



Capital BlueCross

Redacted

March 28, 2013

The Honorable Stephen J. Johnson, CPA
Deputy Insurance Commissioner
Office of Corporate and Financial Regulation
Pennsylvania Insurance Department
Commonwealth of Pennsylvania
1345 Strawberry Square
Harrisburg, Pennsylvania 17120

Re: 2013 Act 62 Filing.

Dear Deputy Commissioner Johnson:

I am writing to provide you with supporting detail for our March 2013 filing on Statutory Community Health Reinvestment (SCHR) spending pursuant to Act 62 of 2008. Please note that we are filing both redacted public and un-redacted confidential versions of our response. To the extent that the Department intends to make our response public, we request that it use only the redacted public version. Set forth below is a summary of the redacted portions of our response and the reasons justifying the request for confidential treatment under Pennsylvania's Right to Know Law, 65 P.S. § 67.101 *et seq.*:

Attachment	Redacted Portions	Basis for Confidential Treatment
1 Subsidies for specific products	Specific subsidy amounts by product	This information constitutes confidential proprietary information disclosure of which would harm Capital BlueCross.
2 Community Health Initiatives	Names of organizations that received funds	This information constitutes confidential proprietary information disclosure of which would harm Capital BlueCross.
3 Donations to Health Related Non-Profits	Names of non-profits that received donations.	This information constitutes confidential proprietary information disclosure of which would harm Capital BlueCross.

I have provided additional detail regarding distribution of funds under the following attachments:

- 1. Detail on the proposed subsidies:**
The use of the funds is documented in the attached chart (Please see Attachment 1).
- 2. Detail on the proposed community health initiatives;**
Please see attached chart for further detail (Attachment 2).

Health care benefit programs issued or administered by Capital BlueCross and/or its subsidiaries, Capital Advantage Insurance Company, Capital Advantage Support Company and Keystone Health Plan Central, independent members of the BlueCross BlueShield Association. Communications issued by Capital BlueCross are made as a matter of course and do not constitute an offer of insurance or any other financial product.

Redacted

3. Detail on the proposed donations.

Please see attached list of proposed donations (Attachment 3).

Please keep in mind as you review these additional filings that Capital BlueCross budgets on a calendar year basis, which does not correspond to the Commonwealth's fiscal year.

Accordingly, most of the numbers included in the filing are estimates generated from our calendar year 2012 expenditures or our partial-year 2013 spending projected forward. Further, because we are a not-for-profit community health plan – and, as part of our basic mission – we are often called upon periodically to respond to pressing community needs. As a result, these types of expenditures are not easily prospectively quantified.

Please do not hesitate to give me a call if you have any questions or would like any additional information.

Sincerely,

A handwritten signature in black ink, appearing to be 'Aji Abraham', with a long horizontal flourish extending to the right.

Aji Abraham
Government Counsel

Redacted

Attachment 1

Subsidy Amounts by Product (Estimated for Calendar Year 2013)

Product	Subsidy Amount
Product #1	\$10,400,000
Product #2	\$800,000
Product #3	\$3,400,000
Product #4	\$2,000,000
Product #5	\$1,300,000
Total	\$17,900,000

Attachment 2

Community Health Initiatives

Initiative		Amount
Healthcare Services	Commitment in conjunction with Provider A, to provide healthcare services to address high risk behaviors and to implement targeted initiatives that encourage health promotion, wellness and prevention among school age youth.	\$125,000
Health Education	Commitment in conjunction with Provider A, to provide health education services targeting School A identified with high BMI rates, especially among Hispanic and African American student.	\$75,000
Bridges to Care Program	Commitment in collaboration with Provider A, focused on establishing and developing application assistance resources to provide high-touch, high-quality, reliable Medicare/CHIP enrollment and renewal services in the greater City A community	\$100,000

**PLAN PROPOSAL FOR
COMMUNITY HEALTH REINVESTMENT ACTIVITIES**

Redacted

Proposal for Fiscal Year 2013 – 2014.

FEIN:

2	3	0	4	5	5	1	5	4
---	---	---	---	---	---	---	---	---

NAIC:

5	4	7	2	0
---	---	---	---	---

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

CAPITAL BLUECROSS
2500 ELMERTON AVENUE
HARRISBURG, PA 17177

ATTN: Aji Abraham

II. PLANNED EXPENDITURES:

	Projected Expenditures
1. Proposed annual community health reinvestment activities for health care coverage for persons unable to pay for coverage (list and describe proposed endeavors below):	
a. Company projects explicit subsidies for certain individual products (i.e., Traditional, Security65, SpecialCare, CHIP, etc.). Includes an estimate of additional anticipated losses incurred under these programs in excess of the intended subsidy.	\$17,900,000
2. Proposed annual community health reinvestment activities for health care services for persons uninsured and unable to pay for services (list and describe proposed endeavors below):	
a. Bridges to Care Program – a collaborative program focused on establishing and developing application assistance resources to provide high-touch, high-quality, reliable Medicaid/CHIP enrollment and renewal services in the greater City A area.	\$100,000
3. 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):	
a. Community Health Initiatives (in partnership with hospitals, physicians and other providers) that provide health services including, school and community health improvement programs focused on nutrition, diabetes, teen pregnancy, STD prevention, smoking cessation, and mental health issues.	\$125,000
b. Health Education targeting school district A identified with high BMI especially among Hispanic and African American students.	\$75,000
4. 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):	No longer applies due to the expiration of the Community Health Reinvestment Agreement on December 30, 2010.

5. Other proposed annual community health reinvestment activities (list and describe proposed endeavors below):	
a. Donations to nonprofit community organizations such as Easter Seals, ADA, Leg Up Farm and others. Pursuant to Act 62 of 2008, this amount does <u>not</u> include sponsorships.	\$580,000
TOTALS	\$1,878,000

***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**

Attachment 3
Proposed Donations

Redacted

Organization	Purpose	Amount
Organization A	Health Provider A is a Federally Qualified Health Center, a non-profit community based health organization. An FQHC provides comprehensive primary health, oral, mental health and substance abuse services to persons in all stages of the life cycle.	\$200,000
Organization B	Provides financial support for children's asthma clinic at Check Up Center	\$20,000
Organization C	Provides funding to support training to prevent serious burns	\$5,000
Organization D	Provides financial support to meet the dental needs of students in the School District B through the Miles of Smiles Program	\$40,000
Organization E	Provides funding to support educating students at local schools Adolescent Depression	\$25,000
Organization F	Provides funding to support local residents suffering with Sickle Cell with medical support	\$5,000
Organization G	Provides funding to support the administration of free or reduced medical care to residents of County B.	\$75,000
Organization H	Provides funding for education of at risk children on nutrition and fitness	\$15,000
Organization I	Provides funding for research and services for patients suffering with MS	\$15,000
Organization J	Provides financial support to meet the dental and health needs of uninsured or underinsured children	\$30,000
Organization K	Provides funding for services supporting local residents suffering from developmental disabilities	\$17,500
Organization A	Provide funding for research and services of local residents suffering with Diabetes	\$7,500
Organization L	Provides funding for services supporting local residents suffering from mental illness	\$10,000
Organization M	Provides funding for services supporting local residents suffering from birth defects	\$30,000
Organization N	Provides funding for services supporting local residents suffering from developmental disabilities	\$15,000
Organization O	Provides funding for services supporting local residents suffering from birth defects	\$20,000
Organization P	Provides support to improve the quality of patient health by developing a consistent, uniform, statewide approach to quality measurements	\$50,000
Total		\$580,000