 7,395 | |
| Dixie | 5,727 | 5,727 | | 6,490 | 6,490 | | 4,315 | 4,315 | | 7,390 | 7,390 | | 4,331 | 4,475 | *144* | 4,091 | 4,091 | |
| Duval | 3,486 | 3,549 | 63 | 4,266 | 4,266 | | 3,912 | 3,932 | 20 | 4,808 | 5,056 | **248** | 2,536 | 3,043 | **507** | 2,918 | 2,918 | |
| Escambia | 4,363 | 4,370 | 7 | 4,747 | 4,747 | 0 | 6,551 | 6,551 | 0 | 5,514 | 5,824 | **311** | 2,405 | 2,581 | *176* | 9,399 | 9,399 | |
| Flagler | 4,680 | 4,826 | *145* | 4,977 | 4,991 | 14 | 4,794 | 4,808 | 14 | 6,760 | 6,805 | 45 | 3,824 | 4,099 | **275** | 3,468 | 3,468 | |
| Franklin | 9,383 | 9,383 | | 9,818 | 9,818 | | 8,316 | 8,316 | | 9,026 | 9,026 | | 3,267 | 3,378 | *111* | 8,067 | 8,067 | |
| Gadsden | 9,219 | 9,219 | | 7,588 | 7,588 | | 9,450 | 9,450 | | 8,629 | 8,639 | 10 | 4,368 | 4,371 | 4 | 8,824 | 8,824 | |
| Gilchrist | 5,421 | 5,421 | | 4,559 | 4,559 | | 5,993 | 5,993 | | 8,519 | 8,530 | 11 | 3,744 | 3,923 | *179* | 3,681 | 3,681 | |
| Glades | 6,672 | 6,672 | | 7,759 | 7,759 | | 5,428 | 5,428 | | 7,088 | 7,088 | | 5,078 | 5,201 | *124* | 4,503 | 4,503 | |
| Gulf | 9,485 | 9,485 | | 9,330 | 9,330 | | 6,761 | 6,761 | | 9,283 | 9,283 | | 3,081 | 3,211 | *130* | 7,064 | 7,064 | |
| Hamilton | 7,257 | 7,257 | | 7,388 | 7,388 | | 6,505 | 6,505 | | 8,359 | 8,363 | 4 | 4,077 | 4,244 | *168* | 3,608 | 3,608 | |
| Hardee | 4,876 | 4,899 | 23 | 5,276 | 5,276 | | 4,810 | 4,819 | 9 | 8,419 | 8,421 | 2 | 3,478 | 3,615 | *137* | 4,161 | 4,162 | 1 |
| Hendry | 7,394 | 7,397 | 4 | 7,825 | 7,825 | | 4,150 | 4,150 | | 8,737 | 8,747 | 10 | 3,666 | 3,770 | *104* | 5,384 | 5,384 | |
| Hernando | 3,494 | 3,732 | **239** | 4,263 | 4,263 | | 5,367 | 5,421 | 54 | 7,593 | 7,636 | 42 | 2,598 | 2,675 | 76 | 4,628 | 4,628 | |
| Highlands | 4,513 | 4,523 | 10 | 4,680 | 4,680 | | 4,846 | 4,855 | 9 | 7,271 | 7,292 | 21 | 3,166 | 3,491 | **326** | 4,158 | 4,166 | 8 |
| Hillsborough | 2,956 | 3,326 | **371** | 3,445 | 3,618 | *172* | 2,368 | 3,268 | **900** | 4,231 | 4,806 | **575** | 3,281 | 3,514 | **233** | 2,224 | 2,228 | 4 |
| Holmes | 8,421 | 8,421 | | 8,461 | 8,461 | | 7,032 | 7,032 | | 8,720 | 8,723 | 3 | 3,870 | 3,911 | 41 | 6,491 | 6,491 | |
| Indian River | 6,359 | 6,361 | 3 | 5,769 | 5,769 | | 3,400 | 3,402 | 2 | 8,478 | 8,481 | 3 | 1,984 | 2,105 | *121* | 4,498 | 4,624 | *126* |
| Jackson | 9,063 | 9,063 | | 7,310 | 7,310 | | 4,046 | 4,046 | | 8,673 | 8,673 | | 3,753 | 3,856 | *103* | 7,430 | 7,430 | |
| Jefferson | 9,484 | 9,484 | | 8,496 | 8,496 | | 9,506 | 9,506 | | 8,092 | 8,111 | 19 | 4,304 | 4,311 | 7 | 7,965 | 7,965 | |
| Lafayette | 8,951 | 8,951 | | 9,690 | 9,690 | | 5,590 | 5,590 | | 9,499 | 9,499 | | 3,755 | 3,755 | | 4,326 | 4,326 | |
| Lake | 4,055 | 4,137 | 83 | 4,462 | 4,484 | 21 | 3,374 | 3,406 | 32 | 5,835 | 6,007 | *172* | 2,070 | 2,220 | *151* | 3,543 | 3,543 | 0 |
| Lee | 4,015 | 4,059 | 44 | 5,784 | 5,789 | 6 | 4,240 | 4,286 | 46 | 6,180 | 6,234 | 54 | 2,484 | 2,852 | **368** | 7,682 | 7,682 | |
| Leon | 9,209 | 9,209 | 0 | 7,999 | 7,999 | 0 | 9,439 | 9,439 | 0 | 9,081 | 9,089 | 8 | 6,409 | 6,418 | 8 | 8,252 | 8,252 | |
| Levy | 6,609 | 6,609 | | 5,817 | 5,817 | | 4,265 | 4,265 | | 8,259 | 8,273 | 15 | 3,796 | 3,900 | *103* | 3,946 | 3,946 | |
| Liberty | 9,672 | 9,672 | | 6,582 | 6,582 | | 7,157 | 7,157 | | 8,200 | 8,200 | | 3,005 | 3,034 | 29 | 8,075 | 8,075 | |
| Madison | 6,902 | 6,909 | 7 | 8,567 | 8,567 | | 7,185 | 7,185 | | 8,555 | 8,555 | | 3,377 | 3,408 | 31 | 8,508 | 8,508 | |
| Manatee | 3,386 | 3,588 | **201** | 4,268 | 4,268 | | 3,424 | 3,557 | *133* | 5,475 | 5,691 | **216** | 2,131 | 2,971 | **840** | 3,996 | 4,002 | 7 |
| Marion | 5,939 | 5,948 | 9 | 6,382 | 6,382 | | 7,110 | 7,113 | 3 | 8,492 | 8,516 | 24 | 2,537 | 2,581 | 45 | 4,088 | 4,088 | |
| Martin | 6,901 | 6,947 | 46 | 6,447 | 6,447 | | 4,395 | 4,439 | 44 | 7,185 | 7,233 | 48 | 3,867 | 4,220 | **352** | 4,647 | 4,699 | 52 |
| Monroe | 5,284 | 5,348 | 64 | 3,514 | 3,589 | 75 | 2,977 | 3,012 | 35 | 4,517 | 4,526 | 10 | 3,328 | 3,818 | **490** | 3,119 | 3,164 | 45 |
| Nassau | 3,140 | 3,321 | *181* | 3,992 | 4,047 | 55 | 5,500 | 5,510 | 10 | 7,480 | 7,550 | 70 | 4,001 | 4,302 | **301** | 3,563 | 3,563 | |
| Okaloosa | 4,290 | 4,305 | 15 | 4,943 | 4,946 | 3 | 6,356 | 6,356 | 1 | 9,110 | 9,116 | 5 | 3,000 | 3,172 | *171* | 9,540 | 9,540 | |
| Okeechobee | 6,117 | 6,169 | 51 | 6,614 | 6,631 | 17 | 5,268 | 5,382 | 13 | 8,351 | 8,365 | 14 | 6,915 | 7,172 | **257** | 4,305 | 4,362 | 58 |
| Orange | 3,320 | 3,500 | *179* | 4,126 | 4,178 | 52 | 2,593 | 2,668 | 75 | 4,148 | 4,551 | **403** | 3,342 | 3,424 | 82 | 3,021 | 3,021 | 0 |
| Osceola | 3,014 | 3,309 | **295** | 4,016 | 4,073 | 57 | 2,415 | 2,550 | *135* | 5,195 | 5,546 | **351** | 2,937 | 2,987 | 51 | 3,716 | 3,716 | 0 |
| Palm Beach | 3,549 | 3,844 | **295** | 3,988 | 4,127 | *139* | 2,203 | 2,465 | **262** | 3,182 | 4,482 | **1,299** | 4,569 | 4,853 | **284** | 6,856 | 6,859 | 4 |
| Pasco | 2,551 | 3,281 | **731** | 3,563 | 3,708 | *145* | 2,299 | 2,769 | **470** | 4,137 | 4,754 | **616** | 3,096 | 3,262 | *166* | 2,514 | 2,514 | |
| Pinellas | 2,545 | 3,378 | **833** | 3,178 | 3,502 | **324** | 2,416 | 3,553 | **1,137** | 3,967 | 4,755 | **788** | 2,503 | 2,728 | **226** | 2,579 | 2,579 | |
| Polk | 3,193 | 3,396 | **203** | 3,883 | 3,979 | 96 | 2,605 | 2,814 | **209** | 5,083 | 5,344 | **260** | 2,363 | 2,564 | **200** | 2,445 | 2,448 | 3 |
| Putnam | 5,730 | 5,739 | 9 | 5,704 | 5,704 | | 8,099 | 8,100 | 1 | 8,649 | 8,655 | 6 | 4,578 | 4,657 | 78 | 4,314 | 4,314 | |
| Santa Rosa | 4,676 | 4,678 | 2 | 4,550 | 4,550 | | 6,037 | 6,037 | 0 | 6,844 | 6,992 | *147* | 3,349 | 3,542 | *193* | 9,584 | 9,584 | |
| Sarasota | 4,160 | 4,243 | 84 | 4,826 | 4,848 | 22 | 4,877 | 4,917 | 40 | 6,343 | 6,470 | *127* | 1,951 | 2,576 | **625** | 6,633 | 6,633 | |
| Seminole | 3,606 | 3,883 | **277** | 3,830 | 3,920 | 90 | 3,392 | 3,430 | 38 | 3,871 | 4,378 | **507** | 2,602 | 2,700 | 98 | 2,083 | 2,083 | 0 |
| St. Johns | 3,691 | 3,744 | 53 | 4,712 | 4,712 | | 3,521 | 3,542 | 21 | 7,384 | 7,481 | 97 | 3,383 | 4,200 | **816** | 3,894 | 3,894 | |
| St. Lucie | 4,467 | 4,482 | 15 | 4,598 | 4,598 | | 3,722 | 3,742 | 20 | 7,870 | 7,888 | 18 | 2,735 | 2,870 | *135* | 4,828 | 4,873 | 45 |
| Sumter | 5,192 | 5,192 | | 5,140 | 5,140 | | 5,472 | 5,472 | | 7,734 | 7,767 | 33 | 3,206 | 3,305 | 99 | 4,456 | 4,456 | |
| Suwannee | 5,385 | 5,385 | | 8,203 | 8,203 | | 7,461 | 7,461 | | 8,364 | 8,373 | 10 | 4,013 | 4,115 | *102* | 3,668 | 3,668 | |
| Taylor | 8,637 | 8,637 | | 7,228 | 7,228 | | 4,741 | 4,741 | | 7,937 | 7,937 | | 4,239 | 4,404 | *165* | 8,397 | 8,397 | 0 |
| Union | 7,293 | 7,293 | | 4,638 | 4,638 | | 5,844 | 5,844 | | 8,434 | 8,443 | 8 | 3,612 | 3,643 | 31 | 3,353 | 3,353 | |
| Volusia | 5,083 | 5,156 | 72 | 4,859 | 4,476 | 17 | 5,830 | 5,835 | 4 | 4,615 | 4,943 | **328** | 4,038 | 4,208 | *170* | 3,680 | 3,680 | |
| Wakulla | 9,350 | 9,350 | | 8,056 | 8,056 | | 9,590 | 9,590 | | 8,945 | 8,948 | 3 | 5,789 | 5,805 | 16 | 8,575 | 8,575 | |
| Walton | 4,730 | 4,745 | 15 | 5,608 | 5,611 | 3 | 7,345 | 7,345 | | 8,976 | 8,986 | 9 | 3,207 | 3,366 | *159* | 9,703 | 9,703 | |
| Washington | 7,009 | 7,009 | | 6,103 | 6,103 | | 5,942 | 5,942 | | 8,401 | 8,401 | | 3,820 | 3,984 | *164* | 7,750 | 7,750 | |

*Italic* Increase in HHI > 100
**Bold** Increase in HHI > 200

For the Individual market, all of the counties were measured as being in the highly concentrated range prior to the proposed merger, and remain so following the calculations based on the proposed merger. For the Medicare Advantage market, nine counties were measured as being moderately concentrated prior to the merger, the remainder were measured as highly concentrated. The post-merger calculations show that six of the eight moderately concentrated counties now become highly concentrated, and again this is more pronounced in the more populous counties.

The Medicaid market is measured as highly concentrated in all but four counties before the proposed merger. The calculations show that the four moderately concentrated counties remain so following the proposed merger. That is, there appears to be no particular impact on the Medicaid market from the proposed merger.

Taken together, the results in Table 2 are similar to those provided on a statewide basis. Prior to any merger activity, the bulk of the lines of business explored in this analysis were already moderately or highly concentrated prior to the proposed merger. Using the post-merger calculations, the Table shows that the markets either retain the moderate concentration or become more highly concentrated. Table 2 though, does also show that the degree of impact is not uniform across the state; the more populated counties, all else

equal, seem to be where the more dramatic changes in market concentration occur across the lines of business.

***Analysis by AHCA Region***

The Agency for Health Care Administration (AHCA) is the state agency in Florida responsible for administering and overseeing the state's Medicaid program. For their purposes, Florida's counties are grouped into eleven regions. These regions provide some geographic and demographic stability that is useful for the analytical purposes of this report.

For this part of the analysis, the collected data were divided into AHCA regions and the resulting pre- and post- proposed merger HHI index values were calculated for each region for each line of business under consideration. The results appear in Table 3.

**Table 3: HHI for Enrollment by AHCA Region**

| Region | Small Group | | Medium Group | | Large group | | Individual | | Medicare Advantage | | Medicaid | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger |
| 1 | 4,334 | 4,342 | 4,661 | 4,662 | 6,394 | 6,394 | 7,065 | 7,185 | **2,544** | 2,723 | 9,487 | 9,487 |
| 2 | 8,899 | 8,899 | 7,401 | 7,402 | 8,835 | 8,835 | 8,960 | 8,965 | 3,827 | 3,858 | 8,197 | 8,197 |
| 3 | 5,000 | 5,034 | 5,148 | 5,153 | 5,483 | 5,492 | 7,884 | 7,918 | **2,247** | **2,361** | 3,800 | 3,800 |
| 4 | 3,761 | 3,856 | 4,352 | 4,362 | 4,560 | 4,573 | 5,179 | 5,445 | 3,153 | 3,526 | **2,414** | **2,414** |
| 5 | 2,541 | 3,345 | 3,253 | 3,517 | **2,295** | 3,249 | 4,010 | 4,754 | 2,679 | 2,887 | **2,546** | **2,546** |
| 6 | 2,890 | 3,266 | 3,587 | 3,711 | **2,259** | 2,924 | 4,150 | 4,771 | 2,670 | 3,036 | **2,343** | **2,347** |
| 7 | 2,661 | 2,835 | 3,165 | 3,207 | **2,341** | **2,395** | 3,762 | 4,528 | **2,314** | **2,399** | **2,306** | **2,306** |
| 8 | 4,183 | 4,240 | 5,721 | 5,726 | 4,300 | 4,334 | 6,296 | 6,431 | **2,206** | 2,816 | 6,950 | 6,950 |
| 9 | 3,881 | 4,067 | 4,241 | 4,320 | **2,472** | 2,638 | 3,565 | 4,355 | 3,848 | 4,109 | 5,747 | 5,753 |
| 10 | **2,155** | 2,935 | 2,913 | 3,282 | **2,015** | 2,872 | 4,063 | 5,997 | 2,937 | 5,331 | 4,212 | 4,212 |
| 11 | **2,354** | 2,666 | 3,301 | 3,523 | **2,369** | 2,656 | 2,985 | 3,378 | **2,465** | **2,480** | **1,646** | **1,788** |

**Bold** Indicates an HHI between 1500 and 2500

Normal Indicates and HHI over 2500

***10,000*** Monopoly

For the group insurance markets, the results overall tend to show that the level of market concentration in evidence before the merger does not change classification categories when the impact of the proposed merger is considered. That is, if a market was moderately concentrated before the proposed merger, it tended to remain so after the proposed merger, and of course, markets characterized as highly competitive before the proposed merger remain so afterwards. The exceptions are in Regions 10 and 11 for Small Group insurance, and Regions 5, 6, 9, 10, and 11 for Large Group insurance.

The Individual market is measured as highly concentrated in every AHCA region prior to the merger as well as after considering the proposed merger.

The Medicare Advantage market does show some noticeable variation across regions. Markets that were highly concentrated remain so, Regions 3, 7 and 11 remain moderately competitive before and after considering the proposed merger; Region 8 is moderately concentrated prior to consideration of the merger moving to highly concentrated after considering the merger and Region 10 while measured as highly concentrated prior to the proposed merger, shows a substantial increase in measure market concentration following the proposed merger.

In the Medicaid market, regions tend to be bifurcated into either highly concentrated or moderately concentrated prior to considering the merger. The market concentration following the proposed merger remains in the same range for each region, in fact almost the same measure, following the proposed merger, signifying the minimal impact of the proposed merger on this market.

***Analysis by MSA***

Finally, the collected data are sorted into defined MSAs. This grouping allows the analysis to be roughly consistent with analyses presented from other sources.[12] In order to provide a complete view of all of the markets within the Florida state boundaries, the analysis presented here had to add three regions undefined in the MSA specifications. These are the three areas labeled Northwest, North, and South, and as shown in Appendix 3, include smaller, less populated counties of the state not otherwise considered in an MSA based analysis. Table 4 summarizes the MSA based analysis

**Table 4: HHI for Enrollment by MSA – by Line**

| | Small Group | | Medium Group | | Large group | | Individual | | Medicare Advantage | | Medicaid | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger | Pre-Merger | Post-Merger |
| Pensacola-Ferry Pass-Brent, FL | 4,453 | 4,457 | 4,594 | 4,594 | 6,277 | 6,277 | 5,943 | 6,192 | 2,560 | 2,742 | 9,448 | 9,448 |
| Crestview-Ft Walton Beach-Destin | 4,290 | 4,305 | 4,943 | 4,946 | 6,356 | 6,356 | 9,110 | 9,116 | 3,000 | 3,172 | 9,540 | 9,540 |
| Panama City-Lyn Haven-Panama City Beach | 7,832 | 7,832 | 4,909 | 4,909 | 7,115 | 7,115 | 9,199 | 9,200 | 2,829 | 2,956 | 8,493 | 8,493 |
| Tallahassee | 9,229 | 9,229 | 7,963 | 7,964 | 9,457 | 9,457 | 8,977 | 8,986 | 5,803 | 5,812 | 8,388 | 8,388 |
| Jacksonville | 3,514 | 3,583 | 4,322 | 4,324 | 4,048 | 4,065 | 5,377 | 5,625 | 2,696 | 3,196 | 2,609 | 2,609 |
| Gainesville | 6,267 | 6,271 | 5,774 | 5,774 | 4,774 | 4,777 | 9,163 | 9,169 | 3,138 | 3,284 | 3,533 | 3,533 |
| Palm Coast | 4,680 | 4,826 | 4,977 | 4,991 | 4,794 | 4,808 | 6,760 | 6,805 | 3,824 | 4,099 | 3,468 | 3,468 |
| Ocala | 5,939 | 5,948 | 6,382 | 6,382 | 7,110 | 7,113 | 8,492 | 8,516 | 2,537 | 2,581 | 4,088 | 4,088 |
| Deltona-Daytona Beach-Ormond Beach | 5,083 | 5,156 | 4,459 | 4,476 | 5,830 | 5,835 | 4,615 | 4,943 | 4,038 | 4,208 | 3,680 | 3,680 |
| Orlando-Kissimee-Sanford | 3,326 | 3,517 | 4,041 | 4,095 | 2,551 | 2,616 | 4,109 | 4,509 | 2,683 | 2,795 | **2,245** | **2,245** |
| Palm Bay-Melbourne-Titusville | 3,259 | 3,285 | 3,564 | 3,566 | **2,209** | **2,216** | 4,727 | 5,014 | 3,406 | 3,463 | 3,214 | 3,214 |
| Sebastian-Vero Beach | 6,359 | 6,361 | 5,769 | 5,769 | 3,400 | 3,402 | 8,478 | 8,481 | **1,984** | **2,105** | 4,498 | 4,624 |
| Tampa-St. Petersburg-clearwater | 2,718 | 3,266 | 3,356 | 3,566 | **2,320** | 3,178 | 4,188 | 4,804 | 2,747 | 2,950 | **2,307** | **2,308** |
| Lakeland-Winter Haven | 3,193 | 3,396 | 3,883 | 3,979 | 2,605 | 2,814 | 5,083 | 5,344 | **2,370** | 2,570 | **2,452** | **2,455** |
| Punta Gorda | 3,816 | 3,954 | 5,434 | 5,438 | 3,602 | 3,623 | 4,400 | 5,031 | **2,404** | 3,144 | 6,821 | 6,821 |
| Port St. Lucie | 4,734 | 4,759 | 4,701 | 4,701 | 3,804 | 3,830 | 7,587 | 7,615 | 2,957 | 3,153 | 4,777 | 4,824 |
| Cape Coral-Ft. Myers | 4,015 | 4,059 | 5,784 | 5,789 | 4,240 | 4,286 | 6,180 | 6,234 | **2,484** | 2,852 | 7,682 | 7,682 |
| Naples-Marco Island | 7,078 | 7,087 | 6,424 | 6,424 | 4,179 | 4,203 | 7,800 | 7,855 | 2,980 | 3,520 | 4,975 | 4,975 |
| Miami-Ft Lauderdale-Pompano Beach | **2,262** | 2,702 | 3,081 | 3,330 | **2,060** | 2,535 | 2,645 | 3,964 | 2,574 | 3,549 | 3,254 | 3,329 |
| North Port-Bradenton-Sarasota | 3,717 | 3,865 | 4,420 | 4,427 | 4,132 | 4,210 | 5,986 | 6,144 | **1,943** | 2,738 | 4,633 | 4,636 |
| **Northwest** | 6,653 | 6,660 | 6,802 | 6,802 | 6,359 | 6,360 | 8,821 | 8,827 | 3,323 | 3,437 | 4,703 | 4,703 |
| **North** | 5,647 | 5,659 | 5,651 | 5,651 | 6,110 | 6,111 | 8,315 | 8,327 | 2,671 | 2,837 | 4,205 | 4,205 |
| **South** | 4,969 | 4,999 | 4,755 | 4,764 | 3,872 | 3,885 | 5,524 | 5,545 | 3,589 | 2,837 | 3,779 | 3,794 |

**Bold** Indicates an HHI value between 1500 and 2500
Normal Indicates an HHI value over 2500

For the Small Group market, nineteen out of the twenty defined MSAs are characterized as highly concentrated prior to the merger. Following the proposed merger, based on the data, the calculations show all twenty defined MSAs as highly concentrated. For the three newly defined "small county" regions, all are highly concentrated and no significant additional concentration is shown following the merger.

[12] See AMA report, testimony and data from Aetna/Humana application and public hearing. http://www.floir.com/siteDocuments/AetnaHumanaPublicComments.pdf

For the Medium Group market, all twenty defined MSAs are measured as highly concentrated before the proposed merger, and remain so afterward with no substantial increases in concentration beyond what was already evident.

For the Large Group market, seventeen of the twenty defined MSAs were measured as highly concentrated prior to the merger. Following the proposed merger, the analysis indicates nineteen MSAs are highly concentrated, with substantial increases in concentration in the Tampa-St. Petersburg-Clearwater and Miami-Ft. Lauderdale-Pompano Beach MSAs. The Palm Bay-Melbourne-Titusville MSA was moderately concentrated prior to the merger, and remains so following the proposed merger.
Again, the three small county MSAs were highly concentrated prior to the merger, and remain largely unchanged after the proposed merger.

In the Individual market, every MSA had a measured HHI that would be considered highly concentrated, though the range varied from 2,645 in the Miami-Ft. Lauderdale-Pompano Beach MSA to 9,199 in the Panama City-Lynn Haven-Panama City Beach MSA. When calculated on a post-merger basis, the most significant increases in market concentration were found in the Palm Bay-Melbourne-Titusville, Lakeland-Winter Haven, and Miami-Ft. Lauderdale-Pompano Beach MSAs. The remaining MSAs, including the small county MSAs showed only marginal increases in concentration.

In the Medicare Advantage market, the pre-merger calculated HHIs for five MSAs (Sebastian-Vero Beach, Lakeland-Winter Haven, Punta Gorda, Cape Coral-Ft. Myers and Sarasota) were in the moderately concentrated range, the remainder of the defined MSAs and the small county MSAs had calculated HHIs in the highly concentrated range. When the post-merger HHIs were calculated, only the Sebastian-Vero Beach MSA continued to be considered moderately concentrated. The remaining four that were previously moderately concentrated, migrated into the highly concentrated range, in most cases substantially so.

In the Medicaid market, 3 MSAs (Orlando-Kissimmee-Sanford, Tampa-St. Petersburg-Clearwater, and Lakeland-Winter Haven) were considered moderately concentrated in the pre-merger calculations, the remainder, including the small county MSAs were highly concentrated. The post-merger calculations showed no meaningful change in concentration in any MSA.

***Medicare Advantage and Traditional Medicare***

The Medicare Advantage line and market considered to this point differs fundamentally from the other insurance lines considered in this proposed merger. Medicare Advantage, the private market product, competes directly with traditional Medicare which is the product offered by the Federal government. Thus, when considering the impact of the merger, viewing only the private market condition is to view only a portion of the market. For example, Table 5 shows the relative importance of traditional Medicare in the Florida market.

Based on 2014 data on enrollees, traditional Medicare is 62.5% of the market. That is, the entire private Medicare Advantage market is less than half of the total market.

As Table 5 shows, when viewed as the combination of the public and private products, the Medicare market on a statewide basis is viewed as highly concentrated. Moreover, the impact of the proposed merger does not change the measured HHI by any noticeable amount. On a pre-merger basis, when the total market, public and private, is considered, Humana had a 14.8% market share and Aetna had a 2.2% market share, so that on a post-merger basis, the combined entity would have a 17.1% market share.

**Table 5: Medicare Advantage vs. Traditional Medicare**

| | Enrollment | Market Share | Pre-Merger HHI | Post-Merger Share | Post-Merger HHI |
|---|---|---|---|---|---|
| Medicare Advantage | 1,418,013 | 37.4% | | | |
| Traditional Medicare | 2,367,608 | 62.5% | 3911 | 62.50% | 3911 |
| Aetna | | 2.20% | 5 | 17.10% | 291 |
| Humana | | 14.80% | 220 | | |

The statewide results from Table 5 stand in sharp contrast to the statewide results for Medicare Advantage only, as first shown in Table 1 but repeated below in Table 6.

**Table 6: Aetna/Humana vs. Medicare Advantage**

| | Pre-Merger HHI | Post-Merger Share | Post-Merger HHI |
|---|---|---|---|
| Aetna/Humana | | 45.60% | |
| Medicare Advantage | 2,229 | | 2,713 |

If only the private Medicare Advantage market is considered, the moderately competitive market observed prior to the proposed merger, moves slightly into the highly concentrated range and the combined Aetna/Humana entity has a market share of 45.6%.

That is, currently traditional Medicare is the dominant market power on a statewide basis for Medicare. The proposed merger creates a larger entity, particularly large if only the private market is considered. But on a broader basis, the proposed merger creates an entity with still less than a third of the traditional Medicare footprint.

While traditional Medicare data were only available on a statewide basis, the Medicare Advantage market can be viewed along the MSA geographic breakdown, as first reported in Table 4. Table 7 repeats the results from Table 4 and adds four firm concentration ratios.

Table 7 shows that considered on a pre-merger basis, the Medicare Advantage market was moderately concentrated in 5 MSAs with the remainder being highly concentrated. The post-merger calculations show that only one market remained moderately competitive. Table 7 also shows the MSA percentage of the overall Medicare Advantage market and the four firm concentration ratios for each MSA before and after consideration of the proposed merger.

**Table 7: MSA Summary-Medicare Advantage**

| | | MSA Share of State | | HHI | | | | Four-Firm Concentration | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| MSA Name | MSA # | Enrollment | Share of Total | Pre-Merger HHI | Post-Merger HHI | Increase in HHI Aetna/Humana | Increase in HHI Anthem/Cigna | Pre-Merger | Post-Merger | Gross Δ Four-firm | % Δ Four-firm |
| Pensacola-Ferry Pass-Brent, FL | 1 | 21,571 | 1.52% | 2,560 | 2,742 | 182 | 0 | 86% | 89% | 2.19% | 2.53% |
| Crestview-Ft Walton Beach-Destin | 2 | 3,860 | 0.27% | 3,000 | 3,172 | 171 | 0 | 98% | 100% | 2.28% | 2.33% |
| Panama City-Lyn Haven-Panama City Beach | 3 | 5,233 | 0.37% | 2,829 | 2,956 | 127 | 0 | 96% | 98% | 1.74% | 1.81% |
| Tallahassee | 4 | 22,651 | 1.60% | 5,803 | 5,812 | 9 | 0 | 100% | 100% | 0.49% | 0.49% |
| Jacksonville | 5 | 54,833 | 3.87% | 2,696 | 3,196 | 500 | 0 | 93% | 100% | 6.30% | **6.74%** |
| Gainesville | 6 | 5,993 | 0.42% | 3,138 | 3,284 | 146 | 0 | 98% | 100% | 2.10% | 2.15% |
| Palm Coast | 7 | 10,522 | 0.74% | 3,824 | 4,099 | 275 | 0 | 98% | 100% | 1.98% | 2.02% |
| Ocala | 8 | 32,596 | 2.30% | 2,537 | 2,581 | 45 | 0 | 89% | 90% | 1.72% | 1.94% |
| Deltona-Daytona Beach-Ormond Beach | 9 | 53,247 | 3.75% | 4,038 | 4,208 | 170 | 0 | 96% | 97% | 1.48% | 1.55% |
| Orlando-Kissimee-Sanford | 10 | 138,269 | 9.75% | 2,683 | 2,795 | 112 | 0 | 92% | 92% | 0.00% | 0.00% |
| Palm Bay-Melbourne-Titusville | 11 | 45,162 | 3.18% | 3,406 | 3,463 | 57 | 0 | 91% | 93% | 1.89% | 2.07% |
| Sebastian-Vero Beach | 12 | 8,262 | 0.58% | **1,984** | **2,105** | 121 | 0 | 83% | 87% | 3.25% | 3.90% |
| Tampa-St. Petersburg-clearwater | 13 | 258,467 | 18.22% | 2,747 | 2,950 | 204 | 0 | 86% | 88% | 2.24% | 2.60% |
| Lakeland-Winter Haven | 14 | 52,862 | 3.73% | **2,370** | 2,570 | 200 | 0 | 84% | 87% | 2.60% | 3.10% |
| Punta Gorda | 15 | 15,759 | 1.11% | **2,404** | 3,144 | 740 | 0 | 89% | 100% | 10.74% | **12.07%** |
| Port St. Lucie | 16 | 27,892 | 1.97% | 2,957 | 3,153 | 196 | 0 | 91% | 93% | 2.15% | 2.36% |
| Cape Coral-Ft. Myers | 17 | 43,233 | 3.05% | **2,484** | 2,852 | 368 | 0 | 92% | 99% | 7.78% | **8.49%** |
| Naples-Marco Island | 18 | 14,054 | 0.99% | 2,980 | 3,520 | 540 | 0 | 95% | 100% | 5.39% | 5.70% |
| Miami-Ft Lauderdale-Pompano Beach | 19 | 486,963 | 34.33% | 2,574 | 3,549 | 896 | 80 | 82% | 92% | 9.48% | **11.55%** |
| North Port-Bradenton-Sarasota | 20 | 52,596 | 3.71% | **1,943** | 2,738 | 795 | 0 | 85% | 95% | 10.18% | **11.93%** |
| Northwest | 97 | 6,660 | 0.47% | 3,323 | 3,437 | 115 | 0 | 99% | 100% | 1.43% | 1.45% |
| North | 98 | 43,381 | 3.06% | 2,671 | 2,837 | 166 | 0 | 95% | 98% | 2.69% | 2.82% |
| South | 99 | 14,337 | 1.01% | 3,589 | 3,915 | 326 | 0 | 97% | 100% | 3.32% | 3.43% |

Those data suggest that, roughly, the larger MSAs had lower four firm concentration ratios (e.g. more market participants) than did smaller MSAs. In the far right column, the percentage change in the four firm concentration ratios is shown. Five MSAs showed a percentage increase of over 5% following the proposed merger, an indication that these are the areas where the competitive impact of the merger is most likely to be seen on this 37% of the total Medicare market.

The data in Table 7 also show that for the small county MSAs calculated for this report, the four firm concentration ratios pre-merger ranged from 97 to 99% and were essentially 100% on a post-merger calculation. Given that CMS has previously reported that the private market penetration rate in these less populated areas was dramatically lower than in more populous regions, these results suggest that there is little direct competitive gain from the merger for these areas, which comprise roughly 4.5% of the total private Medicare Advantage enrollees.[13]

Care must be used in interpreting the results that combine traditional Medicare and Medicare Advantage from a market power, competitive structure viewpoint. The underpinning behind the analysis used throughout this report is that market structures are stable. It is not clear that assumption holds strongly in this instance. Terms and conditions for traditional Medicare can change at almost any time depending on changes made by Federal legislation or by changes in the interpretation of rules and requirements.

There is a sense that a number of changes are either impending or being considered moving forward, which could have a dramatic impact on traditional Medicare and the interaction between traditional Medicare and Medicare Advantage in the marketplace.

[13] See CMS data from 2005 for Florida, the latest year this data were publicly available form CMS web site.

In reaching its conclusion that Medicare Advantage competes directly with traditional Medicare, the Office analyzed a number of factors and market conditions, including but not limited to the following:

- **Market Fluidity**. Data analysis from 2013-2015 indicates that, annually, 21-25% of Aetna or Humana enrollees transition from Medicare Advantage to traditional Medicare. In addition, according to a study conducted by Harvard School of Public Health and Harvard Medical School, which examined the patterns for demand and enrollment into Medicare Advantage in Miami-Dade County, 5-7% of traditional Medicare enrollees transitioned to Medicare Advantage annually.[14] This transition experience demonstrates that fluidity and, therefore, direct competition exists between Medicare Advantage and traditional Medicare.

- **Market Dynamic.** Most Medicare Advantage plans offer substantially richer benefits at lower costs to enrollees than traditional Medicare in exchange for receiving care in a managed, network setting. The market dynamic that exists between Medicare Advantage and traditional Medicare is similar in nature to the dynamic between a commercial market HMO and PPO, which clearly operate and function as direct competitors.

- **Value Proposition.** The U.S. Department of Justice[15] and another Harvard School of Public Health and Harvard Medical School study[16] have concluded that Medicare Advantage plans offer equal or higher benefits and quality of care for less cost than traditional Medicare, bolstering the argument that consumers benefit from comparing traditional Medicare to Medicare Advantage. Historical Medicare enrollment data provides insights into how the value of Medicare Advantage relative to traditional Medicare drives consumer behavior. For example, in 1999, the Medicare Advantage Florida market penetration was 27%[17]; however, as a result of reduced plan payments within the Medicare program,[18] the Medicare Advantage Florida market penetration declined to a low of 18% in 2004.[19] Around that time the Medicare program was changed again,[20] which resulted in an increase

[14] Sinaiko, Afendulis, & Frank, Enrollment in Medicare Advantage Plans in Miami-Dade County: Evidence of Status Quo Bias?, 50 Inquiry 202 (2013), available at http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4108259.
[15] Complaint at 5-6, United States v. Humana, Inc., Case No. 1:12-cv-00464 (D.D.C. Mar. 27, 2012), available at http://www.insurance.wa.gov/laws-rules/administrative-hearings/judicial-proceedings/documents/12-0010-DOJ-Filing.pdf.
[16] Newhouse & McGuire, How Successful Is Medicare Advantage?, 92 The Milbank Quarterly 351 (2014), available at http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4089375.
[17] The Henry J. Kaiser Family Foundation, Medicare Advantage Enrollees as a Percent of Total Medicare Population, http://kff.org/medicare/state-indicator/enrollees-as-a-of-total-medicare-population.
[18] Balanced Budget Act of 1997, Pub. L. No. 105-32, available at https://www.gpo.gov/fdsys/pkg/BILLS-105hr2015enr/pdf/BILLS-105hr2015enr.pdf.
[19] The Henry J. Kaiser Family Foundation, Medicare Advantage Enrollees as a Percent of Total Medicare Population, http://kff.org/medicare/state-indicator/enrollees-as-a-of-total-medicare-population.
[20] Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Pub. L. No. 108-173, available at https://www.gpo.gov/fdsys/pkg/PLAW-108publ173/pdf/PLAW-108publ173.pdf.

in the Medicare Advantage Florida market penetration, reaching a maximum of 40% in 2015.[21] These market shifts indicate that consumers recognize and understand the value differential between Medicare Advantage and traditional Medicare and the changes therein. If Aetna or its affiliates, rather than the CMS, were to increase premiums or reduce benefits, thereby reducing the value to consumers, it is likely that a greater number of consumers would choose traditional Medicare, demonstrating again that Medicare Advantage and traditional Medicare are direct competitors.

- **The Future of Medicare.** Regulatory changes to Medicare and Medicare Supplement are increasing the similarities between Medicare Advantage and traditional Medicare, which is likely to create additional competition in the near future. For example, in 2015, the Secretary of Health and Human Services was directed by Congress to develop a Merit-based Incentive Payment system.[22] In addition, the CMS Innovation Center is actively working on a plan to use Medicare Supplement for managing the care provided by traditional Medicare. These changes narrow the differences that exist between Medicare Advantage and traditional Medicare, which will increase the likelihood that a Medicare Advantage enrollee will transition to traditional Medicare and increase the competition between the Medicare Advantage and traditional Medicare.

- **The Consumer Experience.** When shopping for coverage on Medicare.gov, consumers are provided with a direct comparison of Medicare Advantage plans and traditional Medicare. The juxtaposition of these two plans on the CMS website demonstrates that traditional Medicare provides a competitive restraint on Medicare Advantage by requiring that Medicare Advantage plans provide more value than traditional Medicare.

[21] The Henry J. Kaiser Family Foundation, Medicare Advantage Enrollees as a Percent of Total Medicare Population, http://kff.org/medicare/state-indicator/enrollees-as-a-of-total-medicare-population.
[22] Medicare Access and CHIP Reauthorization Act of 2015, Pub. L. No. 114-10, available at https://www.congress.gov/bill/114th-congress/house-bill/2.

## Summary of Findings

This report has analyzed the competitive impact of the proposed Aetna and Humana merger on Florida health insurance markets. On the whole this report finds that the majority of geographic and product markets identified are characterized as either moderately or highly concentrated before consideration of the proposed merger based on the most recent data available. The impact of the merger in the markets then is a matter of the degree to which the already existing conditions for the ability of market power to be exercised is enhanced and not where the merger would create the opportunity for the exercise of market power where it did not previously exist.

For several decades Florida laws, and more recently federal laws, have included MLR requirements. For the markets considered in this report the MLRs range from 80% to 85%. These requirements guarantee that consumers will receive eighty to eighty-five cents in healthcare services for every dollar of premium paid and they effectively limit any entities ability to exercise market power, independent of concentration. In addition, monopsony power is limited by state and federal laws requiring health maintenance organizations and exclusive provider organizations to have a minimum number healthcare providers and facilities available in a specific market. The network adequacy requirements placed on insurers are currently under significant scrutiny and will likely be expanded in the near future.

Whether using county definitions, AHCA region definitions or MSA region definitions, the results are similar and show some increase in the degree of concentration that would be viewed as meaningful in some Group insurance markets, relatively few Individual markets, and most noticeably in the Medicare Advantage markets. The impact generally is more noticeable in the more populous regions. Smaller population areas do not seem to experience any meaningful impact from the proposed merger.

The relatively strong impact in the Medicare Advantage markets should be viewed in context. While the degree of concentration rises sharply in some regions in the private Medicare Advantage markets, it is also true that when traditional Medicare is considered, the proposed merger does little to impact the dominance of the Federal program throughout the state. This market warrants additional monitoring moving forward as it is difficult to characterize it as a stable market.

Taken as a whole, while there may be some particular product and regional areas where additional factors and discussion, outside the scope of this analysis, is likely appropriate, in general there is not strong evidence of an overall significant reduction in the competitive landscape of the private Florida health insurance markets resulting from this proposed merger.

## Appendix 1: OIR Data Call

The data underlying this report were obtained through the Major Medical and Medicare Advantage (MMMA) data call performed by the Office of Insurance Regulation in the Fall of 2015. Data were requested at the county level from a constrained list of companies that make up roughly 95% of Florida GAP reported premiums as collected in the *Accident & Health Markets Gross Annual Premium and Enrollment Summary CY 2014* (GAP). While constrained by design, the scope and breadth of business represented in the data call is sufficient to draw meaningful insights as to the competitive effects on the Florida market resulting from the proposed merger between of Humana by Aetna.

A copy of the data call template appears on the next page.

Section required to be completed by ***Major Medical and/or Medicare Advantage*** insurers.

| This Page is Not Trade Secret | Small Group (02-50) Premium | Small Group (2-50) Enrollment | Medium Group (51-100) Premium | Medium Group (51-100) Enrollment | Large Group (101+) Premium | Large Group (101+) Enrollment | Individual Premium | Individual Enrollment | Commercial Group Conversion Premium | Commercial Group Conversion Enrollment | Other Commercial Premium | Other Commercial Enrollment | Healthy Kids Premium | Healthy Kids Enrollment | Medicaid Premium | Medicaid Enrollment | Medicare Advantage Premium | Medicare Advantage Enrollment | Federal Employees Premium | Federal Employees Enrollment | VALIDATION CHECKS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Premium/Enrollment Total | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | TRUE |
| Other Premium/Enrollment (Please report any enrollees residing OUTSIDE of Florida on this line.) | | | | | | | | | | | | | | | | | | | | | |
| Florida Premium/ Enrollment by County (Totals from Below) | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | $0 | 0 | |
| Alachua | | | | | | | | | | | | | | | | | | | | | |
| Baker | | | | | | | | | | | | | | | | | | | | | |
| Bay | | | | | | | | | | | | | | | | | | | | | |
| Bradford | | | | | | | | | | | | | | | | | | | | | |
| Brevard | | | | | | | | | | | | | | | | | | | | | |
| Broward | | | | | | | | | | | | | | | | | | | | | |
| Calhoun | | | | | | | | | | | | | | | | | | | | | |
| Charlotte | | | | | | | | | | | | | | | | | | | | | |
| Citrus | | | | | | | | | | | | | | | | | | | | | |
| Clay | | | | | | | | | | | | | | | | | | | | | |
| Collier | | | | | | | | | | | | | | | | | | | | | |
| Columbia | | | | | | | | | | | | | | | | | | | | | |
| Dade | | | | | | | | | | | | | | | | | | | | | |
| De Soto | | | | | | | | | | | | | | | | | | | | | |
| Dixie | | | | | | | | | | | | | | | | | | | | | |
| Duval | | | | | | | | | | | | | | | | | | | | | |
| Escambia | | | | | | | | | | | | | | | | | | | | | |
| Flagler | | | | | | | | | | | | | | | | | | | | | |
| Franklin | | | | | | | | | | | | | | | | | | | | | |
| Gadsden | | | | | | | | | | | | | | | | | | | | | |
| Gilchrist | | | | | | | | | | | | | | | | | | | | | |
| Glades | | | | | | | | | | | | | | | | | | | | | |
| Gulf | | | | | | | | | | | | | | | | | | | | | |
| Hamilton | | | | | | | | | | | | | | | | | | | | | |
| Hardee | | | | | | | | | | | | | | | | | | | | | |
| Hendry | | | | | | | | | | | | | | | | | | | | | |
| Hernando | | | | | | | | | | | | | | | | | | | | | |
| Highlands | | | | | | | | | | | | | | | | | | | | | |
| Hillsborough | | | | | | | | | | | | | | | | | | | | | |
| Holmes | | | | | | | | | | | | | | | | | | | | | |
| Indian River | | | | | | | | | | | | | | | | | | | | | |
| Jackson | | | | | | | | | | | | | | | | | | | | | |
| Jefferson | | | | | | | | | | | | | | | | | | | | | |
| Lafayette | | | | | | | | | | | | | | | | | | | | | |
| Lake | | | | | | | | | | | | | | | | | | | | | |
| Lee | | | | | | | | | | | | | | | | | | | | | |
| Leon | | | | | | | | | | | | | | | | | | | | | |
| Levy | | | | | | | | | | | | | | | | | | | | | |
| Liberty | | | | | | | | | | | | | | | | | | | | | |
| Madison | | | | | | | | | | | | | | | | | | | | | |
| Manatee | | | | | | | | | | | | | | | | | | | | | |
| Marion | | | | | | | | | | | | | | | | | | | | | |
| Martin | | | | | | | | | | | | | | | | | | | | | |
| Monroe | | | | | | | | | | | | | | | | | | | | | |
| Nassau | | | | | | | | | | | | | | | | | | | | | |
| Okaloosa | | | | | | | | | | | | | | | | | | | | | |
| Okeechobee | | | | | | | | | | | | | | | | | | | | | |
| Orange | | | | | | | | | | | | | | | | | | | | | |
| Osceola | | | | | | | | | | | | | | | | | | | | | |
| Palm Beach | | | | | | | | | | | | | | | | | | | | | |
| Pasco | | | | | | | | | | | | | | | | | | | | | |
| Pinellas | | | | | | | | | | | | | | | | | | | | | |
| Polk | | | | | | | | | | | | | | | | | | | | | |
| Putnam | | | | | | | | | | | | | | | | | | | | | |
| Santa Rosa | | | | | | | | | | | | | | | | | | | | | |
| Sarasota | | | | | | | | | | | | | | | | | | | | | |
| Seminole | | | | | | | | | | | | | | | | | | | | | |
| St. Johns | | | | | | | | | | | | | | | | | | | | | |
| St. Lucie | | | | | | | | | | | | | | | | | | | | | |
| Sumter | | | | | | | | | | | | | | | | | | | | | |
| Suwannee | | | | | | | | | | | | | | | | | | | | | |
| Taylor | | | | | | | | | | | | | | | | | | | | | |
| Union | | | | | | | | | | | | | | | | | | | | | |
| Volusia | | | | | | | | | | | | | | | | | | | | | |
| Wakulla | | | | | | | | | | | | | | | | | | | | | |
| Walton | | | | | | | | | | | | | | | | | | | | | |
| Washington | | | | | | | | | | | | | | | | | | | | | |

## Appendix 2: Product Line Definitions

**Major Medical:**
A hospital/surgical/medical expense contract that provides comprehensive benefits as defined in the state in which the contract will be delivered. In Florida this means insurance that is designed to cover expenses of serious illness, chronic care (excluding long-term care) and/or hospitalization. The term does NOT include accident-only, specified disease, individual hospital indemnity, credit, dental-only, vision-only, prepaid products, Medicare supplement, long-term care, or disability income insurance; similar supplemental plans provided under a separate policy, certificate, or contract of insurance, which do not duplicate coverage under an underlying health plan and are specifically designed to fill gaps in the underlying health plan, coinsurance, or deductibles; coverage issued as a supplement to liability insurance; workers' compensation or similar insurance; or automobile medical-payment insurance. The following subcategories are included:

i. Small Group: 02-50 members (FS 627.6699)
ii. Medium Group: 51-100 members (FS 627.6699)
iii. Large Group: 101+ members (FS 627.652)
iv. Individual: policies which are individually issued.
v. Commercial group Conversion: Guarantees an insured whose coverage is ending for specified reasons a right to purchase a policy without presenting evidence of insurability.
vi. Other Commercial: NOT to include the following: Medicare (all Titles), Medicare + Choice, HCPP, Medicaid (all Titles), SCHIP, FEHBP, Florida Healthy Kids, Florida Health Flex Plans, self-insured business, credit (group and individual), or credit A&H (group and individual).

**Medicare Advantage:**
Also known as Medicare Part C, includes the private health plans through which beneficiaries have chosen to receive all of their Medicare benefits. These include:

i. Coordinated care plans such as Health Maintenance Organizations (HMOs), provider-sponsored organizations (PSO)s, regional or local preferred provider organizations (PPOs), and other network plans (other than private fee-for-service plans) [42 C.F.R. §422.4(a)(1)(iii).]
ii. Private Fee for Service Plans [42 C.F.R. §422.4(a)(3).] and
iii. Medical savings accounts which are comprised of an MA medical savings account plan that pays for a basic set of health benefits approved by CMS and an MSA trust or custodial account into which CMS will make deposits. [42 C.F.R. §422.4(a)(2).]

**The above definitions were directly from the CY 2014 GAP Report.*

**Healthy Kids:**
Florida Healthy Kids offers health insurance for children ages 5 through 18. **The Florida Healthy Kids program is a part of Florida KidCare, the state's high-quality, low-cost health insurance for children. Florida KidCare was created through Title XXI of the Social Security Act.**[i]

**Medicaid:**
Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and managed care organizations that accept a set per member per month (capitation) payment for these services.[ii]

**Federal Employees:**
The FEHB Program allows employees to choose from among Consumer-Driven and High Deductible plans that offer catastrophic risk protection with higher deductibles, health savings/reimbursable accounts and lower premiums, or Fee-for-Service (FFS) plans, and their Preferred Provider Organizations (PPO), or Health Maintenance Organizations (HMO) if you live (or sometimes if you work) within the area serviced by the plan.[iii]

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i *What is Florida Health Kids?* Florida Healthy Kids, a Florida Kidcare Partner, 2016. https://www.healthykids.org/healthykids/what/
Compilation of Social Security Laws
https://www.ssa.gov/OP_Home/ssact/title21/2100.htm
ii *Medicaid Program Information-Managed Care,* Center for Medicare & Medicaid Services, Medicaid.gov, 2016. https://www.medicaid.gov/medicaid-chip-program-information/by-topics/delivery-systems/managed-care/managed-care-site.html
See Part IV of Chapter 409, Florida Statutes
iii *Federal Employees health Benefits Program (FEHB),* Operated by the U.S. Office of Personnel Management (OPM), 2016. https://www.opm.gov/healthcare-insurance/healthcare/

# Appendix 3: Geographic Area Definitions

## Geographic Regions, County, MSA, AHCA Region

| MSA Name | County | AHCA Region |
|---|---|---|
| Pensacola-Ferry Pass-Brent, FL | Escambia | 1 |
| | Santa Rosa | 1 |
| Crestview-Ft Walton Beach-Destin | Okaloosa | 1 |
| Panama City-Lyn Haven-Panama City Beach | Bay | 2 |
| Tallahassee | Gadsden | 2 |
| | Leon | 2 |
| | Jefferson | 2 |
| | Wakulla | 2 |
| Jacksonville | Baker | 4 |
| | Nassau | 4 |
| | Duval | 4 |
| | Clay | 4 |
| | St. Johns | 4 |
| Gainesville | Gilchrist | 3 |
| | Alachua | 3 |
| Palm Coast | Flagler | 4 |
| Ocala | Marion | 3 |
| Deltona-Daytona Beach-Ormond Beach | Volusia | 4 |
| Orlando-Kissimmee-Sanford | Lake | 3 |
| | Seminole | 7 |
| | Orange | 7 |
| | Osceola | 7 |
| Palm Bay-Melbourne-Titusville | Brevard | 7 |
| Sebastian-Vero Beach | Indian River | 9 |
| Tampa-St. Petersburg-Clearwater | Hernando | 3 |
| | Pasco | 5 |
| | Hillsborough | 6 |
| | Pinellas | 5 |
| Lakeland-Winter Haven | Polk | 6 |
| North Port-Bradenton-Sarasota | Manatee | 6 |
| | Sarasota | 8 |
| Punta Gorda | Charlotte | 8 |

| | | |
|---|---|---|
| Port St. Lucie | St. Lucie | 9 |
| | Martin | 9 |
| Cape Coral-Ft. Myers | Lee | 8 |
| Naples-Marco Island | Collier | 8 |
| Miami-Ft Lauderdale-Pompano Beach | Palm Beach | 9 |
| | Broward | 10 |
| | Miami-Dade | 11 |
| **Unassigned Regions** | | |
| Northwest | Walton | 1 |
| | Holmes | 2 |
| | Washington | 2 |
| | Jackson | 2 |
| | Calhoun | 2 |
| | Liberty | 2 |
| | Gulf | 2 |
| | Franklin | 2 |
| North | Madison | 2 |
| | Hamilton | 3 |
| | Taylor | 2 |
| | Lafayette | 3 |
| | Suwannee | 3 |
| | Columbia | 3 |
| | Union | 3 |
| | Bradford | 3 |
| | Dixie | 3 |
| | Levy | 3 |
| | Citrus | 3 |
| | Sumter | 3 |
| | Putnam | 3 |
| South | Hardee | 6 |
| | DeSoto | 8 |
| | Highlands | 6 |
| | Okeechobee | 9 |
| | Glades | 8 |
| | Hendry | 8 |
| | Monroe | 11 |


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