

# Centene to Buy WellCare for \$17B to Create a Big Medicaid/ACA Player

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Centene Corp. announced on Wednesday said it will buy fellow Medicaid insurer WellCare Health Plans in an estimated \$17.3 billion deal.

All in all, the two insurers would cover nearly 22 million people in Medicare, Medicaid and the ACA exchanges.

The merged company would include more than 12 million Medicaid beneficiaries and almost 1 million Medicare members, along with a Medicare prescription drug plan WellCare is acquiring from Aetna.

Centene saw its ACA exchange membership skyrocket to almost 2 million during the latest open enrollment, giving it about a 20% market share across the country. WellCare's recent growth focused on Medicaid, where it has million members, thanks in large part to its \$2.5 billion acquisition of Meridian Health Plan that closed in September.

The news comes just days after the Justice Department changed course and told the 5th U.S. Circuit Court of Appeals that it supported striking down the entire Affordable Care Act. Previously, the federal government had supported a partial repeal.

“The combined company would be the leader in government-sponsored health care with increased scale and diversification both geographically and in its managed care service offerings, and enhance access to high-quality services for members,” the companies said in a statement. “It will offer affordable and high-quality products to its more than 12 million Medicaid and approximately 5 million Medicare members (including Medicare Prescription Drug Plan), as well as individuals served in the Health Insurance Marketplace and the TRICARE program.”