

MITCHELL J. HOFFMAN
221 FOCIS STREET
METAIRIE, LOUISIANA 70005

September 18, 2023

VIA U.S. POST

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

RECEIVED

SEP 21 2023

**Commissioner of Insurance
Legal Division**

Re: Public Hearing
Louisiana Health Service and Indemnity Company Proposed Sale

Dear Mr. Caldwell:

As a policy holder with Louisiana Blue Cross, I received notice of a public hearing now scheduled for October 5 and 6, 2023, in Baton Rouge.

Per the notice, I would like to submit the following comments with respect to the proposed sale.

It appears to me that the purchase price in the billions will have to be paid by policy holders of the acquiring company which, to a large extent, will be current and future policy holders with Blue Cross.

Without a sale, the policy holders will not be expected to pay extra billions of dollars that would now be required under the sale.

While I do not doubt the public spirit of the proposed current board members of Blue Cross who will be involved as trustees or directors of the billion-dollar non-profit, it appears to me that any sales proceeds should be distributed to policy holders of Blue Cross either in a lump sum or as future credit for future premiums.

While I am not suggesting that the acquiring company not pay something to acquire the entity and/or policies, the huge profit should not be provided to the members of the board who could enrich themselves via management services to the non-profit they intend to create.

When Blue Cross sold policies to its members, the members were advised that Blue Cross Blue Shield is a not-for-profit company and that the profits would be plowed back into providing better services and better prices.

Selling the company for billions seems to belie that representation and will take or redirect profits which were promised to members/policy holders to other purposes that are not consistent with promises made.

Mr. David Caldwell
September 18, 2023
Page 2

Thus, I would object to the sale. If the current management of Louisiana Health Services and Indemnity Company cannot seem to manage to run the company profitably, then it appears the best way to handle that would be to replace management with management who can run the company. If the company needs to enter into agreements with Elevance Health, formerly Anthem, to assist in providing the best services to its policy holders, then it certainly can do so. The price of such arrangements would be significantly less than the billions that have been discussed in the public realm.

Thank you for taking the time to consider these comments.

Very truly yours,



Mitchell J. Hoffman

MJH/apd