

# Mass. Blues looking to make HMO a not-for-profit

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BOSTON – Blue Cross Blue Shield of Massachusetts wants to transfer its HMO line of business to a not-for-profit subsidiary controlled by the company.

Executive Vice President Peter Meade said the company is making the change in order to compete with other HMOs that have nonprofit status.

“We’re looking to create a level playing field for our HMO line of business,” he said.

Non-profit HMOs and for-profit HMOs are currently not regulated in the same way. For-profit HMOs have to pay a tax that they pass along to customers, one that is not required of nonprofit HMOs.

The subsidiary will be known as Blue Cross Blue Shield of Massachusetts HMO Blue Inc.

The company has applied to the Massachusetts Division of Insurance for an HMO license and hopes the change will be completed by the end of the next quarter.

A DOI spokesman that a hearing will be held in the near future. □