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August 21, 2023

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

Dear Mr. Caldwell:

On behalf of our member hospitals and health systems and as a policy holder of Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana (BCBSLA) for more than 20 years, the Louisiana Hospital Association (LHA) appreciates the opportunity to provide public comment concerning the proposed conversion of BCBSLA from a mutual insurance company to a stock insurance company pursuant to La. R.S. 22:236.4(C) and the proposed acquisition of the newly-converted company by Indiana-based Elevance Health.

In light of the findings outlined in the recently-published report by Hause Actuarial Services, Inc., and the testimony of interested parties provided at a meeting of the Joint Insurance Committee of the Louisiana Legislature held on Aug. 16, the LHA is deeply concerned about numerous aspects of the proposed transaction and believe that continued due diligence is warranted. The testimony provided by representatives of the various parties before the Joint Insurance Committee only served to further cause confusion and create inconsistencies, particularly regarding the structure and governance of the proposed non-profit foundation to be created because of the acquisition. In addition, the revelation of an ongoing investigation being conducted by the Louisiana Attorney General to determine whether the proposed transaction potentially violates the Louisiana Monopolies Act or the Louisiana Unfair Trade Practices Act seemingly demands finality before policy holders could possibly be asked to make a decision. Based on these concerns alone and the considerable lack of information regarding the entire transaction, it is difficult to understand whether the rights of policy holders are being infringed upon, much less, if as a policy holder, we can make an informed decision whether to agree to the conversion. Until such time that these and many other concerns that have been raised are properly addressed, we encourage the Louisiana Department of Insurance (DOI) to not move forward with any necessary approvals of the proposed transaction.

We also strongly urge DOI to undertake an extensive market conduct evaluation and pursue additional due diligence to determine whether this proposed acquisition will benefit Louisiana's businesses, patients, and healthcare providers, as well as to ensure consumers have access to beneficial and compliant insurance products and are protected against insurers that fail to operate in ways that are in the best interest of all stakeholders. Across the country, Elevance Health, doing business under the name of Anthem Blue Cross and Blue Shield, has been subject to a number of allegations of engaging in business practices that are detrimental to patients, healthcare providers, and owners of self-funded plans. The American College of Emergency Physicians identified what they describe as a disturbing pattern of nonpayment and

denials of emergency department claims by Anthem in the state of California¹ alleging the insurer has refused to reimburse physicians in California for the care of thousands of patients, including treatment for those with worrisome chest pain, excruciating abdominal pain, multiple fractured ribs, and other severe emergencies. The company has also been subject to litigation in both Virginia and Connecticut out of alleged violations of the Employee Retirement Income Security of 1974 for denying access to claims data requested by self-funded health plans². In Virginia, the insurer recently settled litigation³ with Valley Health concerning what it calls “egregious delays” in some of the insurer’s reimbursements for medical services that, according to the lawsuit, accounted for more than \$10 million in services delivered to Anthem members since 2019. Based on these documented examples, a more comprehensive investigation by DOI is certainly warranted. We request that any requisite approvals required from your department be put on indefinite hold until these types of business practices can be thoroughly examined. Ensuring that policy holders, patients, employers, and our healthcare professionals are protected from any insurance company that would engage in such conduct strikes as a core obligation of the department – the health of Louisianians should not be compromised.

The potential outcome of this proposed conversion and acquisition of BCBSLA by Indiana-based Elevance Health will not only have a profound impact on the health insurance market in Louisiana but also more importantly have an impact on the patients, healthcare providers, and citizens of Louisiana. We encourage you to take whatever time is necessary to study and provide information about these impacts to protect the interests of the policy holders and ensure that any new entrant to the health insurance market in Louisiana operates in an appropriate manner and in harmony with our Louisiana values.

With Regard,



Paul A. Salles
President & CEO

¹ <https://www.medpagetoday.com/opinion/second-opinions/100554>

² <https://news.bloomberglaw.com/health-law-and-business/suit-against-anthem-exposes-conflict-over-health-claims-data> and <https://www.law.com/ctlawtribune/2022/12/06/class-action-filed-self-funded-health-plans-sue-anthem>

³ <https://www.nbc12.com/2022/10/14/valley-health-sues-anthem-over-egregious-reimbursement-delays/>