Access, Structure, and Financing of the U.S. Health Care System

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# Blue Cross Blue Shield- History

In 1929, Blue Cross began its first-ever partnership with a local hospital. The parties in the partnership included the Blue Cross, hospitals and the patients who were struggling with the financial challenges. Right after this partnership, the Blue Cross expanded its footprints by partnering with Baylor University hospital. Blue Cross and the Baylor University Hospital agreed to provide hospitalization for fifty cents a month, initially, this plan was set for twenty-one days of hospitalization annually (LIEBELER, 1951). This plan was a huge success for the Blue Cross. After the success of the Blue Cross, Blue Shield evolved by collaborating with workers in America. The American workers of that time faced immense challenges in getting the proper health facilities. They required substantial healthcare, for which they use to hire individual practitioner normally. It was for this reason that the Blue Cross expanded its initial programs for workers and Blue Shield developed into a healthcare company.

As time went on, both the Blue Cross and the Blue Shield expanded their health care coverage. Throughout the decades of the 1930s and 1940s, the companies developed their services throughout the length and breadth of the country. The companies started offering health care plans to many Americans throughout the United States. During these decades, Blue Cross and Blue Shield enlarged their services to include eighty-one hospitals in different states. They were offering forty-four different plans to their enrollees during the early years of their formations. The two companies formally collaborated in 1940 (LIEBELER, 1951). At this point in their history, the total number of enrollees in both companies exceeded twenty-four million members. After their collaboration, the companies started providing comprehensive coverage nationwide. During the decades of the 1950s and 1960s, the company’s membership saw new heights. Blue cross had fifty-two million enrollees, whereas the Blue Shield membership was nearly around forty million members. After the formation of the Federal Employee Health Benefits Program (FEHBP), more than half of the total enrolled people choose BCBS. In the year 1960, thirty-three Percent of the total enrolled people in America were members of the BCBS. Today, this company provide incomparable health care benefits to the people in America.

# Insurance Products

BCBS is one of the largest company enrolled under the FEHBP. This plan is one of the largest health service provider programs. BCBS serves the government sector in two ways. It is the largest partner in FEHBP and the government contractor in Medicare. The medical insurances of the BCBS are enacted by partnering with almost every hospital in the country. The company partners with thirty-six separate insurance companies to ensure the timely delivery of the finances. The A. M Best has rated the BCBS Company A+, which is classified as an excellent rating (Schuler, 1995). There are many different options for insurance provided by the BCBS. Some of the most popular insurance plans include

## HSA and FSA Accounts

These plans are for families with a limited budget. In this plan, the customer can save tax-free money that is then applicable to any health care deductions. Another option provided by this insurance is the option of crediting the amount directly from the paycheck. BCBS has its own bank for this purpose. Each deposit, with drawl and payment plan, is monitored by their own bank. This insurance option provides the opportunity to use the saved amount for health-related concerns.

## Health Reimbursement Arrangements (HRA)

According to this plan, families with low income and a minimum amount of saving can avail the medical facilities anywhere the BCBS offer the health plans. In this program, a predetermined amount is disbursed for medical expenses. The options of co-payment and different type of medical billing are available to the employees using the HRA.

## Member Services

These insurance services are specific for the policyholders. In this plan, there are many options which can be tailored considering the need for the health care plan. Before the formal application for this plan, one needs to visit their website to review the plans thoroughly. These plans may include coverage from a specific health issue to a complete annual plan of the health care by BCBS.

# Organization

Blue Cross and the Blue Shield are insurance companies working under two different license. These companies offer plans for definite regions. Some of the regions are covered under the plans provided by the Blue Cross and some work under the Blue Shield license. These both companies provide coverage to half of the federal employees. Since these companies work as an organization, therefore their plans are normally the most customized one (Appelbaum, 1993). The organization is headquartered in Chicago. Different studies related to the health care providers suggest that the organization of BCBS is the most vibrant, compared to other health care providers. The companies’ customers normally retain the services of BCBS for more than a decade. It shows that the organization provides some of the most reliable plans. Besides providing the health care facilities to the federal employees and wealthy class families from the United States, BCBS takes utmost care in providing sustainable health care facilities to the workers from across the United States.

# Number of enrollees

BCBS covers the largest area of the United States compared to other health care providers. It mainly covers eighty-eight companies out of fortune employers. The big companies like Walmart, Microsoft and UPS are enrolled with the BCBS organization for their health care services. In addition to this seven million other American who work for different employers are associated with the BCBS (Cross, 2019). In addition to these other small employers are linked with BCBS. Some research studies conducted by the BCBS suggest that more than seventeen million unionized workers and their families manage their health care cost with the BCBS. The retire persona and people from different occupational groups are separate from the accumulative figure mentioned above. 5.6 million Federal workers and 4.1 million people from the Medigap supplemental insurance are also the part of BCBS community. BCBS has retained the tenders of the federal governments from 1966. These all figure accumulate to the total enrollees in the BCBS programs.

# Financials

BCBS licensee is the largest customer-owned health care, provider. The company reported a net loss of $65.9 million in 2015. This loss was declined from $281.9 million in the year 2014. The health insurer narrowed the loss from the financial hits of the ACA exchange in a few years. In 2016, the organization laid an undisclosed amount of employees registered with the BCBS after it suffered the loss of $176.1 million in the first three quarters of 2015. The company cited the increased costs of paying for minor facilities (Cross, 2019). During these years, the company also experienced a record decline in customer enrollment. In September of the same year, the company laid off seventy Percent of the IT infrastructure. In this complete process, the complete outsourced the maintenance related jobs to different companies. At present, the BCBS organization have recovered from 91.8 Percent of the total losses (Cross, 2019), it gained in the last few years.

There are many companies in the United States, which provide health care insurances to the American population. Considering the social and financial constraints, the health provider company’s face, the finances are normally not disbursed to the patients within the agreed time duration. In the case of BCBS, despite facing heavy losses in the recent path, many doctors accept the insurance from BCBS. The only reason at present for its popularity is its financial strength and variety of health care plans.

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