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Comment Type

Public Comment

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Comment

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I am a 70 year old retired former CPA. I never worked in the Public Accounting arena, choosing a career in the Corporate Accounting arena as Controller for the Louisiana operation of a Fortune 500 company, managing the Finance and IT functions. I have seen my share of fuzzy math and devils in the details.

I received and scanned through the 78 pages of legalese related to the proposed merger of Blue Cross Louisiana and Elevance Health. Tremendous over the counter insomnia medication.

At first glance, this deal as disclosed appears fantastic for my wife and I as individual policy holders. As members of the approximately 92,000 voting policy holders, we would stand to receive \$6,000 (2 @ \$3,000) total as a result of this transaction. That would pay for 27 months of our Medicare Supplement Plan N premium currently paid by us to Blue Cross. What could be better ??

I have real concerns about Elevance as a successor insurer, but my comments below will focus on the Foundation concept specifically, which seems to be getting minimal public scrutiny.

The proposed Foundation is the STINKY big gorilla in the room in my opinion. Accordingly we have voted our proxies as solidly AGAINST this proposed deal. Despite being favorable to my wife and I, there are very real concerns based on fairness and equitable treatment for the other 1,800,000 Louisiana citizens insured by Blue Cross.

Admittedly, there are or may be legal, tax or regulatory reasons or complex issues complicating my suggestions below. What I am questioning, is whether or not any such potential options were even considered or could be considered as more equitable options for the Louisiana citizens insured by Blue Cross.

- (1) As I understand it 92,000 voting members get to vote and potentially receive the \$3,000 cookie(Bribe ??). That is far from fair for the remaining 1,800,000 insured citizens. As I understand it, a company Insuring 1,000 employees would get 1 vote and 1 cookie. This may be the legal or regulatory handcuffs that Blue Cross Louisiana must play under, but I find it hard to fathom that there is no other option or creative work around to split the pie in lieu of the Foundation proposed. Or maybe Blue Cross executives are NOT MOTIVATED to go another route that doesn't fit their strategy / Foundation narrative. In this day of Information Technology, I

am confident that a motivated Blue Cross Legal and IT staff could devise a way to somehow prorate the \$3 billion to benefit all insured citizens equitably, in lieu of the proposed Foundation.

- (2) From what I have read The Foundation would receive \$3 billion. If there was a work-around to allow this money to be funneled to the remaining policy holders, each non-voting insured could receive \$1,579. Is it possible that this might be done from a legal or regulatory standpoint? Maybe via a Health Reimbursement Account (HRA) or premium discount?? From my personal experience, in an effort to rid itself of the administrative burden of providing retiree medical Insurance, my former company farmed out such services to a third party service 2 years ago, with the cookie that retirees would receive a \$1,200 annual contribution to an HRA. That change is how we came to be Blue Cross policy holders. I would like an answer to this question from Blue Cross, and have it fact-checked by Louisiana Commissioner of Insurance.
- (3) I am very confident that with the potential option suggested in 2 above, most policy holders would opt for a cookie. In my opinion, the Foundation concept is very similar to a government income re-distribution social program, where the voters don't get to decide where the money goes. (My wife and I are both charitably inclined, having funded our own Family Charity. But we choose where our contributions go.)
- (4) I am confident there are Blue Cross Executives and Legal staff that will receive generous golden parachutes upon a successful completion of this sale. Could they possibly be motivated by additional compensation as Foundation Board members or other consideration in lieu of exploring every possible option to share the \$3 billion pot with non-voting policyholders ? Louisiana Commissioner of Insurance, what say you ??