

quick connections

Jan. 4, 1999

Principal acquisition a done deal

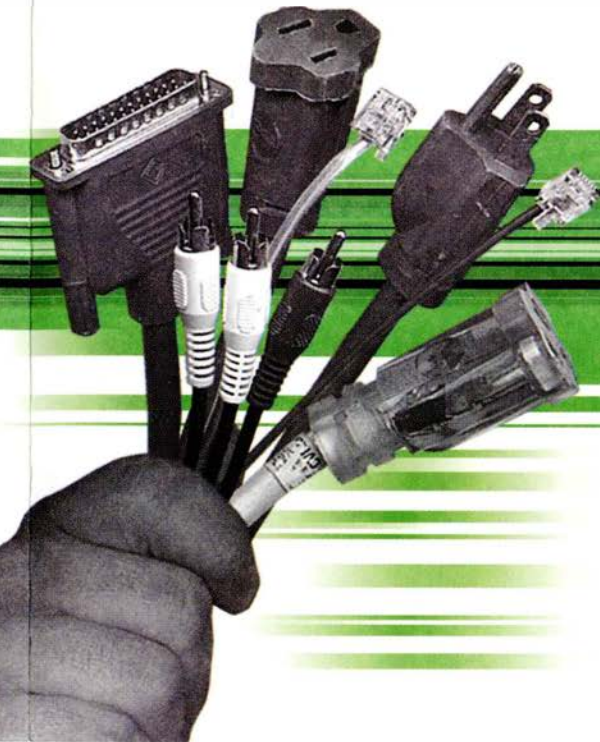
It's official! BCBSF's HMO subsidiary, Health Options, acquired Principal Health Care of Florida at midnight, Dec. 31, and took ownership Jan. 1.

The acquisition expands our customer base statewide by approximately 157,000 members. Because many providers are part of both HMO networks, we expect minimal disruption to the members who will be transitioned to Health Options. Plans call for beginning the conversion of customers April 1 as contracts renew. For more information, check out the Blue Views folder on Microsoft Exchange.

Medical Cost Management estimates year-end savings

The Medical Cost Management initiative is closing in on its 1998 cost savings target of \$121.8 million. The effort achieved about 88 percent of its goal through November.

The project team estimates year-end savings at between \$112 million and \$117 million. However, the total may increase after completion of a full-year accounting of all initiatives included in this effort. The team began conducting that review and analysis in December. Results are expected to be announced later this month.



BCBSF data quality team is “Sterling”

BCBSF’s data quality team knows firsthand what it means to put the principles of quality into practice through teamwork.

In fact, the Florida Sterling Team Showcase has recognized the team’s performance with its 1998 regional award (Region II—Northeast) for improving BCBSF data quality. The BCBSF team competed against six other corporate teams that included the likes of heavyweights such as Merrill Lynch, BellSouth and Allied Signal.

As a regional winner, the BCBSF team now goes on to the finals to compete against five other regional winners for the state honors. The event is scheduled for June 2 – 4 in Orlando.

The BCBSF winning entry focused on a data stewardship program that significantly reduced data errors affecting claims processing and customer service and satisfaction.

By mapping the process, business requirements and the results, the group identified weaknesses in the process and ways to improve timeliness, accuracy and lack of controls. Solutions included capturing data electronically, adding a single point of contact to audit data collection and entry, and increasing automation.

Under the newly designed process:

- data entry errors decreased 60 percent;
- data quality productivity improved 3 percent;
- cycle time was enhanced by 4 percent; and
- costs decreased 7 percent through improved automation on backend processes and a decrease in the amount of rework needed due to errors.

Congratulations to team members: Doug Chin, Mike Fotianos, Judy Graham, Karen O’Lessker, Dwight Scott and Clint Waltrip. And good luck in June!

The awards keep coming!

What’s better than being recognized as the nation’s “Best BlueCard/InterPlan Teleprocessing Services (ITS) Host Plan” two years running? Being recognized as the nation’s “Best” three years running!

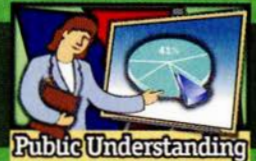
Consolidated InterPlan Operations (CIPO) provides claims processing and administrative services for Blue Cross Blue Shield members nationwide through the BlueCard program. This program enables plan members to obtain health care services from participating providers of other BCBS plans when members are outside the service area of the BCBS plan that insures them—saving money and protecting against balance billing. This operation contributed approximately \$12 million in net profit to BCBSF in 1997.

In receiving this honor at the National BlueCard/ITS annual meeting, BCBSF’s program was cited for consistently performing at an extremely high service level as measured by the BlueCard Index of key service areas. These measures represent some of the most stringent operational goals within the organization, such as a five-day cycle time for entering and forwarding claims to other plans for benefit adjudication—that’s five days from original receipt at BCBSF!

Our CIPO team was selected by a majority vote from all BCBS plans nationwide.

The group attributes its success to teamwork and cooperation throughout the company and to the CIPO individuals who work diligently day in and day out.

Congratulations CIPO on this recognition. Keep up the outstanding work!



Hold yourself responsible for a higher standard than anybody else expects of you. Never excuse yourself.

—Henry Ward Beecher

On news racks, Intranet and Blue Views...

To maximize access to employee publications, we’ve made several changes. Both Quick Connections and Perspectives, our new quarterly publication, are distributed through news racks in all locations of the company. The racks will be replenished until the location’s supply is depleted. But if you miss your copy, you can still get connected! Both publications are posted in the Blue Views programs area on the Intranet. In addition, the copy is posted in the Blue Views folder on Microsoft Exchange.



BlueCross BlueShield of Florida

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Program Safeguards' savings, efficiency keep rising!

First Coast Service Options' (FCSO) Program Safeguards Division has a lot to cheer about! The BCBSF subsidiary's safeguard activities, designed to weed out fraud, waste and abuse, saved Medicare \$458.3 million this past fiscal year, up sharply from the \$389.9 million in overall savings posted the previous year.

Savings resulted from both the review of claims prior to payment, as well as the retrospective review of paid claims and provider cost reports. For every administrative dollar spent on safeguard activities in fiscal year 1998, FCSO saved Medicare almost \$18. That's up significantly from last year when the team saved Medicare nearly \$16 for every dollar spent.

About the race against fraud, waste and abuse and his team's results, Curtis Lord, president and CEO, FCSO, says, "My hat is off to the best team (more than 1,200 strong) in the business."

NGBU sums up results of heart program: success!

Illness management programs are showing results. The North GBU's Congestive Heart Failure (CHF) program is a case in point. For members suffering from heart failure, the program provides the kind of support needed to help them cope with the disease. The Central GBU expanded a similar program after a successful 20-month pilot (see Quick Connections, Nov. 6, 1998).

In the North GBU analysis shows:

- *daily weight monitoring increased from 30 percent to 95 percent;*
- *CHF-related hospital admissions decreased 27 percent for program participants, while increasing 29 percent for non-participating members;*
- *67 percent of participating members reported improved quality of life; and*
- *95 percent of participating members are satisfied with the program.*

Of the value of the program to members, Newsweek (Sept. 28, 1998) quoted the son of a participating member in an article highlighting the program's success: "...it was one of the best things in recent years that happened to [my parents]"—Dan Moorefield.

Happy New Year!

Got news?

Quick Connections is published biweekly to provide you with timely information that supports the corporation's seven objectives that focus on: customer satisfaction, market leadership, financial strength, public understanding, organizational effectiveness, delivery systems and the national association.

If you have newsworthy information that can be tied to these seven corporate objectives, e-mail us at Blue Views. Or call Laura Jo Brunson at 904-905-3402

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