

# Blue Cross sale still bad deal

A Lafayette resident who wrote about the proposed \$2.5 billion sale of Blue Cross and Blue Shield of Louisiana to Elevance Health of Indianapolis back in September spoke up for the company's 1.9 million policyholders.

Nancy Bradford Mounce said in a letter to The Advocate, "I oppose the sale of the non-profit BCBSLA to the for-profit Elevance, formerly Anthem Health, because it does not serve the best interests of policyholders, members, and the general public."

Mounce asked what many others have asked since last September. Why in the world would you sell a nonprofit company to a for-profit company that has to make money for its stockholders?

The sale was postponed last year for good reasons, but officials with both companies seem "dogged and determined" to complete the sale by the end of March.

The Louisiana Department of Insurance will hold a hearing on the sale Feb. 14-15. The Advocate reported that an administrator from state Insurance Commissioner Tim Temple's office will conduct the hearing.

Two-thirds of Blue Cross' 92,000 independent policyholders and the commissioner of insurance have to approve the sale before it can go forward.

Accelerate Louisiana, a health care foundation, would get 90% of the sale's proceeds and almost half of the \$1.8 million in Blue Cross reserves. The foundation would be worth \$3 billion and be controlled by a small group of former Blue Cross board members.

The 92,000 policyholders would get about 9%, or \$3,000 each. Those policyholders make up less than 5% of the 1.9 million people in Louisiana (41% of the state population) with some form of Blue Cross health insurance.

Kansas went through a

Jim Beam



similar proposed sale in 2002 involving the sale of Blue Cross and Blue Shield of Kansas to Anthem, Elevance Health's former name. Kathleen Sebelius, the nation's Health and Human Services secretary in 2010, was the Kansas insurance commissioner in 2002 who successfully killed the Blue Cross sale.

CBS News reported on Feb. 9, 2010, that Sebelius, in her national role, criticized Anthem Blue Cross of California for proposing a 30 to 39% rate hike.

CBS said Sebelius had a history with the company going back to her eight-year tenure as Kansas insurance commissioner.

Sebelius' experience with the 2002 sale helps explain why the sale of Blue Cross and Blue Shield of Louisiana is not in the company's policyholders best interests.

The Lawrence Journal World on Feb. 12, 2002, reported why Sebelius rejected the Kansas sale.

"I am denying this takeover because it would have cost Kansas businesses, small employers, and families millions of dollars in additional health insurance premiums," Sebelius said.

The newspaper said rejection of the sale also stopped the proposed disbursement of \$320 million by Blue Cross of Kansas to 172,000 policyholders, an average payment of \$1,500 per policyholder. They voted to approve that sale 63.4% to 36.6%.

Although those policyholders voted overwhelmingly for the proposed sale, the plan drew opposition from many Kansas doctors, hospitals, and nurses, as well as an advocacy group for poor and working-class families.

A Kansas district court rejected Sebelius's rejection of the sale but she asked the Kansas Supreme Court to review the decision. KFF Health reported on June 11, 2009, that the state's highest court upheld the Sebelius ruling blocking the Blue Cross sale to Anthem.

The major reason Sebelius rejected the sale was the realization that for-profit companies like Elevance have to make a profit and that leads to increased health care premiums.

Rick Pollack, president, and CEO of the American Hospital Association, on Aug. 4, 2023, took Elevance to task for a report it issued about the impact of health care systems on access to care, cost, and quality.

"If Elevance is so concerned about health care costs, perhaps it should consider its own pricing strategies that have resulted in the company earning nearly \$2 billion in profit in the second quarter of this year alone," Pollack said.

Pollack said the Elevance report was just another attempt to distract people from the reality of how some insurers, like Elevance, delay and deny patients' access to care. Elevance is particularly notorious for slow or no payment to hospitals and pre-authorization delays that put patients' health at risk and contribute to clinician burnout.

State Sen. Jeremy Stine, R-Lake Charles, and a member of the Senate Insurance Committee, summarized the proposed sale well in a letter to The Advocate.

Stine said, "... I believe that decisions affecting our health should be made by those who genuinely understand Louisiana's needs. Elevance does not fit that bill."

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Commissioner of Insurance  
Legal Division

I am 75 years old and have been a member of Blue Cross/Blue Shield for years. It has been excellent insurance for me. I don't want anything changed as far as the company. Please vote against Elevance.

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