

More Obstacles for BCBSNC

Company can't switch to for-profit yet

By LAURA HINSON
Staff Writer

The BlueCross BlueShield Association unanimously rejected a proposal Aug. 19 by BlueCross BlueShield North Carolina to convert the organization from nonprofit to for-profit.

BCBSNC officials were not surprised by the national association's decision because they were aware the association was concerned with the agreements, said BCBSNC spokeswoman Michelle Vanstory.

"We knew our agreements were going further in the power of the independent foundation than any other plan," said Vanstory. "It turns out the association just wouldn't go for anything over what they had in previous decisions approved."

Ed Domanski, spokesman for the national BlueCross BlueShield Association, said the decision was made because BCBSNC's plan did not meet the standards set for conversion set by the association.

"Their conversion plan was not in compliance with conversion rules," said Domanski.

The major issue in the conversion process is the establishment of a foundation that would address North Carolina's health needs and handle the company's business in the early days following conversion.

After the conversion, the foundation would initially receive 100 percent of the stock in the company. The foundation would then sell the stock over several years, providing money to promote the health of North Carolinians.

If the foundation received 100 percent of the company's stock, it would be in violation of the national standards, which state that no individual or entity can own more than 5 percent of the company.

But BCBSNC is not giving up on its mission to convert. Officials plan to negotiate with the N.C. Department of Insurance and the attorney general to devise a new plan that will meet the standards set by the national association.

"We now, after meeting with the association last week, have a clear idea of what they will and will not approve," said Vanstory.

One point of contention BCBSNC will not budge on is the issue of the

shield and cross trademarks. The national BlueCross BlueShield Association ruled that BCBSNC could not keep the trademarks if it converted to a for-profit organization as proposed in the plan.

BCBSNC refused to comply with that demand. "It's more than important; it's essential," Vanstory said. "Without the trademarks, the value of the company greatly diminishes."

BCBSNC submitted its conversion plan July 26 for the second time. While the plan was compliant with a 1998 N.C. law on conversion, there were still points of contention, said Department of Insurance spokeswoman Chrissy Pearson.

The job of the Department of Insurance in the conversion process was to protect the policyholders and to make sure the principles in the laws were upheld.

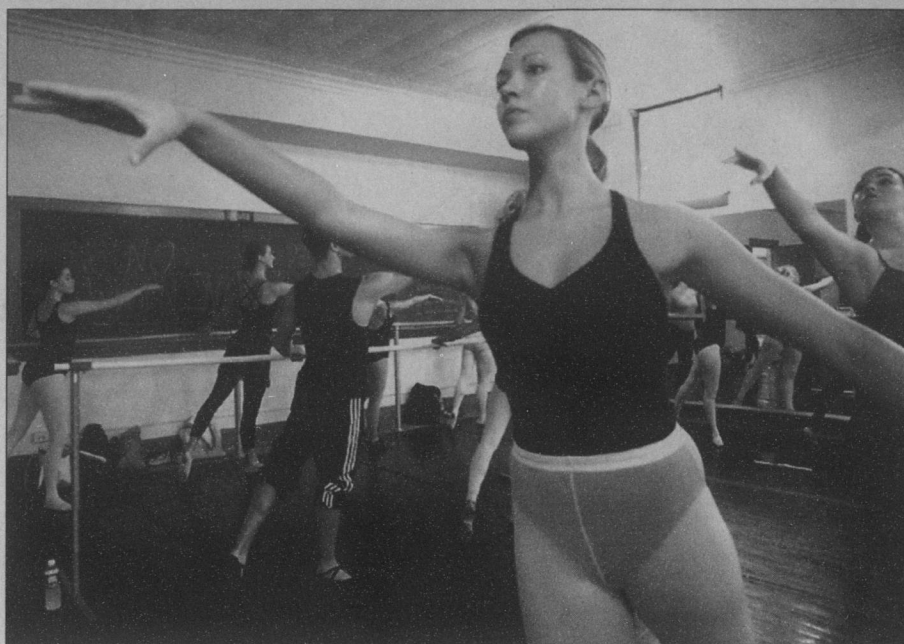
Pearson said that at the time of resubmission, there were still a number of issues that needed resolution.

The national association has left the door open for BCBSNC to renegotiate.

Domanski said, "The association supports Blue Cross of North Carolina's plan to convert, as long as it is in compliance with conversion rules."

The City Editor can be reached at citydesk@unc.edu.

DANCING QUEEN



DTH/KIMBERLY CRAVEN

Sophomore journalism major Kiley Baker practices her dance moves in front of a mirror during "Intermediate Jazz Dance," a class that meets on Tuesday and Thursday mornings in Woollen Gym. Baker's class is one of seven dance classes being offered this semester.

BOWLES

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staff from 1996-98 under President Clinton. Bowles also was director of the Small Business Administration under Clinton in 1993.

Bowles' ties to North Carolina include Charlotte's merchant bank

Carousel Capital, which he helped found in 1996.

Bowles will focus on higher education issues, the state of the economy and health care among other topics, said Bowles spokesman Brad Woodhouse.

He added that Bowles views the opportunity as a chance to reach out to young voters.

"He'll be talking about why he's running for Senate and what he hopes to accomplish there," Woodhouse said. "He'll encourage young people to support him in the primaries and in the general election."

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RESOLUTION

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port of academic freedom.

Though Pope said the BOG has every right to issue a resolution supporting academic freedom, he said the move champions academic autonomy while ignoring universities' accountability to state citizens.

"A larger issue is that the university is funded by the people of North Carolina," Pope said. "It is not an infringement on academic freedom for the General Assembly to pass a resolution or provision expressing concern about a required reading."

He added that system officials have grossly misconstrued the essence of the House provision. "I think it's just bogus to put this in the context of academic freedom instead of accountability," Pope said. Despite any opposition to the BOG's resolution, Hackney, who was one of

the few members to vote against the House provision, said he does not anticipate any legislative repercussions because the House budget provision only reflects the stance of a select few.

"The only vote that was on it was in the committee," he said. "That was a political move aimed at helping one party over another."

Rep. Eugene Rogers, D-Martin, said the BOG resolution is addressing a moot point because representatives' views have shifted and the provision is ostensibly dead. "I think the whole brouhaha is over by now."

Rogers said he originally voted in favor of the House provision because the UNC-CH summer reading was presented as a requirement and because he thinks students should have the right to choose among course offerings.

"I voted for the resolution because of the requirement and for no other reason," he said. "I think (universities) ought to be able to teach anything they want to."

Rogers added that the BOG's resolution was passed to support UNC-system faculty and was not directly aimed at the House budget provision.

"They want to support the faculties on the various campuses," he said. "That doesn't bother me. It's no big deal with me if they want to support the faculty."

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LAWSUIT

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Boger, a UNC law professor.

But Boger doesn't think the case will take long at all.

He expects it to be thrown out by the judge. He called the case "weak" and "impossible to prove" based on the precedents it cites.

"Their case is built on a sequence of arguments any of which would bring a failing grade in a constitutional law class," he said.

Boger said the dismissal of the injunction was an indication of the judge's feeling on the case. "In effect it decided the case before they decided the case," he said. "They made a preliminary judgment that it is not a viable suit."

Attorneys for the AFA claim UNC's reading assignment impedes on the constitution's establishment clause, which prevents any government entity from promoting religious beliefs.

The AFA argues that requiring freshmen to read portions of the Islamic holy book violates that law.

The Supreme Court is actually leaning in the other direction from limiting religion's influence, Boger said, pointing to this summer's ruling on school vouchers.

He said the requirement element is not problematic, contrary to the AFA's claims.

"The University requires students to take a lot of classes, many with content that is offensive," Boger said.

Even though the event is over, the AFA is hoping to set a precedent concerning requiring the reading of religious beliefs.

But legal experts said that in order for them to set an example, the AFA attorneys will have to prove that this situation could come up again. Boger said that will be hard to do, even though it is an annual program. "This issue has lost liveness because the event came and went."

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COMMENCEMENT

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Rouhanifard said the speaker was chosen from a list of 12 possibilities forwarded to Moeser last spring by the Commencement Speaker Committee.

The committee, which met several times last semester, was composed of Rouhanifard, Albright, Student Body President Jen Daum, Graduate and Professional Student Federation President Branson Page and four faculty members.

The list sent to Moeser included, but was not limited to, some people nominated by this year's senior class in an online forum Rouhanifard conducted last spring, the officers said.

Entertainer Bill Cosby received the most votes from seniors, but also receiving support were U.S. Senate candidate Elizabeth Dole, former UNC men's basketball coach Dean Smith, poet Maya Angelou, talk show host Oprah Winfrey, National Security Adviser Condoleezza Rice and former New York City Mayor Rudy Giuliani. Rouhanifard and Albright declined to

reveal if the invited speaker came from names submitted by the senior class.

Two candidates nominated by members of the speaker committee were included in the list Moeser received.

Rouhanifard said the University sent the invitation at the end of last semester, earlier than speaker invitations have been sent in the past.

"I'm really happy with the time frame," Rouhanifard said, noting that the early invitation will give the potential speaker more time to avoid scheduling conflicts.

Last year, a formal invitation was not sent until November, and the selection of U.S. Sen. John Edwards, D-N.C., as speaker was not announced until January.

Senior officers said almost everyone would be happy with the invited speaker. "I think students and faculty will be happy if he or she accepts," Rouhanifard said.

Senior marshal Karine Dube said students' voices were heard. "Students had a big say," she said.

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