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**Bybee, Cressinda**

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**From:** Davis, Steven <SDavis@STRADLEY.COM>  
**Sent:** Monday, September 17, 2018 5:41 PM  
**To:** Bybee, Cressinda  
**Cc:** Feather, Karen; Rankin, Kimberly  
**Subject:** Form A filing of CIGNA to Acquire Control of Medco Containment Life Ins. Co. -- DOJ Clearance  
**Attachments:** Cigna Press Release (9-17-18)-c.pdf; CLOSING STATEMENT \_ ATR \_ Department of Justice-c.pdf

Cris: Good evening. The DOJ issued a closing statement today on the Cigna/Express Scripts transaction, terminating the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The statement is attached, and can be found at: <https://www.justice.gov/atr/closing-statement>. Cigna and Express Scripts also issued the attached press release today concerning the DOJ clearance. Please let us know if you have any questions. Thank you for your attention to this matter. -- Steve

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## CLOSING STATEMENT

### Statement of the Department of Justice Antitrust Division on the Closing of Its Investigation of the Cigna–Express Scripts Merger

September 17, 2018

Assistant Attorney General Makan Delrahim of the Antitrust Division of the U.S. Department of Justice issued the following statement today in connection with the closing of the Division's investigation into Cigna Corporation's \$67 billion proposed acquisition of Express Scripts Holding Co. ("ESI"):

"Quality healthcare and competitive pricing for healthcare services and pharmaceutical drugs is critical to U.S. consumers. After a thorough review of the proposed transaction, the Antitrust Division has determined that the combination of Cigna, a health insurance company, and ESI, a pharmacy benefit management ("PBM") company, is unlikely to result in harm to competition or consumers."

During the Antitrust Division's comprehensive, six-month investigation, it received over two million documents, analyzed transactional data from the merging companies and other industry firms, and interviewed over 100 knowledgeable industry participants.

In particular, the Division analyzed whether the merger would: (1) substantially lessen competition in the sale of PBM services or (2) raise the cost of PBM services to Cigna's health insurance rivals. PBM services are sold to employers and health insurance companies to manage their pharmacy benefits, which can include designing formularies, processing prescription claims, and providing access to pharmacy networks and pharmaceutical rebates.

The merger is unlikely to lessen competition substantially in the sale of PBM services because Cigna's PBM business nationwide is small. The Division also determined that the proposed transaction is unlikely to lessen competition substantially in markets for customers because at least two other large PBM companies and several smaller PBM companies will remain in the market post-merger.

In evaluating whether the merger may harm competition for the sale of PBM services, the Division understands that Cigna intends to use ESI for PBM services and that Cigna's current PBM services provider, UnitedHealthcare's subsidiary Optum, will be free to compete for PBM customers that purchase medical insurance from Cigna upon closing of the transaction.

The Division also considered how the merger would affect ESI's incentives to provide competitive PBM services to Cigna's health insurance rivals. ESI currently sells PBM services to some of Cigna's rivals. The merger is unlikely to enable Cigna to increase costs to Cigna's health insurance rivals due to competition from vertically-integrated and other PBMs. The merger is unlikely to lead ESI to raise PBM prices to Cigna's rivals because that likely would result in the merged company losing PBM customers and not result in Cigna's gaining a sufficient volume of additional health insurance business to offset the loss of PBM customers.

*Updated September 17, 2018*

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Yes No

## **U.S. Department of Justice Grants Clearance to Cigna's Acquisition of Express Scripts**

BLOOMFIELD, Conn. & ST. LOUIS, 17 September, 2018 - Cigna Corporation (NYSE: CI) ("Cigna") and Express Scripts Holding Company (NASDAQ: ESRX) ("Express Scripts") today announced that the Antitrust Division of the United States Department of Justice (DOJ) has cleared their pending merger, terminating the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"We are pleased that the Department of Justice has cleared our transaction and that we are another step closer to completing our merger and delivering greater affordability, choice and predictability to our customers and clients as a combined company," said David Cordani, President and Chief Executive Officer of Cigna. "The value that we deliver together will help put our society on a far more sustainable path – one that helps health care professionals close gaps in care and supports our customers along their health journey."

"Together, we believe we will be able to do even more to reduce healthcare costs, expand choice, and improve patient outcomes," said Tim Wentworth, President and Chief Executive Officer of Express Scripts. "Today's decision is one more important milestone in our effort to combine two innovative health services leaders into a company that will transform health care."

The expiration of the Hart-Scott-Rodino waiting period satisfies one of the conditions necessary to the consummation of the transaction. Completion of the transaction remains subject to certain state regulatory approvals and filings required in connection with the transaction, including clearances from certain departments of insurance, and the satisfaction of all closing conditions.

To date, Cigna and Express Scripts have obtained clearances from departments of insurance in 16 states. The companies are working constructively with regulators in the remaining jurisdictions to obtain clearance for the merger.

Cigna and Express Scripts continue to anticipate that the deal will close by year-end 2018, subject to the satisfaction of all closing conditions.

### **About Cigna**

Cigna Corporation (NYSE: CI) is a global health service company dedicated to helping people improve their health, well-being and sense of security. All products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company, Life Insurance Company of North America, Cigna Life Insurance Company of New York, or their affiliates. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy, vision, supplemental benefits, and other related products including group life, accident and disability insurance. Cigna maintains sales capability in over 30 countries and jurisdictions, and has more than 95 million customer relationships throughout the world. To learn more about Cigna<sup>®</sup>, including links to follow us on Facebook or Twitter, visit [www.cigna.com](http://www.cigna.com). For more information about Cigna's proposed acquisition of Express Scripts, please visit [www.advancinghealthcare.com](http://www.advancinghealthcare.com).

### **About Express Scripts**

Express Scripts is a healthcare opportunity company. Empowered by our legacy as an industry innovator, we dare to imagine – and deliver – a better healthcare system with improved health outcomes and lower costs. From pharmacy and medical benefits management, to specialty pharmacy care and everything in between – we uncover opportunities to make healthcare work better.

Our home base is St. Louis, but our reach extends to millions of Americans across the nation. We stand alongside our clients and partners, collaborating to develop personalized solutions that make a meaningful difference in the lives of those we serve.

We believe healthcare can do more. We are Champions For Better<sup>SM</sup>.

For more information, visit [Lab.Express-Scripts.com](http://Lab.Express-Scripts.com) or follow [@ExpressScripts](https://twitter.com/ExpressScripts) on Twitter.

### **FORWARD LOOKING STATEMENTS**

Information included or incorporated by reference in this communication, and information which may be contained in other filings with the Securities and Exchange Commission (the "SEC") and press releases or other public statements, contains or may contain forward-looking statements. These forward-looking statements include, among other things, statements of plans, objectives, expectations (financial or otherwise) or intentions, including statements concerning the potential future performance of Cigna, Express Scripts, or the combined company, the potential for new laws or regulations, or any impact of any such new laws or regulations, including on the business of Cigna, Express Scripts or the combined company, the ability to achieve the anticipated benefits of the proposed merger, on the expected timeline or at all, the timeline for deleveraging the combined company, and the ability to consummate the proposed merger, on the anticipated timeline or at all, and other statements regarding the parties' future beliefs, expectations, plans, intentions, financial condition or performance. You may identify forward-looking statements by the use of words such as "believe," "expect," "plan," "intend," "anticipate," "estimate," "predict," "potential," "may," "should," "will" or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements, including as they relate to Express Scripts or Cigna, the management of either such company, the transaction or any expected benefits of the transaction, involve risks and uncertainties. Actual results may differ significantly from those projected or suggested in any forward-looking statements. Express Scripts and Cigna do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Any number of factors could cause actual results to differ materially from those contemplated by any forward-looking statements, including, but not limited to, the risks associated with the following:

- the inability of Express Scripts and Cigna to obtain regulatory approvals required for the merger or the requirement to accept conditions that could reduce the anticipated benefits of the merger as a condition to obtaining regulatory approvals;
- the possibility that the anticipated benefits from the merger (including anticipated synergies) cannot be realized in full, or at all or may take longer to realize than expected;
- a longer time than anticipated to consummate the proposed merger;
- problems regarding the successful integration of the businesses of Express Scripts and Cigna;
- unexpected costs regarding the proposed merger;
- diversion of management's attention from ongoing business operations and opportunities;
- potential litigation associated with the proposed merger;
- the ability to retain key personnel;

- the availability of financing;
- effects on the businesses as a result of uncertainty surrounding the proposed merger;
- the ability of the combined company to achieve financial, strategic and operational plans and initiatives;
- the ability of the combined company to predict and manage medical costs and price effectively and develop and maintain good relationships with physicians, hospitals and other health care providers;
- the impact of modifications to the combined company's operations and processes;
- the ability of the combined company to identify potential strategic acquisitions or transactions and realize the expected benefits of such transactions;
- the substantial level of government regulation over the combined company's business and the potential effects of new laws or regulations or changes in existing laws or regulations;
- the outcome of litigation relating to the businesses of Express Scripts and Cigna, regulatory audits, investigations, actions and/or guaranty fund assessments;
- uncertainties surrounding participation in government-sponsored programs such as Medicare;
- the effectiveness and security of the combined company's information technology and other business systems;
- unfavorable industry, economic or political conditions, including foreign currency movements;
- acts of war, terrorism, natural disasters or pandemics; and
- the industry may be subject to future risks that are described in SEC reports filed by Express Scripts and Cigna.

You should carefully consider these and other relevant factors, including those risk factors in this communication and other risks and uncertainties that affect the businesses of Express Scripts and Cigna described in their respective filings with the SEC, when reviewing any forward-looking statement. These factors are noted for investors as permitted under the Private Securities Litigation Reform Act of 1995. Investors should understand it is impossible to predict or identify all such factors or risks. As such, you should not consider the foregoing list, or the risks identified in SEC filings, to be a complete discussion of all potential risks or uncertainties, and should not place undue reliance on forward-looking statements.