

BCBSF History

In 1944, as public demand for affordable hospital care grew, a community-based health service plan, known as the Florida Hospital Service Corporation, opened a small office in Jacksonville, Florida. A staff of four began offering groups a prepayment plan for hospital care. Two years later, the Florida Medical Service Corporation developed a similar plan for covering the cost of physicians' services. By 1951, Florida Hospital Service Corporation and Florida Medical Services Corporation had adopted the corporate names of Blue Cross of Florida and Blue Shield of Florida, respectively. It was at this time that the companies first began offering individual (nongroup) enrollment on a statewide basis to the public.

In the mid-1950s Blue Cross and Blue Shield began administering various government programs. In 1966 the Plans became primary administrator in Florida for the newly created Medicare program. The government reimburses us based on the costs we incur in administering the contract with no financial loss or gain. The corporation now administers Medicare Part A for hospitals and certain other institutions and agencies, and also serves as Part B carrier for the state.

In order to gain greater financial flexibility and to streamline support activities, the two companies consolidated in 1980. This change in corporate form allowed Blue Cross and Blue Shield of Florida to lower operating expenses while at the same time establish new and varied health financing programs. Consolidation enabled the Florida Plan to develop innovative advancements such as health maintenance organizations (HMOs), preferred provider organizations (PPOs) and cost containment programs.

In 1982, Blue Cross and Blue Shield of Florida became a mutual insurance company to address particular problems in connection with the flexibility of the

company to develop programs and have financial flexibility in rating those programs. As a mutual company, we are subject to the same taxes and regulations as other commercial insurers operating in the state of Florida. The company's board of ranges from 15 to 21 members, and individuals are selected based on the various skills and abilities needed to run a large business enterprise. This helps to ensure that the Plan remains publicly accountable.

Collecting premiums and paying claims is only part of the Florida Plan's function, however. Company representatives, many of whom come from a medical background (doctors and nurses) work in partnership with doctors, hospitals, employers and government agencies to help improve the quality of health care and control costs. And, although the Blue Cross and Blue Shield name and symbols are known statewide, each of our three geographic areas are served differently. Because each community is unique in its people and its available health services, the company's products are developed around those special needs of each community.

From its beginnings in a two-story building housing 350 employees, Blue Cross and Blue Shield of Florida has grown continuously to its present strength of over 6,000 employees across the state. Despite continuing changes in the administration and delivery of health care, the Florida Plan's purpose remains unchanged: to provide quality health care coverage to its customers at a reasonable cost.

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