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I am writing in opposition to the sale of BCBSLA to Elevance, formerly known as Anthem Health.

1.9 million citizens of this state who depend on BCBSLA for the cost of their premiums, the processing of their claims, and the provision of their network of health care providers are being put at risk in order to establish a \$3 billion dollar Foundation about which little is known. It is known that the Foundation is established in Delaware and plans to "seek a determination letter from the IRS as a 501(c)4, not a 501(c)3", the significant difference being that they will be able to lobby and support political candidates. It is also known that four of the board members are former BCBSLA board members who are investigating what their compensation will be, and it is known that once/if this buyout is approved it will be too late to do anything about the loss of BCBSLA and \$667 million of its assets.

According to the Rector Report, "The Department and Eligible Members are being asked to approve transactions that would include the contribution to the Foundation of approximately \$667 million of BCBSLA's current assets in addition to the \$2.435 billion in assets funded by Elevance, formerly Anthem Health, even though very little of substance is known as to what the Foundation would do with its funds or who would control the decisions made regarding them. Once/if the transactions are approved, the Department and Eligible Members would likely not have any jurisdictional oversight of the Foundation, its operation or its use of funds."

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**Commissioner of Insurance
Legal Division**

The Louisiana Budget Project called on the Commissioner “to commission an independent analysis to determine the risk of higher costs to policyholders – in premiums, deductibles, and copays, as a result of the proposed reorganization.” How has this proposal gotten this far without that information so vital to 1.9 million citizens?

The Antitrust Division of the U.S. Department of Justice raised the issue of the importance of competition in the field of healthcare and stated that, “Our antitrust enforcement and advocacy work enables us to recognize competitive forces that impact cost, price, quality, and innovation in the healthcare sector.” Their very cogent letter addressed three areas: “When evaluating a merger or an acquisition, the LDI should consider the risk of the transaction resulting in a deduction in competition”; “Antitrust scrutiny is not limited to horizontal transactions”; and “Antitrust scrutiny should cover any relevant market where the merger or acquisition may impact competition”. The issue of pharmacy benefit managers and pharmacy plans was also mentioned in their letter. Pharmacy costs are critical to the 1.9 million citizens covered by BCBSLA. Elevance currently owns 14 BCBS companies. It defies reason for a decision to be made relative to the proposed transaction until the investigation initiated by the Louisiana Department of Justice has been completed.

In addition to the affect on the 1.9 million people relying on BCBSLA, the House Report addresses the owners and states, “ The plan appears to maximize the funding of a newly formed Delaware domiciled foundation in preference to paying the value of the company to the owners... and routes funds which could be paid to policyholders to a foundation, to which the Board of Directors has no fiduciary responsibility and from which individual policyholders may or may not benefit and through which they lose participation n the control of funds” How then can this be perceived as beneficial to policy holders?

Yet another concern is raised by the Rector Report, “ The Transactions would cause BCBSLA’s liquid assets to go from 116% of its liabilities as of 12/31/2022 to 53% of its projected liabilities as of 12/31/2023. There is concern this could impact decisions made as to whether, when, how often, and by how much to increase rates to customers.” Again, how is that beneficial to policyholders and members?

While there are many questions as to how the transaction will benefit 1.9 million people who rely on BCBSLA, it is clear as to how it will impact the 12 current members of the BCBSLA board. One member will remain with Elevance, formerly Anthem Health, four have formed the core basis of the \$3 billion Foundation and are awaiting a report on

In the BCBSLA document entitled, "Positioned for Future Success", there is little information about the foundation except to indicate, "More information on the Accelerate Louisiana Initiative Foundation will be shared following the close of the transaction. That sentence speaks volumes.

You are asking 1.9 million people to trust that their healthcare will be improved if they give up BCBSLA for a Foundation about which they have no information. It is perplexing at best that anyone could justify a positive vote on an issue this important to this many people without being provided with all pertinent information.

According to the Rector Report, "Not only would the vast majority of what Elevance, formerly Anthem Health, would pay for BCBSLA be used to fund the Foundation, but, in addition, a substantial amount of the BCBSLA's current assets would be contributed to the Foundation.

Asking 1.9 million people to trade their healthcare relationship with BCBSLA so a \$3 billion Foundation with board members who may not all be from Louisiana can make decisions and political contributions at will with accountability to no one is asking far too much.

This "deal" serves only to exacerbate the lack of trust in government which is particularly relevant in the area of healthcare coverage.

1.9 million people will be affected. Yet the LDI website had fewer than 70 comments when I made a public records request for them. Clearly the vast majority of people who could be detrimentally affected by this decision have no idea that their BCBSLA is about to become a part of a for-profit corporation Elevance, formerly Anthem Health. As a for-profit corporation, their goal is to turn a profit. Is that the priority you want for the healthcare of 1.9 million Louisiana residents?

According to a letter from the Louisiana Hospital Association, those 1.9 million people would have their healthcare with a company, "that has been subject to allegations of engaging in business practices that are detrimental to patients, healthcare providers, and owners of self-funded plans." How is that in the best interest of those served by BCBSLA or the general public of the state?

their appropriate compensation and the remaining members of the board will form a new Advisory Board and be paid at least \$105,000 a year for at least 10 years.

It is significant to note page 9 of the Rector Report which clarifies what they were not asked to do," They were not tasked with determining an appropriate value for BCBSLA nor were they asked to evaluate whether the consideration BCBSLA proposed to pay Eligible Members constitutes amounts equal to Eligible Members' equitable share of BCBSLA value nor were they asked to determine whether BCBSLA's decisions as to who are and who are not Eligible Members are appropriate." Surely this information is crucial to the process and should be provided by an objective source.

Also of interest is page 20 of the Rector Report, " Although the task of asking the question (regarding dividend expectations and protections) presented was within our scope, the task of analyzing the response and determining whether or how the matter should impact the Department's decision pertaining to the transaction was not". One would have to ask why this wasn't part of the assigned task?

While new technology and services may be appealing, they are in no way a replacement for an affordable health care plan with reasonable premiums and copays and effective claims management and payment for 1.9 million people in our state.

This is Louisiana in a political season. The current Commissioner is retiring, and we have a new Commissioner as the sole candidate for the office. As are we all, they become the choices they make. This is not about politics; it is about people - 1.9 million people and the citizenry of the state. La R.S. 22:236.4 makes clear that the best interests of policyholders and members must be protected. There is absolutely no guarantee that the plan as presented will achieve what the law requires. I urge you to reject the \$3 billion Foundation in favor of maintaining BCBSLA for 1.9 million Louisiana residents who are relying on you to do what is right and just.

Sincerely,



Nancy Mounce Cochrane