



## INTER OFFICE MEMO

Communications - 9T

**TO:** Distribution **DATE:** 4/2/97

**FROM:** Joyce McCall & Susan Towler  
Communications

**SUBJECT:** Talking Points and News Release on BCBSF's Organizational Re-design

Attached for your information are talking points and a news release regarding BCBSF's organizational re-design.

The news release will be distributed statewide to media on Thursday, April 3. We anticipate coverage in daily newspapers and business journals around the state on Friday, April 4. In addition to the news release, we are conducting reporter meetings with key health care reporters and the GBU senior vice presidents from Thursday, April 3 to Wednesday, April 9.

The talking points were created for your use in responding to customer inquiries concerning the re-design. We recommend that you use the news release and talking points with your customers as appropriate. You can share this information with your customers as early as today to keep them informed about potential news stories in the coming week.

We hope that this information is helpful for you and your customers. Should you have any questions about this material, please contact Susan at x16803, or Joyce at x18274. Thank you.

**Final Outline**  
**GBU Reporter Briefing on Organizational Re-design**  
**4/3/97**

- I. Media relations consultant introduces GBU senior vice president to reporter
- II. Consultant provides broad overview of why BCBSF is having this briefing
  - a. Introduce the BCBSF senior executive for their area
  - b. Provide background for organizational changes at BCBSF
  - c. Establish a working relationship moving forward with BCBSF
- III. GBU SVP thanks reporter for meeting with BCBSF and begins presentation
- IV. **Background of health care industry**
  - a. Health care industry has undergone dramatic change
  - b. Growth in managed care
  - c. Consolidation/competitors entering Florida
  - d. Anticipate this market to be dominated by 3-5 major players
  - e. We need to grow and invest in business to remain leader and enhance position
  - f. We are committed to the Florida market
- V. **BCBSF's Organization Re-design**
  - a. These industry changes required us to look at our structure
  - b. Goal was to improve efficiencies and provide better service to customers and build stronger relationships with provider partners
  - c. Began last summer looking at how to structure business
  - d. Decided to adopt a geographic business unit (GBU) structure as the primary axis of the organization responsible for day to day business operations
  - e. Beginning to implement the re-design; will take place through the end of the year

**VI. Geographic Business Unit Structure**

- a. GBU type of structure emphasizes our local presence and puts us closer to the customer; allows us to anticipate customer needs and meet their demands
- b. Enhance our ability to understand and address our customers' needs; and strengthen the relationship we have with provider partners (doctors, hospitals)
- c. Help the company streamline operations by grouping similar functions to be more efficient and improve responsiveness to customers
- d. Facilitate faster decision-making and clarify accountability for company's results
- e. Support business growth to remain competitive and build on our leadership in the Florida market
- f. Allow us to better understand the markets we operate in and gives us a stronger local presence

**VII. Conclusion**

- a. I'm excited about our new organizational structure and believe it's the best way to prepare BCBSF for the future health care environment
- b. BCBSF has a strong commitment to providing quality, affordable health care to Floridians in a way that is valued by our customers
- c. These changes ensure that we'll make good on that commitment for years to come

**IX. Questions**

**X. Consultant shares media kit with reporter**

- a. Contents: news release, map of GBU counties, GBU bio and photo, business card

**In response to questions about employees:**

**Impact on Employees**

- a. Our employees have played an important role in changing the way our company does business, and they have an important role in our company's future success
- b. The intent of the organizational re-design is to improve the effectiveness of serving our customers
- c. We expect the implementation over the next 9 months will have an impact on staffing

d. For example, new positions will be created, existing positions may require new skills, some positions or functions will relocate to other geographic areas, others may report to different areas, some positions may be eliminated

e. We are sharing information about re-design with our employees on an on-going basis to ease any transition they may experience

f. In (name of city), we anticipate that all of those examples I described will take place

g. Define scope of changes in (name of city). Use Operations as example

h. Tampa, Miami, Jacksonville will become call centers; walk-in customer service will remain to serve customers locally; written inquiries will move to Jacksonville; customer grievances handled at local offices; membership & billing activities will move to a central location in Jacksonville to improve efficiency; claims processing was moved to Jacksonville last year

i. For example, we currently have 256 employees in customer service positions statewide. We anticipate the re-designed customer service function will consist of about 180 full-time positions statewide

j. BCBSF has put into place relocation, retention and other programs to support the fair and equitable treatment of all employees during the transition

## NEWS RELEASE

For Immediate Release  
April 3, 1997

Contact: Susan Towler  
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James Barnes  
(904) 791-6935

### **Blue Cross and Blue Shield of Florida Announces New Appointments and Organizational Structure**

JACKSONVILLE -- Blue Cross and Blue Shield of Florida (BCBSF) announced today a new organizational structure that aligns its key functions and business units more closely to its customers in order to better serve Floridians' needs for quality, affordable health care.

"Blue Cross and Blue Shield of Florida is moving forward with a new structure that will help us exceed our customers' expectations and will build on our success as Florida's health care leader," said BCBSF President and Chief Operating Officer Michael Cascone Jr. "In anticipation of our customers' needs in the future, we are forming three geographic business units in the state that will serve as the primary focus for the day-to-day business operations."

The five current regions will be reconfigured into three geographic business units (GBU). "The new geographic business units will help BCBSF work closer with our provider partners and will allow us to continue providing quality, cost-effective health plans in a way that is valued by our customers," Cascone said. The main offices for the three geographic business units will be Jacksonville (North Florida); Orlando (Central Florida); and Miami (South Florida).

The following promotions are effective immediately:

**Robert Lufrano, M.D.**, executive vice president, geographic business units and operations. He most recently was senior vice president of health care services and human resources.

- More -

BCBSF Structure  
Add One  
4/3/97

Leading the north Florida geographic business unit is **Ernie Brodsky**, senior vice president. Brodsky was previously vice president of health care services for BCBSF.

**Peter Burchett** is senior vice president of the central Florida geographic business unit. He served BCBSF most recently as region vice president of the central region in Orlando.

Leading the south Florida geographic business unit is **Paul Jennings**, senior vice president. Jennings was previously the northeast region vice president in Jacksonville.

BCBSF is an independent licensee of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield companies nationwide. A financially strong, tax-paying mutual insurance company, BCBSF is subject to the same regulation by the Department of Insurance as other insurers operating in Florida.

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