



OFFICE MEMO



TO:

BILL AREHART

DATE 6/27/88

FROM: William E. Flaherty AT:

SUBJECT: ORGANIZATION ANNOUNCEMENT

As you know, the HMO business environment is very competitive and undergoing rapid and dramatic change. The HOI management team has been working toward strengthening their business planning and organizational effectiveness. Plans are currently being developed for each local unit and task forces are being assembled for corporate-wide initiatives in support of common strategies and improved performance. These task forces will cover most aspects of the business such as provider contracting; marketing, underwriting, pricing; management systems, operating and financial control; human resources; claims and customer service; and medical care management.

Today we are announcing several organizational changes designed to maximize the use of our management talent in helping to bring us closer to the goal of profitability for HEALTH OPTIONS, INC. These personnel changes are part of a design that will bring the resources of Health Options and Blue Cross and Blue Shield closer together.

- o NICKOLAS E. STAMATOIANNAKIS (Nick Stam) is appointed to the position Director of Finance for Health Options, Inc. Nick will report directly to Ken Otis, Senior Vice President, Marketing and Finance, for Blue Cross and Blue Shield of Florida. Nick has held the position of Finance Director of Health Options of South Florida since joining the organization in April 1985. He obtained a BBA degree in Accounting and a Masters degree in MIS from Florida International University. Prior to joining Health Options of South Florida, Nick served as Senior Accountant for Coopers and Lybrand. He is a Certified Public Accountant.
- o ROBERT L. CUNNINGHAM is appointed to the position of Director, Administrative Services, HOI. In his new position, Bob will report directly to me. Bob previously served as Vice President, Human Resources for HOI and has held several key positions with Blue Cross and Blue Shield of Florida.
- o JOHN P. JACKSON is appointed to the position of Manager, Human Resources for HOI. John will report directly to Al Washington, Vice President - Human Resource Operations, Blue Cross and Blue Shield of Florida. John previously held the position of Corporate Recruiter, Human Resource Division. Prior to joining Blue Cross and Blue Shield of Florida in June 1987, John was associated with First City Bancorporation, Houston, Texas, as Divisional Human Resources Manager. Additionally, John has experience in the retail area as a training manager and as area sales manager with Foley's Department Stores.

- o JOE HAYES and the HOI Data Processing Unit will report to Dave Dingfield, Vice President, Informational Systems and Operations, Blue Cross and Blue Shield of Florida.
- o WAYNE STEPHENS, formerly the Executive Director of Health Options of Jacksonville, will report to me on an interim basis and provide support to task force initiatives. He will continue to participate on the Hospital and Physician Contracting Task Force.

In addition to the above internal appointments, I am pleased to announce that KENNETH B. SELLERS will be joining Health Options, Inc. as Executive Director of Health Options of Jacksonville. Ken will be reporting directly to me, as do the other five executive directors of Health Options. Ken comes to Health Options from HealthWin where he served as Vice President and Chief Operating Officer. In that capacity, he was responsible for HealthWin's HMO operations in Florida, which included marketing, medical delivery and administration. Ken obtained his BS degree in accounting from Jacksonville University and his MBA degree from the University of North Florida.

Please join with me in extending your support to all of these gentlemen in their new assignments as we move forward in developing and implementing various plans, programs and projects that are needed to support effective ongoing operations.

-- W. E. Flaherty

WEF/ds

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