

Communicating Certainty During Uncertainty

Blue Cross Blue Shield
of North Dakota

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BCBSND: Real World Experiences

Timeframe:

January 15, 2009 – March 15, 2009

Snapshot of BCBSND

- North Dakota's largest insurer
 - Mutual, not-for-profit insurance company
 - Dominates with 80% of group business
 - Captive sales force
 - Considered a monopoly
 - Rates need approval by Department of Insurance
 - Rates are among the lowest in the nation
 - Quality ranked among the highest

Situation Overview

- National issues
 - Economy, trust and transparency
 - Detroit, Wall Street, AIG
- North Dakota issues
 - Local economy no longer “recession-proof”
 - Layoffs and cut-backs at ND’s small rural hospitals and the largest health provider
 - Major employers announced cuts: MicroSoft, Case IH, SJE Rhombus, Bobcat, WDAY/The Forum

Situation Overview

- Ancient—but not forgotten—history
 - Public outcry over Board trip to Hawaii, 1970s
 - Insurance Department audit, 1990s
 - CEO Mike Unhjem charged with DUI, 2005
- Impact of media and the web
 - Talk radio—local host with national platform
 - Social media, commentary, viral communication
 - Instant access to archives, national stories



Situation Overview

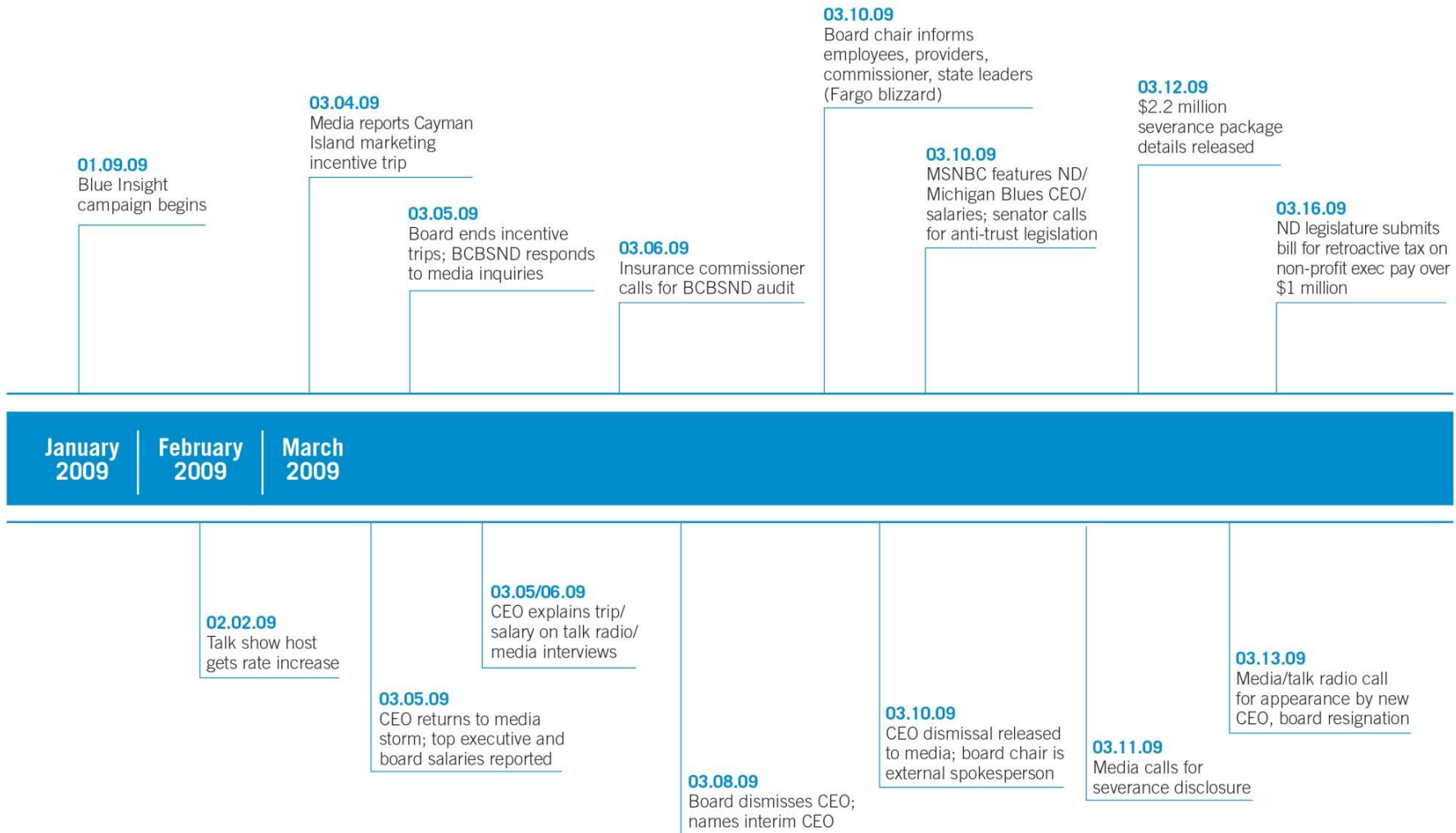
- Contentious relationship with insurance commissioner
 - Ongoing rate increase denials
 - Provider withhold announcement
 - Tight election race for insurance commissioner
 - BCBSND absent from public comment
 - ALJ ruling in BCBSND's favor on rate case

“We have an extremely large hammer — Blue Cross Blue Shield is regulated in the state, and North Dakota is the regulator.

We have the ability to get answers.”

North Dakota Insurance Commissioner Adam Hamm

Situation Timeline



Other Realities

- Health Care Reform
- New media

Internal Tactics During Uncertainty

Employees need to perform at their best when times are the worst:

1. Transparency
2. Expediency
3. Engagement

Transparency

- Share all that you can, as quickly as you can
- Don't be afraid of post-examinations
- Connect employee roles to company position, strategies and issues
- Be visible

Expediency

- Err on the side of frankness to expedite communications
- Daily electronic employee newsletter
- E-mail alerts and notices
- Heads up to management

Engagement

*Frustrated employees represent 20% of workplace, resulting in negativity that zaps US companies \$3 billion a year**

- Solicit employee feedback
- Employee meetings with CEO, management and divisions
- Focus on empowerment
- Post FAQs

*Source: Human Resources Executive Online, April 2008 & US Bureau of Labor Statistics

Leadership Tactics For Certainty

- Expect chaos and conflict
- Commit to communication
- Clarify that company positions and responses are aligned from top down
- Include all levels of employees and challenge them to question the status quo

Leadership Tactics For Certainty

- Recognize employees good work
- Applaud positive comments, address negative
- Be there and be genuine. Some emotion is okay

Leadership Tactics For Certainty

- Commit to optimism and stay positive, but realistic
 - Identify and eliminate negative thoughts
 - Manage your reactions
 - Turn breakdowns into breakthroughs

Take Care of Yourself

- Health
- Sleep
- Learn
- Meditate
- Sanctuaries (surroundings, energy field, acquaintances)
- Practice Impactful Integrity (be honest, gracious and thankful)