
News Release



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First Coast Service Options On Winning Team for New Medicare Contract

JACKSONVILLE, Fla.—First Coast Service Options, Inc., (FCSO), the primary Medicare administrator for Florida and Connecticut, announced today that the company is on the team that was recently awarded a Medicare Administrative Contract (MAC) by the Centers for Medicare and Medicaid Services (CMS). The MAC contract is for the jurisdiction that includes California, Nevada, Hawaii, American Samoa, Guam and the Northern Mariana Islands. The winning team was lead by Palmetto GBA, one of the nation's largest Medicare administrators, headquartered in Columbia, S.C. As a subcontractor to Palmetto, FCSO will perform provider audit, reimbursement and enrollment functions in the jurisdiction.

The contract awarded to Palmetto GBA is for a base period of one year with four one-year options and will start no later than June 2008. To perform this new work, FCSO will add more than 100 employees. New staff will be located in the company's existing Jacksonville and Tampa offices and in a new field office in Camarillo, Calif., about one hour north of Los Angeles.

"This is a very significant win for FCSO, and demonstrates our ability to win in an increasingly competitive market and to grow scale beyond Florida," said Curtis Lord, CEO of FCSO. "It also underscores the strength and effectiveness of our strategic alliance with the prime contractor, Palmetto GBA."

MACs were created as part of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA). This legislation was passed by Congress to improve Medicare Part A and Part B claims processing and other services for Medicare beneficiaries and health care providers. Medicare Part A helps cover fees from hospitals, skilled nursing facilities and other institutional providers. Part B covers fees from physicians, laboratories and other practitioners. As mandated by MMA legislation, MACs will operate in 15 distinct, non-overlapping geographic jurisdictions that will be competitively procured by CMS and fully operational by Oct. 2011.

FCSO contracts with CMS and the Blue Cross Blue Shield Association to provide quality Medicare administrative services to more than 3 million beneficiaries and the health care providers who care for them in Florida and Connecticut. Services include claims processing, customer service, education and outreach activities and functions that help ensure the integrity of Medicare program payments. FCSO has more than 1,200 staff members at the company's headquarters in Jacksonville, Fla. and field offices in Miami, Orlando, Tampa and Meriden, Conn. FCSO is a wholly owned subsidiary of Blue Cross and Blue Shield of Florida, and together the two companies have served as a Medicare administrator since the inception of the Medicare program in 1966. For more information concerning FCSO, please see its Web site at www.fcso.com.

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