

Miller v. Elevance Health, Inc.

COURT: United States District Court for the Southern District of Indiana
CASE NUMBER: 25-cv-923
CLASS PERIOD: 04/18/2024 - 10/16/2024
CASE LEADERS: Jeroen van Kwawegen, Avi Josefson, Scott R. Foglietta
CASE TEAM: Brittney Balser, Prue Brady

On May 12, 2025, Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action lawsuit in the U.S. District Court for the Southern District of Indiana alleging violations of the federal securities laws by Elevance Health, Inc. (“Elevance” or the “Company”) and certain of the Company’s current senior executives (collectively, “Defendants”). The action is brought on behalf of all investors who purchased or otherwise acquired Elevance common stock between April 18, 2024, and October 16, 2024, inclusive (the “Class Period”).

The case is captioned *Miller v. Elevance Health, Inc.*, No. 25-cv-923 (S.D. Ind.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. To view the complaint, see the Case Documents section of this page.

Elevance’s Alleged Fraud

Elevance is a healthcare company that, among other things, provides health insurance plans to a variety of markets. This includes contracting with states to administer Medicaid benefits for eligible beneficiaries. Elevance prices premiums based on the historical and expected cost to provide benefits. Among other things, the cost of providing health benefits to members is driven by the level of care a patient requires, often referred to as “acuity,” and the members’ utilization of the health benefits.

States regularly conduct an eligibility review to “redetermine” whether Medicaid beneficiaries still qualify for coverage. In response to the COVID pandemic, the federal government temporarily disallowed states from redetermining the eligibility of Medicaid recipients. The moratorium on redetermination was lifted in 2023, and states resumed the redetermination process. Most states expected to finish the redetermination process by mid-2024.

The complaint alleges that, throughout the Class Period, Defendants represented to investors that they were closely monitoring cost trends associated with the redetermination process and that the premium rates Elevance was negotiating with states were sufficient to address the risk and cost profiles of those patients staying on Medicaid programs. While Defendants acknowledged that Medicaid expenses were rising, they repeatedly assured investors that this was adequately reflected in the Company’s guidance for the year.

In truth, the redeterminations were causing the acuity and utilization of Elevance’s Medicaid members to rise significantly, as the members being removed from Medicaid programs were, on average, healthier than those who remained eligible for the programs. This shift was occurring to a degree that was not reflected in Elevance’s rate negotiations with the states or in its financial guidance for 2024. The truth began to emerge on July 17, 2024, when the Company revealed that it was now “expecting second-half utilization to increase in Medicaid.” In response to this disclosure, the price of Elevance common stock declined by \$32.21 per share, or 5.8%. However, Defendants continued to make false, reassuring statements to investors concerning the extent of the cost increase and how that was accounted for in the Company’s full year guidance.

The truth was further revealed on October 17, 2024, when Elevance announced its financial results for the third quarter of 2024, revealing that the Company had missed consensus earnings per share ("EPS") expectations for the quarter by \$1.33, or 13.7%, "due to elevated medical costs in [its] Medicaid business." Elevance further revealed that it was lowering EPS guidance for 2024 from \$37.20 to \$33.00, or 11.3%, as it expected these Medicaid issues to continue. These disclosures caused the price of Elevance common stock to decline by another \$52.61 per share, or 10.6%.

If you wish to serve as Lead Plaintiff for the Class, you must file a motion with the Court no later than July 11, 2025, which is the first business day on which the U.S. District Court for the Southern District of Indiana is open that is 60 days after the publication date of May 12, 2025. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at 212-554-1903, or via e-mail at scott.foglietta@blbglaw.com.

Case Documents

- May 12, 2025 - Initial Complaint
- May 12, 2025 - PSLRA Notice