## Blue Cross Blue Shield to buy U-M's M-Care

## School says sale is mission-focused

## BY KATIE MERX

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The University of Michigan confirmed Tuesday that it plans to sell M-Care, its health insurance company, to Blue Cross Blue Shield of Michigan and its Blue Care Network subsidiary.

Neither the university nor Blue Cross could say how many of the 400 M-Care workers would be affected. They also would not release the terms of the deal Tuesday. Some financial details are expected Sept. 22 when the U-M Board of Regents votes on the sale.

U-M said it expects to complete the sale this year or early in 2007, pending regulatory approval.

"This is a mission-focused decision," said Dr. Robert Kelch, U-M executive vice president for medical affairs and U-M Health System CEO. "As we plan for the future, we must ensure our resources are directed and directed well at our core mission: patient care, research and public mission."

Consolidation is common among insurers as small health plans run up against the financial costs of making technology produce by plroduce costs of the costs of th

services to Blue Care Network under a lease agreement for a period of time through the transition. After that, the university said it will help employees find jobs at Blue Cross, elsewhere in the university and in the community.

The university will give employees notice of 60 or 90 days, depending on length of service, if their jobs are eliminated.

Blue Cross employs about 8,000 people.

"We know that any transition of this magnitude causes concern, but we pledge to work to make it as smooth as possible for all involved," Kelch said.

Technically, M-Care and its subsidiary, M-Caid, would be sold to Blue Care Network, a Blue Cross subsidiary. M-Care's subsidiary, **Michigan Health Insurance Corp.**, would be sold to Blue Cross.