



2016 ANNUAL REPORT





"Building relationships is my favorite part of the job."
-Wayne Webb
KNOXVILLE

"I help applications and systems work well so we can be more efficient."
-Victor Spence
CHATTANOOGA

"I take every call personally."
-Tamekia Brewer
CHATTANOOGA

"I educate members on the steps to becoming healthier."
-Shanea Carrawell
MEMPHIS

"We are changing medical care for members for the better."
-Nancy Muldowney
NASHVILLE

We're with you. Here for you.

You may see BlueCross as just a card that follows you through life. Look again and see that it's a constant symbol of the trust...and care...and the 6,000 people at BlueCross who are with you through each day. Meeting you where you are in your health needs – and in life.

We're with you at the doctor's office, the hospital, the pharmacy. We work in your community, volunteer at your events, and live across the street, down the road, or even right next door.

We're the friendly voice you hear any time you call on us... and the familiar face you see any time we call on you to make sure your health needs are being met.

We're BlueCross BlueShield of Tennessee.
We make you our mission. And we're with you every moment of the day.

peace of mind
through better health®



Making Better Health Our Mission

At BlueCross BlueShield of Tennessee, we take seriously our role as a health care partner.

We're here to provide members access to quality care, help them navigate the health care system, and become more knowledgeable about their choices and costs.

Physicians and hospitals provide the medical care and services. But we work alongside them to support and reward evidence-based, quality care that delivers better health outcomes. We encourage innovation through partnerships that create successful new care models that benefit members and ultimately lower their costs.

We work closely with thousands of employer groups throughout Tennessee to customize the exact health benefits and wellness programs that drive better health for their employees.

And in turn, members, providers and employers choose to make BlueCross their health care partner – whether their need is to improve the health of a Tennessee community, workplace or family.

In each case, there's much inside our mission statement that makes it possible to deliver Peace of Mind through Better Health. Part of it is technology. Part of it is leadership. A good portion of it is trust.

As you consider BlueCross, you'll see within these pages that it's the people behind our mission – delivering on this promise every day in countless ways – who form the most meaningful relationships and partnerships of all.

JD Hickey, M.D.
President and CEO

Betty DeVinney
Chairman of the Board of Directors

Our Commitment to Tennessee

11K

EMPLOYER
GROUPS
SERVED



MORE THAN
6,000
EMPLOYEES

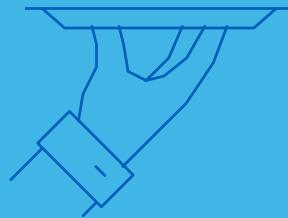
3.2%

ENROLLMENT
GROWTH



3.4
MILLION
MEMBERS

**4-STAR
QUALITY**



29K

NETWORK
PROVIDERS



6 LOCAL OFFICES AND
SERVICE CENTERS

MORE THAN
70 YEARS
EXPERTISE

So Thankful for My Health Plan

When Scott Johnson used to consider health insurance, he often thought more about the cost of coverage than the value. But a life-and-death medical crisis changed all that.

Scott fell ill from endocarditis, an infection that went to his heart because of a heart valve defect. Once stabilized, he was transferred to Vanderbilt for surgery, faced a stay in ICU, and later, in a rehabilitation facility. In all, he underwent 50 days of hospitalization, with the total cost of care exceeding \$800,000.

He met his high-deductible early on, he said, then started getting statements showing 'You owe provider nothing.'

"I had always thought about our health coverage," said Scott. "But I have never been so thankful for it."

BLUECROSS MEANT 'ZERO ISSUES'

Well into recovery now, Scott has high praise for the coverage provided by his BlueCross plan.

Though he and his family were in a scary situation, "I had an incredible peace about me," he said. "I know that's completely from the love of family, friends, and prayer, including several BlueCross employees I go to church with."



I've known Scott a long time. We were law school classmates. I am happy and proud of the service BlueCross provided Scott and his family. Great story, great guy, great company.

-CHANTELLE ROBERSON

BlueCross Employee



**"I HAD AN
INCREDIBLE
PEACE
ABOUT ME."**

-SCOTT JOHNSON

**WE WORK TO IMPROVE
MEMBERS' QUALITY OF CARE –
AND QUALITY OF LIFE.**



4-STAR Quality Ratings Give BlueCross Highest Designation Among Tennessee Plans

The 4-STAR ratings from the National Committee for Quality Assurance (NCQA) placed BlueCross as the top-rated private PPO plan in Tennessee.

And the East division of BlueCare Tennessee, the company's Medicaid subsidiary, also earned 4 out of 5 stars – the top rating received by any Tennessee Medicaid plan in NCQA's Medicaid Health Insurance Plan Ratings.

In addition, the Centers for Medicare and Medicaid Services (CMS) awarded the BlueCross Medicare Advantage PPO its coveted 4-STAR ranking – for the second consecutive year.

The star ratings are designed to help consumers understand how well a health insurance plan supports its members in getting recommended care. Both organizations use a range of measures to gauge results, including preventive care received, chronic care outcomes, customer satisfaction and plan experience satisfaction.


BlueCross boosted quality and outcomes with a focused approach that included targeted community outreach, direct member contact, personalized health scorecards, and provider partnerships and reporting tools to work together for improved member/patient health.

The goal is to help members connect with their doctors to receive the quality care they need.

HOW HARD DO WE PUSH FOR HIGH-QUALITY CARE?

Top quality ratings at BlueCross are the result of an enterprise-wide mission to improve the health and wellness of our members. For example, to maintain its high ratings, the BlueCross Medicare Advantage team works directly with members and providers in a three-way partnership to improve health outcomes. Some of those efforts include:

- Working with providers on value-based reimbursement programs that make it easier for physicians to close gaps in care for their patients
- Educating and encouraging members to get CMS-recommended care and tests
- Providing personal service to help members schedule checkups – or even home-based assessments if they are unable to get to their doctor's office



**"I'VE GOTTEN TO KNOW CALEB AND HIS
FAMILY; TO KNOW HE IS ABLE TO LIVE
LIFE INDEPENDENTLY AND HAS WHAT
HE NEEDS TO ENJOY LIFE, IS JUST
SO REWARDING."**

-MICHELLE LAWRENCE



MICHELLE LAWRENCE
Customer Service Expert

Overcoming Catastrophe to Live Independently

Caleb Wilson's life changed forever when a freak accident at a boat ramp left him with a severed spinal column, dislocated foot, and skull fracture.

The majority of people who incur a spinal cord injury like Caleb's do not survive. But Caleb, a gifted athlete, had youth and strength on his side. In the 18 months following his accident, he had 15 operations, including several to replace failed hardware supporting his spine. In his last surgery, doctors installed hardware that extended from his pelvis to his neck. The solution was effective, but left Caleb with reach limitations.

Despite the medical setbacks, Caleb persevered, graduating high school with his class and enrolling as a full-time student at Middle Tennessee State University. The remaining hurdle was his ability to manage his personal care program on his own. A trial of a system used in Europe was successful, but because the system was new to the U.S. and not widely used, it was not recognized and medically coded for coverage.

Caleb's father connected with Michelle Lawrence, the customer service expert assigned to Caleb's care. Michelle coordinated efforts with external vendors, kept the authorization process on track, provided support with billing issues, and worked with a medical equipment provider to get the system and its supplies fully covered for Caleb.

With the system, said his father, Caleb got to move on independently with his life.



Michelle, you and your team are all amazing! Thank you so much for working with Caleb and his family to overcome such a huge hurdle and paving the way for others in a similar situation!

-ANGIE NUNLEY
BlueCross Coworker

“IT WAS LIKE THE CLOUDS ROLLED AWAY FROM DAY ONE AND I GOT TO MOVE ON WITH LIFE.”

-CALEB WILSON

Three years after his accident – thanks to his medical team’s expertise, his father’s efforts, and the work of BlueCross employees – 20-year-old Caleb celebrated the anniversary of his accident in England as part of a college study-abroad program.

His case manager, Michelle Lawrence, is one of the many faces of BlueCare Tennessee, which serves more than 600,000 state residents, providing access to quality health care and one-on-one customer support.

“Michelle has gone above and beyond to assist us in getting Caleb what he needs,” said Rodney Wilson, Caleb’s father. “His focus is on his future, not his past. And it’s encouraging to know that Michelle’s in Caleb’s court as an advocate.”

“I just did what I do every day,” said Michelle. “I’ve gotten to know Caleb and his family, and to know he is able to live life independently and has what he needs to enjoy life, is just so rewarding.”





BETTER COORDINATED CARE

Since piloting the Patient-Centered Medical Home program in 2008, BlueCross has developed the largest medical home program in the state – with the goal to reach 450,000 members by 2018.

A recent study showed our BlueCross medical home model boosted preventive care, closed gaps in care, and lowered medical costs by decreasing the need for hospital admissions and ER visits.





KIM HATFIELD
Patient-Centered Medical
Home Coordinator



Our Patient-Centered Medical Home approach allows our care coordinators to build relationships with both providers and members. Once we understand the challenges our members and providers face, we can more effectively assist our communities in achieving better health. –

JOSELYN TURNER
BlueCross Employee

Persistence Leads to Better Care

When Kim Hatfield got a call from a primary care doctor asking for help in talking to a patient about keeping her doctor's appointments, she gained a friend and helped the member get care she desperately needed.

The member was an 84-year-old woman who relied on a friend to take her to doctor's appointments. With no family in the area, she was on her own and would frequently cancel appointments.

Kim called and talked to the member every few days, and she finally agreed to an appointment the following month, close to her birthday. Kim said she would come, too – with a birthday present – so they could meet.

But a week before her appointment, she didn't answer Kim's call. Growing concerned, Kim had the doctor's office try – again, with no luck.

After missing the birthday appointment, the member called Kim. She had been sick for a week, too weak to get up or answer the phone. An ambulance was called to take her to the hospital, where Kim was able to meet her face-to-face.

The member had pneumonia and was extremely dehydrated. Had Kim not kept calling, the outcome could have been much worse. And Kim was able to persuade her to pursue care options and meal delivery arrangements that would ensure her in-home care.

2016 Accomplishments



EARNED
COMPREHENSIVE
ENVIRONMENTAL
EXCELLENCE AWARD

Awarded
20
SCHOOLS
Shape the State Grants

Pledged More Than
\$500K
to United Way

Donated Support for
Wildfire, Bus Wreck
Victims



Expanded
**ONLINE WELLNESS
PORTAL**
Capabilities

\$10.5
MILLION
IN
**COMMUNITY
GIVING**



Added
**HEARING
BENEFITS**
for Seniors


FUNDED
**100 MILLION
MINUTES OF
ACTIVITY**
FOR KIDS

LAUNCHED
STATEWIDE CAMPAIGN
TO COMBAT OPIOID ABUSE



**EARNED SERVICE QUALITY
EXCELLENCE AWARD**

AWARDED
3
DIVERSITY
SCHOLARSHIPS
TO STUDENTS



Set
Medicare Advantage
Enrollment Record



Selected as a
Top Workplace
in Memphis

Won FEP Plan
Excellence Award



Earned
4-STAR
Rating for
BlueCare East Plans



Earned
4-STAR
(Repeat)
Rating for
Medicare Advantage Plans



Earned
4-STAR
Rating for
Commercial Plans



Chosen One of
America's Best
Large Employers

Chosen a Best
Place to Work in
Healthcare



WON
**TECHNOLOGY
LEADER
AWARD**

EARNED LEED
**PLATINUM
CERTIFICATION**
IN MEMPHIS



**SELECTED ONE OF CIO 100 FOR
INNOVATION, TECHNOLOGY**



**"THESE ARE
GOALS ANY
PARENT WOULD
WANT FOR THEIR
CHILDREN."**

-KIM AND RYAN DENTON



KRISTEN CALLOWAY
ECF Support Coordinator

Rewriting Ryan's Story

WHEN RYAN DENTON WAS THREE YEARS OLD, DOCTORS SAID HE WOULD NEVER WALK, RUN OR WRITE HIS NAME.

Today his story is very different – and he's creating it for himself with the help of Employment and Community First (ECF) CHOICES, a new TennCareSM program administered in part by BlueCare Tennessee.

Ryan and his mother Kim are working with Kristen Calloway, a support coordinator with BlueCareSM, to develop and pursue his goals. He hopes to get a promotion at work, learn how to drive, and live on his own.

Before ECF, those goals may have been out of Ryan's grasp. He's diagnosed with mild intellectual disability, apraxia and seizure disorder. And like many Tennesseans with developmental challenges, he had been on a waiting list for help.

ECF services provide supports for employment and community living, employment and independent living, and supports to help families with their children's needs. The unique services also assist adults living at home gain employment and achieve integrated, independent living.

Care coordinators for ECF are LPNs, RNs or Licensed Social Workers who have years of experience with intellectually or developmentally challenged patients. In addition to assisting with needs outside the traditional bounds of health care services – such as housing, meal and transportation support – they also work with families to develop personal support plans and provide employment assistance.

Tennessee is the first state in the country to undertake this new approach to serving residents with intellectual and developmental disabilities.

The Employment and Community First program operates under a Medicaid waiver, and BlueCare is one of two TennCare managed care organizations helping support the members.

The TennCare program is a shift away from a crisis-driven model, and is designed to serve members based on their specific needs and goals. The focus is on independent living, with three tiers of personalized support for members and their families, depending on their level of need.

Innovation and Data Advance Our Capabilities

BlueCross BlueShield of Tennessee plays a significant role in the state's health care system by working with clinical partners to improve the quality and availability of care for Tennesseans.

In support of the Tennessee Health Care Innovation Initiative, our 2016 partnership efforts focused on designing and implementing health care innovation plans to benefit our state's residents.

The initiative brings together state leaders, hospitals, clinicians and insurers to work together to help lower costs and improve care. The collaborative goal is to shift health care from a system based on volume to a system that pays for value – rewarding doctors and hospitals for high-quality, efficient treatment of medical conditions. And as a result, reducing ineffective or inappropriate treatments.

DATA IS OUR DIFFERENTIATOR

Information delivery and data analytics capabilities are a competitive strength and differentiator for BlueCross BlueShield of Tennessee.

In a data-driven, on-demand world, our BlueInsightsSM mobile app gives employer groups real-time access to their group health information so they can analyze their health care trends and leverage the value of their BlueCross health plan.

The free app features modules that help employers gain up-to-date insights on their plan performance across key performance indicators. As a result, they can track health care cost drivers, identify solutions, and build on their preventive care and wellness initiatives.

BlueInsights provides visual-data information related to an employer group's:

- Per member, per month financial information
- Health care utilization
- Population risk
- Health status
- Member engagement
- Clinical outcomes

IN SYNC WITH TECHNOLOGY

BlueCross members with Apple Watches can now sync their devices to the company's member wellness portal with the AlwaysOn™ mobile app, thanks to a 2016 integration with Apple Health.

More than 80 devices are now compatible with the BlueCross online portal, with access available via computer or the mobile app. Connection to the BlueCross wellness portal offers significant perks, including access to health news, self-directed wellness courses, online health and lifestyle coaching, and other tools.

The integration is part of wider efforts to ensure members who use a smartphone or a wearable device can easily connect their favorite fitness or health tracker with the BlueCross portal.

Girls Like Me Aren't Addicts

Sheryl never imagined what would happen to her after taking that first pain pill. Initially she took it as directed for an injury, she recalls, but then it stopped working.

"Pretty soon I needed two to do what one did," she says. "Then three to do what two did. Within two months I was going through a one-month prescription in a matter of weeks.

"I had a very narrow idea of addicts and addiction," she says. "I never thought that would happen to me. Girls like me aren't addicts."

In time, she sought help and went to rehab, leading to a cycle of detoxing, relapsing, and escalating addiction. A judge sent her to jail – and that was the reality check she needed.

Sheryl entered treatment at The Next Door in Nashville, an organization supported by BlueCross giving. She's been clean for months, has a job and stays active – living without drugs.

TACKLING A TROUBLING ISSUE

Pain medication is necessary to treat many conditions. But to address the state's opioid epidemic and prevent the tragedy of opioid abuse and addiction, BlueCross took steps in 2016 to support a public awareness campaign and clinical efforts to help address the high rate of opioid addiction and deaths.

The Count It! Lock It! Drop It! program encourages community members to take these three steps:

COUNT IT!


Count pills once every two weeks to monitor theft and help ensure medications are taken properly.

LOCK IT!

Lock and store them in a secure place where others would not think to look.

DROP IT!

Take unused or expired medications to drop boxes located in participating law enforcement offices or pharmacies or drop off during take-back events.



**"IT'S
IMPORTANT
TO ME THAT
PEOPLE
UNDERSTAND:
NOBODY IS
EXEMPT."**

-SHERYL,
Recovering Addict

\$1.3
MILLION
GRANT

The BlueCross BlueShield of Tennessee Health Foundation is providing a \$1.3 million grant to fund Count it! Lock it! Drop it!



**"THIS IS A POWERFUL EXAMPLE
OF HOW WE CAN MAKE
A DIFFERENCE."**

-CYNTHIA P. ALLMAN, BlueCross Employee



SARA SHULAR
Care Coordinator
Manager



MOVING QUICKLY TO MEET REAL NEEDS

The wildfire emergency in Sevier County led to many more stories where member needs were quickly met:

■ BlueCross members

Charles and Tammy were in Gatlinburg when police declared the area off-limits. The couple had to return home without their travel items, including their medications for heart disease and diabetes. They called Joselyn Turner, the BlueCross care coordinator embedded in their doctor's Patient-Centered Medical Home practice. Joselyn had refills approved and ready for pick up once they returned.

■ Diane reached out to

BlueCross when she realized the medical equipment that helps her breathe while sleeping may have been destroyed in the fires. BlueCross teams arranged temporary equipment, then moved quickly to replace the exact equipment that was destroyed.

Daring Rescue Set in Motion by Caring Team

When Sara Shular saw breaking news reports of the Gatlinburg wildfires, she quickly sent a message to teammate Adam Davis, asking him to check on his members in Sevier County.

One member in particular was in the direct path of the fire, and Adam had already tried reaching out to her, without success. So with Gatlinburg-area phones down, Adam called coworker Alison Fox, who used her connections in law enforcement to reach the Sevier County emergency dispatcher for EMS support.

The fire department and EMS worked into the night to cut a path to the member's home. As firemen pumped water onto the house and flames engulfed the surrounding property, EMS safely transported the member and her husband to a shelter for evacuated residents.

BUT THE TEAM DIDN'T STOP THERE

Alison arranged for replacement medications from a local pharmacy, while Adam coordinated everything else the member needed – including a new hospital bed – for delivery to her daughter's home during their temporary stay there.

What started out as a quick and caring response to proactively address members' needs, helped turn a terrifying situation into a safe one for this family.

Hard Knocks Lead to Brighter Futures

In a converted Chattanooga neighborhood fire hall, boys from 10 through their teens meet after school to study together, eat together and punch each other.

The boxing team is the main draw for the Y-Community Action Program, a project of the Greater Chattanooga YMCA that offers mentoring and more to boys at risk. Nearly every boy who participates sees higher grades and improved school attendance.

The Greater Chattanooga YMCA and its youth programs are only one of many deserving organizations supported by BlueCross through our annual United Way giving campaign. Our employees and the company contributed more than \$500,000 to United Way campaigns in 2016, strengthening the cities and communities we serve.

In 2016, our Health Foundation and Community Trust provided nearly \$10.5 million in grants and sponsorships to improve health and quality of life across Tennessee. And in addition, our employees gave thousands of hours of their personal time volunteering with charitable organizations across the state.

MORE THAN

\$50
MILLION

IN
5-YEAR
GIVING

MORE THAN

200
ORGANIZATIONS
SERVED

MORE THAN

800
TEAM BLUESM
MEMBERS

**"WE SAY WE'RE BUILDING
CHAMPIONS, BUT WE'RE
BUILDING CHAMPIONS AT LIFE."**

-ANDY SMITH, Y-CAP Regional Director



Meet Our Leaders

Generations of strong leadership, and seven decades of service to Tennesseans and the state, have made BlueCross BlueShield of Tennessee the insurer of choice for thousands of Tennessee businesses. Today, industry-recognized men and women provide leadership and expertise to support the company's long-standing commitment to service, quality, innovation and value.



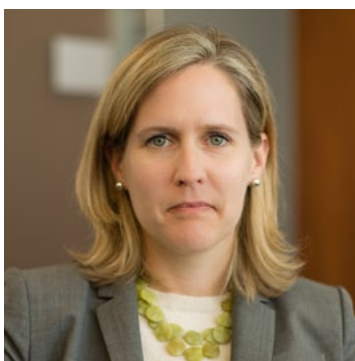
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Executive Vice President
and Chief Operating Officer



John Giblin
Executive Vice President
and Chief Financial Officer



Anne Hance
Senior Vice President
and General Counsel



Andrea Willis, M.D.
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Karen Ward
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Diversity and Inclusion



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Bruce Bosse
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Miles Burdine
Kingsport Chamber of Commerce

Lottie Ryans
First Tennessee Development District

*Board member not pictured

Our Family of Companies

BlueCross BlueShield of Tennessee works to improve the health of our customers and communities with innovative products and services that provide access to cost-effective, quality-based care.

Through our subsidiaries and affiliates, we provide a comprehensive range of group and individual health plan products, ancillary benefits, and health and wellness management services. Our health innovation initiatives, technology services, and charitable giving work together to improve the health of Tennesseans and drive health care system improvement. Our family of companies includes these subsidiaries and affiliates:



Volunteer State Health Plan, Inc., doing business as BlueCare Tennessee, is a wholly owned subsidiary of BlueCross BlueShield of Tennessee. Founded in 1993 as Volunteer State Health Plan, the Chattanooga-based company focuses on managing care and providing quality health care products, services, and information for government programs. It was organized to participate, by contract with the State of Tennessee, as a managed care organization in the state's TennCare program, and has remained a valuable partner for more than two decades, providing innovative and cost-effective plan services to the State of Tennessee, and vital health care access and quality care to the residents of Tennessee. BlueCare Tennessee is a licensed HMO subject to regulation by the Tennessee Department of Commerce and Insurance and is licensed with the BlueCross BlueShield Association.



Onlife Health, Inc., is a national, personal health coaching company and industry leader in population health management, dedicated to positive living through effective engagement. Built on more than 15 years of scientific research and work, Onlife's positive living programs are designed to foster highly personalized and sustained engagement. Through effective coaching that delivers real results, Onlife works to mitigate the rising cost of health care by encouraging the formation of healthy lifestyle behaviors, and providing case management for existing illnesses. The company combines a dedicated health coach, support communities, onsite events and the latest technologies to create an integrated, easy-to-use member experience. Onlife Health is a wholly owned subsidiary of BlueCross BlueShield of Tennessee.



Group Insurance Services, Inc. (GIS), a wholly owned subsidiary of BlueCross BlueShield of Tennessee, provides the ancillary products necessary to complement any health benefit plan and provide a complete employee benefit package. GIS offers a full and comprehensive line of life, disability and long-term care insurance, as well as voluntary dental, flexible spending accounts, HR support and more.



Golden Security Insurance Company, Inc., doing business as BlueRe of Tennessee, is a wholly owned subsidiary of BlueCross BlueShield of Tennessee. Golden Security offers a portfolio of policies for specific and aggregate medical stop-loss coverage for the benefit of Tennessee businesses. It is licensed with the BlueCross BlueShield Association.



Shared Health, Inc., a wholly owned subsidiary of BlueCross BlueShield of Tennessee, provides all the tools needed to operate a successful Medicaid program. Shared Health specializes in providing technology and expertise to help health plans design and operate their Medicaid managed care programs. Shared Health has developed accurate and efficient software tools and mobile applications to ensure that the care coordinators can focus on their members, rather than dealing with inefficient, time-consuming paperwork.



SecurityCare of Tennessee, Inc., doing business as BlueChoice Tennessee, is a wholly owned subsidiary of BlueCross BlueShield of Tennessee. BlueChoice Tennessee is a licensed HMO subject to regulation by the Tennessee Department of Commerce and Insurance and is licensed with the BlueCross BlueShield Association. BlueChoice Tennessee offers a portfolio of Medicare Advantage HMO products as authorized by the Centers for Medicare and Medicaid Services within the State of Tennessee.



The BlueCross BlueShield of Tennessee Health Foundation is a public benefit not-for-profit Tennessee corporation that supports health-related, educational and economic development programs that promote affordable health care and benefits through funding grants. In partnership with grantee organizations, the Tennessee Health Foundation seeks to improve the health and quality of life of all Tennesseans.

Grants are strategically awarded to projects and programs that promote and expand physical activity across the state; expand access to affordable, quality health care options in Tennessee; and mitigate the damaging effects of prescription drug abuse and addiction. The Tennessee Health Foundation is an affiliate of BlueCross BlueShield of Tennessee and is licensed with the BlueCross BlueShield Association.



The BlueCross BlueShield of Tennessee Community Trust is a not-for-profit Tennessee corporation that allows BlueCross BlueShield of Tennessee to offer generous support to organizations and communities to help improve the social welfare of Tennesseans. Contribution dollars support Tennessee communities, emphasizing healthy living and quality of life. It is an affiliate of BlueCross BlueShield of Tennessee, licensed by the BlueCross BlueShield Association.

More About BlueCross BlueShield of Tennessee

BlueCross BlueShield of Tennessee, Inc. is a not-for-profit corporation and the state's trusted leader in providing health coverage and wellness solutions. BlueCross BlueShield of Tennessee is taxed and regulated in a manner similar to other commercial insurance companies.

Founded in 1945, the company and its subsidiaries and affiliates provide a comprehensive range of group and individual health insurance plans, benefit products, and health and wellness services to more than 3.4 million people and thousands of Tennessee businesses. BlueCross BlueShield of Tennessee is an independent organization governed by its own board of directors, and it is responsible for its own obligations.

In 2016, BlueCross BlueShield of Tennessee paid more than \$13.9 billion in health care benefits on behalf of members, while employing more than 6,000 people. In 2016, the company achieved a net gain of \$118.4 million. For the same year, the company incurred more than \$548.4 million in federal, state and local tax expenses, an increase of \$98.9 million from 2015.


BlueCross BlueShield of Tennessee operates two affiliates, the BlueCross BlueShield of Tennessee Health Foundation, a 501c(3) organization that promotes the philanthropic mission of the company; and the BlueCross BlueShield of Tennessee Community Trust, a 501c(4) organization with the purpose of improving the quality of health in Tennessee. They are independent licensees of the BlueCross BlueShield Association and offer certain products and services under the BlueCross and BlueShield names.

BlueCross BlueShield of Tennessee owns and operates several subsidiaries, including Volunteer State Health Plan, Inc., doing business as BlueCare Tennessee, a licensed HMO; Group Insurance Services, Inc., an insurance agency for ancillary and flexible benefit programs; Golden Security Insurance Company, Inc., offering policies for specific and aggregate stop-loss coverage, doing business as BlueRe of Tennessee; Onlife Health, Inc., a population health management company; SecurityCare of Tennessee, doing business as BlueChoice Tennessee, a licensed HMO; Riverbend Government Benefits Administrator, Inc.; RiverTrust Solutions, Inc.; Southern Diversified Business Services, Inc.; BeneVive, Inc.; and Shared Health, a Medicaid and long-term care services support company. BlueCare Tennessee, BlueRe of Tennessee and BlueChoice Tennessee are licensed with the BlueCross BlueShield Association.

In addition, BlueCross BlueShield of Tennessee is a super majority member of Healthbox Nashville I, LLC, a venture capital company that provides early-stage capital and mentoring to high-potential health care technology startups in Tennessee.


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Practical Advice for Healthy Living

bluehealthsolutions.com

Stories of Community Impact

bettertennessee.com

 facebook.com/bettertennessee

  [@bettertennessee](https://twitter.com/bettertennessee)



1 Cameron Hill Circle
Chattanooga, TN 37402

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Licensee of the BlueCross BlueShield Association

BlueCare Tennessee, an Independent Licensee of the
BlueCross BlueShield Association

COMM-295-16 (3/17)
2016 Annual Report