



# Aetna

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For other uses, see [Aetna \(disambiguation\)](#).

**Aetna Inc.**

**aetna**<sup>®</sup>

<b><u>Type</u></b>	<u>Subsidiary</u>
<b>Industry</b>	<u>Managed health care</u>
<b>Founded</b>	May 28, 1853; 165 years ago(as Aetna Life Insurance Company)
<b>Founder</b>	<u>Eliphalet Adams Bulkeley</u>
<b>Headquarters</b>	<u>Hartford, Connecticut</u> , United States

<b>Area served</b>	United States and expatriots
<b>Key people</b>	<p><a href="#">Mark Bertolini</a> (<a href="#">Chairman</a> and <a href="#">CEO</a>)</p> <p>Karen S. Lynch (<a href="#">President</a>)</p> <p>Thomas Sabatino (<a href="#">General Counsel</a>)</p> <p>Richard di Benedetto (<a href="#">Vice President, Aetna International</a>)</p>
<b>Products</b>	<a href="#">Health insurance</a>
<b>Number of employees</b>	49,828 (2017)
<b>Parent</b>	<a href="#">CVS Health</a>
<b>Website</b>	<a href="http://www.aetna.com">www.aetna.com</a>
	<b>Footnotes / references</b>
	<a href="#">[1]</a> <a href="#">[2]</a>



The original stylized Aetna logo

**Aetna Inc.** (/ˈɛtnə/) is an American [managed health care](#) company that sells traditional and [consumer directed health care](#) insurance plans and related services, such as medical, pharmaceutical, dental, behavioral health, long-term care, and disability plans, primarily through employer-paid (fully or partly) insurance and benefit programs, and through [Medicare](#). Since November 28, 2018, the company has been a subsidiary of [CVS Health](#).

The company's network includes 22.1 million medical members, 12.7 million dental members, 13.1 million pharmacy benefit management services members, 1,200,000 health-care professionals, over 690,000 primary care doctors and specialists, and over 5,700 hospitals.<sup>[2]</sup>

Aetna is the direct descendant of Aetna (Fire) Insurance Company of [Hartford, Connecticut](#).<sup>[3]</sup> The name of the company is based on [Mount Etna](#), at the time the most active volcano in Europe.<sup>[4]</sup> <sup>10</sup>[External links](#)

## Timeline<sup>[edit]</sup>

### 1810s<sup>[edit]</sup>

- 1819: [Henry Leavitt Ellsworth](#), [Yale](#) graduate and attorney, becomes second president of Aetna (Fire) Insurance Company, succeeding [Thomas Kimberly Brace](#). Ellsworth, who later became the first [U.S. Patent Commissioner](#), served as Aetna's president for two years until 1821, when he resigned, but he continued as a director for another 16 years. Ellsworth's brother, [William Wolcott Ellsworth](#), also served as a director, as well as the company's first [general counsel](#).<sup>[5]</sup>

## 1850s[[edit](#)]



The Aetna headquarters building in Hartford, designed by renowned architect [James Gamble Rogers](#), is the largest colonial-revival building in the world

- On May 28, 1853, the Annuity department separated from Aetna Insurance to be incorporated as the Aetna Life Insurance Company, with Eliphalet Bulkeley as president.<sup>[4][6][7]</sup> (The fire insurance company went on to become part of Connecticut General, which merged into [Cigna](#).)
- On November 29, 1853, J. B. Bennett was appointed general agent of the company.<sup>[8]</sup>
- 1854 Aetna hired its first full-time employee, Thomas O. Enders, later to become company president.<sup>[4]</sup>
- 1857 Aetna moved to new offices on Hungerford and Cone Streets in Hartford. The [Panic of 1857](#) struck Hartford and the nation, causing the closing of all but one bank and many other businesses. Eliphalet Bulkeley blocked a move to liquidate the company during the economic downturn.<sup>[4]</sup>
- The Aetna Insurance Company issued [life insurance](#) policies on an undetermined number of [African-American slaves](#), naming their owners as [beneficiaries](#).<sup>[9]</sup>

## 1860s[[edit](#)]

- 1861 - Aetna began offering participating life insurance policies which paid [dividends](#) to policyholders just as the mutual life insurance policies did. Aetna launched its new product with a promotional effort including higher commissions for its agents while most companies were cutting back due to the outbreak of the [American Civil War](#) and the consequent loss of premium payments from Southern policyholders. However, the death toll of the war coupled with the booming wartime economy caused an expansion of the life insurance business to match Aetna's expansion.<sup>[4]</sup>
- 1865 - By 1864 Aetna had increased its volume of business by 600% over 1861 and its annual premium income ninefold, exceeding one million dollars. As a result, Aetna possessed the financial stability and resources it needed to meet the stringent regulatory requirements placed on life insurance companies in Massachusetts and New York; by 1865 the company was authorized to begin soliciting business in these states.<sup>[4]</sup>
- 1867 - Company income rose from \$78,000 in 1861 to \$5,129,000 by 1867. Aetna moved to its third home office at 670 Main Street, Hartford. By 1924, Aetna had 94 million dollars, 43% of its assets, invested in farm mortgages.<sup>[4]</sup>
- 1868 Aetna altered its business practices, hiring its first [actuary](#) and abandoning the half-note premium system in favor of an all-cash premium plan.

## 1870s[[edit](#)]

- 1872 - Eliphalet A. Bulkeley died and Thomas O. Enders became president.<sup>[4]</sup>
- 1878 - Aetna increased its capitalization from \$150,000 to \$750,000.<sup>[4]</sup>
- 1879 - Enders' failing health forced him to resign and Eliphalet Bulkeley's son [Morgan G. Bulkeley](#) replaced him.<sup>[4]</sup>

## 1880s[[edit](#)]

- 1888 - Aetna outgrew its old offices on 670 Main Street in Hartford and purchased its fourth home office, next door at 650 Main Street; the first building Aetna actually owned, and Aetna's home office for the next 42 years.<sup>[4]</sup>

## 1890s[[edit](#)]

- 1891 - Aetna issued its first accident policy, purchased by Morgan Bulkeley himself.<sup>[4]</sup>
- 1892 - Aetna held its first general agents conference in Chicago.<sup>[4]</sup>
- 1899 - Aetna became one of the first publicly held insurance companies to enter the health insurance field.<sup>[4]</sup>

## 1900s<sup>[edit]</sup>

- 1902 - Aetna created an Accident and Liability department to offer employers' liability and workmen's collective insurance, in reaction to the growing strength of the [Progressive social reform movement](#). This would become the cornerstone of the Aetna Accident and Liability Company.<sup>[4]</sup>
- 1903 - An Engineering and Inspection Division was created to improve [workplace safety](#).<sup>[4]</sup>
- 1904 - Aetna introduced its first [corporate seal](#), conveying Aetna's status as the largest life insurer in the world writing accident, health and liability coverage; the logo portrayed the company's home office bursting out from within a globe, with large block typeface spelling out Aetna's *ranking*.<sup>[4]</sup>
- 1907 - Aetna created a casualty subsidiary to handle items such as automobile property coverage; Aetna soon began aggressively expanding into related lines such as collision and damage. This business developed into the Aetna Casualty and Surety Company.<sup>[4]</sup>
- 1908 - Aetna hired its first [home office](#) female employee (Julia Kinghorn, [telephone switchboard](#) operator), the first of what has become more than two-thirds of Aetna's employees.<sup>[4]</sup>

## 1910s<sup>[edit]</sup>

- 1910 - Under the management of E. E. Cammack, Aetna began using [Hollerith punched cards](#) machines for tabulating and hired 35 women to input [mortality statistics](#) on [keypunch machines](#), the company's first female [home office clerks](#).<sup>[4]</sup>
- 1911 - Aetna began its first national advertising campaign. The same year, Aetna formed a [bond](#) department to market fidelity and [surety](#) coverages.<sup>[4]</sup>
- 1912 - Aetna introduced the first combination automobile policy, with several separate types of coverage combined into one contract. Several Aetna insureds were killed on the [RMS Titanic](#).<sup>[4]</sup>
- 1913 - Aetna formed its second affiliate, the Automobile Insurance Company, to write fire insurance on cars. This soon expanded to include [windstorm](#), [tornado](#), [leasehold](#), and ocean and inland [marine insurance](#). Aetna formed a Group department to sell [group life insurance](#), one of the first insurers to do so; the first step towards Aetna's current health care business.<sup>[4]</sup>

## 1960s<sup>[edit]</sup>

- 1960 - Aetna expanded outside the U. S., buying a [Canadian](#) company, Excelsior Life Insurance Company. In 1968, it bought a majority interest in Producer's and Citizen's Cooperative Assurance Company, of [Sydney, Australia](#). In 1981, it bought a 40% interest in two [Chilean](#) companies, and soon thereafter invested in ventures in England, Spain, [Hong Kong](#), [Taiwan](#), [Indonesia](#) and [Korea](#).

## 1970s<sup>[edit]</sup>

- 1970 - Aetna's Pension, Casualty and Life Division under the direction of B.E. Burton, President and Lead Actuary, saw billion-dollar growth in the post-ERISA pension administration segment that placed Aetna in the top 5 global pension and investment asset management and recordkeeping firms in the world, with over \$11.8 billion (US) in new sales and assets under management during the decade.

## 1990s<sup>[edit]</sup>

- Between 1996 and 1999, Aetna initiated a series of company [acquisitions](#). In 1996, Aetna acquired U.S. Healthcare, founded by [Leonard Abramson](#).<sup>[10]</sup> In 1998, Aetna bought NYLCare Health Plans for \$1.05 billion, adding 2.2 million members. The next year, it bought [Prudential](#) HealthCare for \$1 billion, making it the largest provider of health benefits in the U. S., with more than 21 million members. The company spent more than \$20 million to revamp its computer systems, enabling the company to identify and discontinue unprofitable accounts. With this new and extensive information about policyholders, new management, and a shift in strategy, Aetna sharply raised premiums on less profitable accounts. Within a few years, Aetna shed 8 million covered lives due to premiums that customers could no longer afford.<sup>[11]</sup>

## 2000s<sup>[edit]</sup>

- 2000 - Aetna hired [John Rowe](#) as CEO and executive chairman. Rowe cut approximately 15,000 jobs and raised insurance premiums by 16 percent per year. In 2002, He also shrunk Aetna's customer base from 19 million members to 13 million by abandoning unprofitable markets, including almost half of the counties nationwide in which it offered Medicare products.<sup>[12][13]</sup>
- 2000 - Aetna sold its financial services and international businesses to [ING Group](#) for \$7.7 billion, spun off its health business to its [shareholders](#), thus focusing its business as an independent health and group benefits company.
- 2001 - Aetna recruited global public relations and marketing executive Roy Clason, Jr. to lead the companies reputation management strategies during Aetna's multi-year corporate turnaround campaign.
- 2006 - John Rowe ended his 65 months as CEO and executive chairman of Aetna; during his tenure, the former [Harvard geriatrician](#) earned \$225,000 a day (including Sundays and holidays).<sup>[14]</sup>
- 2007 - Aetna chief medical officer Troy Brennan told the Aetna Investor Conference that, "The (U. S.) [healthcare system](#) is not timely. " He cited "recent statistics from the Institution of Healthcare Improvement... that people are waiting an average of about 70 days to try to see a provider. And in many circumstances people initially diagnosed with [cancer](#) are waiting over a month, which is intolerable."<sup>[15]</sup>
- 2007 - Aetna acquired plan operator Schaller Anderson in July, signaling a push into the growing business of running plans for Medicaid and the [State Children's Health Insurance Program](#).<sup>[16]</sup>
- 2008 - Aetna CEO Ron Williams received \$38.12 million in [executive compensation](#) - the highest annual compensation in the insurance sector and the 22nd-highest compensation of all American CEOs.<sup>[17][18]</sup>
- 2008 - Aetna began offering [pet](#) health insurance in Alabama, District of Columbia, Idaho, Iowa, Montana, North Dakota and Texas, with plans to quickly expand to all 50 states. "As the new [underwriter](#) for Pets Best policies, we look forward to working closely with Pets Best and the AVMA GHLIT to extend the reach of the pet insurance industry to bring trusted, affordable pet [health insurance](#) products to pet owners nationwide, " said Gretchen Spann, Aetna's head of pet insurance.<sup>[19]</sup>

## 2009<sup>[edit]</sup>

- On September 22, more than 200 people gathered in front of Aetna's Hartford headquarters to call for a [public health insurance option](#) they said is essential to true national [health care reform](#). The [insurance industry](#), including Aetna, has opposed a public option.<sup>[20]</sup>
- On October 2, Connecticut Attorney General [Richard Blumenthal](#) and Healthcare Advocate [Kevin P. Lembo](#) asked Aetna and four other insurance companies for information the companies may have sent policyholders regarding the impact of proposed legislation on [Medicare Advantage](#) and prescription drug programs. According to Blumenthal, some insurance companies exaggerated or stretched the impact of health care reform.<sup>[21]</sup>
- On November 3, US Senator [Tom Harkin](#), chairman of the [Committee on Health, Education, Labor and Pensions](#), launched an investigation into health insurance pricing, asking Aetna and three other major insurers to justify their pricing practices. The investigation began after [small business](#) owners testified before Harkin's committee that skyrocketing health care premiums were severely hurting their livelihoods.<sup>[22]</sup>
- Aetna announced the layoff off 3.5% of its work force, 625 employees, and a similar number of reductions early in 2010. The cuts included 160 jobs in Connecticut.<sup>[23][24]</sup> "Streamlining our business now will enable us to improve our competitiveness and redirect resources to areas with a greater potential for future growth, " said Aetna CEO Ron Williams.<sup>[25]</sup>
- On November 30, Aetna CEO Ron Williams told analysts that Aetna would increase prices in 2010 and force 600,000 to 650,000 Aetna customers to drop their coverage.<sup>[26]</sup> Aetna President Mark Bertolini justified the move as "ensuring that each customer is priced to an appropriate margin. "<sup>[27]</sup> Aetna chief executive Ronald Williams owns 7.6 million Aetna stock and options.
- Aetna filed a \$4.9 billion correction to its 2008 health insurance regulatory filings on December 7, 2009. The new filings show that Aetna spends less on small business health care than previously reported. "Health insurance companies have a duty to provide accurate financial information both to consumers and to their regulators about how much money they actually spend on health care and how much they spend on profits, on executive salaries, and on figuring out how to deny care to people when they really need it, " said Senator [Jay Rockefeller](#), Chairman of the [U.S. Senate Committee on Commerce, Science, and Transportation](#). "Unfortunately, it looks like Aetna and other health insurers haven't been taking this duty very seriously. I'm disappointed that my Committee had to launch a full-scale congressional investigation to get these companies to meet their basic reporting obligations. "<sup>[28]</sup>

- December 29: Aetna chief executive Ron Williams owns approximately 7.6 million Aetna stock and options. The price gain for Aetna stocks of \$8.50 from October lows to December 29 adds at least \$37 million in value to Williams' holdings.<sup>[29]</sup>

## 2010<sup>[edit]</sup>

- On February 3, Aetna laid off more than 100 Connecticut workers. This followed the lay off of 160 Connecticut Aetna employees in November 2009.<sup>[30]</sup>
- In April, Aetna notified policyholders that it was in a contract dispute with [Continuum Health Partners](#) and that its contract with Continuum Health Partners would lapse as of June 5, 2010. Continuum Health Partners comprises five major New York City hospitals: [Beth Israel Medical Center](#), [Roosevelt Hospital](#), [St. Luke's Hospital](#), [Long Island College Hospital](#) and [New York Eye and Ear Infirmary](#). The June 5th date passed and the contract lapsed, an outcome that could mean much higher costs for thousands of New Yorkers.<sup>[31]</sup> Aetna is obligated in its contract with doctors to retain those doctors in-network for a policyholder for a period of a year or until the expiration date of the policyholder's contract, whichever comes first. Aetna did not inform policyholders of this fact. Continuum Health provided a form to policyholders to make this request.<sup>[32]</sup> U. S. Senator [Kirsten Gillibrand](#) has asked executives of Aetna and Continuum Health Partners to re-enter negotiations, saying, "I urge you to re-enter negotiations on a new three-year agreement for reimbursement rates, for the sake of the patients that need health coverage."<sup>[33]</sup> In July, the Faculty Union of [Pratt Institute](#), United Federation of College Teachers Local 1460, prepared a letter to Aetna expressing their unhappiness over the termination of the contract.<sup>[34]</sup>
- In June, Crystal Run Healthcare, a 170-doctor group practice in [Orange County, New York](#) and [Sullivan County, New York](#), announced that it would terminate its contract with Aetna on July 31, 2011.<sup>[35][36]</sup> Crystal Run stated that, "Aetna proposes to pay us significantly less than other commercial health care plans with whom we contract. Despite good faith efforts, we cannot come to an agreement at this time. We want to afford every opportunity to our patients to make informed choices regarding their health care coverage." Aetna replied, "It is extraordinary that a responsible physician group would alarm patients in this manner more than a year before there could be any impact to those patients."<sup>[37]</sup>
- On September 9, Aetna announced that it would demolish its 1,300,000-square-foot (120,000 m<sup>2</sup>) structure in Middletown, Connecticut that once housed approximately 5,000 Aetna employees on a 261-acre (1.06 km<sup>2</sup>) campus. Aetna has not said exactly how it will redevelop the site, although a data center currently located there will remain regardless of future plans.<sup>[38]</sup>

## 2012<sup>[edit]</sup>

In June 2012, Aetna and Inova Health System announced a joint venture creating a new health insurance company, Innovation Health.<sup>[39][40]</sup>

Aetna introduced a company new logo with effort to establish themselves as a more consumer-focused brand. The logo was designed by New York-based [Siegel+Gale](#).<sup>[41]</sup>

## 2015<sup>[edit]</sup>

On July 3, 2015, Aetna announced that it planned to acquire [Humana](#) for **US\$37,000,000,000** in cash and stock,<sup>[42]</sup> or **US\$230** a share.<sup>[43]</sup> Aetna and Humana shareholders would have owned 74% and 26% of the new combined company.<sup>[43]</sup> The acquisition was subject to United States government approval and was expected to close in late 2016.<sup>[42]</sup>

## 2017<sup>[edit]</sup>

On January 23, 2017, a federal judge blocked Aetna's merger with Humana, saying it would leave senior citizens with fewer options for Medicare coverage.<sup>[44][45][46]</sup> On February 14, 2017, Aetna Inc. and [Humana Inc.](#) officially quashed a \$34 billion merger agreement, after judges ruled against the merger for a second time.<sup>[47]</sup>

In June 2017, the company announced plans to move its headquarters to [New York City](#) in late 2018.<sup>[48]</sup> After CVS announced the acquisition of Aetna in December 2017, CVS announced that the company's headquarters would remain in Hartford, scrapping plans to move to New York City.<sup>[49]</sup>

On December 3, 2017, [CVS Health](#) announced the acquisition of Aetna for \$69 billion.<sup>[50][51][52]</sup> Larry Merlo became chief executive of the two brands.<sup>[53]</sup>

## 2018<sup>[edit]</sup>

On February 11, 2018, [CNN](#) reported that the [California Department of Insurance](#) launched an investigation into Aetna following sworn testimony from Dr. Jay Ken linuma, a former medical director for the insurer, in a lawsuit against the insurer in which he revealed he never reviewed any patients' medical records when deciding whether to approve or deny claims for coverage.<sup>[54]</sup> The [California Insurance Commissioner, Dave Jones](#), issued a statement confirming the investigation the following day.<sup>[55]</sup> On February 27, 2018, the ranking members of the [Senate Committee on Finance](#) and [Committee on Health, Education, Labor, and Pensions](#), Senators [Ron Wyden](#) and [Patty Murray](#), issued a letter to Aetna demanding further information regarding Dr. linuma's testimony and the insurer's medical claims determination and patient appeal processes.<sup>[56]</sup>

On November 28, 2018, [CVS Health](#) completed the acquisition of Aetna.<sup>[57][58]</sup>