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Gov.-elect Jeff Landry has advisory council on Louisiana Blue Cross sale

BY: JULIE O'DONOGHUE - NOVEMBER 11, 2023 3:00 PM



Gov.-elect Jeff Landry has put together a working group to advise him on the proposed sale of Blue Cross and Blue Shield of Louisiana. (Getty Images)

Gov.-elect Jeff Landry formed a confidential working group several weeks ago to counsel him on [the proposed \\$2.5 billion sale of Blue Cross and Blue Shield of Louisiana](#), according to two people familiar with the group who did not want to be identified because they weren't authorized to talk about it.

The potential sale could affect 1.9 million residents – 40% of Louisiana's population – who get health insurance coverage through Blue Cross in Louisiana.

Landry, as the state's current attorney general, opened an investigation into the Blue Cross deal a couple of months ago and

asked for a delay on its proposed sale. In response, Blue Cross scrapped its initial plans to sell to Elevance Health of Indiana, but intends to restart that process in a few weeks, closer to when Landry becomes governor.

The Landry working group is supposed to be private. Members have been instructed not to talk publicly about the meetings they have, and the governor-elect's spokesperson declined to comment on the group's activities.

A spokesperson for Blue Cross and Blue Shield of Louisiana confirmed the organization is participating in the advisory group.

"At the request of Attorney General Landry, we have met with a number of stakeholders to seek input on, and to answer questions about our proposed transaction with Elevance Health," Cindy Wakefield, spokeswoman for Blue Cross, said in a written statement. "We believe those discussions have been very productive. At this time, we are not able to comment on specific details."

"We look forward to addressing any outstanding questions and issues at the right time, and then refiling our transaction with the Louisiana Department of Insurance later this year," she said.

Landry's working group includes at least four members: Greg Feirn, CEO of LCMC Health; Jerry Phillips, executive director of the Louisiana Rural Hospital Association; Tim Barfield, a Blue Cross board member; and Bruce Greenstein, an executive at the LHC Group.

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Greenstein and Barfield were cabinet members for former Gov. Bobby Jindal.

Barfield worked as the head of the Louisiana Department of Revenue. Greenstein once ran the Louisiana Department of Health, but was forced out of that job after Jindal discovered Greenstein

was being investigated for allegedly inappropriate behavior during a Medicaid contract bid process.

A state grand jury charged Greenstein in 2014 with lying under oath about his communications with his former employer who was applying for Louisiana Medicaid's contract. He was never convicted of a crime and has repeatedly denied any wrongdoing.

Greenstein and Feirn also serve on a separate health care and hospitals advisory council for Landry's transition team that is helping the governor-elect develop a policy agenda.

When it comes to the Blue Cross working group, the members' main focus is the trajectory of a massive foundation that would be born out of the proposed sale.

Should Elevant purchase Blue Cross, every one of the Blue Cross' policyholders would be given \$3,000 each. The bulk of the Blue Cross purchase amount – plus all of Blue Cross' existing assets – would then be used to set up a new \$3-billion-plus foundation centered on improving Louisiana's health outcomes.

For the purposes of the sale, policyholders do not include all 1.9 million Louisiana residents who have Blue Cross insurance. It's a smaller group of around 92,000 who would be entitled to a payout.

Policyholders only encompass employers who use Blue Cross for their employees and individuals who purchase Blue Cross coverage for themselves independently. Employees who get their insurance through their business or an HMO [are not considered policyholders](#).



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Landry, state lawmakers and other health care leaders have wanted to know what specifically the new foundation would do with its resources from the sale. They have also asked questions about whether more of the money should be distributed to the Blue Cross policyholders instead of being put into a brand new nonprofit foundation.

One of the people in Landry's working group, Barfield, is expected to lead the foundation's board, should it come to fruition.

It's not clear what role, as governor, Landry would directly play in the Blue Cross sale either.

For the sale to go through, Blue Cross needs to be converted from a nonprofit to a for-profit business. That conversion and sale require public hearings, consent from the elected state insurance commissioner and approval from two-thirds of the Blue Cross policyholders.

If the sale comes up again before Jan. 8, the current Insurance Commissioner Jim Donelon would have to sign off on it. If it is pushed until after Jan. 8, Commissioner-elect Tim Temple would be one of the decision-makers.

The governor has no specific role in such a transaction, so Landry may not have the ability to block it, even if he wanted to do so.

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