



Montgomery County Council

For Immediate Release

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COUNCIL TO STATE: JUST SAY “NO” TO CARE FIRST SALE

Sale of Non-Profit to For-Profit Would Risk Access to Care for Needy

The Montgomery County Council today unanimously urged Maryland's state insurance commissioner and the state legislature to reject the proposed sale of Maryland's non-profit CareFirst BlueCross BlueShield to a California-based, for-profit HMO.

“The state of Maryland should ‘just say no’ to the sale of CareFirst,” said Councilmember Tom Perez. “Nearly 7,000 Montgomery County families depend on Care First as an insurer of last resort to protect their health – along with tens of thousands of other Marylanders. If this deal goes through, Montgomery County is going to end up picking up more and more of the tab for basic health care for the uninsured. Instead of selling off Care First, we ought to be strengthening it and make sure it fulfills its non-profit mission.”

Councilmembers were joined in the Rockville Council Chamber by a broad array of organizations -- including both health care providers and consumers – who oppose the CareFirst bid.

“The purchase of Care First by WellPoint Health Networks of California will inevitably mean a reduction in quality health care services for working families,” said Councilmember George Leventhal, chair of the Council's Health and Human Services Committee. “At the same time, Care First's board of directors would be well compensated under the proposed sale for selling off the company – even if they've backed off, under public outcry, the initial \$100 million sweetheart package of bonuses and severances planned for top CareFirst executives.”

State insurance commissioner Steve Larsen has completed his hearings on the
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sellout by CareFirst and is scheduled to issue his decision on February 20.

“The facts are in – the public interest is not served by allowing the sale of Care First to a giant California HMO,” said Councilmember Nancy Floreen. “Our safety net for families in need of access to decent health care is thin and hard-pressed enough without making matters worse.”

Should Larsen decide to allow the sale to proceed, state legislators have introduced resolutions to block the sale.

“If necessary, we urge our Montgomery County state legislators to be ready to step up to the plate and stop this deal from happening,” said Council Vice President Steve Silverman. “At a time when we ought to be moving toward assuring all Maryland families the health care they need, this sale would move us in the wrong direction.”

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