

OUTLINE FOR DISCUSSION
OF
DEVELOPMENT OF BCBSF SINCE 1979

1980-1983

- Gaining managerial control of the business
- Lowering administrative expense
- Organizational improvements – marketing, provider relationships and contracting, management development, planning and control systems
- Conversion from two health service plans to one mutual insurance corporation with board independent of providers

1984-1989

- Development of managed care
 - HMO
 - PPO – greater FI market receptivity
 - State Group as a pilot
- Recovery from industry down cycle and development of better management controls for managed care products
- Development and initial implementation of low cost producer/local presence strategies with supporting strategies for managed care and marketing

1990-1994

- Full implementation of low cost producer/local presence strategies
 - Managed care strategy
 - Marketing strategy
 - Organizational effectiveness

1995-present

- Continuation of low cost produce/local presence strategies
- Development of next generation managed care capabilities
- Completing the conversion from insurance/indemnity capabilities to managed care capabilities

Lessons learned that may be of interest to a new Governor with major administrative challenges