



# BlueCross of Northeastern Pennsylvania

Independent Licensee of the Blue Cross and Blue Shield Association  
®Registered Mark of the Blue Cross and Blue Shield Association

19 North Main Street, Wilkes-Barre, Pennsylvania 18711-0302

March 23, 2011

Mr. Stephen J. Johnson, CPA  
Deputy Insurance Commissioner  
Office of Corporate and Financial Regulation  
1345 Strawberry Square  
Harrisburg, PA 17120

Dear Mr. Johnson:

Enclosed please find the Community Health Reinvestment Activities filing for the Hospital Service Association of Northeastern Pennsylvania (d/b/a Blue Cross of Northeastern Pennsylvania), per the requirements of Article XXV of The Insurance Company Law of 1921, as amended by section 9 of Act 62, 2008.

If the Insurance Department ("Department") has any questions pertaining to the activities outlined in this filing or needs additional information, please contact me at 570.200.6403. Please send notice of the Department's approval or disapproval of this filing directly to me. Thank you.

Sincerely,

Mitch Kalish  
Vice President, Chief Actuary

cc: William Farrell, Senior Vice President, Chief Financial Officer  
Suzanne Fletcher, Vice President, Finance & Purchasing  
Brian Rinker, Senior Vice President, Chief Administrative Officer  
Kim Kockler, Vice President, Government Affairs  
Michael Lampe, Vice President, Corporate Affairs  
Cynthia Yevich, Senior Director, Corporate Affairs  
Trish Savitsky, Vice President, Corporate Assurance & Compliance  
John Fulginiti, Director, Technical Analyst  
John Moore, Director, Financial Services



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Flexity • Executive • Major Medical • Builders  
Plans from Blue Cross of Northeastern Pennsylvania  
Highmark Blue Shield  
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Comprehensive • HMO Individual Conversion • Flexity  
Plans from First Priority Life Insurance Company  
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**BlueCare**

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Plans from First Priority Health  
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**PLAN PROPOSAL FOR  
COMMUNITY HEALTH REINVESTMENT ACTIVITIES**

**Proposal for Fiscal Year July 1, 2011 to June 30, 2012**

**FEIN:** 2 4 0 6 1 5 1 7 7

**NAIC:** 5 4 7 4 7

**I. HOSPITAL PLAN CORPORATION OR PROFESSIONAL HEALTH SERVICE PLAN CORPORATION NAME AND ADDRESS:**

Hospital Service Association of Northeastern Pennsylvania  
d/b/a Blue Cross of Northeastern Pennsylvania  
19 North Main Street  
Wilkes-Barre, PA 18711

**II. PLANNED EXPENDITURES:**

	Projected Expenditures
<b>1. Proposed annual community health reinvestment activities for health care coverage for persons unable to pay for coverage (list and describe proposed endeavors below):</b>	
a. Subsidy of Income Based Products: Special Care (6,458 members)	\$ 6,341,000
<b>2. Proposed annual community health reinvestment activities for programs for prevention and treatment of disease or injury or the promotion of health or wellness (list and describe proposed endeavors below):</b>	
a. The Blue Ribbon Foundation of Blue Cross of Northeastern Pennsylvania's <i>Health &amp; Wellness Impact Grants</i> and <i>Health &amp; Wellness Mini-Grants</i> make funds available to community nonprofits to support health and wellness education, prevention, early intervention, and lifestyle change programs.  All Blue Ribbon Foundation grants are approved by The Foundation's Board of Directors. Funded projects must meet The Foundation's published eligibility criteria (attached). All Board meetings are pending for the period July 1, 2011, to June 30, 2012, so it is impossible to provide a detailed breakdown of grant expenditures. Rest assured that no grants will be approved during this period that fall outside our published grant criteria.	\$ 40,000
b. Blue Cross of Northeastern Pennsylvania partners with Susquehanna Health in <i>The LifeCenter</i> , a retail health and wellness storefront dedicated to community health outreach, classes and seminars, and free or reduced-cost screenings.	\$60,000
c. BCNEPA supports the health and human services programs of United Way agencies throughout our 13 counties through annual corporate contributions to 14 community-based United Way campaigns. An estimated \$122,000 in United Way support is expected to be distributed in the second quarter of 2012.	\$122,000
<b>3. Community health reinvestment activities proposed in your application under paragraph 3 of the Agreement dated February 5, 2005 and published at 35.Pa.B. 4155 or any successor or other agreements (list and describe proposed endeavors below):</b>	
a. Subsidy of Income Based Products: Special Care	See 1. a.
b. Subsidy of Non-Income Based Products: BlueCare Cooperative,	See 4. a.

BlueCare Major Medical, BlueCare Student and BlueCare Security		
<b>4. Other proposed annual community health reinvestment activities (list and describe proposed endeavors below):</b>		
a. Subsidy of Non-Income Based Products: BlueCare Cooperative (4,548 members), BlueCare Major Medical (3,911 members) and BlueCare Security (31,180 members)		<b>\$ 8,165,000</b>
<b><u>Products</u></b>	<b><u>Estimated 7/11 - 6/12 Losses</u></b>	
Blue Care Cooperative	\$ 4.7 million	
Blue Care Major Medical	\$ 2.2 million	
Blue Care Security	\$ 1.3 million	
Total	<b>\$ 8.2 million</b>	
<b>TOTALS</b>		<b>\$ 14,729,000</b>

**\*NOTE: IF A PROPOSED ACTIVITY APPLIES TO MORE THAN ONE CATEGORY, IT MAY BE REPORTED IN EACH APPLICABLE CATEGORY; HOWEVER, THE PROJECTED EXPENDITURE MAY ONLY BE COUNTED ONCE**

**Note from Blue Cross of Northeastern Pennsylvania:**

**This disclosure contains forward-looking statements that are based on Management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors. The company does not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report.**