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Comment

I opposed the re-organization plan for Blue Cross Blue Shield of Louisiana. BCBS of LA would change from a company owned by members to a for profit company under Elevanc Health Inc. (former Anthem Inc.) Anthem Inc. paid the largest settlement in data breach history in 2018 (\$115 Million dollars) for their failure that compromised the personal data of approximately 80 million people. Anthem Inc. is currently being sued by the U.S. Department of Justice for Medicare FRAUD (lawsuit filed in March 2020). Anthem lost their motion for dismissal and the case is going to trial. The state appears to have a strong case, IMO. Anthem Inc. "rebranded" to Elevanc Health Inc in 2022 (attempting to distance themselves from their history?) Now Elevanc Health Inc. wants to own and manage BCBS La. The Board of Directors of BCBS La recommended the deal and admit the following: "Section 11.5. Director and Officer Compensation. As is typical in change of control transactions such as the series of transactions contemplated by the Plan of Reorganization, all of the current members of the BCBSLA Board, except for the President and Chief Executive Officer of BCBSLA (who is also a member of the BCBSLA Board), are expected to resign immediately prior to the Closing. Certain of the resigning directors set forth on Exhibit G are currently directors of the Foundation or will become directors of the Foundation at or prior to the Closing, and such directors set forth on Exhibit G will continue as directors of the Foundation following the Closing. The Foundation has not yet determined the compensation structure for the members of its board of directors following the Closing and intends to engage a compensation consultant following the Closing to advise the board of directors of the Foundation on this and other matters." The new company is for profit and stock options and/or grants are often "reasonable" for Directors of for profit companies. However, BCBS La, is currently a mutual company does not have stock to give. The Directors of BcBS La potentially stand to profit from the transaction; how, much we don't know as per section 11.5 is nearly a blank check to these Directors. BCBS La Directors may get enriched by the re-organization by higher pay, more generous benefits and/or STOCK options/grants. Effectively, BCBS La Directors who proposed the reorganization will be paid to "advise" the new company and thus the proposed re-organization has a huge RED flag starting with the motivation by the Board of Directors. Was the proposal put forward by the leadership of BCBS La in good faith and full attention to the fiduciary duties of the Directors? The topic concerns me greatly. I have specific concerns for BCBS La policy holders with respect to the valuation of the company and future cost/benefits from the new company but will address those in a following comment. Best Regards, Paul S. Meche Carencro, La. 70520