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College, Harvard University, the Lahey Clinic, Lifespan, Massachusetts General Hospital, and Neighborhood Health Plan of Rhode Island. Harvard Pilgrim Health Care and the Tufts Associated Health Maintenance Organization do compensate their boards, but "despite the fact that both of these entities are larger than Blue Cross in terms of annual revenues and number of subscribers, both entities compensate their board substantially less than the board compensation amounts proposed by Blue Cross," Koller wrote. In support of its application, Blue Cross submitted a report from Michaud Economic Consulting saying the company's directors "are entitled to annual compensation in the range of \$75,000-\$130,000," Koller quoted the report as saying. Blue Cross also submitted a survey showing that most Blue Cross plans, including other nonprofit plans, compensate their boards, and a letter from the consultancy SpenserStuart calling the company's request "justified and below the appropriate benchmarks for other organizations of [Blue Cross'] size and complexity." But, Koller ruled, "The evidence is overwhelming that the boards of nonprofits in the health-care sector generally do not receive compensation." Blue Cross, he wrote, "provided no evidence that the responsibilities of its board are any more difficult or demanding than those of the boards of other complex health-related entities." Blue Cross spokeswoman Kim Keough said the insurer was "disappointed" with Koller's decision, but was yet decided whether to appeal. The insurer came under increased scrutiny last year after the disclosure of executive perks given to its president, Ronald A. Battista, who has since resigned. The perks included \$600,000 in company loans, a Mercedes and a \$2.8-million compensation package in 2003. Blue Cross' request to Koller, and Koller's opinion, stayed away from the issue of health coverage. The company ceased providing free health coverage for board members appointed after 2000, but current board members, and past board members remained eligible, as did past board members with at least three terms of service. In January, Superior Court Judge Michael A. Silverstein ordered the six sitting board members to start paying the insurer for their coverage. December 30, 2005

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