

BLUE CROSS BLUE SHIELD EMPLOYEE AND OFFICER COMPENSATION FOR YEAR ENDING 12/31/06

NAME	TITLE	SALARY	BONUS	ALL OTHER COMPENSATION	TOTAL
Robert J. Greczyn Jr.	President and CEO	\$862,151	\$2,209,489	\$32,136	\$3,103,776
Daniel E. Glaser	Chief financial officer	443,846	708,920	14,061	1,166,827
James B. Wilson	Chief operating officer	456,923	665,596	13,185	1,135,704
Frederick Goldwater	Senior vice president/commercial and government operations	376,153	619,214	15,946	1,011,313
Robert T. Harris	Senior vice president of health care services and chief medical officer	362,500	588,185	14,985	965,670
John T. Roos	Chief sales and marketing officer	356,539	555,785	13,379	925,703
John S. Sternbergh	Senior vice president and chief information officer	332,308	535,765	14,519	882,592
Robert T. Vavrina	Senior vice president of human resources	263,269	456,590	15,946	735,805
Maureen K. O'Connor	Chief administrative officer, general counsel and corporate secretary	323,077	399,936	12,517	735,530
John M. Friesen	Vice president of actuarial and underwriting and chief actuary	255,091	296,166	6,253	557,510
Total:		\$4,031,857	\$7,035,646	\$152,927	\$11,220,430

Source: Blue Cross annual report to the N.C. Department of Insurance

Insurer

Continued from Page A1

Blue Cross, meanwhile, insures about 120,000 people in Guilford County. Its patients account for 16 to 18 percent of Cone's revenue. It is the largest of more than 900 insurers that do business with Cone.

Since Cone canceled the contract, readers have submitted questions to the News & Record about the two entities and their current impasse. We answer some of them here.

Q. What are the two disagreeing about?

A. Primarily, fees paid by Blue Cross to Cone for treatment of people it insures. The exact amounts of those fees are not public.

Cone is seeking an 18 percent increase in its payments from Blue Cross for 2007-08, an 8 percent increase for 2008-09 and 7 percent for 2009-10, for a total 36 percent increase by July 1, 2009, spokesman Doug Allred said.

Blue Cross CEO Bob Greczyn criticized the 36 percent increase in an Aug. 10 column in the News & Record. Blue Cross officials also have said they will not negotiate with Cone while a cancellation notice is in effect. Cone says Blue Cross is the only insurer it deals with that makes that stipulation.

Cone has said Blue Cross' reimbursements are less than those of other insurers for similar services. Blue Cross says it is simply trying to use its leverage as the state's largest insurer to keep costs low.

Cone officials also say rising costs for service are driving their demand.

Cone already had 2,300 nursing positions; it has created the equivalent of 100 new positions for 2007-08 and expects to add another 100 in 2008-09. Nursing pay varies depending on area of specialty, experience and shift, but the average hourly pay for all grades of nurse is \$26.41, Allred said, or about \$55,000 annually.

Q. Why did Cone cancel its contract?

A. The contract officially ended July 1, but it would have remained in effect indefinitely unless one side or the other gave 90 days' notice of cancellation. Cone felt it had no leverage with Blue Cross unless it canceled the contract, Allred said.

Q. What should I do if Nov. 1 passes without a contract and I need hospital care?

A. Blue Cross members may be eligible to receive in-network care at Moses Cone for a transition period if they are already being treated for an acute, chronic or terminal illness that requires continuing acute hospital care.

Other requests, Blue Cross spokeswoman Heidi Deja said, are likely to be considered out of network or rejected.

She urged Blue Cross mem-

MOSES CONE'S OFFICER AND EMPLOYEE COMPENSATION FOR YEAR ENDING SEPT. 30, 2006

NAME	TITLE	COMPENSATION	CONTRIBUTION TO EMPLOYEE BENEFIT PLANS	TOTAL
R. Timothy Rice	President/CEO	\$785,890	\$49,703	\$835,593
Susan Fitzgibbon	Executive vice president/assistant secretary	285,290	36,979	322,269
Timothy J. Clontz	Executive vice president/assistant secretary	258,731	40,516	299,247
Elizabeth S. Ward	Chief financial officer/treasurer	412,261	39,203	451,464
Glenn Waters	Chief operating officer	467,576	35,596	503,172
Noel F. Burt	Vice President/assistant secretary	270,832	36,767	307,599
Joan Wessman	Chief nursing officer	295,004	37,174	332,178
James Roskelly	Vice president/assistant secretary	218,702	25,540	244,242
Rene Smith	Assistant treasurer	110,712	17,029	127,741
Marcia Turner	Assistant treasurer	108,798	16,907	125,705
David Kitzmiller	Assistant treasurer	111,388	26,618	138,006
Sally Hammond	Assistant treasurer	83,494	10,372	93,866
Marva Jarman	Assistant treasurer	95,419	15,823	111,242
Thomas Gettinger	Executive vice president/assistant secretary	276,789	26,504	303,293
Total		\$3,780,886	\$414,731	\$4,195,617

These officers and employees did not have expense accounts and received no other compensation. Moses Cone's trustees served without pay in 2005-06.

Source: Moses Cone's 2005-06 IRS Form 990

BLUE CROSS BLUE SHIELD DIRECTORS COMPENSATION FOR YEAR ENDING DEC. 31, 2006

NAME	COMPENSATION PAID OR DEFERRED FOR SERVICES AS DIRECTOR	ALL OTHER COMPENSATION PAID OR DEFERRED	TOTAL
Edward Rhone Sasser*	\$49,235	\$3,620	\$52,855
Jeffrey Lyle Houpt	41,959	2,059	44,018
James Ralph Talton Jr.**	39,026	4,060	43,086
Lloyd Vincent Hackley	38,732	2,000	40,732
Felix Carson McDaniel	38,818	1,287	40,105
John Onslow McNairy	37,025	3,019	40,044
Frank Brown Holding Jr.	39,811	0	39,811
Harold Martin	36,314	3,055	39,369
Lars Steven Nelson	35,840	3,005	38,845
Imogene Radeker Stevens	37,463	232	37,695
Wendell Holmes Murphy*	33,475	2,773	36,248
Roberta Bromberg Bowman	31,428	232	31,660
James Thomas Williams Jr.	31,428	232	31,660
John Elisha Raper Jr.	11,914	0	11,914
Totals	\$484,788	\$25,574	\$510,362

*Now retired from board **Deceased

Source: Blue Cross annual report to the N.C. Department of Insurance

bers in non-emergency situations to ensure that they have appropriate authorization before seeking to use their in-network benefits for non-emergency services at an out-of-network hospital.

Referring physicians, she said, should be willing to help members with this process and can call the company's Medical Resource Management Department to request authorization for in-network services at an out-of-network hospital.

Prior authorization is also required for any non-emergency inpatient services at an out-of-network hospital.

More information, including a list of such hospitals within about an hour's drive of Greensboro, is available at www.bcbsnc.com.

Q. What if I'm going to have a baby?

A. Women in their second or third trimester as of Nov. 1 can submit a request through their physician to continue to get in-network services at Moses Cone.

The physician also will have to obtain authorization for in-

patient delivery stays.

Q. What do I do in an emergency?

A. Go to the nearest emergency room. Hospitals are required by law to treat you at in-network rates whether or not they are in your insurer's network.

Don't let questions about insurance stand in the way of emergency help.

Q. How much does it cost Moses Cone to care for people with no money or insurance?

A. For fiscal year 2005-06, Cone incurred charges of \$90.1 million in charity care, bad debt, Medicare shortfalls and Medicaid shortfalls. Those figures are its costs, not what it charges for those services. Charity care alone amounted to \$28.9 million. As with most other hospitals, the total figure is shifted to private patients and insurance companies, amounting to a 30 percent tax on them in Cone's case, Allred said.

Q. How much money are the highest-paid officers and directors of each entity paid?

A. See the accompanying charts.

Q. Why is there such a great difference in the figures when both Blue Cross and Cone are nonprofits?

A. "It takes strong, experienced leadership to run a company the size of (Blue Cross)," Deja said, referring to total pay of half a million dollars up to \$3.1 million for Blue Cross's top executives. "Our leadership is paid at the mid-range of comparably sized insurers."

Moreover, Blue Cross is a statewide company, insuring about one in three North Carolinians and taking in more than \$4 billion in revenues annually. Moses Cone is a regional hospital system that takes in about \$767 million in revenues annually.

Also, Blue Cross is a nonprofit, but there are different kinds of nonprofits. Moses Cone, as a charitable nonprofit, does not pay taxes. Blue Cross paid about \$140 million in taxes in 2006.

Q. With this dispute being primarily about money, how much cash does each entity have on hand, and why?

A. Cone keeps about 300 days' worth of expenses in cash, Allred said. But the institution expects to have to spend a great deal to renovate its 50-year-old North Elm Street campus soon. Without an endowment or other sources of renovation money, the hospital will have to pay for the work out of operations money, Allred said.

Blue Cross is required by law to keep between three and six months' expected expenditures, partly in case of an unexpected health crisis or a disaster. It currently holds about 3.9 months' worth of expenditures in reserve, Deja said. That figure, she said, is close to the four months' worth that Blue Cross's reserves have averaged for the past 25 years.

Contact Lex Alexander at 373-7088 or lalexander@news-record.com