



# BlueCross BlueShield of Florida

An Independent Licensee of the  
Blue Cross and Blue Shield Association



## Blue Cross and Blue Shield of Florida (BCBSF) Fact Sheet

**Headquarters:** Jacksonville, Florida

**Founded:**

- In 1944, the Florida Hospital Service Corporation, the forerunner of Blue Cross of Florida, began operations in Jacksonville with a staff of four.
- In 1946, the Florida Medical Services Corporation was formed, eventually becoming Blue Shield of Florida.
- The two companies consolidated in 1980 to form Blue Cross and Blue Shield of Florida.

**Organizational Structure:** The Enterprise (Blue Cross and Blue Shield of Florida) manages its business through three business sectors.

- Health Business – Our core business provides a full spectrum of health care plans and services. It carries the strong Blue brand and represents our largest customer base – 3.5 million members – and a 28 percent market share, more than double the nearest competitor.
- Diversified Business – A customer-driven group of insurance and related businesses that provide an array of solutions for company benefit and employee financial security needs. Major product lines include life, disability, dental, long-term care, workers' compensation and third-party administration.
- Government Business – This business sector focuses primarily on traditional Medicare program administration and diversification into related market. This sector is managed by the BCBSF subsidiary, First Coast Service Options.

**Vision and Mission:**

- Vision: "A company focused primarily on the health industry, delivering value through an array of choices."

- **Mission:** Our mission forms the bedrock of our strategic direction. It establishes a unique role for our company to advance the health and well-being of all Floridians and underscores our commitment to use the company's resources not only to serve our members, but also to pursue community and public policy solutions that improve the quality, accessibility and efficiency of health care for all Floridians.

**Products Offered:** Through the parent company and its family of subsidiaries, Blue Cross and Blue Shield of Florida offers a broad choice of affordable, health-related products and services.

- Blue Cross and Blue Shield of Florida, Inc. offers health care choices that include traditional indemnity health plans, PPO products and wellness programs.
- Health Options, Inc. and its controller affiliate Capital Health Plan, offers HMO products –including Medicare+Choice – and wellness programs.
- Florida Combined Life Insurance Company, Inc. markets life, dental, long-term care and disability products.
- Comp Options Insurance Company offers workers' compensation products.
- First Coast Service Options, Inc. is a third-party administrator for the federal Medicare program in Florida and Connecticut.
- Incepture assists organizations located primary in the health industry improve their business processes.
- Navigy, Inc. develops innovative e-enabled business solutions to meet the needs of an evolving health industry.
- The Blue Foundation for a Healthy Florida, Inc. is Blue Cross and Blue Shield of Florida's not-for-profit philanthropic affiliate and promotes better health in Florida.

**Enrollment:**

- Blue Cross and Blue Shield of Florida and its family of subsidiaries serve more than 6 million Floridians.
- In its Health Business alone, Blue Cross and Blue Shield of Florida serves 3.5 million members, a 28 percent share of the overall Florida health insurance market.

- Blue Cross and Blue Shield of Florida added 86,000 new members to its Health Business in 2003.
- In 2003, Blue Cross and Blue Shield of Florida experienced a consolidated retention rate of 88.1 percent among its customer base.

**Financial Performance:**

- In 2003, Blue Cross and Blue Shield of Florida reported consolidated total revenue of \$5.89 billion and a net income of \$281 million, which represents a 4.8 percent profit margin.
- Blue Cross and Blue Shield of Florida experienced its 15<sup>th</sup> consecutive year of positive financial performance in 2003.

**Employees:**

- Blue Cross and Blue Shield of Florida has grown to become one of Jacksonville's largest private employers and a major force in both the local and state economy.
- Statewide, the company provides employment for more than 9,000 individuals in Jacksonville, Miami, Ft. Lauderdale, Orlando, Tampa and Pensacola.

**Accreditation:** The National Committee on Quality Assurance (NCQA) has rated:

- Our North Geographic Business Unit commercial HMO Excellent.
- Our South Geographic Business Unit Commendable for both our Commercial and Medicare HMO products.

**External Financial Ratings:**

- Standard & Poor's (A); A.M. Best (A); Moody's (A3)

**Commitment to the Community:** Blue Cross and Blue Shield of Florida has a deep commitment to give back to the communities we serve. Blue Cross and Blue Shield of Florida supports its mission by playing a unique role in advancing the health and well-being of Florida's citizens. We focus on a much greater commitment to the public good and continue to support Floridians through programs focused on children, the elderly, minorities, the uninsured and underserved, as well as initiatives that positively impact the quality of life in our communities.

- Through Blue Community Champions, employees volunteer thousands of hours every year to provide board leadership, feed the hungry, walk miles to raise funds for worthy causes, mobilize volunteers, and challenge other organizations to become involved. In addition, our employees have been number one in giving to the United Way campaign of Northeast Florida for the past five years.
- The Blue Foundation for a Healthy Florida works to positively impact Florida's many different health care challenges with a particular focus on the health and well-being of the underserved and uninsured.
- In 2002 and 2003, Blue Cross and Blue Shield of Florida significantly increased its charitable giving and made donations to almost 300 non-profit groups that touch the lives of people in all of Florida's 67 counties.

***Miscellaneous Facts:***

- Blue Cross and Blue Shield of Florida is the oldest, largest most recognized health plan provider in the state of Florida.
- The Blue Cross and Blue Shield system of plans consists of 41 independent Blue plans with a total national enrollment of 88.3 million as of June 30, 2003. Blue Plans have experienced nine consecutive years of positive enrollment.
- In 2003, Blue Cross and Blue Shield of Florida and its HMO subsidiaries processed more than 42 million claims on behalf of our members with approximately \$7.1 billion paid to physicians and other providers for our members' health care services. In addition, our Medicare subsidiary, First Coast Service Options, paid out \$14 billion in benefits on behalf of the federal Medicare program.
- In 2003, more than 3 million of Blue Cross and Blue Shield of Florida's 3.5 million health plan members filed claims or made inquiries related to their health care coverage.
- In 2003, BCBSF processed approximately 168,000 claims each business day, and paid on average approximately \$20 million each day (\$590 million a month) to physicians and other providers for our members' health care services.

***Recent Key Milestones:***

- 1998 – Blue Cross and Blue Shield of Florida filed articles of incorporation for First Coast Service Options, Inc. (FCSO) as a wholly-owned third-party

administrator for government business programs. FCSO maintains offices in both Florida and Connecticut.

- 1998 – Blue Cross and Blue Shield of Florida’s subsidiary Health Options acquired Principal Health Care of Florida and assimilated its business into Health Options.
- 2000 – Blue Cross and Blue Shield of Florida established Navigy as a wholly-owned subsidiary to pursue E-business opportunities.
- 2000 – Blue Cross and Blue Shield of Florida formalized its employees long history of community involvement by launching the Blue Community Champions employee volunteer program.
- 2001 – Blue Cross and Blue Shield of Florida incorporated The Blue Foundation for a Healthy Florida as a charitable non-profit organization to promote better health in the state of Florida.
- 2001 – Through its subsidiary Navigy, Blue Cross and Blue Shield of Florida partnered with Humana to create Availity – a multi-payer web portal that enables physicians and other health care providers to transact business with BCBSF, Humana and other payers from one web site.
- 2002 – Blue Cross and Blue Shield of Florida incorporated Incepture as a wholly-owned, for-profit subsidiary to assist organizations to manage and improve business processes.
- 2002/2003 – Blue Cross and Blue Shield of Florida significantly increased its level of charitable giving by making donations in the tens of millions of dollars, benefiting almost 300 non-profit organizations and touching lives in every one of Florida’s 67 counties.
- 2004 – The federal government approves the novation (transfer) of Blue Cross and Blue Shield of Florida’s Medicare administrator contracts to First Coast Service Options.

**Recent Awards/Milestones:**

- Blue Cross and Blue Shield of Florida is celebrating its 60<sup>th</sup> anniversary in 2004, and the Blue Cross and Blue Shield Association is experiencing its 75<sup>th</sup> anniversary in 2004.
- In 2003, *Diversity Inc.* magazine named Blue Cross and Blue Shield of Florida to its listing of the top 50 U.S. companies for its dedication to diversity in the workplace. In 2004, *Onyx* magazine awarded the company

its Statewide Award for Diversity and Inclusion, recognizing the company for its dedication to diversity and commitment to Florida communities.

- Availity, L.L.C., Blue Cross and Blue Shield of Florida's joint venture with HUM-e-FL, Inc. a subsidiary of Humana, Inc., was named as one of the three winners of the 2003 AstraZeneca National Managed Health Care Congress (NMHCC) Partnership Award.
- Blue Cross and Blue Shield of Florida has been the number one employee giving group to the United Way of Northeast Florida for five consecutive years.
- Jacksonville Magazine has repeatedly recognized Blue Cross and Blue Shield of Florida as one of the "Top 25 Companies That Care," in the Jacksonville community for our commitment to our communities.
- The Public Relations Society of America (PRSA) is presenting Blue Cross and Blue Shield of Florida this year with its highest award – the Silver Anvil – for its outstanding charitable corporate giving program.

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