

# TAKING CARE OF ARIZONA SINCE 1939

Blue Cross Blue Shield of Arizona provides health insurance for generations.



An Independent Licensee of the Blue Cross and Blue Shield Association

## THE ROOTS OF HEALTH INSURANCE GROW.

The history of health insurance in Arizona can be traced back to the Blue Cross Plans introduced in the late 1920s. A decade later, as Arizona began to awaken from the Great Depression, the concept of health insurance continued to grow roots. By 1939, five major hospitals and several community leaders joined together to create the Associated Hospital Service of Arizona, the company that would later become **Blue Cross Blue Shield of Arizona (BCBSAZ)**.



## INDIVIDUAL HEALTH COVERAGE TAKES SHAPE.

In the next decade the popularity of health insurance spread. The country moved from just 10 percent of the population having coverage in 1940 to 70 percent in 1955. In addition to offering group plans during this decade, BCBSAZ began offering individual coverage for the self-employed and small group coverage for employers in groups of less than 10. Then in 1959, Congress enacted the Federal Employee Health Benefits Act, leading to the introduction of the Federal Employee Program (FEP).

## HMO PLANS EMERGE AS COST-EFFECTIVE INSURANCE OPTIONS.

In 1972, BCBSAZ was awarded the business for 19,000 State of Arizona employees. BCBSAZ also introduced one of the nation's first HMO plans during this decade, ABC-HMO.



## TAKING CARE OF MILITARY MEMBERS AND THEIR FAMILIES.

In 1996, BCBSAZ, along with hospital systems and other Blue Plans, founded TriWest Healthcare Alliance. This group of not-for-profit healthcare organizations and university hospital systems is contracted by the U.S. Department of Defense to provide health insurance coverage for approximately 2.7 million members across a 21-state region. TriWest proudly serves beneficiaries in the military's active duty, Guard and Reserves, including retired uniformed services personnel and their eligible family members and survivors.

1920s-1930s

1940s

1950s

1960s

1970s

1980s

1990s

2000-2010

## THE RISE OF EMPLOYER-BASED INSURANCE.

Employer-based insurance benefits took shape in the 1940s when the unemployment rate dropped to just 1.2 percent and employers sought to add new workers. Traditionally, this would mean increasing wages but strict WWII price and wage controls made it impossible. As a result, employers began to offer these benefits to attract new employees. Monthly rates were very modest in these early years, with premiums starting at just 85 cents per month for a single plan and \$2 per month for families.



## PPO PRODUCTS INTRODUCED BY BCBSAZ.

In addition to HMO coverage, in 1983 BCBSAZ introduced a Preferred Care PPO product and additional PPO products and a vision benefit were added shortly after. By the end of the decade (BCBSAZ's 50th anniversary) plan enrollment reached a new high of 420,000 customers.



## BCBSAZ GROWS ALONG WITH ARIZONA'S POPULATION.

In 1963, 226,086 Arizonans were covered by BCBSAZ. In the late 60s, the Phoenix Suns started their first professional season and BCBSAZ became one of the team's very first sponsors.

## BCBSAZ CONTINUES TO SERVE ARIZONANS.

Although healthcare has continued to change over the years, BCBSAZ's commitment to Arizona has remained unchanged. In 2010, more than 1.2 million individuals turned to BCBSAZ for their health insurance services, programs or networks. The company has deep roots in local communities with offices in Phoenix, Flagstaff, Tucson and the East Valley.

In 2010, FEP was the largest employer-sponsored group health insurance program in the world, covering over 9 million federal employees, retirees and their families. That same year, BCBSAZ administered health insurance to 88,000 Arizonans as an approved FEP provider.

BCBSAZ continues to address the evolving needs of its members. **In 1933**, when the first Blue Cross baby was born, the entire cost of her delivery and her mother's **10-day hospital stay totaled just \$60!** BCBSAZ remains committed to providing the best value in health insurance and improving the quality of life for all Arizonans.

## OUR COMMITMENT TO CREATE A HEALTHY FUTURE FOR ARIZONA.

As a community leader, BCBSAZ supports hundreds of charities and organizations that enrich health, wellness, culture and economic development—because taking care of Arizona means being an active partner in the communities it serves. It is a part of the company's mission and heritage of service excellence. As the healthcare landscape changes, BCBSAZ is committed to being there for its customers and community—steadfast and strong for many years to come.