

# Anthem's profits soar to \$1.7B in Q1 following a booming 2020— and incumbent payers' growth is sounding anticompetitive alarm bells

Article

Anthem **reported** **\$1.7 billion** in profit during Q1 2021, beating Wall Street estimates.

- Its revenues reached **\$32.4 billion** for Q1 2021, a **9.3%** year-over-year jump from **\$29.6 billion** in Q1 2020.

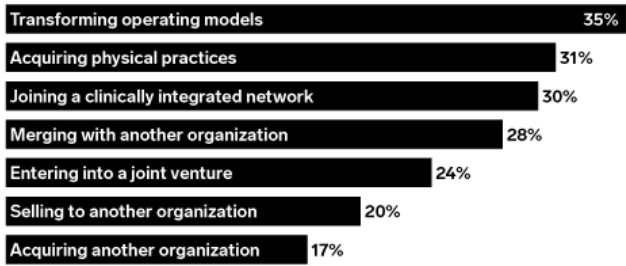
**Insurers like Anthem actually **boomed** amid the pandemic as patients delayed elective surgeries amid the pandemic—but they're growing quickly and it's inviting scrutiny from the government**

- **For example, Optum's Change Healthcare acquisition signalled anticompetitive alarms among providers, who urged , . US Department of Justice to **investigate** the deal. The American Hospital Association (AHA) indicated the deal would harm reimbursement rates: The acquisition gives already massive Optum more power, since it'll have access to Change Healthcare's services which **processes** over **1 in 3** US patient record claims.**
- **And the Biden administration is preparing to lower Medicare eligibility from age 65 to 60—which should fuel even more growth and in turn more scrutiny. Massive payers will likely benefit financially from lowering the Medicare age, since more members than ever before will be able to sign up for insurers' MA plans: Anthem's membership **swelled** to more than 1 million members in Q1 2021 alone thanks to heightened enrollment in its Medicare Advantage plans.**

**Providers aren't the only ones worried about insurance incumbents growing too quickly—some smaller insurtechs are fending off threats of top dogs by joining forces with them. For example, this week, Oscar Health made its tech infrastructure available to third-party payers and providers. Its new offering, +Oscar, will allow third-party insurers to **harness** Oscar's tech stack to improve the consumer experience. Considering Cigna is already **paired up** with Oscar to give members access to Oscar's tech-focused offerings, it wouldn't be surprising if other massive payers showed interest in Oscar's plug-and-play solution to boost their own member engagement, too.**

## Partnership Plans for 2021 According to US Healthcare CFOs, Sep 2020

% of respondents



Source: BDO, "2021 BDO Healthcare CFO Outlook Survey," Jan 12, 2021

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