



**Commissioner Donna Lee H. Williams**

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**COMMISSIONER WILLIAMS ENCOURAGED BY PROPOSED CHANGES  
TO BLUE CROSS BLUE SHIELD OF DELAWARE/CAREFIRST  
AFFILIATION: "WE APPEAR TO BE ON THE RIGHT TRACK  
TO PROTECT DELAWARE'S CITIZENS"**

Dover, DE. – Commissioner Donna Lee H. Williams announced today that she is “encouraged” by the progress shown by Delaware Blue Cross Blue Shield as it addresses concerns over its affiliation with CareFirst. These concerns became critical this past Spring when lawmakers in Maryland, home of affiliate parent CareFirst, passed Legislation which appeared to significantly alter the governing relationship among affiliate members. Washington D.C.’s Blue Shield/Blue Cross is the third member of the CareFirst relationship.

In May, Commissioner Williams called for hearings to evaluate, and if necessary change, the Delaware Insurance Department Order that allowed and set the terms for the affiliation. These hearings are set to commence on November 4, 2003.

In advance of those hearings, Commissioner Williams has ordered her staff to work closely with working groups of Delaware Blue Cross/Blue Shield and CareFirst to focus on issues created by the Maryland Legislation. “It is imperative that Delaware subscribers and other stakeholders be assured that their concerns are kept paramount if an affiliation is to continue,” said Williams.

**On Monday, Commissioner Williams received a letter from the Blue Cross Blue Shield Delaware (“BCBSD”) board reporting on the adoption of a Resolution calling for significant changes to the way BCBSD has interacted with CareFirst. As a result of its and Commissioner Williams’ concerns, BCBSD’s board has voted to retake majority control over the BCBSD. Under the proposal, BCBSD would seek a Blue Cross Blue Shield Service Mark under its own name rather than through the affiliation. An affiliation will continue on contractual basis rather than through the member structural basis. CareFirst has agreed to support the proposed changes.**

**CareFirst and BCBSD told Commissioner Williams that they “acknowledge and appreciate” the assistance provided by her Department as it addresses the issues. They pledged to continue to cooperate to resolve remaining issues.**

**“While I will not prejudge the result of this very complex process, I am encouraged that this is an important step in establishing and maintaining the protections that Delaware’s citizens require,” Williams said. “My staff has been instructed to continue pressing our Department’s concerns as they meet with all parties and their respective regulators, and I am hopeful that there will be further progress.**

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