

# profile

*Anniversary 1944-1994*  
STILL LEADING... STILL GROWING... STILL CARING

50<sup>TH</sup>

November 30, 1994

## Planning for the future

**EDITOR'S NOTE:** The following is an edited version of the address BCBSF president William E. Flaherty delivered at the 1994 annual Sales/Marketing Conference. Mr. Flaherty began his remarks with a highlight of the year's achievements and then presented the company's direction for the future.

**three**

Health care measures are sidelined...



**H**ow do we continue to grow our business and succeed? How do we position our company to take advantage of the changing character of health care — both in terms of the revolution that is occurring within the industry and in terms of health care reform? How can we compete effectively as new players enter the market and the basis of competition changes?

It's a lot easier to address these questions in three days rather than in 40 minutes. To boil it down, you have to skip some important parts. On the other hand, it's obvious we don't have three days to talk about strategy. I say this only to acknowledge the complexity.

You want to produce the products and services at the lowest cost possible. Then, turn around and sell to our customers at the best price possible — which is really in terms of *their* view of value that includes added value features truly appreciated by the customer.

We know that the best price in the competitive market is not always the lowest price. Rather, it is that value proposition as determined by the market.

I hope our strategy sounds familiar. The company's underlying corporate strategy is not dramatically changing.

Our fundamental corporate strategy is to achieve low cost producer status. This gives us the choice of growing our business by giving our customers added value features or by lowering prices to be competitive.

Our goal of 25 percent market penetration also remains unchanged. What we are changing, however, are some elements of the strategy.

### Historical perspective

To understand why and what we need to change, let's take a minute and look at where we are today — and where we need to be — in some key areas.

We have about two million customers. For long-term success, we want to account for roughly 12 to 15 percent of future total-health-care revenues in our state. Since government programs account for nearly one-half of all inpatient medical care, it will require approximately 25 percent penetration of the private market to equal 12 – 15 percent of total spending. Today, we are below 25 percent market penetration, and the market is growing so we must grow significantly. In fact, we will need to increase membership from almost 2 million to 4 million!

What are some of the things we must do to double our number of customers by the turn of the century?

We can accelerate growth within our markets by developing a deeper understanding of the competitive

advantages of our programs within each market segment and by entering new markets. We are looking at managed care for Workers' Compensation as an example of a new market.

Developing new products and delivery systems is another avenue. We also need to better understand our cost structure and strengthen our pricing strategies and policies to support higher performance.

And finally, we have to reengineer the processes that have been historic to our company. These reengineered processes — supported by new computer systems — will help us achieve higher levels of performance and lower operating costs.

Other competitors are going to go through major reengineering efforts. Some have already started. Their administrative expenses will be driven down.

When you reengineer processes, you can gain economies of scale with providers. We also gain economies of scale by selling products that may vary, but vary in a predictable way, so that you can gear up your operations to support them.

We are looking at an administrative expense goal of 5 to 10 percent. We think that's what it's going to take to win in the future market. And we need to reach that goal by no later than the year 2000.

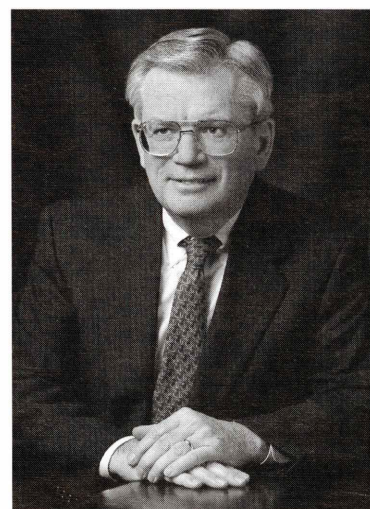
Other drivers of change, such as medical cost increases, have come down. In some of our segments, they are flat. We see lower rates of medical increases triggering intense price competition, rate guarantees, and other forms of competition that will drive change and create a need for us to change.

Somebody once said, success breeds failure. We want success to breed change. We know we must change.

The basis of competition is changing. The marketplace is dynamic. Cost, access and service are being redefined.

Quality has been added as a new dimension. We think quality will be viewed as essential. The customer has to perceive quality not only in what we do but in the clinical experience as well.

The dimensions of competition will change, and so will the measurement systems for dealing with them.



*"The basis of competition is changing.*

*The marketplace is dynamic.*

*Cost, access and service are being redefined."*

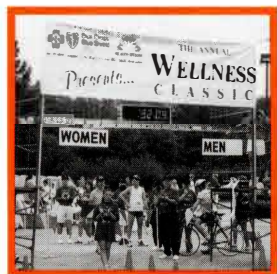
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Recapping of 1993 BCBSF Annual Report...



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BCBSF sponsors Tampa wellness event...



*"The best time to change is now, when we're winning."*

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editor  
Joyce McCall

contributing writers  
Elizabeth Higgins  
Gerry Cohen

design and production  
Swan Graphics, Inc.

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# President's conference remarks *(continued)*

Also driving change is the delivery system and provider relations. Going forward, we need to develop capabilities that will help us achieve more effective relationships with providers so we can influence their performance.

We must also have long-term relationships where, instead of the relationship being purely economic (and potentially adversarial), it's cooperative towards common goals of lower costs and higher performance.

We need to transform the processes we use for product development and new product introduction. Our focus must be external and include our customers and providers. While it should be viewed as collaborative, we must be a source of added value.

We are a source of added value when we convene providers and customers together in the interest of product development. We are also a source of added value when we create powerful technical knowledge and analytical skills and combine them with the ability to work in a complex setting as many of our teams do so well.

This can give us the ability to roll products out in a targeted three to six month time frame — at least for those products that don't involve fundamental changes in the delivery system. If we transform this product development process, it will go a long way toward forcing the competition to react to us rather than us having to react to the competition. We really see this as a very important part of the drive for change.

An additional area I would like to mention is organizational effectiveness. We know we have to manage the change, and we know that our ability to do so is crucial. One aspect of this is continuous development of the individual — some people would call it life-long learning.

These are some of the factors we see driving change.

## The time to change is when you're on top

We think the best time to change is now, when we're winning. It is also the most difficult time to convince people of the need for change. There are case studies of companies on top that have done well in achieving change.

It is important when looking at case studies, however, that we not be confused by the simplicity of some of the businesses. We are in the middle between customers and providers. This is often much more complicated.

Our challenge is to be technically sound or "right" and also successful. We need to look at other industry examples, but we need to apply them within the complexity and understanding of the real world of health care delivery.

## Corporate business strategies

Looking at our corporate business strategies, three stand out for attention today. They all support achieving low cost producer status. They are: local presence, market leadership and managed care.

### LOCAL PRESENCE

We have a unique focus on our markets. Our people are living every day in a market like Tampa for example — developing a deep knowledge of it in terms of not only the customer base, not only the competition, but the delivery system itself. Out of that comes the ability to respond with a deeper understanding of the unique needs and realities on both the provider side and the customer side.

This strategy gives top priority to the responsibility of sales and marketing to assure that we have a deep understanding.

I personally believe that there can never be a substitute for the information flowing on a regular basis from the field sales organization as it does its

daily work. First of all, you don't get comparable information any other way. Marketing research and consumer research — while important — just don't do it.

Product development isn't as simple as asking customers what they want. You don't want to develop the product without that input, but it's not the whole story. You must also add other input. To me, the themes and patterns that come out of the sales activity is number one in the flow of information for product development and competitive positioning. We consider it a top priority and will be working with you on that as we go forward.

### MARKET LEADERSHIP

The second key strategy is market leadership.

Our underlying thinking in selecting the 25 percent goal I mentioned earlier is to account for significant portions of the revenues of the providers and to give good, convenient access in the selection of those providers. Market leadership gives us leverage, economies of scale and marketing muscle.

What do we think it takes to achieve market leadership? As I said earlier, a thorough knowledge of our customers and their needs, concerns, values and expectations. How competition is seen, how they are performing, new market opportunities, new business opportunities, new product opportunities and many others.

### MANAGED CARE

The third strategy that I want to mention is managed care. This has been successful for our company and for our customers.

We saw our investment in managed care as the best — and in fact the only — way private markets could control medical costs and still deliver quality of care.

We need to look at our managed care strategy and make sure we are giving our

customers what they want and need. Our managed care products need to include a broad choice of quality care programs.

We can't expect to gain market leadership position unless we can give customers choices and unless we can manage quality of medical care as well or better than any competitor.

## Winning in 1995, 2000 and beyond

To win in the future, we must develop a deep understanding of our markets, continuously analyze our competition, and we have to focus on meeting the needs of the customers and continuously improve our performance.

Just to restate, the basis of competition is changing. The rules of the market are changing. And of course, we have new competitors entering the market.

There is a revolution in the delivery system. Also, there is the health care reform environment.

Reflecting then on the current situation: our basic, fundamental strategy remains unchanged... the basis of winning is changing... new requirements are coming along... quality of medical care... the need to develop more complete information... respond more rapidly in terms of getting products in the market and servicing them in an effective way... continue to leverage local presence as a very powerful element in our competitive strategy.

## Conclusion

Change doesn't seem to be optional, it seems to be essential. And now is the time when we are winning, when we can afford it, that we get on with the job of change.

So now is the time to make our investments and our efforts in strengthening our competitive position. I look forward to working with you as we continue to change and adapt our strategies — remaining with the basics but changing under market conditions.

Thank you very much.

*"Change doesn't seem to be optional, it seems to be essential. Now is the time to make our investments and our efforts in strengthening our competitive position."*

*"Market leadership gives us leverage, economies of scale and marketing muscle."*



# Health care measures temporarily sidelined

After months of rancorous debate, national health reform legislation never made it to the floor of the House or Senate this year. Analysts pointed out that there were too many views, too little support and not enough time to work out a compromise before Congress recessed for the year.

Proponents blamed partisan politics and pressure by interest groups. Others said the health care proposals were too complex and costly. However, President Clinton has vowed to “keep up the fight” next year for a health insurance package.

Recognizing that health care issues remain, many states, including Florida, are working on their own proposals. Florida recently received a federal government waiver enabling it to use Medicaid funding to subsidize health insurance for people who exceed Medicaid eligibility standards.

Florida’s waiver would allow the state to steer Medicaid recipients into managed care programs. Governor Lawton Chiles says it would save \$3.2 billion in Medicaid spending over five years, thereby allowing the state to cover 1.1 million uninsured residents with the savings. But the program, included in Chiles’s Florida Health Security Program, is subject to state legislative approval. And the Legislature has balked twice this year at giving approval — once in a special session convened in June and the other in regular session.

Blue Cross and Blue Shield of Florida supports efforts to make health insurance available to the poor and near poor, but we oppose a number of provisions that surfaced as amendments during debate on Chiles’s bill because they would reduce the quality and increase costs of managed care plans. Any willing provider (AWP), direct access and mandated point of service (POS) proposals promoted by special interests were hotly contested during Florida’s special legislative session. These proposals were promoted under the guise of “patient choice.” But in reality, they would limit the customer’s choice of quality, cost effective health plans.

Any willing provider provisions put aside standards set up by managed care plans and allow any physician — regardless of qualifications or past record of care — into their networks. “Direct access” laws bar HMOs from coordinating patient care through a primary care physician. An HMO “point of service” mandate would require insurers to sell government-defined services to all HMO customers, whether they need or want them.

## Participating in reform

To actively address these provisions and direct our participation in the health care reform debate on the state and national levels, BCBSF’s Health Care Reform Steering Committee (HCRSC) defined our objective for the 1994 state and federal legislative sessions as supporting market-based reform solutions without expanded government authority. This cross-divisional group is also responsible for developing our strategies to meet this objective and shaping our positions on various legislative reform issues. Because of the fast-rising nature of reform issues, the HCRSC designated eight of its members to the newly formed Public Policy Workgroup, and charged them with overseeing the implementation of our legislative strategy.

## Reform issues

With only a brief respite for fall elections, the health care debate continues and BCBSF remains an active participant in the shaping of health care for the future. Some of the issues we can expect to see with the convening of the Florida legislature include:

■ Issues detrimental to managed care. These include any willing provider provisions for large chain pharmacies; direct access; mandated POS; anti-trust proposals that would allow physicians to negotiate collectively with provider networks; and HMO proposals that could affect health plans’ standards or procedures for emergency service, provider selection/removal rules and grievance process.

■ Community Health Purchasing Alliance (CHPA) proposals that could expand the government’s regulatory authority. Such proposals could allow CHPAs to negotiate with Accountable Health Partnerships (AHPs), limit the number of AHPs, and specify benefit packages. Expanded membership could include the Florida Health Security Program (if approved by the legislature), Medicaid, state employees and employers with 51 to 150 employees.

■ Benefit proposals that would require insurers to pay for benefits determined by the legislature.

■ Passage of legislation implementing the HCFA Medicaid demonstration project.

Future issues of *Profile* and *Outlook* will continue to provide news on the health care reform debate and the company’s activities.



Any willing provider (AWP) proposals would damage the quality of health care by forcing managed care plans to put aside their quality standards and accept any physician—regardless of qualifications or past record of care—into their networks. Research shows that 85% of HMO physicians are board certified in their specialty, while only 60% of all physicians nationally are certified. (Source: Group Health Association of America (GHAA) and the American Medical Association)

Concerned about the “any willing provider” provisions under consideration by Congress and the Florida legislature this year, many BCBSF group customers participated in a series of conference calls to members of the Florida legislative delegation. Relating their personal experiences about satisfaction with managed care, customers told their “real life” concerns regarding the impact any willing provider legislation could have on their health care plans. These employers varied in size and type and represented more than 1,240,000 Florida employees. The calls made an impact and as one legislative staffer said, “Input from the constituents is what makes a real difference, not only in our office, but everywhere.” The following remarks reflect some of the concerns and comments from customers:

■ “I couldn’t afford insurance for my employees for a long time. But thanks to the HMO and the low cost, I can now give them this benefit. I was surprised at first when I learned that managed care provided dependable care from physicians who were well respected in their communities.” OFFICE MANAGER OF SMALL BUSINESS

■ “I had to go from one insurance plan to another because the premiums were sometimes doubling annually.

Since I found Blue Cross, it’s been two years without an increase in the HMO. I’m afraid the higher quality doctors will drop out of the managed care networks if the lower quality docs are allowed in through any willing provider.” OWNER OF AN AVIATION COMPANY

■ “My wife is having a baby. The HMO doctor calls her at home to see how she’s doing! You can’t say too much about that quality of caring care.” PERSONNEL DIRECTOR OF ARTS/CRAFTS SUPPLIER

■ “We have nine employees. The HMO makes health insurance affordable for us. One of the criticisms of the HMO is there is only a small pool of doctors to choose from. Well, my son was recently in a serious accident. We had 57 doctors to select from and we found high quality docs on the list. The HMO has provided us with good service, excellent care and a great group of doctors.” GENERAL MANAGER OF A TRANSPORTATION COMPANY

■ “As a provider, we want to be associated with high quality, so it would hurt us if anyone could get in the networks. We also deal with all kinds of insurance and know that without insurance, many patients couldn’t afford our care. So we see it from three perspectives. It cost me \$13.51 a week for my

Blue Cross insurance and I feel lucky.” ACCOUNTS RECEIVABLE MANAGER OF A PSYCHIATRIC SERVICES PROVIDER

■ “We have been working very carefully to keep our health care increases low. AWP would undermine the ability of any insurance company to operate an HMO group. Any willing provider legislation would be like taking a glass of Coca-Cola and dumping water in it — it would be watered down. So you’d have a watered-down HMO.” FINANCIAL DIRECTOR OF RELIGIOUS ORGANIZATION.

■ “I am specifically concerned about the credentialing of doctors. In addition, any willing provider will destroy the competition among networks in the market place. Good managed care competition will go to the wayside. The quality of doctors must stay high. Quality worries us almost as much as cost.” RISK MANAGER OF CONSTRUCTION COMPANY.

■ “My son went through five brain surgeries before we got to Blue Cross and it was the first time a doctor had sat down and talked with the child. He talked with him for over an hour and I thought ‘Wow!’ This HMO is meeting the needs of the people and the quality of physicians is great.” EXECUTIVE ASSISTANT TO CEO OF A REHABILITATION CENTER

## What our customers are saying about AWP





# Meet your EAP coordinator

Cindy Gibson, MA, the coordinator of our newly established Employee Assistance Program (EAP), is enthusiastic about the early response to the program. Since the program began July 1, employees have sought assistance for problems ranging from domestic violence and substance abuse to single-parenting issues. Gibson, who has been a counselor for 12 years, is one of specially trained therapists with Personal Performance Consultants who help employees deal with a variety of issues. In addition to a master's in psychology, she has two years of post-graduate training in marriage and family therapy, has extensive knowledge in chemical dependency, and is a certified employee assistance professional.

In an interview with *Profile*, Gibson talks about the new program.

*Q: How have employees responded to the program?*

A: Response has been incredible. We're already getting word-of-mouth referrals with employees who have used the program telling others that it works. During the first three months, we had 235 calls from employees wanting information or assistance. Some cases have already been addressed and resolved. Currently, we are in the process of providing assistance to 112 employees and/or their dependents.

*Q: What types of issues are employees facing?*

A: We've helped people with a wide range of issues such as: stress, single-parent concerns, step families, elder care, drug and alcohol abuse and domestic violence. We've also helped those who are adult survivors of childhood sexual abuse. In addition, we've worked with supervisors who are concerned about employees who are having job performance problems.

*Q: How does the program work?*

A: The program provides free and confidential assessment, referral and short-term counseling. Employees can call our toll-free number and make an appointment for an assessment in one of several convenient locations throughout the state. On average, clients receive four to five counseling sessions. In addition, we provide referrals to other resources in the community such as: providers covered under health insurance benefits, resources available on a sliding-scale basis and a variety of community-based support groups.

*Q: What do you try to accomplish during the counseling sessions?*

A: We want to empower employees, to get them to take their power back. There are some things in life that we can't change no matter how hard we try. But we can change how we view and react to situations. We show employees that they have more options than they think they have. In many cases, just talking about a problem encourages them to make positive changes in their lives.

*Q: What are the benefits of the program?*

A: The EAP helps to increase employee morale, aids with the recruitment and retention

of employees, and decreases sick time. It also can have a positive effect by lowering utilization of health benefits. Up to 80 percent of doctors visits are for stress-related issues. When we address these issues early, we save employees and the company future health care expenses.

*Q: What have employees had to say about the program?*

A: Employees tell us that this program shows that BCBSF cares about individual employees and recognizes that they have concerns other than work in their lives. We also give employees who use the EAP anonymous feedback cards. Some of the comments we've received to date include:

"I'm very pleased with the level of care my child received and with the length of time it took to get her on the right track."

"I believe this is one of the best benefits that BCBSF offers to its employees. Thank you."

"I would highly recommend my counselor. Thanks to her, I was able to take the steps necessary to deal with my situation quickly so that I could again focus on my job."

*Q: What do you have to say to employees who need help but are reluctant to seek it?*

A: First, I would tell them that they don't have to worry about confidentiality.

The program was specifically designed to protect employee anonymity. In addition, our counseling sessions are provided off site, and we don't book co-workers back-to-back to protect confidentiality. I would also stress that it's better to seek help early. I always say it's easier to put out a little bit of smoke than wait until it grows into a raging fire.

For more information about the program or to schedule an appointment for an assessment, call the EAP at 1-800-462-1816. If you face an emergency, you can reach the EAP program 24 hours a day, seven days a week.



For more information  
about the EAP or to make  
an appointment, call  
**1-800-462-1816.**



# United Way campaign exceeds goal

BCBSF employees are once again demonstrating their extraordinary commitment to the community by giving generously during the 1994 - 95

United Way Campaign.

Preliminary results show that we have surpassed our goal of \$600,000. At press time, employees donated a total of \$630,478 to the United Way. Our total is expected to rise even further before accounting is completed.



In addition, membership in the Keel Club — whose members pledge at least \$1,000 — increased more than 20 percent this year. At the beginning of the campaign, 87 employees were Keel Club members. An additional 27 people joined this year bringing the total membership to 112.

"With this extraordinary level of support, BCBSF employees truly are 'changing our world, one life at a time,' which is the theme of this year's campaign," says Tony Hubbard, BCBSF's United Way campaign chairman. "Employees should be congratulated for their unwavering support of the community."

It's not too late for you to change a life. If you haven't made a pledge to the United Way, contact your United Way co-captain.



# Annual report highlights strong year

**EDITOR'S NOTE:** Highlighting 50 years of meeting the health care needs of Floridians, Blue Cross and Blue Shield of Florida's 1993 annual report focuses on our strong financial performance, leadership and service while observing our 50th anniversary. With the theme "Leading, Growing, Caring," the 1993 report features customers who have been with BCBSF since the company's inception. The report was mailed to all employees' homes in late September so they could share the information with family members. Here are the highlights of the message from the Chairman of the Board, G. Hunter Gibbons, and the report by William Flaherty, President and Chief Executive Officer.

## Message from the chairman

As Blue Cross and Blue Shield of Florida marks its 50th year of service, we pledge to continue our leadership role in making quality, affordable health care available to the people of Florida. Our financial stability and growth give us the foundation necessary to build for tomorrow. BCBSF is proving that it is possible to combine quality and efficiency in delivering medical care throughout Florida. We are determined to continue to meet the needs of our customers by developing innovative health care solutions and relying on our 50 years of industry experience to ensure that the health care system evolves in a positive way.

Today's dynamic environment presents many challenges — including health care reform. The two driving forces behind health care reform are rising costs and lack of access. The private sector is already making progress addressing these problems.

At BCBSF, our managed care programs are working to hold down health care costs and provide quality care to more and more Floridians. Health Options, our fastest growing product, had a premium cost increase trend last year of 2.6 percent, which was well below the general rate of inflation and less than one-third of the national HMO inflation rate.

We believe the best way to achieve the goals of health care reform — lower medical costs and improved access — is through private sector reforms that encourage competition, innovation and efficiency. In our view, the role of the government is to: finance care for the poor; establish and enforce fair rules of competition; finance medical research, health services research and medical education; and continue to work with insurers and managed care companies to detect and punish fraudulent behavior.

BCBSF is working with the state of Florida to ensure that health care initiatives passed thus far are successfully implemented and to guard against passage of any laws that might have negative consequences for Florida's businesses and consumers. There is a disturbing trend in our state legislature as well as others for "any willing provider," "direct access," or "mandated point of service" proposals. If passed, these proposals would limit the choice of health care plans available to consumers, jeopardize the quality of health care, and eliminate the competition among providers that has resulted in lower health care costs.

BCBSF is committed to successful reform of the health care system. We believe that with government,

business, providers and consumers working together the right solutions can be found.

## Report from the president and chief executive officer

Much has changed in the 50 years since the Florida Hospital Service Corporation — the forerunner of BCBSF — began. However, one constant has been our determination to meet the needs of our customers by providing quality health care at a reasonable cost with excellent service.

Three characteristics — leadership, growth and caring — have distinguished us from others and contributed to our success. We have earned a leadership position in the health care industry through innovation and customer focus. Remarkable customer and financial growth at BCBSF is directly related to product management and performance. And we have an unwavering commitment to the human values that emphasize the "care" in health care.

As a result of these characteristics, we accomplished much in 1993. For the fifth consecutive year, BCBSF achieved steady enrollment gains and strong financial performance. Our customer base grew by 7.8 percent led by a 31 percent increase in enrollment in Health Options and Capital Health Plan. Overall, we retained 90 percent of our existing customers, while Health Options had a renewal rate of more than 95 percent. We have the largest group of managed care customers in the state as well as the state's largest managed care network.

As a result of enrollment growth, we enjoyed solid financial growth. Our 1993 net income was \$112 million, which enabled us to keep premium increase trends below the national average and to make additional contributions to our policyholders' equity, bringing its total to \$491 million. In addition, BCBSF paid more than \$57 million in state and federal taxes and assessments.

What BCBSF has accomplished in the private sector, through our managed care products, is meeting the dual goals of health care reform: to control costs and expand access. And the development work that yielded these managed care products continues. In 1993, we completed the preliminary design of the first product we will offer from our next generation of managed care programs, which will enhance our capability to manage care statewide and meet the needs of our customers. BCBSF will also use business reengineering to improve efficiency and effectiveness and increase the value we deliver to our customers. We are firmly focused on current and future challenges and invite Floridians to join with us as we build a better health care future for us all.

**If you did not receive your copy of BCBSF's 1993 annual report, you can request a copy by calling the Public Relations Division at 791-6624.**

*We have earned a leadership position in the health care industry through innovation and customer focus.*



*We pledge to continue our leadership role in making quality, affordable health care available to the people of Florida.*

## Aspen system updated

All regions throughout the state are now on the Aspen system. To send a voicemail message to a BCBSF Aspen mailbox in the state, follow these steps:

1. From your mailbox, record your message, then press #;
2. Enter the region's node number (listed below) and the employee's mailbox number;
3. Enter any desired deliver options (urgent, private, etc.); and
4. Press # to send the message.

Aspen node numbers for offices around the state are:

	Node #
Riverside Home Office Complex	220
Northeast Region	220
Freedom Commerce Center	225
Pensacola	320
Orlando	520
Tampa	720
Miami	820
Ft. Lauderdale	825
Florida Combined Life	830





# FEP excellence cited for second year

*"This is the second consecutive year BCBSF has won this coveted award. It is a significant achievement and shows that we are consistently among the top Blue Cross and Blue Shield Association FEP plans in the entire country."*

BCBSF's Federal Employee Program (FEP) received the 1993 Award of Excellence at the FEP National Conference, which was held in San Diego September 12-14. The award is given to plans who have proven to be "high performing and low cost" producers and who have achieved an excellent performance rating in such areas as marketing, claims, customer service and financial performance.

"This is the second consecutive year BCBSF has won this coveted award," says Karl Smith, director of FEP. "It is a significant achievement and shows that we are consistently among the top Blue Cross and Blue Shield Association FEP plans in the entire country."

BCBSF was one of only 15 (out of total of 66 plans) nationwide to be recognized with the 1993 award and one of only 10 plans to receive the 1992 award.

Our success and continued level of excellence are attributed to several factors. One factor is the dedication of the entire FEP staff and the high level of cooperation and support between FEP Marketing, FEP Operations and Finance. In addition, FEP has maintained excellent results with a significant increase in contracts without an increase in staff. Another contributing factor is the significant changes that FEP Operations has undergone

over the past two years. The most notable change is a shift from a separate, functional claims and customer service operations to an integrated claims and customer service operation.

To maintain its leadership position, FEP is undergoing the reengineering process to continually improve its operations. The goal of the FEP Q2000 Reengineering Team is: "To be the best FEP carrier in taking care of our customers by providing peace of mind through simple and easy to use health care services." The team plans to accomplish this goal through continuous movement from a functional claims and customer service operation to customer-focused subscriber and provider service teams called Total Customer Care Teams (TCC). These teams will provide all services necessary to satisfy a specific set of customers.

All current and future improvements are guided by the following team principles: take care of our customer; take care of each other; continuous improvement; continuous growth and commitment to teamwork.

Our Federal Employee Program is the second largest in the nation, with 128,000 active and retired federal employees enrolled.

# Major food service improvements in place

Jacksonville employees now have more menu choices, enhanced quality and faster service with the successful implementation of food service improvements in our Home Office Complex and Freedom Commerce Center cafeterias. In fact, you don't have to go any further than the HOC or FCC cafeterias to get Taco Bell or Chick-fil-A for lunch. The new products were introduced during re-grand openings at FCC and the HOC, which were held September 12 and October 31 respectively.

In addition to the new products, the serving areas offer a brighter, more modern look and were renovated for improved traffic flow, faster service and enhanced quality. These changes are part of a major improvement plan designed to make our food service program an added-value to our employees as well as the best employee dining program in Jacksonville.

"Our goal is to make dining more enjoyable and convenient for employees," says Mike Jones, director of Facilities and Office Services. "We think our new program rivals any corporate food service program in Jacksonville."

The introduction of brand products, which are provided through our food service contractor ARAMARK (formerly ARA), not only distinguishes our food service program in Jacksonville, but also in the state and across the country. We are the first business in the nation to offer Taco Bell products to our employees and the first in the state and the second in the country to offer Chick-fil-A products. Dunkin' Donuts, Tropicana and Maxwell House products are also available in the HOC and FCC cafeterias.

Other enhancements already in place as part of the continuous quality improvement program include: the hiring of a general manager and two executive chefs; customer service training for all cafeteria staff; and dining rooms improvements. Future plans call for the introduction of expanded product and menu offerings, and periodic promotions.



# BCBSF sponsors benefit run in Tampa

Nearly 1,400 fitness and health enthusiasts took part in the fifth annual Blue Cross and Blue Shield of Florida Wellness Classic held in Tampa on September 17.

BCBSF sponsors the annual event to demonstrate that a healthy lifestyle not only prevents illness, it's also fun. The event raised \$18,500 to benefit Big Brothers and Big Sisters of Tampa Bay.

Fitness events included: a 5K road race and team challenge; 25- and 12.5-mile cycle events; a one-mile run; and a two-mile wellness walk. Awards were given in each event. A special award was given to Tampa Electric Company

(TECO) for being the group with the most registered participants. In addition to the fitness events, participants were able to get free health screenings — for high

blood pressure, cancer and body fat — at a Wellness Expo staffed by area hospitals.

The funds raised will help Big Brothers and Big Sisters pair children in single-parent families with caring adults who can provide friendship, support and guidance during their formative years. Currently, more than 300 boys and 50 girls in Hillsborough County are waiting to be paired with an adult.

