

August 2, 2023

Mr. David Caldwell
Louisiana Department of Insurance
P.O. Box 94214
Baton Rouge, LA 70804-9214

Dear Mr. Caldwell:

I am interested in participating in the Public Hearing scheduled for August 21-22 concerning the proposed sale of a Not-for-Profit Louisiana Health Insurance Company to a National For-Profit Health Insurance Company. I am a retired attorney with primary health coverage through Medicare as well as a Blue Cross/Blue Shield supplemental policy. I am happy with my current health care insurance with Blue Cross/Blue Shield.

In three weeks, the Department of Insurance is scheduled to make a decision that could affect the health insurance of approximately 50-75% of all Louisiana citizens. This is a very important decision that should be based on all facts that have been collected by all parties to the issue.

This hearing, according to the Department of Insurance, is being held to:

- (1) Properly protect the interest of the policy holders and such members.
- (2) Serve the best interests of the policy holders and members.
- (3) Be fair and equitable to the policy holders and members as required by La. R.S. 22:236.4(A).

Unfortunately, the only prior evidence that I have been able to secure is:

- (A) The Notice of Hearing.
- (B) La. R.S. 22:236.4(A)
- (C) Blue Cross/Blue Shield's published Position Paper which lists frequently asked questions along with Blue Cross/Blue Shield's answers. (Which in my opinion are "We know but will not tell you answers").
- (D) Newspaper Article about another insurance company which made a similar acquisition.

I have requested to review Blue Cross/Blue Shield's expert reports about the pros and cons of this proposed sale or merger. The company has not shared these requested expert reports nor the reports to the Board of Directors in reference to the sale. I hope they are providing that

information to the Louisiana Department of Insurance and the insurance committees of the State legislators prior to these scheduled meetings.

Since Elevance Health is a For-Profit Company, the policy holders and members are entitled to know how Elevance plans to recoup their purchase price of \$2.5 billion, it's effect on future health costs incurred, any price increases, reduction in administration costs, i.e., less employees, reduction of services, or whatever other anticipated strategies. Will Elevance limit which doctors the policy holders can see or the health care doctors consider as medically needed in the future?

The policy holders and members are entitled to know the details of how Blue Cross/Blue Shield will ensure that said policy holders and members will be treated fairly as far as their distributing the sales price of \$2.5 billion as well as the \$1.3 billion the company has in reserve.

In reading the Blue Cross/Blue Shield's answers to the frequently asked questions, the company's answers do not speak to the handling of the money, financial terms, or how the Foundation Accelerate Louisiana will serve in the best interest of the policy holders or members.

Thank you for your assistance.

Sincerely,


JOHN S. BRADFORD

Enclosures
JSB/pk

NOTICE OF PUBLIC HEARING

Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana hereby gives notice pursuant to La. R.S. 22:236.4(C) that the Commissioner of Insurance for the State of Louisiana will conduct a public hearing on August 21 and August 22, 2023, at 10:00 a.m. in the Poydras Hearing Room, Poydras Building, 1702 North Third Street, Baton Rouge, Louisiana. The public hearing is being held for the purpose of hearing evidence to determine if the Plan of Reorganization submitted by Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana: (1) properly protects the interests of the policyholders as such and as members; (2) serves the best interests of policyholders and members; and (3) is fair and equitable to policyholders and members as required by La. R.S. 22:236.4(A).

If you are interested in participating in the public hearing, you have the option to make comments or provide evidence. You can do this by submitting your comments or evidence in writing to David Caldwell, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, by close of business, August 4, 2023, by 4:30 p.m., or appearing at the public hearing to provide comments or evidence. If you submit your comments or evidence in writing, such comments or evidence received by August 4, 2023, will be posted on the Louisiana Department of Insurance website at <https://www.ldi.la.gov/public-hearing-and-rulemaking-notice>. The provided link directs to the public hearing notices page of the Louisiana Department of Insurance website. This page contains announcements and information regarding upcoming public hearings conducted by the Louisiana Department of Insurance. Users can access documents, notices, and other relevant information related to these proceedings. It is recommended to visit the website directly for the most up-to-date information from the Louisiana Department of Insurance on this public hearing.

EXHIBIT

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R.S. 22:236.3**INSURANCE CODE
Ch. 2**

which the plan of reorganization is or was adopted; however, other categories of policies and benefits not described in this Paragraph may be included or excluded, subject to the approval of the commissioner.

(3) In the event that dividend protections have been provided to policyholders of a reorganized insurer as part of a previous plan of reorganization, such dividend protections may be continued in effect without change in satisfaction of the requirements of this Section.

Renumbered from R.S. 22:825 by Acts 2003, No. 415, § 1, eff. Jan. 1, 2009. Added by Acts 2003, No. 307, § 1, eff. June 17, 2003. Amended by Acts 2009, No. 503, § 1; Acts 2010, No. 730, § 1, eff. June 29, 2010.

Redesignation and Renumbering of Title 22—Acts 2008, No. 415

Acts 2008, No. 415, § 1 amended and reenacted Title 22 of the Louisiana Revised Statutes of 1950, the Louisiana Insurance Code, and directed the Louisiana State Law Institute to redesignate the provisions of Title 22, formerly comprised of R.S. 22:1 to 22:3311, into a new format and numbering scheme comprised of R.S. 22:1 to 22:2371, without changing the substance of the provisions.

Sections 2 and 3 of Act 415 provide:

"Section 2. The Louisiana State Law Institute is hereby directed to change any citations, Chapters, Parts, Subparts, or other references contained in the current provisions of Title 22 of the Louisiana Revised Statutes of 1950 or in any other Title or Code of the Revised Statutes to reflect the new citations, Chapters, Parts, Subparts, or other references found in this Act.

"Section 3. This Act shall become effective on January 1, 2009".

Historical and Statutory Notes

Acts 2009, No. 503, § 1, in the introductory paragraphs of subsecs. A and B, substituted "as follows:" for a period; and designated the former introductory paragraph of subsec. D and pars. (D)(1) and (D)(2) as pars. (D)(1) to (D)(3), respectively.

Acts 2010, No. 730, § 1, in subsec. C, substituted "any shares" for "any common shares" and "twenty-one" for "ten".

§ 236.4. Approval by commissioner after public hearing

A. The commissioner shall hold a public hearing upon notice as set forth in this Section to hear evidence upon whether the plan of reorganization: (1) properly protects the interests of the policyholders as such and as members, (2) serves the best interests of policyholders and members, and (3) is fair and equitable to policyholders and members. Subpart G of Part III of this Chapter, R.S. 22:691 et seq., is not applicable to any hearing held under this Subpart, and any such hearing shall be governed by the procedures set forth herein.

B. (1) Within thirty days after the closing of the administrative record after the public hearing as provided in this Section, the commissioner shall issue a final order or decision approving the plan if satisfied that each of the following conditions are met:

KINDS OF INSURERS

Part 1

(a) The interests of the policyholders as such and as members are properly protected.

(b) The plan of reorganization serves the best interests of policyholders and members.

(c) The plan of reorganization is fair and equitable to policyholders and members.

(2) Any such final decision or order by the commissioner shall be subject to any modifications of the plan of reorganization the commissioner finds necessary for the protection of the policyholders and members.

C. Subject to the review and appeal process provided in Subsection E of this Section, the commissioner's public hearing shall be the exclusive hearing with respect to the plan of reorganization. Not less than thirty days notice of such public hearing shall be provided by the reorganizing mutual to qualified voters and to such additional persons and in such manner as may be specified by the commissioner. The commissioner may promulgate procedures, rules, and regulations for the conduct of the public hearing.

D. The commissioner may retain at the reorganizing mutual's expense such attorneys, actuaries, accountants, and other experts as may be reasonably necessary to assist the commissioner in his examination of a proposed conversion, including any part of such examination that may occur, at the request of a reorganizing mutual, prior to a plan of reorganization having been filed with the commissioner pursuant to R.S. 22:236.2. Such experts must prepare a projection of the amount of time and expenses necessary to complete the examination, and all work of these experts is subject to review. If the projected amount of time and expenses required to complete the examination appear excessive, the reorganizing mutual may petition the commissioner for appropriate relief, and the commissioner's decision shall be final.

E. (1) An aggrieved party may appeal the commissioner's final order to the Nineteenth Judicial District Court within thirty days of the order. The aggrieved party may also apply for a stay of the commissioner's order.

(2) The district court reviewing an order of the commissioner shall consider only the certified administrative record and the issues raised before the commissioner. The district court reviewing an order of the commissioner shall not modify or set aside the order unless the court finds: (a) error to the prejudice of the appellant's substantial rights arising from the commissioner's application of the law so grossly as necessarily to imply bad faith; (b) the commissioner's order or decision was procured by fraud; (c) the commissioner acted outside of the statutory authority of the Department of Insurance; or (d) the commissioner's action was arbitrary and capricious. Any appeal of the district court's review of the commissioner's order shall be taken within thirty days of the judgment of the district court; if not so taken, the right to have an appellate court review or restrain action under the commissioner's order or decision shall be preempted and shall forever expire. Collateral attacks on an order of the commissioner are impermissible and shall be dismissed by the reviewing court.

(3) In any action challenging the validity of or arising out of any action taken or proposed to be taken under this Subpart, the reorganizing mutual or reorganized company shall be entitled at any stage of the proceedings before final judgment to petition the court to require the plaintiff or plaintiffs to give security for the reasonable costs, including attorney fees, which may be incurred by the reorganizing mutual or reorganized company, to which security the reorganizing mutual or reorganized company shall have recourse in such amount as the court having jurisdiction of such action shall determine upon termination of such action. The amount of security may thereafter from time to time be increased or decreased in the discretion of the court having jurisdiction of such action upon a showing that the security provided has or may become inadequate or excessive. If the court renders judgment in favor of the reorganizing mutual or reorganized company, the court may in its discretion award attorney fees and costs to such prevailing party.

F. The provisions of this Section shall apply to all actions challenging the validity of or arising out of any action taken or proposed to be taken under this Subpart and R.S. 22:71 and 72.

Renumbered from R.S. 22:826 by Acts 2008, No. 415, § 1, eff. Jan. 1, 2009. Added by Acts 2008, No. 307, § 1, eff. June 17, 2008. Amended by Acts 2009, No. 317, § 1; Acts 2009, No. 503, § 1.

Redesignation and Renumbering of Title 22—Acts 2008, No. 415

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Sections 2 and 3 of Act 415 provide:

"Section 2. The Louisiana State Law Institute is hereby directed to change any citations, Chapters, Parts, Subparts, or other references contained in the current provisions of Title 22 of the Louisiana Revised Statutes of 1950 or in any other Title or Code of the Revised Statutes to reflect the new citations, Chapters, Parts, Subparts, or other references found in this Act.

"Section 3. This Act shall become effective on January 1, 2009".

Historical and Statutory Notes

Acts 2009, No. 317, § 1 rewrote subsec. C; designated the former introductory paragraph of subsec. E as par. (E)(1); rewrote par. (E)(1); and designated former pars. (E)(1) and (E)(2) as pars. (E)(2) and (E)(3), respectively. Prior to amendment, subsec. C and the former introductory paragraph of subsec. E read:

"C. Subject to the review and appeal process under Subsection E of this Section, the

commissioner's public hearing shall be the exclusive hearing with respect to the plan of reorganization and shall be held pursuant to the provisions of Chapter 12 of this Title, R.S. 22:2191 et seq., except as otherwise provided in this Section, and within ninety days after the plan of reorganization has been filed with the commissioner. Not less than thirty days notice of such public hearing shall be provided by the reorganizing mutual to qualified voters and to

Positioned for Future Success:

Blue Cross and Blue Shield of Louisiana Enters Into Definitive Agreement to be Acquired by
Elevance Health

Deal will result in \$3 billion foundation focused on improving Louisiana

[Read Our Statement & View FAQs](#)



Positioned for Future Success: Blue Cross and Blue Shield of Louisiana Enters Into Definitive Agreement to be Acquired by Elevance Health

Deal will result in \$3 Billion foundation focused on improving Louisiana

Feedback

Blue Cross and Blue Shield of Louisiana recently announced that it has entered into a definitive agreement to be acquired by Elevance Health, subject to customary closing conditions and regulatory approval.

This acquisition will unite two organizations deeply rooted in the communities they serve and aligned in a mission to improve whole health. Together they will continue to prioritize what is best for Louisiana's members and customers by improving access, quality, affordability, and the experience that Louisianians have trusted for almost 90 years.

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Yes No



The purchase price is \$2.5 billion. In addition to the purchase price, there is an agreement between the two companies that some of Blue Cross' existing reserves will go toward establishing a \$3 billion private foundation aimed at addressing health inequalities across Louisiana. Called the Accelerate Louisiana Initiative, the foundation will focus only on the unique and complex needs of Louisianians. It will do this by addressing health inequities and broader community needs across our state, which continues to lag the nation in many important health metrics.

Letter to Members from Dr. I. Steven Udvarhelyi, M.D., President and Chief Executive Officer, Blue Cross and Blue Shield of Louisiana

Letter to Members

Frequently Asked Questions (FAQs)

Will there be any changes in member benefits?

There will be no changes to our members' current benefits.

Can members still see their doctor/healthcare provider?

The Blue Cross and Blue Shield of Louisiana network is not changing. Members can continue to access the same providers as they do now under their current benefit plan.

Do members have the same choice of services?

At this time, there will be no changes to Blue Cross and Blue Shield of Louisiana's services.

Will Blue Cross and Blue Shield of Louisiana continue to provide Medicare Advantage products for seniors?

Yes. Our current Medicare Advantage products are not changing at this time.

Following the close of the transaction, Elevance Health will enhance the competitive Blue offering in the Medicare Advantage space. In doing so, BCBSLA can bring seniors in Louisiana more robust benefits and additional product offerings that are available with Elevance Health.

Who should BCBSLA members contact for questions about their benefits?

Members should continue to call the customer service number on the back of their membership ID card or access our website at **www.bcbsla.com** as they always have.

Are authorization/pre-approval rules changing?

Nothing is changing at this time. In accordance with our provider and state/federal contracts, we will notify members of any changes well in advance of their implementation.

Feedback

Will BCBSLA members be required to move to an Elevance Health affiliated health plan now?

No, there will be no changes to our member's current benefits.

Will members have access to new products and services as a result of this transaction?

Yes, after the transaction closes, Blue Cross and Blue Shield of Louisiana members will be able to access a portfolio of solutions and capabilities developed by Elevance Health and its healthcare services organization, Carelon. Elevance Health has made more than \$4 billion in investments over the past several years such as behavioral health, complex and chronic care programs, and innovative digital models.

These solutions have demonstrated success nationally in improving members' health and keeping them healthier.

What kinds of products and services will be available?

We will bring more effective and efficient solutions such as integrated pharmacy, care navigation, and member advocacy, which would help improve member health outcomes.

Will Elevance Health continue to invest in Louisiana?

Yes, Elevance Health is committed to continued investment in broadening its breadth of services to advance the whole health of its members.

Why is Elevance Health acquiring BCBSLA?

Blue Cross and Blue Shield of Louisiana is a financially strong and vibrant company, serving Louisiana for almost 90 years. As the leading health insurer in the state, we have a deep understanding of the unique needs of our members, our customers, the providers we work with, and the communities we serve. To meet those needs, we have had to evolve over time, and in the rapidly changing healthcare environment, the need to evolve and adapt is more important today than ever.

Across healthcare, scale has become increasingly important. That is why the BCBSLA board, the CEO and members of senior management initiated a formal process to identify a partner with the ability to help us secure a strong future for our company, and specifically a partner that could provide leading innovations, products, capabilities and services at a faster pace, and more comprehensively, than we could alone. We believe that aligning with a large, trusted organization will allow us to accelerate our mission of improving the health and lives of Louisianians.

What is Elevance Health?

Elevance Health is no stranger to us or Louisiana. BCBSLA and Elevance Health formed the Healthy Blue joint venture, where we have partnered together since 2017 to offer a Blue option to Louisiana's Medicaid population.

Since forming Healthy Blue, it has become clear that our **missions and cultures** are aligned, with a focus on community, volunteerism, diversity, equity and inclusion.

Feedback

Elevance Health is the parent company of 14 Blue Cross Blue Shield plans across the country and has a broad portfolio of whole health solutions.

More information on Elevance Health can be found at www.elevancehealth.com.

Will there still be Blue Cross and Blue Shield offices in Louisiana?

Yes, our headquarters will remain in Baton Rouge, and regional sales offices will still be located across the state, including the recently announced Medicare Advantage Center of Excellence in Monroe.

Will BCBSLA's leadership team change?

We will continue to employ approximately 3,000 Louisianians, including teams who will focus directly on Louisiana-based providers, brokers, employers and members, and we expect the majority of our leadership team to remain the same.

Like Blue Cross, Elevance Health believes healthcare is best when delivered locally. That is why their 14 Blue Cross Blue Shield plans have state-based employees, along with local leadership who have the authority to make key decisions on how best to serve their customers.

When will the transaction close?

We do not know the date for closing, but anticipate it will occur within six to 12 months.

What are the terms of the transaction?

The financial terms of the transaction are not being disclosed. However, as a result of the transaction, the people of Louisiana will benefit from a new multi-billion-dollar foundation focused on improving their health and lives.

What are the details of the new foundation?

The Accelerate Louisiana Initiative is being created to address the unique and complex needs of the people of Louisiana. Its mission - like ours - will be to improve the health and lives of the people of Louisiana. The foundation will focus on strengthening communities by addressing health inequities and broader community needs in Louisiana, which continues to lag the nation in many important health metrics.

Feedback

Will the foundation only be focused on Louisiana?

Yes, the Accelerate Louisiana Initiative foundation will focus only on the unique and complex needs of Louisianians.

How can I find out more about the Accelerate Louisiana Initiative Foundation and apply for funding?

More information on the Accelerate Louisiana Initiative foundation will be shared following the close of the transaction.

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Yes ☐ No ☐



Feedback

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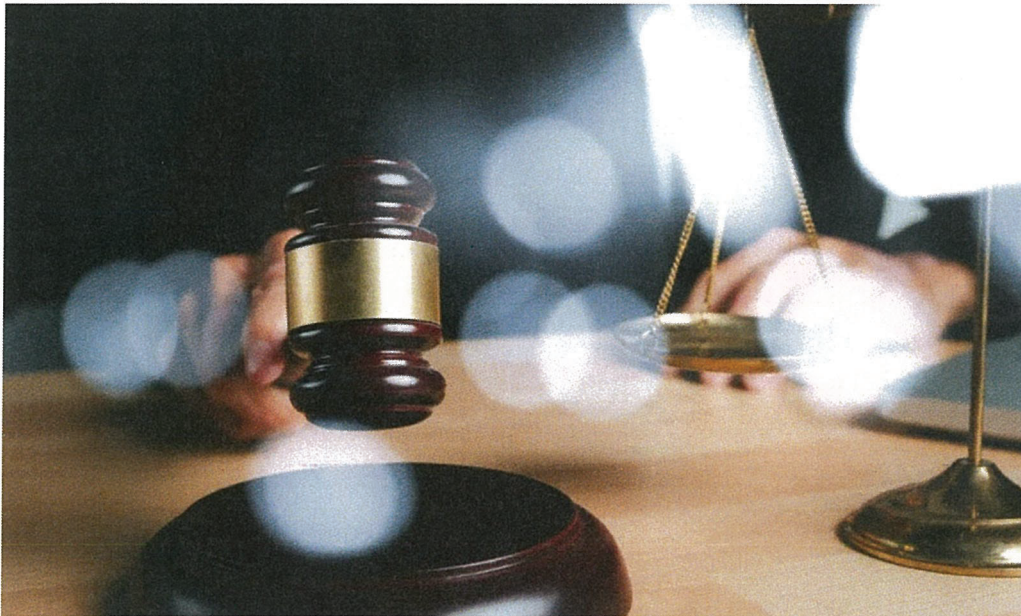
Yes

No

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Fine is the largest insurance commissioner has ever levied on an organization



Insurance News

By Lyle Adriano

Mar 30, 2022 / Share

Georgia's state insurance regulator has fined Anthem Blue Cross Blue Shield a hefty \$5 million after an official investigation found that the insurer violated multiple





WHICH INSURERS HELP CLIENTS IMPROVE CYBER RESILIENCE AND MITIGATE LOSSES

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The \$5 million fine is the largest Georgia's Office of Commissioner of Insurance and Safety Fire has ever levied on an organization.

"As Georgia's Insurance Commissioner, my number one priority is protecting Georgia consumers," said Insurance and Safety Fire Commissioner John F. King in a statement. "To that end, after numerous complaints made to our office regarding the operations of Blue Cross Blue Shield from individuals, physicians, hospitals, and others from around the state, I instructed my staff to conduct an extensive examination into the carrier's practices."

At a recent press conference, King said that ever since he took his first day in office as commissioner, his agency has been "inundated" with complaints about Anthem from individuals, doctors, and even hospitals. To address the issues raised by the complaints, the commissioner launched a months-long Market Conduction Examination into Anthem.

"This examination uncovered a number of serious issues, including improper claims settlement practices, violations of the *Prompt Pay Act*, failure to reply to consumer complaints in a timely manner, inaccurate provider directories, and significant delays in loading provider contracts," said King. "As a result, our office has issued the largest fine in Agency history, with potential additional penalties if certain benchmarks are not reached."

King also explained during the press conference this week that the "inaccurate provider directories" was the biggest problem with Anthem. Consumers usually pick their health insurer based on whether their doctor and/or hospital is within the company's provider network. But it was found that in many cases, while patients saw their doctor/hospital listed on Anthem's network, they later found out that they were not – this either led to patients paying full price for medical services, or care providers going unpaid.

The Atlanta Journal-Constitution reported that the fine against Anthem addresses the insurer's mistakes with its provider database, but it does not address incidents where the insurer informed policyholders mid-contract that it was changing the network the consumer had signed up for.

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