

Justice News

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Judge Decides CVS-Aetna Final Judgment is in the Public Interest and Grants United States' Motion

Divestiture Preserves Competition in Medicare Part D Individual Prescription Drug Plans Throughout the United States

A federal district court in Washington, D.C. today entered a final order giving effect to the settlement that the Department of Justice reached with CVS Health Corporation and Aetna Inc., which required the parties to divest Aetna's Medicare Part D prescription drug plan (PDP) business for individuals in order to proceed with their \$69 billion merger. The divestiture to WellCare Health Plans Inc., an experienced health insurer focused on government-sponsored health plans, including Medicare Part D individual prescription drug plans, resolved the department's competition concerns with the underlying transaction.

"I am pleased with the Court's decision finally to enter the judgment as 'well within the reaches of the public interest'!" said Assistant Attorney General Makan Delrahim of the Justice Department's Antitrust Division. "The divestiture of Aetna's individual PDP business provides a comprehensive remedy to the harms the Justice Department identified. The entry of the Final Judgment protects seniors and other vulnerable customers of individual PDPs from the anticompetitive effects that would have occurred if CVS and Aetna had merged their individual PDP businesses."

The department's Antitrust Division, along with the offices of five state Attorneys General, filed a civil antitrust lawsuit on Oct. 10, 2018, in the U.S. District Court for the District of Columbia to enjoin the proposed transaction. At the same time, the department and the Plaintiff States filed the proposed settlement, which the Court entered today. The participating state Attorneys General offices represent California, Florida, Hawaii, Mississippi and Washington.

CVS, headquartered in Woonsocket, Rhode Island, is the nation's second-largest provider of individual prescription drug plans, with approximately 4.8 million members. It also operates a retail pharmacy chain and a pharmacy benefit manager called Caremark. CVS earned revenues of approximately \$185 billion in 2017.

Aetna, headquartered in Hartford, Connecticut, was the nation's third-largest health-insurance company and fourth-largest individual prescription drug plan insurer, with over two million prescription drug plan members. Aetna earned revenues of approximately \$60 billion in 2017.