

February 8, 2024

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 policyholder of Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana (BCBSLA) for more than twenty 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.

The LHA strongly urges the Louisiana Department of Insurance (LDI) to not approve the plan of reorganization because the Department has not conducted an independent and comprehensive market conduct evaluation of Elevance Health and provided the results directly and transparently to the existing policyholders. A thorough and unbiased market conduct evaluation will assist policyholders in their assessment of how this proposed acquisition may impact Louisiana's residents covered under existing BCBSLA policies.

Listening to more than seven hours of testimony and reviewing the information provided to the joint meeting of the Senate Health & Welfare and Insurance Committees on Feb. 5 only served to validate and heighten our concerns about this proposed acquisition. Most alarming to the healthcare providers of this state was the documentation of administrative actions and fines resulting from the business practices of Elevance Health in the other states in which it currently does business. We are also troubled with the uncertainty and considerable vagueness around the creation, purpose, and operation of the proposed Accelerate Louisiana Foundation.

In addition to conducting a market conduct evaluation, we would strongly encourage the Commissioner of Insurance to include the following as modifications of the plan of reorganization to protect policyholders and providers through increased transparency and oversight of Elevance Health and the Accelerate Louisiana Foundation:

- (1) Any companies or subsidiaries of Elevance Health operating in Louisiana should be required to allow policyholders and healthcare providers to pursue an independent claim review process to ensure that claims are not being inappropriately denied. This process should closely mimic the process enacted for Medicaid managed care plans in Louisiana codified in La. R.S. 46:460.81 et. seq.
- (2) Any companies or subsidiaries of Elevance Health operating in Louisiana should be required to obtain prior approval by LDI of any material change in the existing provider network.

- (3) Any companies or subsidiaries of Elevance Health operating in Louisiana should be required to publicly notice and provide an opportunity for public comment for any changes to their policies and procedures that govern the administration and payment of provider claims, medical management, and utilization review, and the procedures used by policyholders and providers to lodge grievances and appeals for all lines of business offered in the state. This process should closely mimic the procedure required by Medicaid managed care plans in Louisiana codified in La. R.S. 46:460.54 et. seq.
- (4) The Accelerate Louisiana Foundation Board of Directors, regardless of the structure of the organization, should include a member representing policyholders and a member representing healthcare providers, both of which should be selected by the Louisiana Legislature.
- (5) The Accelerate Louisiana Foundation should be explicitly prohibited from engaging in political activity, including but not limited to: lobbying; the funding of issue campaigns for or against legislation or government agency policies; funding of political candidates or political campaigns; and funding any political action committees or other organizations that primarily engage in the above activities.

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 sufficient time to study and provide information directly to policyholders about these impacts to protect the interests of the policyholders 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,

A handwritten signature in blue ink, reading "Paul A. Salles". The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul A. Salles
President & CEO