



PRESS RELEASE

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PAR Statement on Blue Cross Sale

A proposed sale of Blue Cross and Blue Shield of Louisiana to Elevance Health involves the creation of a \$3 billion foundation, the Accelerate Louisiana Initiative. The Public Affairs Research Council of Louisiana has concerns about the structure of the governing board that will oversee the foundation, particularly the appointment of a board member by Louisiana's governor.

This appointment would inappropriately give the governor influence over the distribution of investment proceeds from \$3 billion in assets. Such an expansion of the power of the governor's office, which is already too powerful, would come with none of the normal checks and balances that exist within state government.

The governor's appointee would not be subject to state Senate oversight and confirmation. The governor's influence on the foundation, including potentially rewarding his allies or withholding funds from adversaries, would be without review.

PAR's concern is not specific to Gov. Jeff Landry. All future governors would have the same power to fill the spot on the board when vacancies occur.

Blue Cross Louisiana says it is seeking to sell its business to a larger Blue Cross-affiliated company to sustain its long-term economic viability; provide better behavioral health, complex and chronic care programs; and advance innovative health care technology. Critics worry about the loss of local control and jobs, premium increases and Elevance's track record in other states.

Those concerns should be vetted and reviewed as policyholders and state officials decide whether to let the sale go forward. PAR also wants to draw attention to flaws in the creation of the Accelerate Louisiana foundation's board.

Blue Cross agreed to add a gubernatorial appointee and a non-voting observer from the Department of Insurance after Landry raised his own concerns about the sale plans when he was a candidate for governor. PAR has far less concern with the Insurance Commissioner or his delegate serving as a nonvoting member observer, but this may create unintended consequences. For example, all documents reviewed would be subject to public records laws. While the governor's appointee may or may not be considered a public servant, an employee of the Insurance Commissioner most certainly is.

Should it be created, the Accelerate Louisiana Initiative could benefit the state and its citizens. In its current proposed structure, however, that foundation's potential is tainted by the influence of politics.