



Figure A2: Merger Effects are Associated with Diverted Average Profitability

Note: The diverted average profitability (DAP) outlined in Section 7.1 is a prediction of the direction and magnitude of merger effects on both the primary care copay and the premium. The association is more precise for premiums. Consumers are less sensitive to premiums and firms can more easily pass-through merger incentives. Each dot represents a merging-party product in a particular merger. The size of the dot is proportional to post-merger enrollment. The trend line is also weighted by post-merger enrollment.