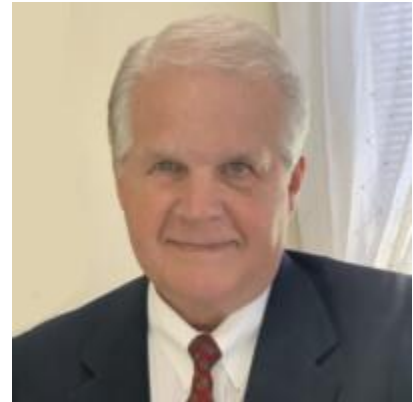


Proposed Sale of Blue Cross Deserves A ‘No’ Vote from Policy Holders in LA



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By Woody Jenkins, Editor, Central City News – Baton Rouge

It is marvelous to listen to the four who resigned their \$105,000-a-year seats on the Board of Directors of Blue Cross talk about the future. If they have their way, they will soon control \$3,200,000,000 that rightly belongs to the policyholders of Blue Cross.

Ahhh, the dreams they have!

Earlier this year, the Board of Blue Cross decided to sell the 90-year-old mutual insurance company owned by people across Louisiana. They learned that Elevance, a mega insurance company with 47 million policyholders, would pay them \$2.5 billion for Blue Cross.

But how would that serve the 1.9 million policyholders of Blue Cross in Louisiana? Well, it really wouldn't, but think of all the money that would be generated!

\$2.5 billion is indeed a lot of money. Plus Blue Cross has about \$1.8 billion in reserve. That's over \$4.3 billion altogether! 4,300 millions!

Of course, Blue Cross is doing a good job and doing well financially. So why sell? Well, actually, there's no reason... except one! Money.

So, as part of this ingenious plan, the proceeds of the sale, \$2.5 billion and about \$700 million from Blue Cross reserves — \$3.2 billion — would be given to a new foundation called Accelerate Louisiana Initiative.

That makes sense, right? Don't give the money from the sale to the owners of the mutual insurance company! No, set up a new foundation that we brilliant minds control, and give the \$3.2 billion to us!

It was incorporated in the State of Delaware last December. The officers and basic documents are not available online, but will certainly include the four Blue Cross board members who resigned their seats on the board.

Think of it! If you are on the board of a non-profit, mutual company owned by policyholders, you have a fiduciary responsibility to make decisions in their interests — not your own! You're not there to take control of their money or feather your nest. Your job is exactly the opposite — to make sure that doesn't happen!

The chairman of the new foundation is an otherwise good man who seems to have been mesmerized by this idea. Another member of the board of the new foundation gushes that the new foundation, which by the way has never raised a penny or administered anything — a foundation with no track record or experience — is ready for the job! In fact, they've travelled to Washington, one of the four bragged, and met with Mitch Landrieu, with Agriculture Secretary Tom Vilsack, and with Elizabeth Cousens of the UN Foundation! They all agree this new Louisiana foundation, which will be one of the 25 largest foundations in the United States, is a marvelous idea.

Of course, he admits, "The foundation is an empty shell right now, as it has no money unless the sale occurs." Nevertheless, "The mission of the foundation is to improve the health and lives of Louisiana!" A grand idea indeed!

This board assures us that the way to do that is to populate the board of the new foundation with "every race, gender, and geography." Of course, those are the things that make a board great.

The chairman of the new foundation says the foundation will aim its work at addressing "Health inequalities across the state"!

So the problem is not poor health but making sure there are no "inequalities" in health across the state. Actually, if you look at the "mission" of Healthy Blue, the joint venture between Blue Cross and Elevance, you will see that it is "diversity, equity, and inclusion." I think I see where this is going.

As New Orleans attorney Henry Kinney told the Joint Legislative Committee on Insurance, "The Board is selling assets that belong to the policyholders. They have no expertise. Yet, they will be doling out hundreds of millions or even billions of dollars as they see fit. Blue Cross is not the Community Chest, designed to be a welfare agency. It is to provide for the health care of the members."

The Board members of the new foundation have no salary at present, presumably because the foundation has no money. But what will happen if they do have the money? The Board members talk about hiring consultants for everything including finding new Board members. Surely they will have to do a nationwide survey on what Board members and the president of the foundation should be paid.

We're talking about a foundation of colossal size — four times larger than the Baton Rouge Area Foundation. Surely the president/CEO will earn in the \$400,000 to \$500,000 range if not more. And Board members? Well, we know the pay of Blue Cross Board members is \$105,000.

The four members of the new foundation's board have complained that they had to beg people to serve on the board of the new foundation!

Really? The ability to hand out hundreds of millions of dollars every year makes a person very popular. Power like that tends to ripple through every aspect of one's life.

So why all the discussion of the foundation?

It's very simple. The sale of Blue Cross would not be happening but for the foundation.

Just ask any of the Board member if they would support the sale if the proceeds were going to the actual owners of Blue Cross, instead of being placed in the hands of the four Board members of the new foundation. You will be met with derision.

The foundation is the reason for the sale!

So here we are — policyholders of Blue Cross — watching all of this play out. If you are happy with your coverage with Blue Cross, your best bet is to vote No!

Keep Blue Cross a Louisiana company answerable to the policyholders.

Keep the company strong and keep it here! That's the best way to make sure our health insurance is reliable and affordable.

And I have to say there's something else. I'm deeply concerned about how health care can be used to control us. We saw that during Covid. Our best chance to make sure health care is not used as a stick against us is to keep it here as a mutual insurance company.