

## **Blue Cross and Blue Shield of North Carolina** <sup>[1]</sup>

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by Wiley J. Williams, 2006

See also: [Insurance](#) <sup>[2]</sup>

In 1927 [Wilburt C. Davison](#) <sup>[3]</sup>, dean of the newly created [Duke Medical School](#) <sup>[4]</sup>, began to tackle the problem of inadequate medical care in North Carolina. With the assistance of Watson S. Rankin, director of the Hospital and Orphan Sections of the Duke Endowment, Davison investigated a Roanoke Rapids medical plan that required employees of the area's [textile mills](#) <sup>[5]</sup> to prepay Roanoke Rapids Hospital 25¢ per week per family, entitling them to receive basic minimum care at the hospital. Davison then called on [George Watts Hill Sr](#) <sup>[6]</sup>, a [Durham](#) <sup>[7]</sup> banker-philanthropist and president of the board of directors of Watts Hospital, and other Durham businessmen and doctors to arouse their interest in setting up a plan on a community-wide basis with all community hospitals participating.

In August 1933 Davison and others established the [Hospital Care Association](#) <sup>[8]</sup> in [Raleigh](#) <sup>[9]</sup>, a voluntary plan of prepaying hospital bills. Unlike other prepayment plans, this one was open to citizens all across the state. By pooling funds, Hospital Care provided members access to hospital treatment and provided hospitals much-needed financial support. Having foundered in Raleigh by November 1933, the organization reorganized and moved to Durham, where Hill's interest in the prepayment idea continued and Duke and Watts hospitals provided credit extensions.

In November 1935 a competitive hospital prepayment plan, Hospital Saving Association, was established in Chapel Hill. Three years later, both Hospital Saving and Hospital Care were approved by the [American Hospital Association](#) <sup>[10]</sup> to display the Blue Cross symbol. In 1941 the General Assembly enacted Chapter 57 of the General Statutes of North Carolina (recodified as part of [Chapter 58](#) <sup>[11]</sup> in 1987), which became the legal enabling act governing the operation of both plans. The spirit of competition resulted in both associations expanding their choices of hospital, medical, and surgical benefits; and each added group, life, and related benefits by organized subsidiaries to compete with commercial package plans for major medical benefits. Between 1946 and 1956, combined membership of the Hospital Saving and Hospital Care plans tripled.

On 2 Jan. 1968 the two organizations finally merged as North Carolina [Blue Cross and Blue Shield](#) <sup>[12]</sup>, and the North Carolina Department of Insurance subsequently gave its approval. The present name, Blue Cross and Blue Shield of North Carolina, Inc. (BCBSNC), was adopted in 1973.

Beginning in the 1990s, pressure grew to convert BCBSNC to a for-profit company. To further these efforts and to produce greater profits and continue to increase its membership, the company acquired [Partners National Health Plan](#) <sup>[13]</sup>, the state's largest for-profit health maintenance organization, in October 2001. The BCBSNC Foundation was established in November 2000, and its first gift of \$1 million went to the ECU CARE program at the [Brody School of Medicine](#) <sup>[14]</sup> of [East Carolina University](#) <sup>[15]</sup>; this was an attempt to strengthen the company's claim that becoming a for-profit business would help the organization compete with larger companies as well as aid the people of North Carolina. As of 2006, BCBSNC remained a not-for-profit health care company with more than 3,000 employees and 3.2 million members. The company is headquartered in Chapel Hill, with field offices in [Charlotte](#) <sup>[16]</sup>, [Raleigh](#) <sup>[9]</sup>, [Winston-Salem](#) <sup>[17]</sup>, Hickory, [Greenville](#) <sup>[18]</sup>, and [Wilmington](#) <sup>[19]</sup>.

#### **References:**

Blue Cross and Blue Shield of North Carolina, *Fifty and Forward* (1983).

V. H. Hart, "The History of Blue Cross and Blue Shield of North Carolina," in Dorothy Long, ed. *Medicine in North Carolina: Essays in the History of Medical Sciences and Medical Services, 1524-1960* (1972).

Jeff Zimmer, "Blue Cross Still Awash in Green," *Durham Herald-Sun* (16 Nov. 2002).

#### **Additional Resources:**

Blue Cross and Blue Shield of North Carolina: <http://www.bcbsnc.com/> <sup>[20]</sup>

Oral History Interview with George Watts Hill, January 30, 1986. Interview C-0047. Southern Oral History Program Collection (#4007), DocSouth: [https://docsouth.unc.edu/sohp/C-0047/excerpts/excerpt\\_4958.html](https://docsouth.unc.edu/sohp/C-0047/excerpts/excerpt_4958.html) <sup>[21]</sup>

Predecessor to BCBS of NC:

[http://cspcs.sanford.duke.edu/sites/default/files/descriptive/predecessor\\_to\\_blue\\_cross\\_and\\_blue\\_shield.pdf](http://cspcs.sanford.duke.edu/sites/default/files/descriptive/predecessor_to_blue_cross_and_blue_shield.pdf) <sup>[8]</sup>

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[21st Century \(2001-present\)](#) <sup>[22]</sup>

Businesses [23]

Great Depression (1929-1941) [24]

N.C. Industrial Revolution (1900-1929) [25]

Post War 20th Century (1946-2000) [26]

World War II (1941-1945) [27]

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