

## Blue Cross Blue Shield of South Carolina

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**Location:** Columbia, South Carolina

**Occupations of apprentices:**

- Information security administrator
- Information security risk analyst
- Database programmer
- Computer programmer
- System support technician
- Server technician
- Network technician

**Company Web Address:** <https://www.southcarolinablues.com/web/public/sc/>

### Background<sup>32</sup>

Blue Cross Blue Shield of South Carolina (BCBSSC), founded in 1946, is the only South Carolina-based health insurance carrier and one of the state's largest employers. BCBSSC offers health insurance to nearly a million South Carolinians in all market segments, including to individuals, families, businesses, and people with Medicare or Medicaid. BCBSSC began running its Entry Level Training Program (ELTP) in 1997. While the ELTP has long followed a basic earn-and-learn model that effectively makes it an apprenticeship, BCBSSC did not register the program with DOL until 2009. Registration allowed the company to take advantage of South Carolina's \$1,000 per-apprentice tax credit.

### Motivation

ELTP is a program designed to bring in new talent for BCBSSC's 2,000-person IT division. Not only is BCBSSC the largest health insurance provider in South Carolina, it also is responsible for processing a significant portion of the nation's overall health care spending. As a result, BCBSSC employs more IT professionals than any other firm in Columbia. These IT workers are responsible for server management, application development, network management, telecommunications, and systems support.

In total, 528 people have participated in the ELTP since 1997, with 300 still active employees of BCBSSC. While ELTP is the primary method used for filling positions with employees who have no prior work experience in the IT field, BCBSSC relies on traditional hiring practices to bring on experienced candidates in more senior roles. Between 2011 and 2015, around 12 percent of all new hires at BCBSSC were brought on through the ELTP, accounting for over 90 percent of all entry-level hires in the period. ELTP hires jumped to 21 percent in 2016 as the company became more aggressive in recruiting to replace their retiring workforce over the next 5 to 10 years.

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<sup>32</sup> For more information on BCBSSC apprenticeship programs, see: <http://www.apprenticeshipcarolina.com/testimonials/bluecross-blueshield-it-apprentice-program.html>.

## Recruiting

Unlike the other apprenticeships profiled in this study, 80 percent of BCBSSC's apprentices are new college graduates, mainly with computer-science degrees. Recruiting for the ELTP differs slightly from most other firms in this study because it recruits heavily at college career fairs and also uses social media, student information sessions, and networking events. As a result, ELTP participants tend to be relatively highly educated and slightly older than apprentices at other companies in this study.

ELTP's sophisticated process for setting its recruitment goals provides a model for any firm thinking about how many apprentices it will need. Assistant Vice Presidents (AVPs) use internal modeling to identify current and future gaps in their groups. Retirement is the main driver of those needs, with demands for services and active contracts also playing a role. AVPs submit their staffing requests to senior management for approval, after which they are added to next year's budget. Before any recruiting takes place, BCBSSC has already built each individual apprentice into its planned expenditures.

## Program Details

The four-track ELTP curriculum is primarily technical training. Two tracks—infrastructure and systems support—are provided offsite at Midlands Technical College; the remaining two—application development in either the mainframe or non-mainframe environment—are provided onsite at BCBSSC. The classroom training portion of these tracks lasts 16 to 20 weeks, depending on the track. Two of the four tracks—infrastructure and systems support—result in three certifications from the Computing Technology Industry Association (CompTIA), a major non-profit IT industry association. Across all four tracks, the ELTP provides 169 distinct courses or training events, encompassing technical skills, certification preparation, presentation, soft skill development, and teambuilding.

During the training period, apprentices work on the floor for at least two weeks under the guidance of mentors, who typically are ELTP graduates. This introductory OJT allows apprentices to become acclimated to the work environment and interact with managers and their peers. BCBSSC estimates that it spends an average of \$39,000 per apprentice on training, salary, and benefits during this period.

After the 16 to 20 weeks of classroom training, apprentices spend the next 42 to 48 months in an on-the-job apprenticeship, where they work full-time and continue to learn through OJT. At the conclusion of the apprenticeship, graduates will have completed an industry recognized certificate issued by DOL. In addition, all apprentices sign a two-year promissory note, guaranteeing that they will remain with BCBSSC for two years after the completion of the program.

## Costs and Benefits

The most direct costs to BCBSSC come from the 16 to 20-week training program and apprentice wages throughout the entire ELTP. Each year, BCBSSC evaluates the market wages for similarly experienced employees in the region and sets wages to make positions attractive to potential entrants. In addition, BCBSSC monitors ELTP graduates for five years following completion of the program to ensure that their compensation is keeping up with their peers.

Additional direct costs over and above apprentice training and wages include curriculum development and a dedicated recruiter. Mentors play a key role in assigning apprentices to projects and tasks appropriate to their skill level to minimize the risk of costly errors and missed deadlines while allowing apprentices to build the

skills they will need for more challenging work. There are cost savings in this matching of skill level to work; having lower skilled and less costly resources doing lower level work is more cost effective for BCBSSC than using senior level employees and costlier resources.

BCBSSC cites a number of perceived benefits that are largely in line with those cited by other firms. Attrition rates are lower for ELTP participants than for employees hired from other channels, averaging around 4 percent, compared to an industry average of 13 percent. The average tenure of current ELTP-trained employees is nearly 10 years. As with several other apprenticeship programs, the ELTP provides a training ground for future leadership, with 22 percent of current ELTP-trained staff at BCBSSC in leadership roles. Executives see the ELTP as part of a pipeline that brings on new employees, trains them, and uses their knowledge and skills to train new employees coming in behind them.

The major benefit they cited, however, was the ability to inculcate a “Blue Cross culture” in younger, fairly inexperienced candidates. While many firms describe the building of loyalty and camaraderie as a core benefit of their apprenticeship programs, BCBSSC raised a more specific point: namely, that a great deal of their core system applications run in traditional mainframe environments, which are not addressed in many current computer science programs. ELTP provides a method of getting new employees up to speed within the existing work environment.