

Remarks for Bob Sebok
Before the State of Florida House Health Care Committee
September 15, 1997 - Tallahassee, Florida

- Chairman Albright [or Vice Chairman Peaden] and other members of the Committee, good afternoon and thank you for the opportunity to address your committee on this important issue.

BCBSF HONORED TO SERVE STATE EMPLOYEES

- Let me start by saying that Blue Cross & Blue Shield of Florida is pleased to have the opportunity to once again serve as third party administrator for the State of Florida Employees Group Health Self-Insurance Plan beginning January 1, 1998.

Our presentation today is designed to give you an overview of our progress during the state account transition. Specifically, I will talk about:

- * The service that state employees and their families can expect from Blue Cross & Blue Shield of Florida effective January 1, 1998.

- * The agreed upon roles and responsibilities for Blue Cross, Unisys and the State during the transition period spanning mid-July 1997 to December 31, 1997.
- * A progress report of our activities during the transition period.
- * A brief discussion of the implications of Senate Bill 286.
- * And, conclude by responding to any questions or comments you may have regarding the state account.

BCBSF SERVICE TO STATE EMPLOYEES

- When we last held the state account two years ago, we were processing claims in 7.7 days with 97 percent accuracy.
- Independent audits conducted in 1995 showed that nine out of 10 state employees were satisfied with the way Blue Cross and Blue Shield of Florida managed their health plan.

- This reflected the confidence that state employees and their families had in our administration. Today, the state continues to value the service that Blue Cross can provide and we are confident in our ability to deliver quality service.

- We have and will continue to enhance our capabilities as a quality-oriented managed care company. When we take over the account on 1/1/98, our capabilities will focus on:
 - * Ensuring that all state employees have received their identification cards, provider network directories and benefit booklets.

 - * Fast turnaround time for claims processing.

 - * Low error rates in claims payments.

 - * And, providing timely responses to customer inquiries.

- Once we have the account on January 1, 1998, Blue Cross and Blue Shield of Florida will provide state employees a fully integrated Preferred Provider Organization that provides access to more than 20,000 physicians statewide in 179 hospitals.
- We will provide new benefits, including:
 - ⇒ **Personal Health Advisor** -- a 24-hour health information resource staffed by registered nurses who can answer state employees' questions about health care symptoms and provide them with tips for staying healthy.
 - ⇒ And, **BlueCard**, a hassle-free program that gives state employees discounts on out-of-state provider networks using their Blue Cross and Blue Shield of Florida member cards.

- As Florida's health care leader, Blue Cross & Blue Shield of Florida will continue to make enhancements that add value to the service that we provide. These enhancements include programs that focus on prevention, early disease detection and improving the quality of life for those with chronic conditions like asthma, diabetes or heart disease.

ROLES & RESPONSIBILITIES

- Since mid-July when the State notified me that BCBSF was selected to administer the State's health plan, we have been very busy preparing for the 1/1/98 takeover:
 - * Since Aug. 1, we assigned 10 BCBSF management personnel to the Unisys workplace in Tallahassee. Their primary role is to provide advice and counsel to Unisys and the Florida Division of State Group Insurance.
 - * One of the primary goals during the transition is to make sure that state employees claims are paid within 30 days and to respond to their questions and concerns.

⇒ Blue Cross' management personnel in Tallahassee have noted improvements with 97.5 percent of state employee claims reported being completed within 30 days.

⇒ They also report a reduction in the backlog of written inquiries, by 26 percent.

⇒ Despite improvements, there are still backlogs and outstanding claims in inventory that need to be analyzed and processed. So, there is remains a lot of work to be done.

⇒ Meanwhile, to supplement the existing customer service team in Tallahassee, 20 people recently began training to handle state employee inquiries at the customer service call center.

- * We will continue to assist Unisys through the end of the year and through the run out period which ends October 31, 1998. The run out period entails paying for claims filed by state employees for services rendered before January 1, 1998.

TRANSITION PERIOD

- During the transition period between now and the end of the year, Unisys remains contractually responsible for the state account.
- We are working cooperatively with both Unisys and the Florida Division of State Group Insurance to ensure that state employees' claims are processed and their questions and concerns are addressed.
- Meanwhile, we are using this time to prepare for administration of state employees' health insurance plan on January 1, 1998.
- One of our primary jobs right now is to facilitate a smooth open enrollment period, which begins today and concludes October 15.
- We mailed physician network directories to state employees on September 1. And, we will participate in 15 health benefit fairs scheduled by the Division of State Group Insurance and approximately five personnel officer conferences.
- Blue Cross employees supporting the state group account after Jan. 1, will be based in Jacksonville to process claims more efficiently and make decisions faster.

SENATE BILL 286

- Finally, as a result of Senate Bill 286, we look forward to working with the 10-member oversight panel collectively called the Florida State Group Insurance Council.
- This body will enable us to recommend changes and improvements to the state health insurance plan.

QUESTION AND ANSWER PERIOD

- We appreciate the opportunity to share this information with you today and I would be happy to entertain any questions that you may have at this time.
- Thank you.

9/12/97 A.F.D.
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