EXHIBIT I(b)

Project RIVER

Fairness Opinion Board Presentation

December 23, 2022

CAIN BROTHERS
A division of
KeyBanc Capital Markets

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Introduction, Scope of Work and Limiting Conditions

Terminology Summary

- **BCBSLA (or the "Company"):** Louisiana Health Service and Indemnity Company d/b/a Blue Cross Blue Shield of Louisiana on a consolidated basis (unless otherwise provided herein)
- **BCBSLA Insurance:** BCBSLA excluding (1) the Combined Medicare Advantage businesses of both BCBSLA and Vantage, (2) CCHP/Healthy Blue (defined below), and (3) Affinity Health Group, LLC, and Monroe Surgical Hospital, LLC
- **CCHP or Healthy Blue:** Community Care Health Plan of Louisiana, Inc., of which BCBSLA currently owns a 25% interest
- **Engagement Letter:** Engagement Letter between Cain Brothers and Louisiana Health Service and Indemnity Company as amended as of June 13, 2022
- **Opinion:** The Fairness Opinion letter dated December 23, 2022
- **Vantage:** Vantage Holdings, Inc. and all its subsidiaries, including Vantage Health Plan, Inc.; Vantage Health Plan Mississippi Inc.; Vantage Health Plan Arkansas, Inc.; Affinity Health Group, LLC; and Monroe Surgical Hospital, LLC

Introduction

Cain Brothers has been asked by the Board of BCBSLA to render the Opinion as to the fairness, from a financial point of view, of the Base Purchase Price to be paid in connection with the Transaction

- This presentation includes the following:
  - An overview of the proposed acquisition of BCBSLA by Elevance Health (“Elevance” or the “Parent”) (the “Transaction”), including key financial terms; and
  - A summary of the financial analyses used by Cain Brothers in rendering the Opinion
- The Board and management undertook a comprehensive process to determine the best strategic options for the Company. The outcome was a decision to enter into a highly targeted process to find a potential merger or acquisition partner. Many non-financial benefits were considered important, as was financial consideration. The nature of the process, the need to maintain the Blue Cross Blue Shield licenses, and the limited number of cash buyers may have been factors in the financial consideration offered in the Transaction, as compared to that in a broad marketing process
- The all-cash consideration to be paid by Purchaser for the acquisition is based on a Base Purchase Price of $2.5 billion (the “Base Purchase Price”). In addition to the amount by which the Base Purchase Price exceeds the Eligible Member Payment, the Foundation will receive an additional amount based on the statutory capital at Closing of the Company in excess of 375% of Authorized Control Level Risk Based Capital (collectively, the “Approved Excess Surplus” plus the “Closing Surplus,” or, collectively, the “Surplus Payment”)
- Based on our conversations with BCBSLA management, the Agreement is expected to be executed by January 17, 2023, and the closing will occur following the satisfaction of all closing conditions set forth in the Agreement (including the receipt of all necessary consents and approvals)
- We have reviewed the findings of our work described herein with Cain Brothers’ Valuation Committee and the Valuation Committee has approved the issuance of the Opinion
- Cain Brothers has provided advisory and valuation services to the Company and the Board in connection with the Transactions and has received fees related to this transaction. In addition, Cain Brothers will receive a contingent fee upon the successful completion of the Transactions (previously received retainer fees will be offset from the amount due if this fee becomes payable) in addition to additional retainer fees
- The Opinion reflects information provided to Cain Brothers as of December 22, 2022
- These materials should be reviewed in conjunction with the Opinion letter dated December 23, 2022

Scope of Work

Below is a summary of the information we reviewed and certain analyses performed for purposes of rendering the Opinion

- In connection with this Opinion, we have made such reviews, analyses and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things, we have:
  1. reviewed form and content of a draft, dated December 16, 2022, of the Agreement (including drafts of all schedules and exhibits thereto);
  2. reviewed historical, adjusted and pro forma financial statements and information made available to us by the Company;
  3. reviewed financial and operating projections prepared by the management of the Company (the “Projections”);
  4. spoken with certain members of the management of the Company and certain of its representatives and advisors regarding the business, operations, financial condition and prospects of the Company, the Transactions and related matters;
  5. reviewed valuations of (i) Affinity Health Group prepared by Postlethwaite & Netherville dated June 30, 2021 and (ii) Monroe Surgical Hospitals prepared by Horne LLP dated June 30, 2021, in each case provided to us by the management of the Company (the “Third-Party Valuations”);
  6. compared the financial and operating performance of the Company with that of publicly-traded companies that we deemed to be relevant and appropriate;
  7. considered the financial terms of certain transactions that were publicly-available or otherwise available to us and that we deemed to be relevant and appropriate;
  8. conducted a discounted cash flow analysis based on the Projections utilizing assumptions and estimates that we deemed to be relevant and appropriate; and
  9. conducted an analysis of the Company’s minority interest in Community Care Health Plan of Louisiana, Inc. (“CCHP”) utilizing methodologies that we deemed to be relevant and appropriate;
  10. conducted an analysis of the Company’s Combined Medicare Advantage business line utilizing methodologies that we deemed to be relevant and appropriate; and
  11. conducted such other financial studies, analyses and inquiries and considered such other information and factors as we deemed to be relevant and appropriate

Scope of Work (cont.)

- We have received historical audited financial statements of BCBSLA and Vantage and the supporting consolidating statements for the fiscal years ("FY") ended December 31, 2019, 2020 and 2021
- We have received BCBSLA unaudited internal financial statements for fiscal years ended December 31, 2019, 2020 and 2021, and year-to-date ("YTD") performance through October 2022
- We have received BCBSLA financial forecasts for FY 2022F – FY 2025P
- We have received Vantage financial forecasts by entity for FY 2022F – FY 2025P
- We have received the Combined BCBSLA Medicare Advantage financial forecast for FY 2022F – FY 2025P
- We have received forecasted cash & investments for BCBSLA Insurance for FY 2022F
- In the course of preparing the Opinion, Cain Brothers performed the following analyses, among others:
  - Performed a valuation of BCBSLA using industry standard valuation methodologies, as described in further detail in this presentation;
    - The historical and projected financial statements include an adjustment to eliminate unrealized gains/(losses) on the Company's equity investment portfolio totaling ($200M) in FY 2022F and management's estimates of $14M in FY 2023P and $15M annually from FY 2024P – FY 2025P;
      - BCBSLA holds a substantial equity portfolio, so under GAAP requirements, the Company has recognized significant unrealized losses in 2022 year to date to account for the carrying value of its equity portfolio, which has declined in concert with the broader stock market correction. The adjustment to exclude unrealized gains/(losses) on equity securities from the historical and projected FY 2022F – FY 2025P periods is made to reflect our view that this does not affect the core earnings of the company's operations
  - Performed a valuation of BCBSLA's ownership interest in Healthy Blue using per equivalent lives multiples based on precedent M&A transactions due to limited information available as described in further detail in this presentation;
  - Performed a valuation of the Combined Medicare Advantage business line using assumed future operating margins based on management's estimates and also referencing per equivalent lives valuation multiples;
  - Relied upon the third-party valuation of Affinity Health Group;
  - Relied upon the third-party valuation of Monroe Surgical Hospital;
  - Other analyses and assumptions as we deemed appropriate

Limiting Conditions

General

- We have relied upon and assumed, without independent verification, the accuracy and completeness of all data, material and other information furnished, or otherwise made available to us, discussed with or reviewed by us, or publicly available, and do not assume any responsibility with respect to such data, material and other information. In addition, management of the Company has advised us, and we have assumed, that the Projections have been reasonably prepared in good faith reflecting the best currently available estimates and judgments of such management as to the future financial results and condition of the Company
- We have relied upon and assumed, without independent verification, that (a) the representations and warranties of all parties to the Agreement and all other related documents and instruments that are referred to therein are true and correct, (b) each party to the Agreement and such other related documents and instruments will fully and timely perform all of the covenants and agreements required to be performed by such party, (c) all conditions to the consummation of the Transactions will be satisfied without waiver thereof that would be material to our analyses or this Opinion, and (d) the Transactions will be consummated in a timely manner in accordance with the terms described in the Agreement and such other related documents and instruments, without any amendments or modifications thereto that would be material to our analyses or this Opinion. We have relied upon and assumed, without independent verification, that (i) the Transactions will be consummated in a manner that complies in all respects with all applicable federal and state statutes, rules and regulations, and (ii) all governmental, regulatory, and other consents and approvals necessary for the consummation of the Transactions will be obtained and that no delay, limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have an effect on the Transactions or the Company that would be material to our analyses or this Opinion. In addition, we have relied upon and assumed, without independent verification, that the final form of the Agreement (including schedules and exhibits thereto) will not differ in any respect from the draft of the Agreement
- Furthermore, in connection with this Opinion, we have not been requested to make, and have not made, any review of the books and records of the Company, its subsidiaries or any other party or any physical inspection or independent appraisal or evaluation of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance-sheet or otherwise) of the Company, its subsidiaries or any other party, nor were we provided with any such appraisal or evaluation other than the third party valuation reports for Affinity Health Group and Monroe Surgical Hospital that we relied upon for the valuation. We did not estimate, and express no opinion regarding, the liquidation value of any entity or business. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities, to which the Company or any of its subsidiaries or any other party is or may be a party or is or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which the Company or any of its subsidiaries or any other party is or may be a party or is or may be subject

Limiting Conditions (cont.)

General

- This Opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. We have not undertaken, and are under no obligation, to update, revise, reaffirm or withdraw this Opinion, or otherwise comment on or consider events occurring or coming to our attention after the date hereof
- This Opinion does not indicate that the Transactions or the Base Purchase Price is the best possibly attainable under any circumstances for the Company; instead, it merely indicates whether the Base Purchase Price is within a valuation range suggested by certain financial analyses performed by us. In arriving at our Opinion, we did not attribute any particular weight to any analysis or factor considered by us, but instead made qualitative judgments as to the significance and relevance of each analysis and factor. Each method of analysis has inherent strengths and weaknesses, and the nature of the available information may further affect the analytical value of particular methods. Accordingly, we believe our analyses must be considered as a whole and that selecting portions of our analyses, without considering all analyses, would create an incomplete view of the process underlying this Opinion
- We have not been requested to opine as to, and this Opinion does not express an opinion as to or otherwise address, among other things: (i) the underlying business decision of the Board, the Company, its members or any other party to proceed with or effect the Transactions, (ii) the terms of any arrangements, understandings, agreements or documents related to, or the form, structure or any other portion or aspect of, the Transactions or otherwise (other than the Base Purchase Price to the extent expressly specified herein), including, without limitation, how and to whom the Base Purchase Price will be allocated and paid, the amount and distribution of the, Surplus Payment (or its components thereof), and other payments to the Foundation, the amount and allocation of the Eligible Member Payment or the effects of any adjustments, escrows, indemnitees or holdbacks provided for in the Agreement, (iii) the fairness of any portion or aspect of the Transactions to the members, creditors or other constituencies of the Company, (iv) the relative merits of the Transactions as compared to any alternative business strategies or transactions that might be available for the Company or any other party, (v) the fairness of any portion or aspect of the Transactions to any one class or group of the Company's or any other party's members, security holders or other constituents vis-à-vis any other class or group of the Company's or such other party's members, security holders or other constituents, (vi) the solvency, creditworthiness or fair value of the Company or any of its subsidiaries or any other participant in the Transactions, or any of their respective assets, under any applicable laws relating to bankruptcy, insolvency, fraudulent conveyance or similar matters, or (vii) the fairness, financial or otherwise, of the amount, nature or any other aspect of any compensation to or consideration payable to or received by any officers, directors or employees of any party to the Transactions, any class of such persons or any other party, relative to the Base Purchase Price or otherwise

Limiting Conditions (cont.)

General

- Furthermore, we are not expressing any opinion, counsel or interpretation regarding matters that require legal, regulatory, accounting, insurance, tax or other similar professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources. Furthermore, we have relied, with the consent of the Board, on the assessments by the Board, the Company and their respective advisors, as to all legal, regulatory, accounting, insurance, tax and other similar matters with respect to the Company, the Transactions or otherwise

Information Used

- At your direction, we have assumed that the Projections provide a reasonable basis on which to evaluate the Company and the acquisition, and we have, at your direction, used and relied upon the Projections for purposes of our analyses and this Opinion. We express no opinion with respect to the Projections or the assumptions on which they are based. Both the historical financial statements and Projections include certain pro forma adjustments, related to the Transactions and otherwise. We have discussed these pro forma adjustments with management of the Company, and management of the Company has advised us that these pro forma adjustments are reasonable and appropriate and reflect the currently available estimates and judgments with respect to the matters covered thereby. With respect to Affinity Health Group and Monroe Surgical Hospitals, we have relied, with your permission, exclusively on the Third-Party Valuations dated June 30, 2021 without independent verification and do not assume any responsibility with respect to such valuations or to independently evaluate such businesses. We have not had access to management of CCHP or Vantage Holdings, Inc. and its subsidiaries, and therefore we have relied, with your permission, exclusively on management of the Company with respect to these businesses. We have relied upon and assumed, without independent verification, that there has been no change in the business, assets, liabilities, financial condition, results of operations, cash flows or prospects of the Company since the respective dates of the most recent financial statements and other information, financial or otherwise, provided to us that would be material to our analyses or this Opinion, and that there is no information or any facts that would make any of the information reviewed by us incomplete or misleading. We have assumed that the historical financial statements provided to us were prepared and fairly presented in accordance with U.S. generally accepted accounting principles or statutory accounting principles, as applicable, in each case consistently applied

It is understood that the Opinion and this presentation are for the information of the Board in connection with its consideration of the Transaction and may not be used for any other purpose or reproduced, disseminated, summarized, excerpted from or quoted at any time, in any manner, or for any purpose, nor shall disclosure of this opinion or any related presentation that we provide to the Board be made by the Company without our prior written consent, except as provided in the Engagement Letter

Overview of RIVER and the Transaction

Parties to the Transaction

Seller	Purchaser

Seller

Louisiana

- Founded in 1934, BCBSLA is the Blue Cross Blue Shield Association affiliate for the State of Louisiana and is the largest insurer in Louisiana, covering all major health insurance and ancillary health insurance products
- The Company managed 1.9 million lives (including members through Vantage and its minority ownership in its Medicaid subsidiary, Healthy Blue) as of October 31, 2022
- The Company has a 100% ownership in Vantage, which operates insurance companies (that service Louisiana, Mississippi, and Arkansas), provider groups (Affinity Health Group) and a surgical hospital (Monroe Surgical Hospital)

Purchaser

Elevance Health

- One of the largest health benefits companies in the United States by medical membership, serving more than 45 million medical members
- Offers a broad spectrum of network-based managed care risk-based plans to Individual, Group, Medicaid, and Medicare markets; additionally, Elevance provides a broad array of managed care services to fee-based customers
- Elevance is an independent licensee of the Blue Cross and Blue Shield Association (“BCBSA”), an association of independent health benefit plans. Elevance serves its members as a Blue Cross licensee for California and as a Blue Cross and Blue Shield (“BCBS”) licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, New York (in the New York City metropolitan area and upstate New York), Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.) and Wisconsin. In a majority of these service areas, Elevance does business as Anthem Blue Cross, Anthem Blue Cross and Blue Shield, and Empire Blue Cross Blue Shield or Empire Blue Cross. In addition, Elevance conducts business through arrangements with other BCBS licensees as well as other strategic partners. Through its subsidiaries, Elevance also serves customers in numerous states as AIM Specialty Health, Amerigroup, Aspire Health, Beacon, CareMore, Freedom Health, HealthLink, HealthSun, Integra Managed Care, MMM, Optimum HealthCare, Simply Healthcare, and/or UniCare. It offers PBM services through its IngenioRx, Inc. (“IngenioRx”) subsidiary. Elevance is licensed to conduct insurance operations in all 50 states, the District of Columbia and Puerto Rico through our subsidiaries
- Traded on the NYSE (NYSE:ELV) with a current total market value of $121.8 billion as of December 22, 2022

Overview of Key Transaction Terms

Term	Description
Parties	• Purchaser: ATH Holding Company, LLC (the "Purchaser"), whose obligations are guaranteed by Elevance Health, Inc • Seller: Louisiana Health Service & Indemnity Company (d/b/a Blue Cross and Blue Shield of Louisiana) (the "Company") • Foundation: The Accelerate Louisiana Initiative, Inc., a newly established Delaware nonprofit nonstock corporation organized to promote the wellness and wellbeing of the people of the State of Louisiana and intended to qualify as a Code Section 501(c)(4) social welfare organization (the "Foundation")
Total Consideration	• Base Purchase Price of $2.5 billion in cash to be paid at Closing • An excess capital distribution of capital above 375% RBC of BCBSLA will be distributed to the Foundation (the total of "Approved Excess Surplus" and "Closing Surplus" as defined in the Agreement)
Transaction Overview and Structure	• On the Closing Date, the Company shall effectuate the Reorganization, whereupon the Company shall reorganize from a mutual insurance company to a stock insurance company in accordance with the Plan of Reorganization and the Louisiana Demutualization Statutes
Key Terms	• No survival of reps and warranties • No financing contingency • Mutual Indemnification Provisions (see Indemnification section)
Key Conditions to Close	• Receipt of Antitrust approvals or expiration of any applicable waiting periods under applicable Antitrust law (i.e., the HSR Act) • Receipt of required BCBSA approvals • Receipt of approval from the Louisiana Department of Insurance for the Reorganization • Receipt of approval from the Board of Directors of BCBSLA and from 2/3 of the eligible policyholders of BCBSLA at the Special Meeting
Termination Provisions and Termination Fee	• In the event of certain terminations as described in the Agreement, primarily involving Alternative Transactions, BCBSLA shall be required to pay a termination fee of $75,000,000 • In the event of certain terminations as described in the Agreement, and Purchaser has entered into or consummated the acquisition of another BCBSA plan, then Purchaser shall be required to pay a termination fee of $75,000,000 • In the event one party breaches its representations and warranties or covenants causing the conditions to closing under the Agreement to not be met, then the non-terminating party shall pay the terminating party a termination fee equal to $25,000,000

Overview of Key Transaction Terms

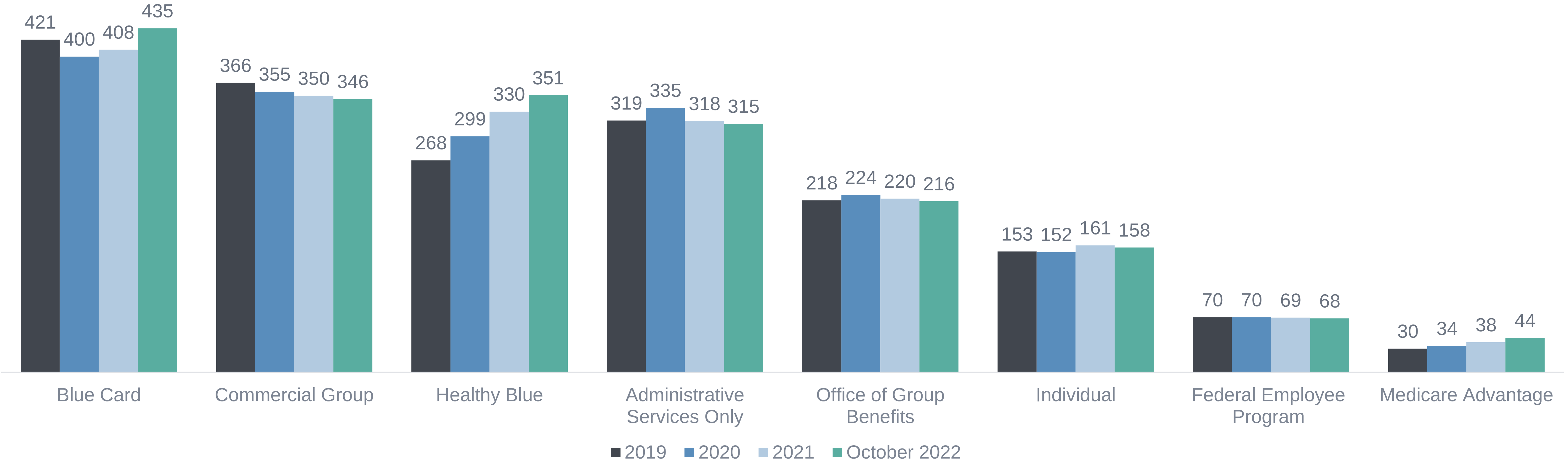
Term	Description
Indemnification	• (1) The Foundation on the one hand, and Purchaser and Parent on the other hand, shall each indemnify the other party against 50% of Member Proceeding Indemnifiable Losses (i.e., damages resulting from litigation brought by a current BCBSLA policyholder relating to the proposed Plan of Reorganization), subject to a $50 million deductible and an aggregate cap on liability equal to the Member Proceeding Indemnification Cap; and (2) the Foundation shall indemnify Purchaser against 50% of losses suffered related to taxes imposed on the Company or its subsidiaries as a result of the Transactions
Key Dates	• Proposed Signing Date: January 17, 2023 • Targeted Closing Date: After receipt of all required consents and approvals • Termination Date / Extension Date: 12 months after signing of Agreement / 15 months after signing of Agreement by either Party, 18 months by mutual Agreement • Either party may terminate if Transactions have not closed 12 months after signing date, subject to extension up to 18 months in certain circumstances

Disclaimer: The terms of the Transactions described above are only a summary for informational purposes and are qualified in all respects by the relevant Transaction Documents. We are not providing any opinion as to terms, form, structure, or any other portion or aspect of the Transactions or otherwise, other than with respect to the Base Purchase Price as expressly provided in the Fairness Opinion

BCBSLA Membership

(members in thousands)

Period	Total Membership
FYE 2019	1,845
FYE 2020	1,868
FYE 2021	1,894
October 2022	1,933



Source: BCBSLA management
Note: Membership as of October 31, 2022; Inclusive of Vantage membership figures

BCBSLA Summary Historical And Projected Income Statement Data

($ in millions)	Fiscal Year Ending December 31,						
	2019A	2020A	2021A	2022F	2023P	2024P	2025P
Premium Revenue	$3,656	$4,156	$4,226	$4,424	$4,604	$4,917	$5,204
Claims Expense	3,157	3,302	3,569	3,738	3,874	4,144	4,379
Gross Margin	**$499**	**$855**	**$657**	**$686**	**$730**	**$773**	**$825**
Gross Margin %	*13.6%*	*20.6%*	*15.5%*	*15.5%*	*15.9%*	*15.7%*	*15.9%*
BlueCard, Service Revenue & Other Income	$188	$182	$176	$198	$191	$197	$202
Patient Service Revenue Net	21	38	44	39	67	68	71
Total Other Revenue	**$209**	**$220**	**$219**	**$237**	**$258**	**$264**	**$274**
Operating Expenses:							
Administrative & Project	$569	$673	$668	$816	$757	$780	$813
Healthcare Reform Fees	21	89	23	23	24	28	30
Acquisition Expenses	139	145	146	155	165	169	178
Total Operating Expenses	**$729**	**$908**	**$837**	**$994**	**$945**	**$977**	**$1,021**
Operating Income	**($22)**	**$167**	**$39**	**($71)**	**$43**	**$60**	**$78**
Total Adjusted Investment Income[1]	94	80	92	102	57	59	64
Joint Venture Income	14	7	1	(10)	10	10	10
BCBSLA Adjusted Pre-Tax Income	**$86**	**$253**	**$131**	**$21**	**$110**	**$129**	**$152**
Income Tax Expense/(Benefit)[1]	$18	$82	$46	$5	$27	$31	$35
BCBSLA Adjusted Net Income	**$69**	**$171**	**$85**	**$16**	**$83**	**$98**	**$117**
BCBSLA Adjusted Net Income Margin %	*1.9%*	*4.1%*	*2.0%*	*0.4%*	*1.8%*	*2.0%*	*2.3%*
BCBSLA Adjusted EBITDA	**$110**	**$297**	**$173**	**$63**	**$152**	**$171**	**$194**
BCBSLA Adjusted EBITDA Margin %	*3.0%*	*7.1%*	*4.1%*	*1.4%*	*3.3%*	*3.5%*	*3.7%*
Financial Statistics:							
Gross Margin	$499	$855	$657	$686	$730	$773	$825
Administrative Expense	729	908	837	994	945	977	1,021
Depreciation & Amortization	23	44	42	42	42	42	42
Adjusted Investment Income & Other Income	108	86	92	92	67	69	74
Unrealized Gains/(Losses) on Equity Investment Portfolio	35	47	20	(200)	14	15	15
MCR %	*86.4%*	*79.4%*	*84.5%*	*84.5%*	*84.1%*	*84.3%*	*84.1%*
Admin Expense Ratio %	*15.6%*	*16.2%*	*15.8%*	*18.5%*	*16.4%*	*15.9%*	*15.6%*
Operating Income Margin %	*(0.6%)*	*4.0%*	*0.9%*	*(1.6%)*	*0.9%*	*1.2%*	*1.5%*
BCBSLA Adjusted Net Income Margin %	*1.9%*	*4.1%*	*2.0%*	*0.4%*	*1.8%*	*2.0%*	*2.3%*

Source: BCBSLA management

1. Adjusted to remove the unrealized gains/(losses) on the Company's equity investment portfolio of ($200M) in FY 2022F, $14M in FY 2023P, and $15M annually from FY 2024P – FY 2025P, as discussed in the Scope of Work; associated tax impact derived by applying a 21% effective rate to the adjustment

Pro Forma Adjustments to BCBSLA to Derive BCBSLA Insurance Financials

BCBSLA Insurance: EBITDA Adjustments

Adjusted EBITDA Bridge Summary

($ in millions)	Fiscal Year Ending December 31, 2022F	2023P	2024P	2025P
BCBSLA Adjusted EBITDA[1]	**$63**	**$152**	**$171**	**$194**
Non-recurring / Non-operating Items:				
A Project River Transaction Costs	$8	-	-	-
B Litigation Accrual	116	-	-	-
Total Non-recurring / Non-operating Items	**$123**	**-**	**-**	**-**
Pro Forma Adjustments:				
C Provider Entity Contribution	$18	$19	$17	$14
D Medicare Advantage Adjustment	46	46	32	29
E Healthy Blue Contribution	13	(7)	(7)	(7)
F Surplus Payment Adjustment	(40)	(23)	(23)	(26)
Total Pro Forma Adjustments	**$36**	**$36**	**$19**	**$11**
Total EBITDA Adjustments	**$160**	**$36**	**$19**	**$11**
BCBSLA Insurance Pro Forma Adjusted EBITDA	**$223**	**$188**	**$189**	**$205**

Adjustment Explanation

A. **Project River Transaction Costs:** One-time legal, advisory, and other costs related to Project River. This adjustment reduces administrative expense. See page 48

B. **Litigation Accrual:** One-time legal settlement costs. See page 48

C. **Provider Entity Contribution:** Exclusion of Vantage Provider Entity contributions. These entities are valued separately so their impacts are removed from the valuation of BCBSLA Insurance. See page 49

D. **Medicare Advantage Adjustment:** Elimination of Combined Medicare Advantage business line contributions. This business line is valued separately so its impact is removed from the valuation of BCBSLA Insurance. See page 50

E. **Healthy Blue Contribution:** Elimination of Healthy Blue earnings. BCBSLA's 25% stake in Healthy Blue is valued separately utilizing an equivalent lives multiple methodology. See page 43

F. **Surplus Payment Adjustment:** Investment Income adjusted to reflect the transaction at 375% RBC. As of the end of FY 2022, BCBSLA is projected to hold 828% RBC. Excess capital above 375% will be paid and/or distributed in the transaction. See page 51

Source: BCBSLA management
1. Adjusted to remove the unrealized gains/(losses) on the Company's equity investment portfolio of ($200M) in FY 2022F, $14M in FY 2023P, and $15M annually from FY 2024P – FY 2025P

BCBSLA Insurance: Revenue Adjustments

Adjusted Revenue Bridge Summary

($ in millions)	Fiscal Year Ending December 31, 2022F	2023P	2024P	2025P
BCBSLA Adjusted Revenue[1,2]	**$4,753**	**$4,929**	**$5,250**	**$5,552**
Pro Forma Adjustments:				
A Provider Entity Contribution	($42)	($73)	($76)	($81)
B Medicare Advantage Adjustment	(552)	(598)	(674)	(744)
C Healthy Blue Contribution	13	(7)	(7)	(7)
D Surplus Payment Adjustment	(40)	(23)	(23)	(26)
Total Revenue Adjustments	**($622)**	**($701)**	**($780)**	**($858)**
BCBSLA Insurance Pro Forma Adjusted Revenue	**$4,131**	**$4,228**	**$4,471**	**$4,695**

Adjustment Explanation

A. **Provider Entity Contribution:** Exclusion of Vantage Provider Entity contributions. These entities are valued separately so their impacts are removed from the valuation of BCBSLA Insurance. See page 49

B. **Medicare Advantage Adjustment:** Elimination of Combined Medicare Advantage business line contributions. This business line is valued separately so its impact is removed from the valuation of BCBSLA Insurance. See page 50

C. **Healthy Blue Contribution:** Elimination of Healthy Blue earnings. BCBSLA's 25% stake in Healthy Blue is valued separately utilizing an equivalent lives multiple methodology. See page 43

D. **Surplus Payment Adjustment:** Investment Income adjusted to reflect the transaction at 375% RBC. As of the end of 2022, BCBSLA is projected to hold 828% RBC. Excess capital above 375% will be paid and/or distributed in the transaction. See page 51

Source: BCBSLA management
1. Adjusted to remove the unrealized gains/(losses) on the Company's equity investment portfolio of ($200M) in FY 2022F, $14M in FY 2023P, and $15M annually from FY 2024P – FY 2025P
2. Revenue includes premiums, other income, investment income (excluding unrealized gains/(losses), and JV income

BCBSLA Insurance: Net Income Adjustments

Adjusted Net Income Bridge Summary

($ in millions)	Fiscal Year Ending December 31,			
	2022F	2023P	2024P	2025P
BCBSLA Adjusted Net Income[1]	**$16**	**$83**	**$98**	**$117**
Non-recurring / Non-operating Items:				
A Project River Transaction Costs	$8	-	-	-
B Litigation Accrual	116	-	-	-
Total Non-recurring / Non-operating Items	**$123**	**-**	**-**	**-**
Pro Forma Adjustments:				
C Provider Entity Contribution	$18	$19	$17	$14
D Medicare Advantage Adjustment	46	46	32	29
E Healthy Blue Contribution	13	(7)	(7)	(7)
F Surplus Payment Adjustment	(40)	(23)	(23)	(26)
Total Pro Forma Adjustments	**$36**	**$36**	**$19**	**$11**
Total Adjustments	**$160**	**$36**	**$19**	**$11**
Effect of Taxes	(39)	(9)	(4)	(3)
Net Income Adjustments	**$121**	**$27**	**$14**	**$8**
BCBSLA Insurance Pro Forma Adjusted Net Income	**$137**	**$110**	**$112**	**$126**

Adjustment Explanation

A. **Project River Transaction Costs:** One-time legal, advisory, and other costs related to Project River. This adjustment reduces administrative expense. See page 48

B. **Litigation Accrual:** One-time legal settlement costs. See page 48

C. **Provider Entity Contribution:** Exclusion of Vantage Provider Entity contributions. These entities are valued separately so their impacts are removed from the valuation of BCBSLA Insurance. See page 49

D. **Medicare Advantage Adjustment:** Elimination of Combined Medicare Advantage business line contributions. This business line is valued separately so its impact is removed from the valuation of BCBSLA Insurance. See page 50

E. **Healthy Blue Contribution:** Elimination of Healthy Blue earnings. BCBSLA's 25% stake in Healthy Blue is valued separately utilizing an equivalent lives multiple methodology. See page 43

F. **Surplus Payment Adjustment:** Investment Income adjusted to reflect the transaction at 375% RBC. As of the end of FY 2022, BCBSLA is projected to hold 828% RBC. Excess capital above 375% will be paid and/or distributed in the transaction. See page 51

Source: BCBSLA management

1. Adjusted to remove the unrealized gains/(losses) on the Company's equity investment portfolio of ($200M) in FY 2022F, $14M in FY 2023P, and $15M annually from FY 2024P – FY 2025P

Summary of Valuation Analyses

Summary of Valuation Analyses

Valuation Summary

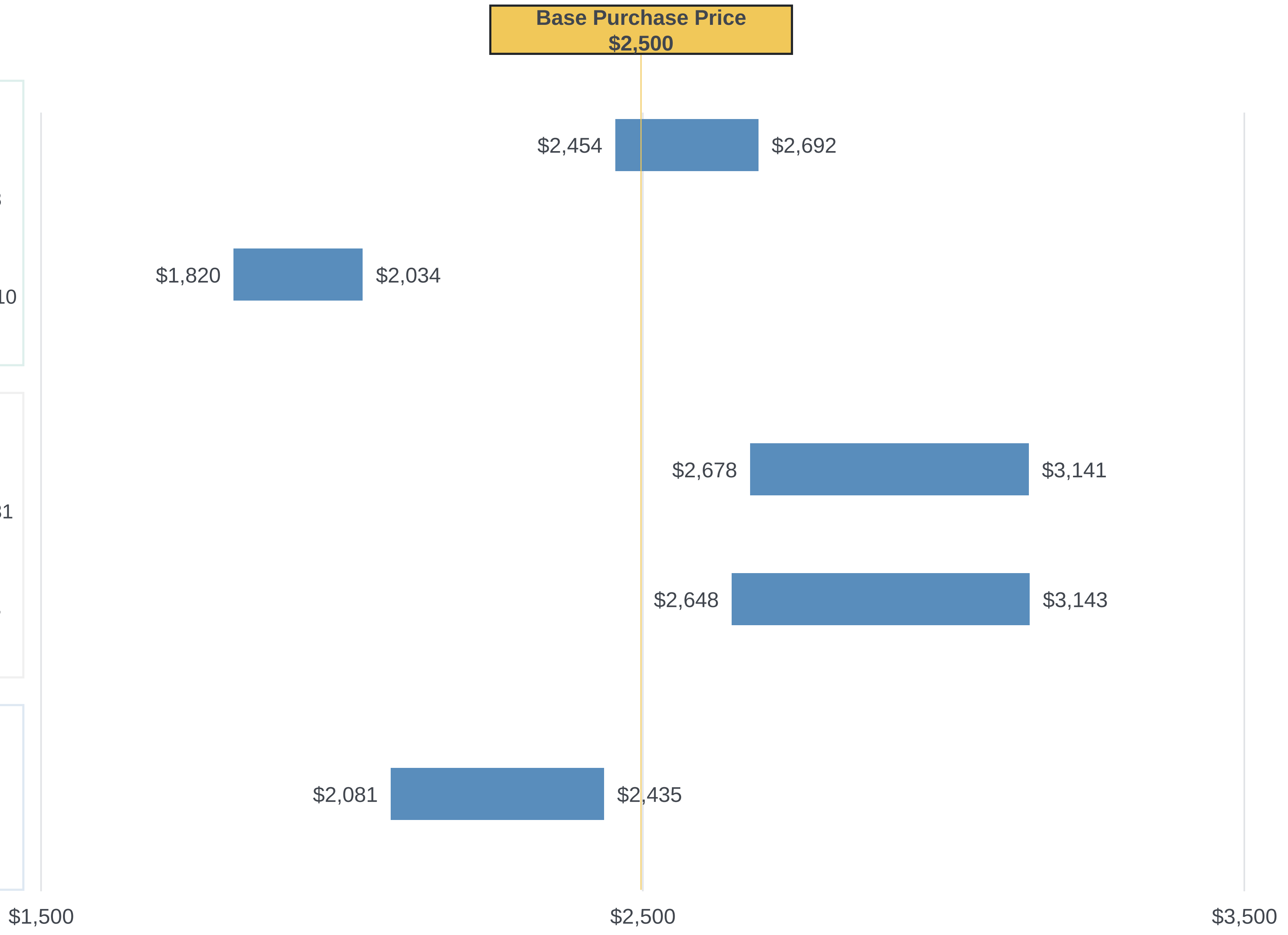
- To assess the aggregate Company valuation range, Cain Brothers performed a valuation analysis on the following, as depicted in the Opinion:
  1) BCBSLA Insurance – All of BCBSLA other than the business lines noted below. This includes the commercial insurance business lines of Vantage Health Plan
  2) "Other Assets"
     a) Combined Medicare Advantage business line of BCBSLA and Vantage Health Plan
     b) Healthy Blue (Medicaid Joint Venture of which BCBSLA owns 25%)
        1) The 75% majority interest is owned by AMERIGROUP/Elevance
     c) Vantage provider entities, which relied upon third-party valuations[1] as follows:
        1) Monroe Surgical Hospital - Valuation prepared by Horne LLP as of June 30, 2021
        2) Affinity Health Group - Valuation prepared by Postlethwaite & Netherville as of June 30, 2021
- The valuation range for Other Assets was added to our valuation range for BCBSLA Insurance for each valuation methodology to derive the consolidated sum of parts valuation for BCBSLA

1. We received written confirmation from BCBSLA that we can include these valuation conclusions in the Opinion, but have not independently verified any such report, nor have we attempted to update the information or analyses contained in any of these reports

BCBSLA Valuation Overview

($ in millions)

Comparable Public Companies Analysis	**EV/EBITDA** Comparable Companies FY 2023P: 12.0x-13.0x BCBSLA Insurance FY 2023P Pro Forma Adj. EBITDA: $188 **Total Equity Value/Net Income[1]** Comparable Companies FY 2023P: 14.5x-16.0x BCBSLA Insurance FY 2023P Pro Forma Adj. Net Income: $110
Precedent M&A Sale Transaction Analysis	**EV/Revenue** Precedent M&A FY 2022F: 0.60x-0.70x BCBSLA Insurance FY 2022F Pro Forma Adj. Revenue: $4,131 **EV/EBITDA** Precedent M&A FY 2022F: 11.0x-13.0x BCBSLA Insurance FY 2022F Pro Forma Adj. EBITDA: $223
Discounted Cash Flow[2]	**Terminal Multiple:** 11.0x-13.0x **WACC:** 10.5%



Valuation Metrics applied to BCBSLA Insurance; total valuation includes an additional $200-$250M of value for Other Assets

Cain Brothers
A division of KeyBanc Capital Markets

Note: Valuation Metrics are for the fiscal year ended December 31st
1. Includes $31M of debt-like items, which includes Mortgage Loans and Capital Leases
2. BCBSLA Insurance FY 2025P Pro Forma Adj. EBITDA of $205M

Valuation Support: Comparable Public Companies Analysis – BCBSLA Insurance

BCBSLA Insurance: Comparable Public Companies Analysis

- The Comparable Public Company Analysis involves an analysis of publicly traded companies exhibiting similar business, geographic, operating and financial characteristics to the Company. This methodology, therefore, operates under the assumption that comparable companies should be valued similarly in the public market
- We have identified 6 publicly traded managed care companies whose principal business is similar to BCBSLA Insurance, two of which (Elevance and UnitedHealth Group) are diversified managed care businesses, one primarily government focused (Centene), one primarily commercial focused (Cigna), one primarily Medicare focused (Humana), and one primarily Medicaid focused (Molina)
- While generally similar in terms of business orientation, these companies have meaningful differences with respect to size, growth, financial performance, capital, location, geographic diversification, diversification of business lines, and market expectations of future performance, all of which have important consequences with respect to market valuations
- As of the date hereof, we believe the public companies are generally valued on the basis of Calendar Year (“CY”) 2023 financial performance metrics including net income and EBITDA. CY 2023 estimates are based on JP Morgan Equity Research reports
- The Reference Multiple Range represents our assessment as to the appropriate public market valuation on multiples of Adjusted EBITDA and Adjusted Net Income
- Unlike the public companies, the Company’s pre-tax income is heavily weighted toward investment income (and not operating income), a negative factor in valuation
- We have made certain adjustments to take these factors into consideration
- We analyzed publicly available information furnished to shareholders or filed with the SEC or other regulatory bodies (e.g., Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements, and prospectuses), and Wall Street research, in order to generate a set of defined operating and financial statistics

BCBSLA Insurance: Comparable Public Companies Analysis

Select Trading Data / Operating Metrics

($ in millions, except for share prices)

	Closing Price				Operating Data			Enterprise Value /	Price /
	as of	as a % of 52-	Market	Enterprise	EBITDA	EBITDA Margin	EPS	EBITDA	Earnings
Companies	12/22/2022	Week High	Value	Value	CY 2023P	CY 2023P	CY 2023P	CY 2023P	CY 2023P
UnitedHealth Group, Inc.	$527.09	94.4%	$501,747	$550,132	$35,378	10.0%	$24.85	15.6x	21.2x
Elevance Health, Inc.	510.06	92.8%	123,061	145,840	11,914	7.3%	32.60	12.2x	15.6x
Cigna Corporation	333.28	98.0%	104,082	135,053	13,516	7.0%	24.81	10.0x	13.4x
Centene Corporation	82.24	83.5%	47,157	65,534	5,411	3.8%	6.35	12.1x	13.0x
Humana Inc.	512.43	89.7%	65,375	74,852	5,704	5.5%	28.30	13.1x	18.1x
Molina Healthcare, Inc.	335.32	89.7%	19,962	22,073	1,499	4.7%	19.55	14.7x	17.2x
Max		**98.0%**				**10.0%**		**15.6x**	**21.2x**
Mean		**91.3%**				**6.4%**		**13.0x**	**16.4x**
Median		**91.3%**				**6.3%**		**12.7x**	**16.4x**
Min		**83.5%**				**3.8%**		**10.0x**	**13.0x**

Source: Company Filings, Wall Street Equity Research

BCBSLA Insurance: Comparable Public Companies Valuation Summary

For the Comparable Public Companies Analysis, the ranges for the Total Enterprise Value of BCBSLA Insurance are shown below

($ in millions)

Operating Metric	Company Statistics	Public Comparables Reference Range			Implied Company Equity Value Range			Debt & Debt-Like Items	Implied Company Enterprise Valuation Range		
BCBSLA Insurance Pro Forma Adjusted EBITDA											
BCBSLA Insurance FY 2023P Pro Forma Adjusted EBITDA	$188	12.0x	to	13.0x					$2,254	to	$2,442
BCBSLA Insurance Pro Forma Adjusted Net Income											
BCBSLA Insurance FY 2023P Pro Forma Adjusted Net Income	$110	14.5x	to	16.0x	$1,589	to	$1,754	$31	$1,620	to	$1,784

Note: Debt and debt-like items include Mortgage Loans and Capital Leases

Valuation Support: Precedent M&A Sale Transaction Analysis – BCBSLA Insurance

BCBSLA Insurance: Precedent M&A Sale Transaction Analysis

- The Precedent M&A Sale Transaction Analysis attempts to determine a valuation range based upon the range of prices paid by buyers in completed merger and acquisition transactions involving comparable companies. While this valuation methodology is similar to the Comparable Public Company Analysis in its attempt to draw upon a universe of comparable companies in order to quantify certain valuation statistics to be applied in determining value, this methodology necessarily addresses valuation in a more pragmatic fashion by detailing valuation multiples actually paid to acquire selected comparable companies at a recent point in time. As a result, consideration must be given to general market conditions at that given point in time when generating a current estimate of value for the subject Company under this methodology
- There have been a number of acquisitions and/or mergers of managed care companies in conjunction with the overall consolidation of the health care industry over the past several years. We considered a transaction database of 9 transactions. The database contains a wide range of transactions from public company buyouts to single state, small health plan assets
- While Cain Brothers considers the selected transactions to be comparable, in each case significant variations exist between the managed care companies involved in these transactions, including:
  - The size of the target companies
  - The timing of the transactions
  - The geographic location, customers, competitors, and other factors of target companies
  - Managed care products among target companies also vary significantly, though we place the highest reliance on transactions where the target was a diversified managed care company like BCBSLA Insurance and on transactions
- For purposes of analyzing the comparable transactions included in this valuation analysis, we used the most recent financial results available at the time that the terms of the transactions were negotiated, if available. As a result, in cases where the financial performance deteriorated between the negotiation date and the closing date, multiples would be higher than if the financial results at the time that the transactions were negotiated had been used. Likewise, in cases where the financial performance improved between the negotiation date and the closing date, multiples would be lower than if the most recent financial results at the time that the transactions were negotiated had been used

BCBSLA Insurance: Precedent M&A Sale Transaction Analysis

M&A Transaction Comparables

($ in millions)

Date Announced	Type	Target	Acquiror	Enterprise Value	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
08/24/21	Commercial	Triple-S Management	Guidewell	$900	0.23x	5.8x
02/02/21	Medicare/Medicaid	MMM Holdings	Anthem (NYSE:ANTM)	$3,401	0.84x	N/A
03/26/19	Medicare	WellCare Health Plans (NYSE:WCG)	Centene (NYSE: CNC)	$17,000	0.83x	16.9x
10/17/18	Medicare	Vantage Holdings, Inc.	Blue Cross Blue Shield of Louisiana	Confidential		
06/07/18	Medicare	Peoples Health	UnitedHealth Group (NYSE:UNH)	$385	0.45x	N/A
10/26/17	Commercial	Aetna Inc. (NYSE:AET)	CVS Health (NYSE: CVS)	$77,000	1.25x	12.5x
07/24/15	Commercial	Cigna (NYSE:CI)	Anthem (NYSE:ANTM) (BLOCKED)	$54,200	1.48x	13.8x
07/02/15	Commercial	Health Net	Centene (NYSE: CNC)	$6,800	0.44x	16.7x
08/20/12	Commercial	Coventry Health Care	Aetna	$7,300	0.55x	8.0x
				Mean	**0.70x**	**12.2x**
				Median	**0.55x**	**12.5x**

Source: Company Filings and disclosures
Note: Representative comparable transactions comprised of Commercial/Diversified and Medicare transactions. Transactions marked “Confidential” are based on confidential data, protected under certain non-disclosure agreements; data for these transactions is included in the mean and median calculations displayed

BCBSLA Insurance: Precedent M&A Sale Transaction Valuation Summary

For the Precedent M&A Sale Transaction Analysis, the ranges for the Total Enterprise Value of BCBSLA Insurance are shown below

($ in millions)

Operating Metric	Company Statistics	Precedent M&A Reference Range			Implied Company Enterprise Valuation Range		
BCBSLA Insurance Pro Forma Adjusted Revenue							
BCBSLA Insurance FY 2022F Pro Forma Adjusted Revenue	$4,131	0.60x	to	0.70x	$2,478	to	$2,891
BCBSLA Insurance Pro Forma Adjusted EBITDA							
BCBSLA Insurance FY 2022F Pro Forma Adjusted EBITDA	$223	11.0x	to	13.0x	$2,448	to	$2,893

Valuation Support: Discounted Cash Flow Analysis – BCBSLA Insurance

BCBSLA Insurance: Discounted Cash Flow Analysis

- The Discounted Cash Flow methodology, or DCF, determines a range of values for an enterprise by estimating the present value of projected future free cash flows available to both debt and equity holders of the enterprise. Free cash flows represent the amount of cash projected to be generated by an enterprise and is equal to after-tax earnings calculated on a pre-capitalization basis, plus depreciation and amortization, plus or minus changes in working capital, less capital expenditures. Changes in working capital are assumed to be the incremental capital required by the regulating bodies and other relevant entities (the Blue Cross Blue Shield Association) from year to year required to keep in compliance with regulations (and assumes compliance at the start of the projection period). This is reflected as follows:

Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	
Less:	Depreciation & Amortization
Equals:	Operating Income
Less:	Income Tax Expense
Equals:	Net Operating Profit After Tax
Plus:	Depreciation & Amortization
Less:	Change in Working Capital (Increases in Capital Requirement)
Less:	Capital Expenditures
Equals:	Unlevered Free Cash Flow

- While the mechanics of the DCF methodology are relatively straightforward, the quality of the output is necessarily dependent upon the quality of the input. In our analysis, we relied upon the financial projections provided to Cain Brothers by BCBSLA management
- The second step in our DCF analysis required the determination of a terminal value designed to quantify the present value of those cash flows for the indefinite period beyond the projected time horizon. The terminal value reflects the estimated value that is attributable to that period beyond the projected time horizon, and often constitutes the largest portion of the total valuation of the Company on a present value basis. While there are a number of ways by which one can quantify a subject Company's terminal value, in practice it is typically computed based on either a multiple of EBITDA or a perpetuity growth rate to free cash flow
- Our analysis bases the terminal value calculations on the EBITDA exit multiple method given that a change of control is contemplated
- We used a 12.0x EBITDA multiple and performed sensitivity analysis around this multiple for BCBSLA Insurance

BCBSLA Insurance: Discounted Cash Flow Analysis

- The next step in the DCF analysis is to apply the concept of present value and discount the projected streams of cash flows, including the projected terminal value, by an appropriate "discount rate." The discount rate to be utilized in discounting the projected stream of cash flows is dependent upon a number of factors, including, but not limited to, current and projected inflation rates, current interest rates, and the business risk of the business. The net result after adding these items together is a present value range that represents the value in today's dollars of the future stream of cash flows expected to be generated by the business

- The lower the discount rate, the higher the resulting present value. The discount factor is an analytical proxy for the weighted average return demanded by both debt holders and equity holders, as it is used to discount the cash flows to which both parties have claims. Although there are a variety of tools that can be utilized to estimate an appropriate discount rate, the DCF analysis herein utilized the after-tax Weighted Average Cost of Capital ("WACC") implied by applying the Capital Asset Pricing Model ("CAPM")

- The WACC is determined by averaging on a weighted basis (utilizing a targeted capital structure) the incremental after-tax costs of debt, equity, and any other securities that represent claims on the firm's assets:

$$WACC = K(d) \times (1-t) \times (D/TC) + (K(e) \times E/TC)$$

Where:

K(d) x (1-t)	=	After tax cost of debt
t	=	Marginal tax rate
K(e)	=	Cost of equity
D/TC	=	Debt / Total capitalization
E/TC	=	Equity / Total capitalization

- The specific cost of equity was derived using the Capital Asset Pricing Model. Inputs include measures of beta, an assumed risk-free rate of 3.93%[1], and a historical equity risk premium to market investors of 6.00%[2]. Due to the BCBSLA Insurance's assumed market capitalization, we have added the low capitalization stock equity risk premium over this time frame of 1.18%[2] to the discount rate for BCBSLA Insurance's projections. In addition, we have made one company specific risk premium adjustment of 1.50% to address regulatory, competition, and geography risk

- Because the equity beta measures the relative movement of a universe of common stocks, for the purposes of calculating the Cost of Equity we apply the estimated equity beta to only the first 6.00%[2] of the premium

1. Assumed to be the 20-year Treasury Bond (Pre-Tax) as of December 22, 2022
2. The Equity Risk Premium of 6.00% was derived from the Duff and Phelps Valuation – October 2022 Update and the Low Cap Premium of 1.18% was derived from the sixth decile size premium from the Duff and Phelps 2021 Valuation Handbook (Decile 6) and Kroll cost of capital calculator

BCBSLA Insurance: Discounted Cash Flow Analysis

K(e) = R(f) + (B x R(m)) + R(s) + R(a)

Where:

K(e)	=	Cost of Equity
R(f)	=	Risk-free rate
R(m)	=	Equity risk premium
R(s)	=	Micro-cap equity premium
R(a)	=	Company specific risk premium
B	=	Beta coefficient

- The results of the analysis yielded a discount rate of approximately 10.50% for BCBSLA Insurance. We discounted the terminal value to today's value using approximately the discount rate with the assumed EBITDA multiples. We also ran a sensitivity analysis band around these exit multiples and discount rate

BCBSLA Insurance: Weighted Average Cost of Capital

WACC = (K(d)*(1-t)*D/TC)+(K(e)*E/TC)

Where:	**K(d) =**	**5.75%**	= the cost of debt
	t =	**23.54%**	= the estimated marginal tax rate
		4.40%	= the after-tax debt rate
	D/TC =	**12.5%**	= Target Debt / Total Capitalization ratio
	K(e) =	**11.10%**	= the Cost of Equity = R(f)+(B*(R(m))+R(s)+R(a)

Where:	**R(f) =**	**3.93%**	= the normalized Risk Free Rate[1]
	B =	**0.75**	= the leveraged Beta Coefficient, a measure of volatility of selected MCOs
	R(m) =	**6.00%**	= the Equity Risk Premium which is the amount required by investors above the Risk Free Rate to compensate for additional risk being taken by investing in equity securities in general[2]
	R(s) =	**1.18%**	= a low cap premium to account for smaller size and transaction structure[2]
	R(a) =	**1.50%**	= an additional company specific risk premium associated with regulatory, competition, and geographic risk

E/TC = **87.50%** = the Equity/Total Capitalization ratio

Cost of Capital:	Cost	Weight[3]	Weighted Cost
Cost of Equity	11.10%	87.50%	9.72%
Cost of Debt	4.40%	12.50%	0.55%

WACC:	**10.30%**
Selected WACC:	**10.50%**

1. Assumed to be the 20-year Treasury Bond (Pre-Tax) as of December 22, 2022
2. The Equity Risk Premium of 6.00% was derived from the Duff and Phelps Valuation – October 2022 Update and the Low Cap Premium of 1.18% was derived from the sixth decile size premium from the Duff and Phelps 2021 Valuation Handbook and Kroll cost of capital calculator
3. Equity/Debt weighting based on weighted average of public company comparables

BCBSLA Insurance: Beta Calculation

We calculate beta based on the set of comparable public companies

Comparable Companies Beta Calculation

($s in millions)

Company	Ticker	Market Beta [1]	Estimated Tax Rate [2]	(1-Tax Rate)	Long-Term Debt	Equity Value	Debt/ Equity	Debt/ Total Cap	(1-Tax Rate) * (Debt/Equity)	1+((1-Tax Rate) * (Debt/Equity))	Unlevered Beta	Relevered Beta
UnitedHealth Group Incorporated	UNH	0.73	21.8%	78.2%	$45,438	$492,486	9.2%	8.4%	7.2%	107.2%	0.68	0.73
Elevance Health Inc.	ELV	0.90	23.5%	76.5%	20,519	121,816	16.8%	14.4%	12.9%	112.9%	0.80	0.90
Cigna Corporation	CI	0.72	21.0%	79.0%	28,021	101,897	27.5%	21.6%	21.7%	121.7%	0.59	0.72
Humana Inc.	HUM	0.75	22.5%	77.5%	7,798	64,874	12.0%	10.7%	9.3%	109.3%	0.69	0.75
Centene Corporation	CNC	0.58	26.0%	74.0%	17,826	46,569	38.3%	27.7%	28.3%	128.3%	0.45	0.58
Molina Healthcare, Inc.	MOH	0.76	25.3%	74.7%	2,175	19,583	11.1%	10.0%	8.3%	108.3%	0.71	0.76
Mean		**0.74**	**23.4%**				**19.2%**	**15.5%**			**0.65**	**0.74**
Median		**0.74**	**23.0%**				**14.4%**	**12.6%**			**0.69**	**0.74**

Unlevered Beta = Beta/(1+(1-Tax Rate) * (Debt/Equity))	= **0.65**
Relevered Beta = Unlevered Beta * (1+((1-Tax Rate) * (Debt/Equity)))	= **0.75**

Note: Market information as of December 22, 2022
1. Five-year adjusted betas
2. Effective tax rates based on YTD September 2022

BCBSLA Insurance: Discounted Cash Flow Analysis (Terminal Multiple Method)

Discounted Cash Flow Analysis

- Assumptions:
  - Projection Years: FY 2023P – FY 2025P
  - WACC: 10.5%
  - Terminal Multiple 12.0x
  - Assumes depreciation & amortization is flatlined at historical levels
  - Assumes capital expenditures are flatlined at FY 2023P projected levels
  - Assumes net working capital growth to maintain regulatory capital at 375% of RBC (the BCBSA Early Warning Level)
  - Includes pro forma adjustments for Project River Transaction Costs, Litigation Accrual, Provider Entity Contribution, Healthy Blue Contribution, Surplus Payment Adjustment, and Combined Medicare Advantage business line, all as detailed herein

Enterprise Value Sensitivity Analysis

Terminal Multiple Method

($ in millions)

Total Enterprise Value

Discount Rate	Terminal Multiple: 10.0x	11.0x	12.0x	13.0x	14.0x
8.5%	$1,820	$1,981	$2,142	$2,302	$2,463
9.5%	$1,774	$1,930	$2,086	$2,243	$2,399
10.5%	$1,729	$1,881	$2,033	$2,185	$2,337
11.5%	$1,686	$1,834	$1,982	$2,130	$2,278
12.5%	$1,644	$1,788	$1,932	$2,077	$2,221

Terminal Multiple Method

Implied Perpetuity Growth Rate

Discount Rate	Terminal Multiple: 10.0x	11.0x	12.0x	13.0x	14.0x
8.5%	4.2%	4.5%	4.9%	5.1%	5.4%
9.5%	5.1%	5.5%	5.8%	6.1%	6.3%
10.5%	6.1%	6.5%	6.8%	7.1%	7.3%
11.5%	7.0%	7.4%	7.8%	8.0%	8.3%
12.5%	8.0%	8.4%	8.7%	9.0%	9.2%

BCBSLA Insurance: Discounted Cash Flow Analysis (Terminal Multiple Method)

Example of Discounted Cash Flow Analysis at **midpoint** of assumption ranges (e.g., terminal multiple and discount rate)

Discounted Cash Flow Analysis

($ in millions)	Fiscal Year Ending December 31, 2023P	2024P	2025P
Unlevered Free Cash Flow Build:			
BCBSLA Insurance Pro Forma Adjusted Pre-Tax Income	$146	$147	$163
(-) Income Tax Expense	(36)	(35)	(37)
BCBSLA Insurance Pro Forma Adjusted Net Income	**$110**	**$112**	**$126**
(+) Depreciation and Amortization	42	42	42
(-) Capex	(33)	(33)	(33)
(-) Change in NWC	(31)	(54)	(49)
Unlevered Free Cash Flow	**$88**	**$68**	**$86**
Terminal Value Calculation (Terminal Multiple Method)			
BCBSLA Insurance 2025F Pro Forma Adjusted EBITDA			$205
Exit Multiple			12.0x
Terminal Value			**$2,462**
Unlevered Free Cash Flow	$88	$68	$86
			$2,462
PV of Unlevered Free Cash Flow	**$83**	**$58**	**$67**
PV of Terminal Value			**$1,825**
Sum of PV of Free Cash Flow			$208
Present Value of Terminal Value			$1,825
Enterprise Value			**$2,033**

Valuation Support: Combined Medicare Advantage Business Line

Combined Medicare Advantage Business Line: Valuation Summary

We analyzed the Implied Enterprise Valuation of the Combined Medicare Advantage business based on a pro forma operating margin range

Summary

- The Combined Medicare Advantage Business (including Vantage) operates profitably on an MCR basis but has a negative operating income due to administrative expenses, including allocation of corporate overhead
- Thus, we valued the business line based on a conservative estimate from management of normalized go-forward operating income margin
- We also performed a Discounted Cash Flow analysis on the Combined Medicare Advantage business and concluded that this methodology did not properly ascribe value to the business due to its projected negative cash flows
- *Given operating losses in the business, we determined that a targeted margin analysis is most appropriate*

The range for the Total Enterprise Value of the Combined Medicare Advantage business line is shown below

($ in millions except per equivalent lives values, equivalent lives in thousands)

Operating Metric	Combined Revenue	Operating Income Margin			Multiple of Operating Income			Implied MA Business Enterprise Valuation Range			MA Equivalent Lives	Implied Value Per MA Equivalent Lives		
Operating Income Time Period														
FY 2022F Combined MA Operating Income	$552	$6	to	$8	10.0x	to	12.0x	$55	to	$99	43.7	$1,265	to	$2,277
		1.0%		*1.5%*										

Combined Medicare Advantage Business Line: Precedent M&A Sale Transaction Analysis

Medicare Comparables

($ in millions, except for Equivalent Lives)

Date Announced	Target	Acquiror	Enterprise Value	Enterprise Value / Equiv. Lives	Enterprise Value / LTM Revenue	Enterprise Value / LTM EBITDA
Medicare						
02/02/21	MMM Holdings	Anthem (NYSE:ANTM)	$3,401	$7,873	0.84x	N/A
01/06/21	Central Health Plan of California	Bright Health	$356	$8,471	N/A	N/A
01/08/20	Brand New Day	Bright Health	$280	$6,152	N/A	N/A
03/26/19	WellCare Health Plans (NYSE:WCG)	Centene (NYSE: CNC)	$17,000	$6,369	0.83x	16.9x
10/17/18	Vantage Holdings, Inc.	Blue Cross Blue Shield of Louisiana	Confidential			
06/07/18	Peoples Health	UnitedHealth Group (NYSE:UNH)	$385	$6,111	0.45x	N/A
			Mean	**$6,318**	**0.59x**	**14.3x**
			Median	**$6,261**	**0.64x**	**14.3x**

Note: Medicare equivalent weighting used. Transactions marked “Confidential” are based on confidential data, protected under certain non-disclosure agreements; data for these transactions is included in the mean and median calculations displayed

Valuation Support: Healthy Blue

Healthy Blue: Valuation Summary

We analyzed the Implied Enterprise Valuation of BCBSLA Insurance's 25% Ownership Stake in Healthy Blue based on Value per Equivalent Lives derived from the Implied Value per Medicaid Equivalent Lives for precedent Medicaid transactions (see slide 44)

Summary

- As previously noted, we have had limited access to information related to the Healthy Blue joint-venture
- Per our discussion with BCBSLA management, current capitation for the program is not sufficient to cover costs currently. Healthy Blue expects losses, and thus our valuation reflects current LA environment
- We place greater reliance on valuation of equivalent lives after the expected redetermination. BCBSLA management estimates that redetermination would reduce enrollment by approximately 50k lives, and we have placed a greater reliance on valuation on estimated equivalent lives after redetermination
- We considered implementing a minority interest discount to value per equivalent lives, but ultimately excluded this from our calculation because Elevance currently has majority ownership of the business

For the Equivalent Lives Analysis, the ranges for the Total Enterprise Value of Healthy Blue are shown below

($ in millions except per equivalent lives values, equivalent lives in thousands)

Operating Metric	Healthy Blue Medicaid Membership	Healthy Blue Medicare Membership	Equivalent Lives Factor		Healthy Blue Equivalent Lives	Value per Equivalent Lives			Implied Value of 25% Interest in Healthy Blue		
Membership (October 31, 2022)			**Medicaid**	**Medicare**							
HB Equivalent Lives	347	3	1	4	361	$1,400	to	$1,700	$126	to	$153
HB Equivalent Lives (excl. Redetermined)	297	3	1	4	311	$1,400	to	$1,700	$109	to	$132

Range Emphasized for Valuation

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Healthy Blue: Precedent M&A Sale Transactions Analysis

Medicaid Comparables

($ in millions, except for Equivalent Lives)

Date Announced	Target	Acquiror	Enterprise Value	Enterprise Value / Equiv. Lives
Medicaid				
07/13/22	My Choice Wisconsin	Molina Healthcare (NYSE: MOH)	$150	$1,571
07/23/21	Gateway Health	Highmark Health	Confidential	
04/22/21	Cigna (Texas Medicaid Contracts)	Molina Healthcare (NYSE: MOH)	$60	$1,200
02/02/21	MMM Holdings	Anthem (NYSE:ANTM)	$3,401	$2,405
01/04/21	Steward Health Choice Utah	University of Utah Health Insurance Plans	Confidential	
09/30/20	Affinity Health Plan	Molina Healthcare (NYSE: MOH)	Confidential	
12/20/19	Trusted Health Plans, Inc	CareFirst of Maryland	Confidential	
11/07/19	Steward Health Choice Arizona	Blue Cross Blue Shield of Arizona	Confidential	
10/16/19	YourCare Health Plan, Inc. *(Select Assets)*	Molina Healthcare (NYSE: MOH)	$40	$870
11/02/17	Mdwise	McLaren Health Care	Confidential	
09/12/17	Fidelis Care	Centene (NYSE: CNC)	$3,750	$1,654
10/11/16	Care1st Arizona	WellCare Health Plans (NYSE:WCG)	Confidential	
04/19/16	Universal American Corp (Total Care Medicaid Plan)	Molina Healthcare (NYSE: MOH)	$41	$1,059
			Mean	**$1,578**
			Median	**$1,571**

Note: Medicaid equivalent weighting used. Transactions marked "Confidential" are based on confidential data, protected under certain non-disclosure agreements; data for these transactions is included in the mean and median calculations displayed

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Valuation Support: Vantage Provider Entities

Vantage Provider Entities Valuation

Third Party Valuation Reports

($ in millions)

- Entity: Monroe Surgical Hospital
  - Valuation prepared by Horne LLP
  - Date of Valuation: June 30, 2021
  - **Valuation Range: $16 - $18**

- Entity: Affinity Health Group
  - Valuation prepared by Postlethwaite & Netherville
  - Date of Valuation: June 30, 2021
  - **Valuation Range: $14 - $16**

- ***Cain Brothers has relied on these reports without independent verification***

Appendices

Adjustment Support: Project River Non-Recurring Expenses

Add Back to Operating Expenses

	Fiscal Year Ending December 31,			
($ in millions)	2022F	2023P	2024P	2025P
Reported Operating Expenses	$994	$945	$977	$1,021
Less: BCBSLA Insurance Transaction Costs	8	–	–	–
Less: Litigation Accrual	116	–	–	–
Operating Expenses Excluding Non-Recurring Expenses	**$871**	**$945**	**$977**	**$1,021**

Source: BCBSLA management

Adjustment Support: Provider Entity Contribution

The below table calculates the adjusted net provider entity Revenue and EBITDA figures to remove from the consolidated income statement, as these are valued using standalone valuation reports

Provider Entity Contribution

	Fiscal Year Ending December 31,			
($ in millions)	2022F	2023P	2024P	2025P
AHG Gross Revenue	$69	$67	$71	$75
PLUS: Net Out Eliminations	(37)	(10)	(10)	(10)
AHG Net Revenue A	$32	$57	$61	$65
MSH Gross Revenue	$27	$28	$28	$29
PLUS: Net Out Eliminations	(6)	(7)	(7)	(7)
MSH Net Revenue B	$20	$21	$21	$22
Total Provider Entity Net Revenue A + B = C	**$52**	**$78**	**$82**	**$87**
Adjustments to Consolidated Revenue				
Remove Net Provider Entity Contribution C	($52)	($78)	($82)	($87)
Unwind Eliminations from Consolidation - AHG	7	1	2	2
Unwind Eliminations from Consolidation - MSH	4	4	4	4
Adjusted Net Provider Entity Revenue to Remove	**($42)**	**($73)**	**($76)**	**($81)**
AHG Gross Pre-Tax Income	($16)	($18)	($15)	($13)
PLUS: Net Out Eliminations	(30)	(9)	(8)	(9)
AHG Net Pre-Tax Income D	($46)	($27)	($24)	($21)
MSH Gross Pre-Tax Income	($2)	($1)	($2)	($1)
PLUS: Net Out Eliminations	(3)	(3)	(3)	(3)
MSH Net Pre-Tax Income E	($5)	($4)	($4)	($4)
Total Provider Entity Net Pre-Tax Income D + E = F	**($51)**	**($31)**	**($28)**	**($25)**
Adjustments to Consolidated EBITDA				
Remove Net Provider Entity Contribution F	$51	$31	$28	$25
Unwind Eliminations from Consolidation - AHG	(30)	(9)	(8)	(9)
Unwind Eliminations from Consolidation - MSH	(3)	(3)	(3)	(3)
Adjusted Net Provider Entity EBITDA to Remove	**$18**	**$19**	**$17**	**$14**

Source: BCBSLA management

Combined Medicare Advantage Business Line Projected Income Statement

Projected Income Statement

($ in millions)	Fiscal Year Ending December 31,			
	2022F	2023P	2024P	2025P
Revenue:				
BCBSLA	$261	$279	$330	$376
Vantage	291	319	343	369
Revenue Total	**$552**	**$598**	**$674**	**$744**
Revenue Growth %		*8.3%*	*12.6%*	*10.5%*
Claims:				
BCBSLA	$252	$264	$292	$335
Vantage	253	266	284	303
Claims Total	**$506**	**$530**	**$577**	**$638**
MCR %	*91.5%*	*88.5%*	*85.6%*	*85.6%*
Gross Margin	**$47**	**$69**	**$97**	**$107**
Gross Margin %	*8.5%*	*11.5%*	*14.4%*	*14.4%*
Operating Expenses:				
BCBSLA	$50	$61	$63	$67
Vantage	42	54	66	69
Total Operating Expenses	**$93**	**$115**	**$129**	**$136**
Admin Expense Ratio	*16.8%*	*19.2%*	*19.1%*	*18.3%*
Operating Income	**($46)**	**($46)**	**($32)**	**($29)**
Operating Income Margin %	*(8.3%)*	*(7.7%)*	*(4.7%)*	*(4.0%)*

Source: BCBSLA management

Adjustment Support: Surplus Payment Adjustment

This adjustment decreases go-forward investment income based on the expected go-forward cash & investments which is based on 375% of RBC

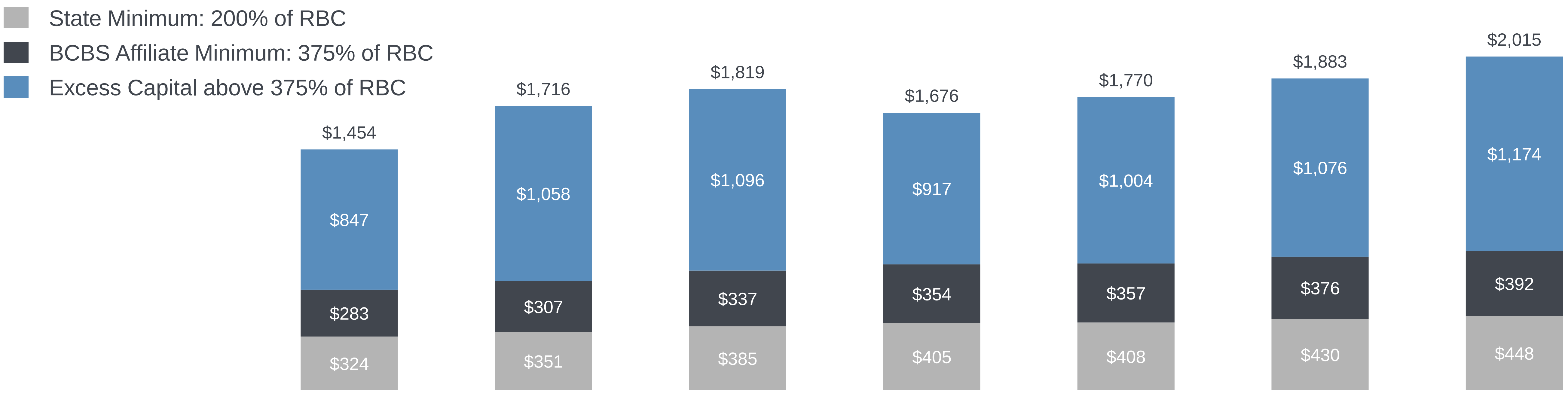
Surplus Payment Adjustment

	Fiscal Year Ending December 31,			
($ in millions)	2022F	2023P	2024P	2025P
Total Investment Income (Adjusted for Unrealized Gains/Losses)	**$102**	**$57**	**$59**	**$64**
Surplus Payment Adjustment				
Cash & Total Investments	**$2,311**			
Projected % of RBC	828%	867%	875%	899%
RBC	$202	$204	$215	$224
Total RBC	**$1,676**	**$1,770**	**$1,883**	**$2,015**
Less: BCBS Required Affiliate Minimum (375%)	759	766	806	840
Excess Capital	**$917**	**$1,004**	**$1,076**	**$1,174**
Total Investment Income	$102	$57	$59	$64
Excess Capital as a % of Cash & Total Investments	40%	40%	40%	40%
Surplus Payment Adjustment	**($40)**	**($23)**	**($23)**	**($26)**
Investment Income After Surplus Payment Adjustment	**$61**	**$34**	**$35**	**$39**

Source: BCBSLA management

RBC Analysis

The charts below show actual RBC for FY 2019A – FY 2021A, and projected RBC for FY 2022F – FY 2025P



($ in millions)	FY 2019A	FY 2020A	FY 2021A	FY 2022F	FY 2023P	FY 2024P	FY 2025P
RBC	$162	$176	$193	$202	$204	$215	$224
State Minimum (200% of RBC)	$324	$351	$385	$405	$408	$430	$448
BCBS Affiliate Minimum (375% of RBC)	$607	$659	$722	$759	$766	$806	$840
% of RBC	**898%**	**977%**	**944%**	**828%**	**867%**	**875%**	**899%**

Balance Sheet Summary

Historical GAAP Balance Sheets

($ in millions)	Fiscal Year Ended December 31, 2019A	2020A	2021A	September 30, 2022
Assets				
Current Assets:				
Cash and cash equivalents	$103	$286	$185	$315
Short Term Investments	1	33	6	1
Subscription Income and Other A/R	430	459	462	583
Inventory	2	2	2	2
Deferred tax asset	8	3	1	110
Total Current Assets	**$544**	**$783**	**$656**	**$1,011**
Investments:				
Bonds (at market value)	$1,040	$1,106	$1,197	$1,017
Stocks	592	899	943	784
Pledged Certificates of Deposit	1	1	1	-
Real Estate and Other	93	102	124	120
Investments in Subsidiaries	(0)	(0)	0	0
Total Investments	**$1,726**	**$2,108**	**$2,265**	**$1,922**
Property, buildings and equipment, net:	$180	$171	$156	$148
Intangible Assets, net:	$56	$53	$50	$48
Goodwill, net of amortization	$99	$89	$79	$71
Total Assets	**$2,604**	**$3,204**	**$3,206**	**$3,200**

	Fiscal Year Ended December 31, 2019A	2020A	2021A	September 30, 2022
Liabilities and Shareholders' Equity				
Policy Liabilities:				
Claims payable	$97	$102	$137	$151
Incurred but not reported claims	244	293	290	376
Unpaid claims adjustment expense	1	1	1	1
Aggregate health policy reserves	128	126	103	124
Liability for Uninsured Plans	1	3	8	9
Total Policy Liabilities	**$472**	**$525**	**$538**	**$661**
Accounts Payable and Accrued Expenses:	$428	$724	$652	$814
Unearned Subscription Income:	94	80	70	133
Deferred Tax Liability	-	6	-	3
Total Liabilities	**$994**	**$1,335**	**$1,260**	**$1,611**
Shareholders' Equity:				
Common stock	$1	-	-	$0
Dividend	(0)	-	-	-
Minimum Suplus	0	0	0	0
Unrealized Gain (Loss) on Securities	28	81	56	(65)
Additional paid-in capital	29	-	0	0
Retained earnings	1,536	1,769	1,875	1,654
Noncontrolling interest	16	19	14	(0)
Total Shareholders' Equity	**$1,610**	**$1,869**	**$1,946**	**$1,589**
Total Liabilities and Shareholders' Equity	**$2,604**	**$3,204**	**$3,206**	**$3,200**

Source: BCBSLA management