



**Independence
Blue Cross**

www.ibx.com

1901 MARKET STREET
PHILADELPHIA, PA 19103-1480

March 30, 2010

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

Re: Independence Blue Cross -- 2010-2011 Community Health Reinvestment Activities

Dear Mr. Johnson:

Enclosed please find the Independence Blue Cross (IBC) proposal for Community Health Reinvestment (CHR) Activities prescribed by Act 62 of 2008 ("Act 62"). While the amounts listed in the enclosed Plan Proposal are for twelve months of activity, the document reflects the fact that that IBC has no obligations under the Community Health Reinvestment Agreement (the "Agreement") beyond December 31, 2010.

Because IBC operates on a calendar year basis, adjustments may need to be made regarding the timing of certain expenditures. Due to the reporting requirements established by Act 62 (fiscal year reporting vs. calendar year reporting), the proposed funding for submitted activities may differ slightly from other submissions.

Lastly, and as requested last year, we have also enclosed additional documentation in support of the proposal. Some of this information is marked as proprietary and confidential to Independence Blue Cross and we trust the Department will treat it accordingly.

Independence Blue Cross is extremely proud of its commitment to our community. If you have any questions, please feel free to contact me at (215) 241-3027.

Sincerely,

Stephen P. Fera
Vice President
Government & Social Mission Programs

**PLAN PROPOSAL FOR
COMMUNITY HEALTH REINVESTMENT (CHR) ACTIVITIES**

Proposal for Year 2010-2011

FEIN: 2 3 0 3 7 0 2 7 0

NAIC: 5 4 7 0 4

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

Independence Blue Cross
1901 Market Street
Philadelphia PA 19103

II. PLANNED EXPENDITURES:^{1, 2}

	Projected Expenditures
1. Proposed annual CHR for health care coverage for persons unable to pay for coverage (list and describe proposed endeavors below):³	
a. Non-group product subsidy, including Special Care	\$41,515,000
b. Children's Health Insurance Program (CHIP) subsidy	\$12,460,000
2. Proposed annual CHR for health care services for persons uninsured and unable to pay for services (list and describe proposed endeavors below):	
a. Charitable Medical Care Grant Program	\$1,051,667
3. Proposed annual CHR for programs for prevention and treatment of disease or injury or the promotion of health or wellness (list and describe proposed endeavors below):	
a. IBC Wellness Van	\$5,000
b. Health eTools for Schools	\$435,807
c. PA Health Care Quality Alliance	\$50,000
d. PA Chronic Care Commission	\$3,148,212
e. Partnership for Patient Care	\$1,000,000
f. American Cancer Society	\$50,000
g. U of Penn Abramson Cancer Center (Glick Chair)	\$50,000
h. PA Department of Health – Active Schools	\$50,000
i. Public Health Management Corp	\$50,000
j. Temple U. Cardiovascular Research Center	\$350,000
4. Proposed other annual CHR activities (list and describe proposed endeavors below):	
a. Donations to Health and Charitable organizations in the five-county Phila. Region	\$400,000
b. Nurse Scholars Program	\$1,000,000
5. Proposed other CHR activities pursuant to 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):	
TOTALS	\$61,615,686

¹ The Community Health Reinvestment Agreement (the "Agreement") entered into between the Pennsylvania Insurance Department and IBC expires 12/31/10. While the amounts listed are for 12 months of activity, IBC has no obligations under the Agreement beyond 12/31/10.

² The amounts listed below are projected expenditures only. Changes to state or federal laws (i.e. The Patient Protection and Affordable Care Act) and/or regulations implementing those laws, as well as general economic conditions could impact actual expenditures.

³ Consistent with the 2010 Community Health Reinvestment Application submitted to the Department January 12, 2010, IBC has fulfilled its obligation under the Agreement and no additional expenditures are projected or required.

PROPRIETARY & CONFIDENTIAL

**Independence Blue Cross
Detailed Support for Act 62 Submission
Section II. Planned Expenditures, Item 1.
Period 7/1/2010 through 6/30/2011**

	CHiP	Special Care and Other Non-Group Products
Anticipated Revenue	86,419,000	182,505,000
Anticipated Claims	84,200,000	199,731,000
Anticipated Medical Mgmt & Administration	14,679,000	24,289,000
Anticipated Unreimbursed Costs	12,460,000	41,515,000

Description for Item 2a

IBC CHR Commitment - Breakdown of Proposed Expenditures for 2010 - 2011

CHARITABLE MEDICAL CARE GRANT PROGRAM (CMC)

Program Description:

IBC created the Charitable Medical Care Grant Program as part of our ongoing Social Mission commitment to enhance the health & well-being of the community & to bring support and attention to the uninsured & medically underserved.

The program awards financial and programmatic grant support to nonprofit, privately funded health clinics that provide free or nominal-fee medical care to the uninsured and medically underserved communities in the five county region.

Total CMC Clinic Grant Commitments	# of Clinic Sites	2010 - 2011 Projection
Total - Clinic Grant Payments	34	\$ 1,051,667
TOTAL:	34	\$ 1,051,667

**Detail for 2010 - 2011 Community Health Reinvestment Activities
Section II. Planned Expenditures, Items 3a - j**

Initiative / Organization	Description of Initiative / Organization	Contact Person	Amount
IBC Wellness Van	<p>The IBC Wellness Van makes more than 150 appearances each year and its goal is to offer screening services that lead to earlier diagnoses and treatment. The Wellness Van delivers important on-site preventive health screenings and vital wellness information directly to neighborhood schools, community events, and our customers' worksites. We park the van in public locations and offers screenings for height/weight, body mass index, body composition, vision, cholesterol, or blood pressure. We also use the van for our Do The Smart Thing® Youth Smoking Prevention Program conducted at area schools. In addition, for some group customers, the van provides work-site flu shots and DermScan skin analysis checks.</p>	<p>Lorrie Reynolds Director Preventive Health Services & Wellness Independence Blue Cross Valley Forge Office Center 580 E. Swedesford Rd Wayne, PA 19087</p>	\$5,000
Health eTools for Schools	<p>Health eTools is a unique, web-based program designed to help schools promote student wellness and combat childhood obesity. We offer the program to 665,000 students in the 625 public, private and parochial schools in the five-county Philadelphia region. Currently there are 364,000 enrolled in this program.</p> <p>Through the program, we provide, at no charge to schools, extensive online resources and interactive tools to help school staff, administrators, nurses, and parents:</p> <ul style="list-style-type: none"> -- Measure, report, and record changes in student health; -- Create healthier learning environments through better nutrition and physical activity planning for students; -- Improve student attitudes and knowledge regarding nutrition and physical fitness; and -- Develop wellness policies and implement strategies that help schools meet federal and state wellness requirements. 	<p>Margaret McGann, MS Coordinated School Health Consultant InnerLink, Inc. Liberty Place, Suite 201 313 West Liberty Street Lancaster, PA 17603 866-522-5487 mmcgann@theinnerlink.com</p> <p>Robert Gillio, MD, Chief Medical Officer Student Health Force 717 735-8106 office 717 940-5922 cell rgillio@theinnerlink.com</p>	\$435,807
PA Health Care Quality Alliance	<p>A coalition of Pennsylvania health care providers and insurers. Its mission is to improve the quality of patient health by developing a consistent, uniform, statewide approach to hospital quality measures that will:</p> <ul style="list-style-type: none"> -- Enable consumers to compare hospital performance; -- Allow health care professionals to evaluate and improve the quality of their patient care; and -- Help insurers to evaluate the performance of their provider networks. 	<p>Eric Muther Executive Director Pennsylvania Health Care Quality Alliance P.O. Box 15896 Philadelphia, PA 19103</p>	\$50,000

**Detail for 2010 - 2011 Community Health Reinvestment Activities
Section II. Planned Expenditures, Items 3a - j**

Initiative / Organization	Description of Initiative / Organization	Contact Person	Amount
<p>PA Chronic Care Commission</p>	<p>The Pennsylvania Chronic Care Commission was established in 2007 through the recommendations of the Pennsylvania Chronic Care Management, Reimbursement and Cost Reduction Commission created by Governor Rendell. It is a groundbreaking, statewide health care initiative that is testing a new model that seeks to revolutionize the treatment of patients with chronic diseases. The Commission involves collaboration among physicians, government representatives, academics, health plans, and consumers whose goal is to implement a patient-centered "medical home" model. The collaborative's goal is to save more than a billion dollars in avoidable hospital admissions over a three-year period.</p> <p>In partnership with Independence Blue Cross, the Commission set up a pilot project in southeastern Pennsylvania, which is the largest of its kind in the nation. The practices involved serve as medical homes, or practices devoted to providing accessible, continuous preventive care for people who are chronically ill. The idea is to help patients manage their conditions before health problems get out of control by fundamentally changing the focus of the health care system from reacting to acute illness to preventing it. Rather than being compensated for the number of services provided or patients seen, physicians in "medical home" practices are rewarded for giving more time and attention to each patient, including open scheduling to accommodate urgent care and teaching patients self-management skills.</p>	<p>Ann Torregrossa Director Governor's Office of Health Care Reform 439 Forum Building Harrisburg, PA 17120</p>	<p>\$3,148,212</p>
<p>Partnership for Patient Care</p>	<p>Independence Blue Cross, the Delaware Valley Healthcare Council, and the Philadelphia region's hospitals joined forces in the fall of 2005 to launch the Partnership for Patient Care, a multi-year initiative to improve patient safety at hospitals in southeastern Pennsylvania. Key initiatives have included: improving medication safety (2003); Preventing hospital-acquired infections (2006); Controlling MRSA, preventing blood clots, patient falls, and harmful drug interactions (2007); and Eliminating serious surgical errors, reducing pressure ulcers, and student MRSA education (2008). In 2009-2030, the Partnership will focus on "High reliability" health care. Area hospitals will participate in a new data-driven, behavioral-focused approach to patient care that rigorously analyzes areas of weakness or vulnerability in safety performance. Similar techniques have been successfully used by the nuclear power and aviation industries to ensure the highest possible safety conditions.</p>	<p>Kate J. Flynn, FACHE President Health Care Improvement Foundation 1835 Market Street Suite 1050 Philadelphia, PA 19103</p>	<p>\$1,000,000</p>

**Detail for 2010 - 2011 Community Health Reinvestment Activities
Section II. Planned Expenditures, Items 3a - j**

Initiative / Organization	Description of Initiative / Organization	Contact Person	Amount
<p>American Cancer Society (Hope Lodge Campaign and Coaches vs. Cancer)</p>	<p>The American Cancer Society's Hope Lodge offers lodging at no cost for cancer patients being treated in the Philadelphia area. For many patients with cancer, treatment at one of Philadelphia's medical centers provides the greatest hope, but requires that they be far from home, adding the additional burden of travel and lodging expenses. Hope Lodge allows cancer patients and their families to live with others going through the same experience and provides support by caring staff and volunteers. Getting emotional and social support from other survivors can be as important as getting the proper medical care. The nurturing, comfortable environment at Hope Lodge allows patients to focus on what is most important – fighting cancer.</p> <p>Hope Lodge allows patients to focus on what is most important – fighting cancer.</p> <p>Coaches vs. Cancer of Philadelphia is part of the National Coaches vs. Cancer program created in 1993 by the American Cancer Society and the National Association of Basketball Coaches (NABC). The program exists to leverage the strength, community leadership and celebrity of our country's basketball coaches to fight cancer. Since its inception, the Coaches vs. Cancer program has raised more than \$50 million nationwide to support the American Cancer Society's lifesaving cancer research, education, advocacy, and community service efforts.</p>	<p>Ruth Anne Dailey Vice President, Southeast Region American Cancer Society 1626 Locust Street Philadelphia, PA 19103</p>	<p>\$50,000</p>
<p>U of Penn Abramson Cancer Center (Glick Chair)</p>	<p>This endowed chair bolsters the University of Pennsylvania's ability to continue to attract top oncologists to its staff who pursue major cancer research, improving the university's ability to treat and cure cancer.</p>	<p>Dr. Amy Gutmann, President University of Pennsylvania 100 College Hall Philadelphia, PA 19104-6380</p>	<p>\$50,000</p>
<p>PA Department of Health – Active Schools</p>	<p>As part of its long-standing commitment to improve student health and fitness, Independence Blue Cross (IBC) announces its partnership with the Pennsylvania Departments of Health and Education on a new fitness initiative called Active Schools that aims to reduce childhood obesity and increase student exercise. IBC is providing \$10,000 to 10 of the 40 Pennsylvania schools the State has selected to receive grants, for a total contribution of \$100,000. The Department of Health will also provide each school with a \$5,000 grant through the federal Preventive Health and Health Services Block Grant. The schools must use the funding for an activity or program that meets the federal guidelines of moderate to vigorous daily physical activity.</p>	<p>Jessica Zilka, CHES Obesity Prevention Program Bureau of Health Promotion & Risk Reduction Pennsylvania Department of Health 625 Forster Streets Harrisburg, PA 17120-0701 (717) 346-3904 jzilka@state.pa.us</p>	<p>\$50,000</p>
<p>Public Health Management Corp.</p>	<p>Public Health Management Corporation (PHMC) is a nonprofit comprehensive public health institute with a mission to build healthier communities. PHMC fulfills its mission to improve the health of the community by providing outreach, health promotion, education, research, planning, technical assistance, and direct services. PHMC currently oversees 250 programs at 70 sites throughout the region. This grant supports PHMC's <i>Primary Care on the Move</i> initiative, an effort to increase access and delivery of primary care to those in need by providing support to La Comunidad Hispana's Project Salud clinic in Kennett Square and the Mary Howard Health Center in Philadelphia, the only nurse-managed health center specifically for homeless people.</p>	<p>Richard J. Cohen, Ph.D., President Public Health Management Corp. 260 South Broad Street, Suite 1800 Philadelphia, PA 19102</p>	<p>\$50,000</p>

**Detail for 2010 - 2011 Community Health Reinvestment Activities
Section II. Planned Expenditures, Items 3a - j**

Initiative / Organization	Description of Initiative / Organization	Contact Person	Amount
<p>Temple U. Cardiovascular Research Center</p>	<p>The Cardiovascular Research Center at the Temple University School of Medicine focuses on heart disease, one of the top public health threats facing this region and the nation today. The new, state-of-the-art, \$150 million medical teaching and research facility, which opened in 2009, features sophisticated technologies to promote cardiovascular research on six of the 11 floors of the 460,000 square foot building, including Temple's Cardiovascular Research Group. These scientists are researching cardiac regeneration, which encourages diseased, damaged hearts to self repair and has shown positive results in treating heart failure clinical trials. The Temple research group has already successfully grown new heart tissue in the laboratory using an adult stem cell from the heart of a large mammal.</p>	<p>Dr. John M. Daly, Dean Temple University School of Medicine 3400 N. Broad Street Philadelphia, PA 19140</p>	<p>\$350,000</p>

Attachment for Question 4a
Examples of Donations to Health and Charitable Organizations

ORGANIZATION	MISSION	CONTACT NAME & ADDRESS
American Heart Association	The American Heart Association is a national voluntary health agency whose mission is: "Building healthier lives, free of cardiovascular diseases and stroke."	Rena Cozart 1617 JFK Blvd Suite 700 Phila., PA 19103
United Cerebral Palsy Association	The United Cerebral Palsy mission is to advance the independence, productivity and full citizenship of people with disabilities through an affiliate network. United Cerebral Palsy (UCP) may be the one of the largest health charities in America today - but that wasn't the case in 1949. UCP would not be here today assisting thousands of people with disabilities and their families if it hadn't been for a group of parents who wanted to change the world for their children.	Steve Sheridan CEO 102 East Mermaid Lane Phila., PA 19118
Alzheimer's Association	To eliminate Alzheimer's disease through the advancement of research; to provide and enhance care and support for all affected; and to reduce the risk of dementia through the promotion of brain health.	Wendy L. Campbell President & CEO 399 Market Street Suite 102 Philadelphia, PA 19106
Support Center for Child Advocates	To advocate for victims of child abuse and neglect in Philadelphia with the goal of securing a permanent, nurturing environment for every child	Frank Ceverone 1900 Cherry Street Phila., PA 19103

Attachment for Question 4a
Examples of Donations to Health and Charitable Organizations

ORGANIZATION	MISSION	CONTACT NAME & ADDRESS
Special Olympics	Special Olympics is an international organization that changes lives by promoting understanding, acceptance and inclusion between people with and without intellectual disabilities. Through year-round sports training and athletic competition and other related programming for more than 2.5 million children and adults with intellectual disabilities in more than 180 countries, Special Olympics has created a model community that celebrates people's diverse gifts. Founded in 1968 by Eunice Kennedy Shriver, Special Olympics provides people with intellectual disabilities continuing opportunities to realize their potential, develop physical fitness, demonstrate courage and experience joy and friendship.	Matthew Aaron, President & CEO, 2570 Boulevard of the Generals, Norristown, PA 19403
Devereux	The Devereux mission is to change lives and nurture human potential. We inspire hope, ensure well-being, and promote meaningful life choices. Our mission is achieved through a wide range of services and supports for individuals and their families.	Robert Q. Kreider, President & CEO, 444 Devereux Drive, Villanova PA 19085

Attachment for Question 4a
Examples of Donations to Health and Charitable Organizations

ORGANIZATION	MISSION	CONTACT NAME & ADDRESS
National Alliance on Mental Illness	NAMI is the state's largest non-profit organization dedicated to providing support, education, and advocacy to persons with mental illness and their families.	Ellen Kitz 2149 N. Second Street Harrisburg, PA 17110
Greater Philadelphia Health Action	Greater Philadelphia Health Action's mission is to provide quality comprehensive primary healthcare, health education, human services, behavioral healthcare and child development services to families and individuals throughout the Delaware Valley regardless of the ability to pay.	Ronald Heigler CEO/Executive Director 432 N. 6th Street Phila., PA 19123

Description of Item 4b

IBC CHR Commitment - Breakdown of Proposed Expenditures for 2010 - 2011

IBC NURSE SCHOLARS PROGRAM (NSP) Report - NSP Commitment (2010 - 2011)

Program	Purpose	Description of Disbursement Process	2010 - 2011 Projection
IBC Nurse Scholars Program	Scholarships for graduate nursing students pursuing degrees to become Nursing Educators	Funds allocated among 12 accredited graduate nursing programs in SEPA based on total grad program enrollment data submitted by each institution	\$ 500,000
IBC Supplemental Nursing Education Grants	Scholarships for undergrad nursing students	Funds allocated among 31 accredited undergrad nursing programs in SEPA based on graduation rates submitted by each institution	\$ 250,000
IBC Nurse Faculty Chair Grants Program Expansion Grants	Funding for nursing faculty; Funding for additional graduate nursing student scholarships	Grants awarded to 5 undergrad programs to add a nurse faculty position. Expansion grants awarded to 5 graduate programs for scholarships. All recipient institutions were selected through an application & evaluation process conducted by PHEP	\$ 250,000
TOTAL:			\$ 1,000,000