

**BEFORE THE COMMISSIONER OF INSURANCE  
FOR THE STATE OF LOUISIANA**

IN RE: LOUISIANA HEALTH SERVICE & INDEMNITY COMPANY D/B/A BLUE  
CROSS AND BLUE SHIELD OF LOUISIANA

PLAN OF REORGANIZATION REGARDING THE CONVERSION FROM A  
MUTUAL INSURANCE COMPANY TO A STOCK INSURANCE COMPANY

CAUSE NO. \_\_\_\_\_

**PRE-HEARING MEMORANDUM OF INTERVENOR, HENRY W. KINNEY ET. AL.**

**NOW INTO COURT**, comes in the above-referenced action, Henry W. Kinney, individually and as counsel for Kinney, Ellinghausen & DeShazo, Accounting Plus Solutions, L.L.C., Robert E. Birtel, Martha C. Foy, William T. Foy, Travis M. Foy, David Giles, Teresa Giles, Riley Hagan, III, Glenn Young, and Judith Young (hereafter, collectively referred to as “Intervenors”), all of whom are members or policy holders of Louisiana Health Service & Indemnity Company, d/b/a Blue Cross and Blue Shield of Louisiana (“BCBSLA”), who respectfully submits the following **Pre-Hearing Memorandum** outlining information regarding the Witness List filed by intervenor, Henry W. Kinney, et. al., in connection with the upcoming Public Hearings scheduled on February 14, 2024, and February 15, 2024, as set forth in the Commissioner’s Order dated January 26, 2024:

**A. A brief summary of the testimony that is to be provided by each of its witnesses.**

1. **Tim Barfield**, member of the Board of Directors for Blue Cross and Blue Shield of Louisiana, is being called to give testimony regarding the following:
  - a. The need to sell BCBSLA.
  - b. The ownership rights of The Accelerate Louisiana Initiative, Inc. (“Accelerate”) to any of the funds or assets of BCBSLA.
  - c. Salaries of the board members of Accelerate.
  - d. Discussions between BCBSLA, the Commissioner of Insurance for the State of Louisiana, and any other elected official concerning the Plan of Reorganization.
  - e. Details concerning the advisory board members of Accelerate.

- f. Plans for the operation of Accelerate.
  - g. All contracts or agreements involving officers, directors or employees of BCBSLA that will be triggered or are contingent on the demutualization of BCBSLA and the sale to Elevance Health, Inc. (“Elevance”).
  - h. Discussion with any other prospective of BCBSLA purchaser other than Elevance.
  - i. All facts having to do with the Accelerate board seat offer to the Commissioner of Insurance for the State of Louisiana.
  - j. All facts having to do with the Accelerate board seat offer to the Governor of the State of Louisiana.
  - k. The determination of the amount of consideration that is proposed to be paid to the members of BCBSLA.
  - l. The benefits and risks attended to the proposed plan of reorganization and the rationale for the reorganization.
  - m. The benefits and risks concerning the intermediate and long term best interest of the members and policy holders.
  - n. The financial condition of BCBSLA, including its profitability and future projection of profitability.
  - o. The decision to give the members only 9% of the assets of BCBSLA.
  - p. Details concerning the formation of Accelerate as a 501(c)4 entity.
2. **Dr. Steven Udvarhelyi**, President and CEO of Blue Cross and Blue Shield of Louisiana, is being called to give testimony regarding the following:
- a. The current salary and any contractual obligations from either BCBSLA, the reorganized BCBSLA or Elevance for future employment.
  - b. The need to sell BCBSLA.
  - c. The ownership rights of The Accelerate Louisiana Initiative, Inc. (“Accelerate”) to any of the funds or assets of BCBSLA.
  - d. Salaries of the board members of Accelerate.
  - e. Discussions between BCBSLA, the Commissioner of Insurance for the State of Louisiana, and any other elected official concerning the Plan of Reorganization.
  - f. Details concerning the advisory board members of Accelerate.
  - g. Salaries of advisory board members of Accelerate.
  - h. Plans for the operation of Accelerate.
  - i. All contracts or agreements involving officers, directors or employees of BCBSLA that will be triggered or are contingent on the demutualization of BCBSLA and the sale to Elevance.
  - j. Discussion with any other respective purchaser of Elevance.
  - k. All facts having to do with the Accelerate board seat offer to the Commissioner of Insurance for the State of Louisiana.

- l. All facts having to do with the Accelerate board seat offer to the Governor of the State of Louisiana.
  - m. The determination of the amount of consideration that is proposed to be paid to the members of BCBSLA.
  - n. The benefits and risks attendant to the proposed plan of reorganization and the rationale for the reorganization.
  - o. The benefits and risks concerning the intermediate and long-term best interest of the members and policy holders.
  - p. The financial condition of BCBSLA, including its profitability and future projection of profitability.
  - q. The decision to give the members only 9% of the assets of BCBSLA.
  - r. Details concerning the formation of Accelerate as a 501(c)4 entity.
3. **Jason Guilbeau**, Vice President and Chief Technology Officer at Blue Cross and Blue Shield of Louisiana, is being called to give testimony regarding the following:
- a. Status of BCBSLA's current electronic and digital capabilities.
  - b. Status of Elevance's current electronic and digital capabilities.
  - c. Comparison of the capabilities between BCBSLA and Elevance concerning current electronic and digital capabilities.
  - d. Details concerning whether members and policy holders will gain any benefits from the proposed demutualization.
4. A representative or representatives of the **Louisiana Hospital Association**, is being called to give testimony regarding the following:
- a. Concerning the position of the Louisiana Hospital Association in regard to the Plan of Reorganization of BCBSLA.
  - b. Concerning the position of the Louisiana Hospital Association in regard to the Elevance.
5. A representative or representatives of the **Louisiana State Medical Society**, is being called to give testimony regarding the following:
- a. Concerning the position of the Louisiana State Medical Society in regard to the Plan of Reorganization of BCBSLA.
  - b. Concerning the position of the Louisiana State Medical Society in regard to the Elevance.
6. A representative or representatives of the **Louisiana Attorney General's** office, is being called to give testimony regarding the following:
- a. The completion of any anti-trust studies called for by the attorney general's office in 2023.

7. A representative or representatives of **Elevance Health, Inc.**, is being called to give testimony regarding the following:
  - a. All of the allegation in *United States of America v. Anthem, Inc.*, Fed. Case No. 20-cv-02593, filed on March 26, 2020.
  - b. The amount and nature of all fines against Elevance incurred within the last ten years.
  - c. Concerning the loss of rating by the Centers for Medicare & Medicaid Services.

**B. The relevancy and scope of the testimony provided by each of its witnesses to the Plan of Reorganization set forth by the Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana.**

1. The relevancy and scope of the testimony of **Tim Barfield** is as follows:
  - a. Relevant to the determination of the factual basis for the plan of reorganization.
  - b. Relevant to the adequacy of the consideration paid to the members.
  - c. Relevant to the attempt to influence the Commissioner of Insurance and the Governor of the State of Louisiana.
  - d. Relevant to the truthfulness and fairness of the proxy statements.
2. The relevancy and scope of the testimony of **Dr. Steven Udvarhelyi** is as follows:
  - a. Relevant to the determination of the factual basis for the plan of reorganization.
  - b. Relevant to the adequacy of the consideration paid to the members.
  - c. Relevant to the attempt to influence the Commissioner of Insurance and the Governor of the State of Louisiana.
  - d. Relevant to the truthfulness and fairness of the proxy statements.
3. The relevancy and scope of the testimony of **Jason Guilbeau** is as follows:
  - a. Truthfulness of factual statements.
4. The relevancy and scope of the testimony of the representative or representatives from the **Louisiana Hospital Association** is as follows:
  - a. Relevant to the determination of the plan of reorganization being in the best interest of the members and policy holders of BCBSLA.
5. The relevancy and scope of the testimony of the representative or representatives from the **Louisiana State Medical Society** is as follows:
  - a. Relevant to the determination of the plan of reorganization being in the best interest of the members and policy holders of BCBSLA.
6. The relevancy and scope of the testimony of the representative or representatives from the **Louisiana Attorney General's** office is as follows:

- a. Relevant to the determination of the plan of reorganization being in the best interest of the members and policy holders of BCBSLA.
  - b. Relevant to the determination of the adequacy of any anti-trust studies.
7. The relevancy and scope of the testimony of a representative or representatives from **Elevance Health, Inc.** is as follows:
- a. Relevant to the truthfulness and substance of the representation made in the plan of reorganization.

**C. The anticipated amount of time needed for the testimony that will be provided by each of its witnesses.**

1. Tim Barfield: 3 hours
2. Dr. Steven Udvarhelyi: 3 hours
3. Jason Guilbeau: 1 hour
4. A representative or representatives of the Louisiana Hospital Association: 1 hour
5. A representative or representatives of the Louisiana State Medical Society: 1 hour
6. A representative or representatives of the Louisiana Attorney General's office: ½ hour
7. A representative or representatives of Elevance Health, Inc.: 2 hours

**D. An assurance that the testimony provided will be in furtherance of the purpose of the hearing and that any testimony will not be used to unnecessarily extend or prolong the hearing.**

I, **Henry W. Kinney**, personally assure all parties, the Commissioner of Insurance for the State of Louisiana, and the hearing officer, that all of the testimony sought herein is in furtherance to the purpose of the hearing, scheduled for February 14, 2024, and February 15, 2024, and that all testimony will not be used to extend or prolong the hearing. Intervenor believes it is impossible to conduct the trial of this matter in two days and objects to the limits of testimony.

*[Signature block found on following page.]*

**RESPECTFULLY SUBMITTED:**

**KINNEY, ELLINGHAUSEN & DESHAZO**



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**HENRY W. KINNEY (#7410)**

Email: [hkinney@kinneylaw.com](mailto:hkinney@kinneylaw.com)

1250 Poydras Street, Suite 2450

New Orleans, LA 70113

Telephone: 504.524.0206

Fax: 504.383.8742

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on this 30<sup>th</sup> day of January 2024, a copy of the above and foregoing has been sent via electronic mail to all counsel of record in the proceedings.

**KINNEY, ELLINGHAUSEN & DESHAZO:**



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**HENRY W. KINNEY (#7410)**

Email: [hkinney@kinneylaw.com](mailto:hkinney@kinneylaw.com)

1250 Poydras Street, Suite 2450

New Orleans, LA 70113

Telephone: 504.524.0206

Fax: 504.383.8742