

2021 ANNUAL REPORT

Blue Cross Blue Shield of Michigan Foundation

Four decades of partnership to improve health



Blue Cross Blue Shield of Michigan Foundation
is a nonprofit corporation and independent licensee
of the Blue Cross and Blue Shield Association.

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Our History

In 1980, Blue Cross Blue Shield of Michigan created the Michigan Health Care Education and Research Foundation as a supporting organization to conduct and fund research directed at cost containment and quality of care.

Now known as the BCBSM Foundation, our ongoing grantmaking efforts continue to provide a means to improve our community's capacity to conduct research and implement and evaluate community-inspired programs to improve health. This increased capacity is key to discovering innovations to improving health outcomes in our state and access to quality high-value care for all Michiganders.

The history of the Foundation speaks to the Blue Cross social mission — increasing access to affordable health care, enhancing the quality of care patients receive and improving the health of Michigan's citizens and communities. Our grants support both creative solutions in health care and efforts to ensure access to care for Michiganders.

The diversity, relevance and practical application of the research and service delivery projects we fund have earned us a reputation for excellence and innovation in health philanthropy.

Over the past 42 years, the Foundation has served as a catalyst to encourage the dissemination and utilization of insights gained from our funded projects.

Through 2021, we've provided nearly \$60 million in grant funding from an initial endowment of \$20 million from Michigan physicians. The Foundation has a current endowment balance of approximately \$60 million.

We're proud that more than half of our investments — \$34 million — was in university and hospital research that addressed and enhanced patient safety and the quality and value of care. The balance of our investments — \$26 million — was provided to universities and community organizations for hands-on access to general care and to increase the availability of innovative care solutions.

The Foundation, a 501(c)(3) nonprofit organization, is the philanthropic affiliate of Blue Cross Blue Shield of Michigan and Blue Care Network. All three organizations are nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association.

For more information about our work and grant programs available, please visit bcbsm.com/foundation.



Mission

To support health care research and innovative programs designed to improve the health of Michigan residents.

Vision

Michigan's population will enjoy improved health and access to quality high-value care. The Foundation will be a leader in fostering the development of socially responsible and innovative solutions to critical issues that affect the health of Michigan residents.

Values

- Commitment to quality performance
- Honesty, integrity, collaboration and teamwork
- Effective and efficient use of resources
- Excellence in programs, grants and communications
- Advancing health equity and eliminating health care disparities



Daniel J. Loepp
President and Chief Executive Officer



Lynda M. Rossi
Executive Vice President
Strategy, Innovation and Public Affairs
Blue Cross Blue Shield of Michigan

Presidents' Letter

Relentless Commitment to Michiganders

For 83 years, Blue Cross Blue Shield of Michigan has been relentlessly dedicated to improving the health of all Michiganders. This commitment is driven by our belief that all individuals deserve access to high-quality health care. And, because we know disparities exist within communities across our state and throughout the country, we're leading efforts to look at the main social determinants of health, which include food insecurity, access to care, health care quality and care delivery. The work of the Blue Cross Blue Shield of Michigan Foundation is critical in these areas.

The Foundation has a unique role as one Michigan's largest nonprofits focused on the health of residents in all 83 counties. We look to support health care providers, health care agencies and researchers that are committed to finding ways to get people healthy and give them access to the care they need.

In 2021, for example, the Foundation expanded our grantee partners to include community-developed organizations that best understand the needs of the people we all serve. We were also part of collaborative funding that granted more than \$3.5 million to address a wide range of health issues across Michigan.

This year's annual report highlights 25 community grants that include efforts to increase behavioral health support through mentoring and case management to address the health needs of women experiencing homelessness. We also invested in 31 professional and student researchers who are working to develop methods of increasing the effectiveness of care. This important work may lead to discoveries that improve lives and change how health care is delivered.

By working with health care providers, researchers and Michigan communities, we have a real chance to bring about change and improve the physical and behavioral health of all Michigan residents.

Daniel J. Loepp Lynda Rossi

From the Executive Director and Board Chair

Investing in Innovation for Whole-Person Health

At the Blue Cross Blue Shield of Michigan Foundation, our team is always looking for new ways to support community innovation that will ensure Michiganders can enjoy both physical and behavioral health. Our work requires deep relationships with grantees to understand and encourage their work and coordinate our investments in interventions with organizations that also invest in community health.

In 2021, we expanded our grantee partnerships throughout Michigan to address the barriers to whole-person health. We worked with funding partners in the Upper Peninsula to support five organizations focused on people affected by substance abuse. Those organizations received \$490,000 to implement interventions for individuals and families working toward recovery.

We also continue to invest in programs that focus on school-age children's development. We're in our fourth year of supporting Transforming Research into Action to Improve the Lives of Students, or TRAILS, which has grown statewide. This year, our investment will include financial support from the state of Michigan to address the mental health needs of kindergarteners to 12th graders in their local school districts. We also participate in two different funding collaborations that look at the connection between health and food. This alliance will facilitate a total investment of \$1.1 million over the next two years on interventions that support education, ensure food access and build the pipeline of food for the future.

As the pandemic continued in 2021, the Foundation sought opportunities to support new community needs related to COVID-19. We're proud to support researchers, doctoral students and community organizations that focus on creative solutions that help communities continue to live with COVID-19 and its variant viruses. Our grantee partner programs include supporting the health of farmworkers and farmers, understanding the complications of vaccinations for individuals experiencing homelessness and addressing the needs of those suffering from long-haul COVID.

Innovation in health is at the core of our mission. We'll continue to expand our relationships into new Michigan communities and increase the number of public-private partnerships to find new ways to address barriers to good health.

Please visit our new website at bcbsm.com/foundation.

Audrey J. Harvey *Shauna Ryder Diggs*



Audrey J. Harvey
Executive Director and CEO
Blue Cross Blue Shield of Michigan Foundation



Shauna Ryder Diggs, M.D.
Chairwoman, Board of Directors
Blue Cross Blue Shield of Michigan Foundation

2021 Grant Summary

Over \$3.5 million in grants were awarded, including more than \$1.35 million in collaborative funding.

Ninety-one grants were made to nonprofit organizations in urban, suburban and rural communities throughout Michigan.

Michigan's population will receive improved health and access to quality high-value care. The Foundation will be a leader in fostering the development of socially responsible and innovative solutions to critical issues that affect the health of Michigan residents.

The Blue Cross Blue Shield of Michigan Foundation improves the lives of Michiganders by supporting health care research and innovative programs. We are committed to quality performance, honesty, integrity, collaboration and teamwork, effective and efficient use of resources, excellence in programs, grants and communications, advancing health equity and eliminating health care disparities.

Total Grants by Region:

TOTAL GRANTS AWARDED: \$3,516,145*

Southeast Michigan: \$815,599*

County	Grants Awarded	Amount Awarded
Oakland	8	\$250,499*
Washtenaw	14	\$266,100*
Wayne	14	\$299,000*

Mid-Michigan: \$647,550*

County	Grants Awarded	Amount Awarded
Calhoun	3	\$86,750*
Ingham	14	\$517,300*
Isabella	1	\$33,500
Livingston	1	\$10,000

West Michigan: \$535,000*

County	Grants Awarded	Amount Awarded
Barry	1	\$50,000*
Kalamazoo	2	\$70,000*
Kent	12	\$330,000*
Ottawa	2	\$85,000*

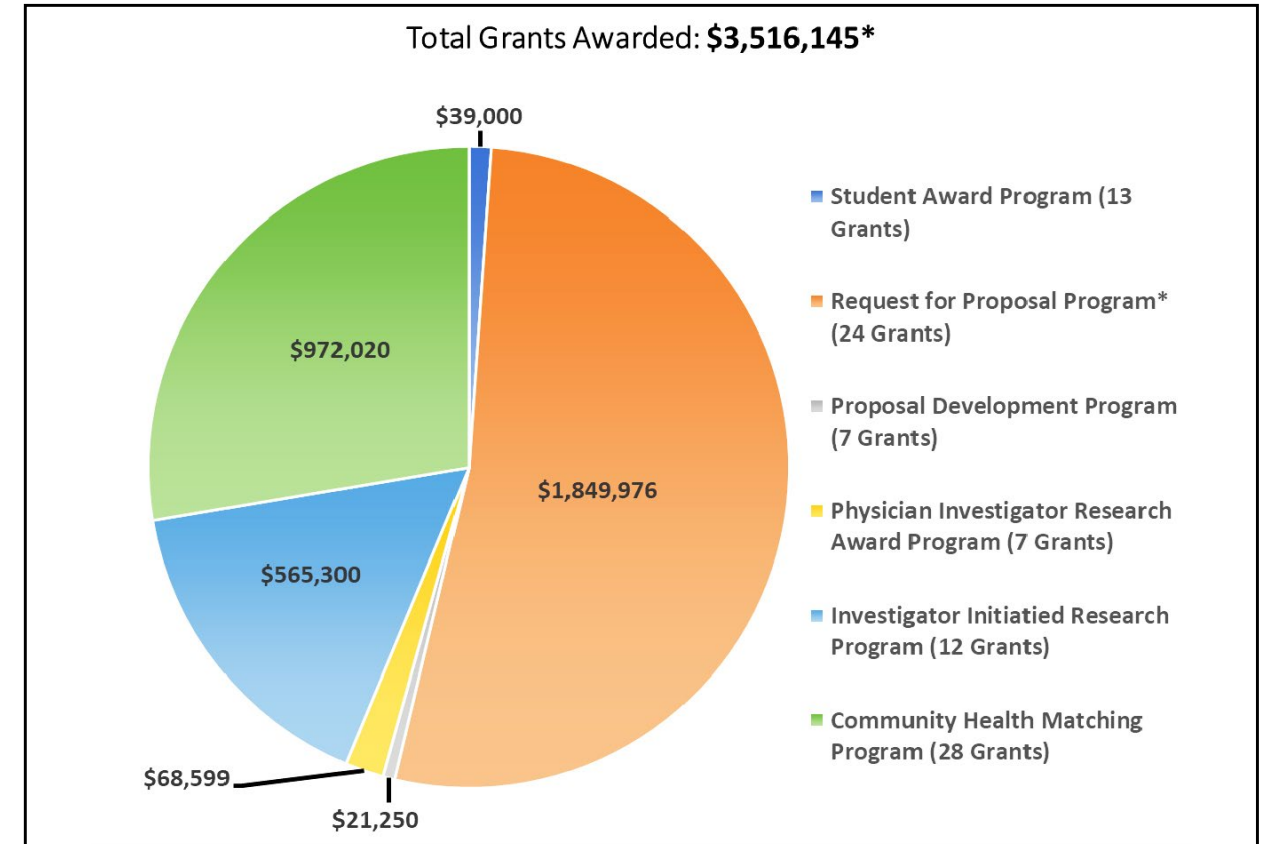
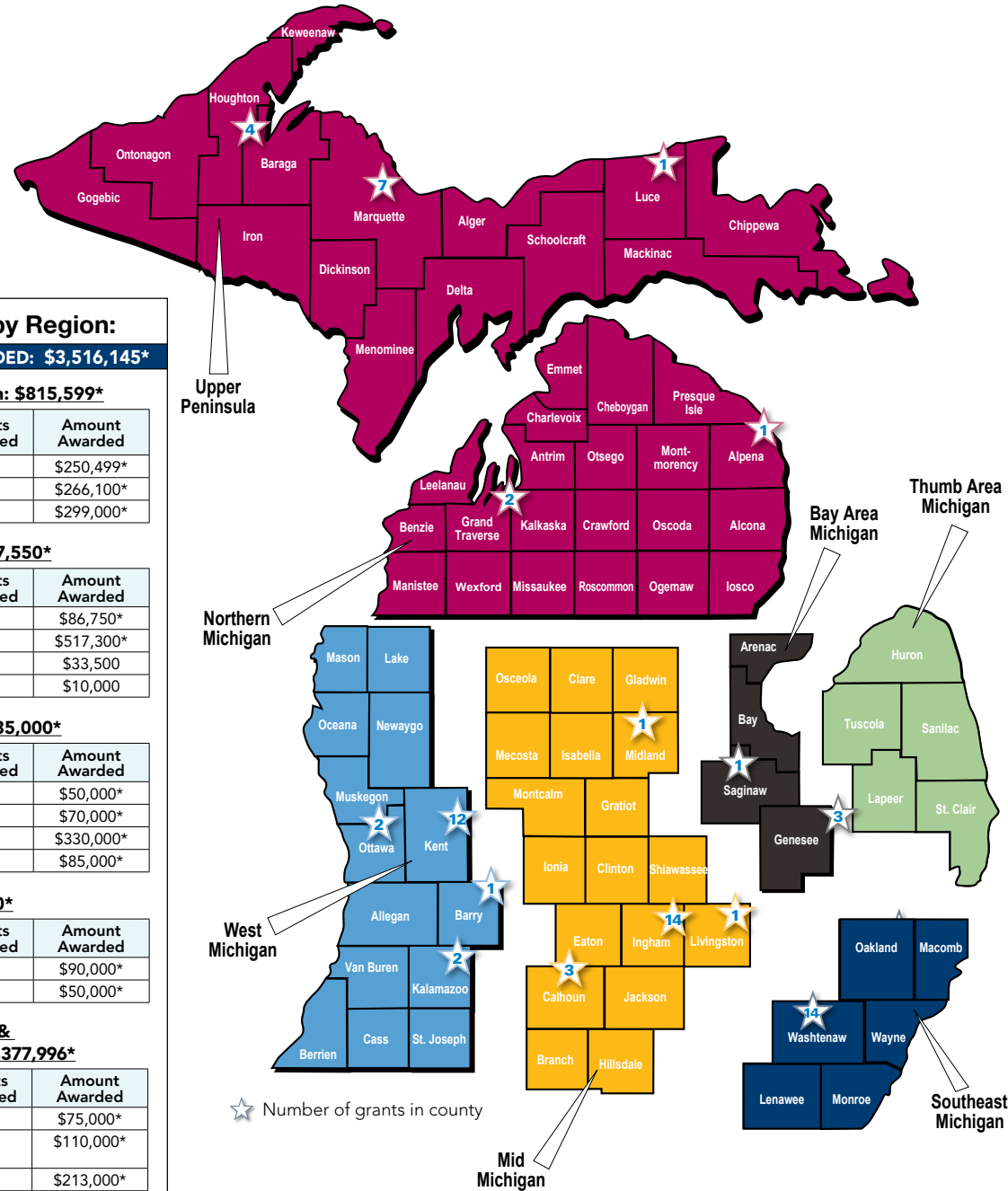
Bay Area: \$140,000*

County	Grants Awarded	Amount Awarded
Genesee	3	\$90,000*
Saginaw	1	\$50,000*

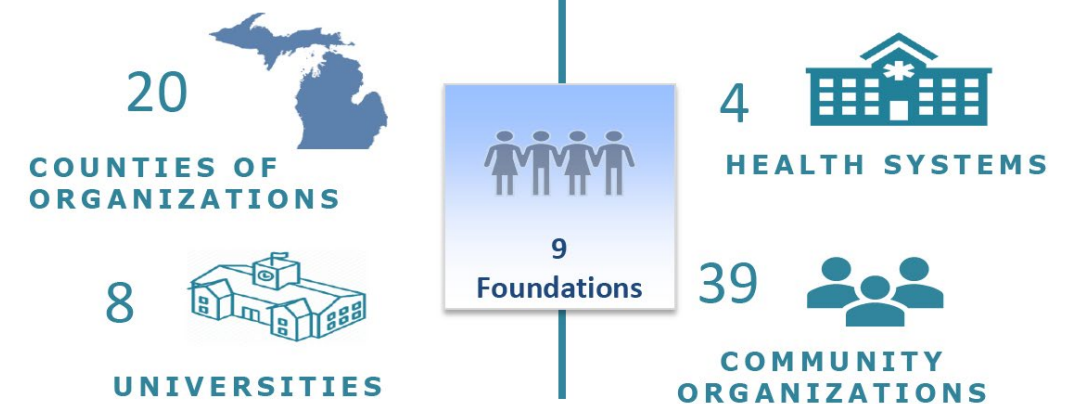
Northern Michigan & Upper Peninsula: \$1,377,996*

County	Grants Awarded	Amount Awarded
Alpena	1	\$75,000*
Grand Traverse	2	\$110,000*
Houghton	4	\$213,000*
Luce	1	\$150,000*
Marquette	7	\$829,996*

*Includes funding partners



Michigan Footprint



Partnering to Improve Women's and Maternal Health

In 2021, the health of women declined. According to Racial Disparities in Maternal Health, a 2021 study by the Blue Cross and Blue Shield Association, pregnant women in the United States are more than twice as likely to die from complications related to pregnancy or childbirth than those in most other high-income countries in the world. And, as the pandemic relentlessly persists, women reported the highest levels of anxiety, depression and behavioral health needs since the pandemic hit the U.S in 2020. The BCBSM Foundation worked with community organizations, physicians and researchers to help improve the health of women. Programs we supported range from Rootead Enrichment Center in Kalamazoo that will provide comprehensive maternal health services to reduce racial disparities in maternal health to physicians at the University of Michigan who are researching methods to aid contraception decision-making (Dr. Justine Wu) and testing methods to improve post-surgical outcomes for gynecological patients (Dr. Alli Straubhar).

Another Foundation grant will enable immigrant and refugee women to have a support group at Zaman International in Dearborn.

“When I think of a woman who is the foundation to her family, she too often puts herself second,” said Maya Mortada, certified pediatric nurse practitioner and director of health services at Zaman International. “We want to make sure that mother, that woman, is strong in every aspect of her life. When her health is addressed, I think that person will feel empowered in other parts of her life.”

With our support, researchers are also examining how to leverage Zoom and telehealth to help women. At Calvin University, Dr. Mary Doornbos uses Zoom to provide behavioral health support for women with trained peer ambassadors. Doornbos said she hopes the BCBSM Foundation grant will be viewed as one of the seeds that planted a sustainable model growing in strength and size each year to address critical health inequities. At Oakland University, Dr. Deborah Doherty is using telehealth to improve the quality of life of Black breast cancer patients.

The mental and physical health needs of women experiencing homelessness are being addressed through case management at Covenant House in Detroit, Gracious Homes in Battle Creek and Recovery Advocates of Livingston County. Often, women in recovery have never learned how to manage their feelings, said Anne King-Hudson, director. The sober living home allows residents to adjust to independence with the safeguard of around-the-clock support, she said.

“When I think of a woman who is the foundation to her family, she too often puts herself second.”

Maya Mortada, certified pediatric nurse practitioner and director of health services at Zaman International



Supporting the Physical and Behavioral Health of Children

The health of one of Michigan's most vulnerable populations is of great importance to the BCBSM Foundation. In 2021, our partners addressed the critical needs of children in their communities. Preventive health programs supported by the Foundation include one at Henry Ford Health, led by Dr. Richard Bryce who saw an opportunity to combine postpartum and newborn visits to improve maternal and newborn health and social outcomes. The Foundation also supported Oakland University's work, led by Dr. Florence Dallo, to improve vaccination rates for Arab American children, along with Dr. Tsui-Sui Kao's program at Michigan State University to address obesity by promoting healthy eating and physical activity among Native American families who attend Head Start programs.

Programs to address the health needs of autistic children supported by the Foundation included Dr. Nicole Hamp's work to increase the use of the rapid Interactive Screening Test for Autism in toddlers among primary care providers, to help families more quickly receive the care and services needed for their children, and LifeLab Kids Foundation in Oakland County, which provides physical and behavioral health, nutrition, speech and life skills programs to prevent and reduce chronic disease risk of children with autism.

In 2021, the BCBSM Foundation continued its commitment to the physical and behavioral health of children by supporting programs in schools throughout Michigan. This included the Grand Rapids African American Health Institute, which addresses the holistic health of African American families with children 8 to 13 years old. "When kids grow up, we want them to be able to make educated decisions throughout their lives," said Miguel Gonzales, project coordinator for the Institute's Wellness Adventure Program. "We want to help them with their foundational understanding of nutrition, taking care of their bodies and mental health coping skills."

Friends of Children Detroit and Affinity Mentoring in Grand Rapids, which promotes social-emotional learning skills and social determinants of health among school-age children, also received Foundation support. "Middle school is a critical age, as educational declines, illegal substance use concerns and relationship issues all begin during junior high," said Cassandra Kiger, executive director of Affinity Mentoring. "The transition to the demands of middle school — like changing classrooms, keeping track of assignments and understanding your grade point average — are all new concepts to master. And, for students whose parents didn't grow up with the U.S. education system, it can be especially difficult for them to help their children through these new challenges." Kiger said this is where mentors can be especially helpful.

At the University of Michigan, we continued our support of Dr. Elizabeth Koschman's statewide program, Transforming Research into Action to Improve the Lives of Students, or TRAILS, which addresses the mental needs of children in kindergarten to 12th grades in their local school districts. "District staff know their students and what their students need," said Jennifer Vichich, TRAILS project manager. "So, TRAILS provides comprehensive resources and support, and our school partners apply the content to their students."

The Traverse Bay Children's Advocacy Center is implementing and evaluating the "Public Will Campaign to End Child Sexual Abuse" in Grand Traverse County. Also addressing child abuse is the Washtenaw Area Council for Children's program to help children report inappropriate sexual contact. "One thing that was really helpful with this grant specifically is that it was spread over two years, and that it substantially funded the program," said Michelle Walters during an interview with Blue Cross Blue Shield of Michigan. Walters is the executive director of the WACC. "I didn't have to keep looking for more funding to help support the work we were trying to do. So, it freed us up to say, 'We can do the work — we don't have to sit here trying to find money to do the work — we can actually just do it.'"



"When kids grow up, we want them to be able to make educated decisions throughout their lives."

Miguel Gonzales, project coordinator for the Institute's Wellness Adventure Program

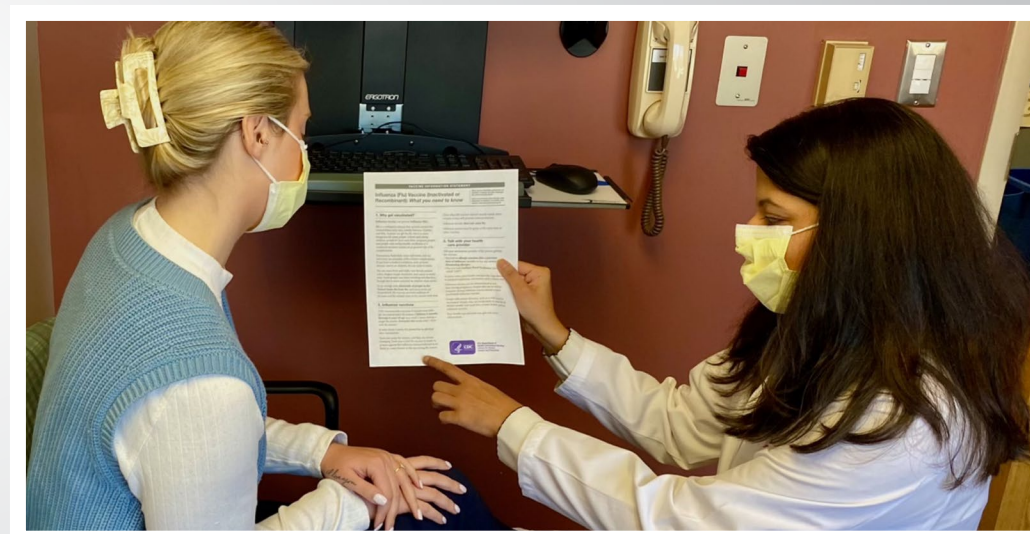
Innovation in Medical Education and the Health Career Pipeline to Improve Health Inequities

Health inequities result from racism, poverty and interpersonal and personal factors, among other formidable structures that are insurmountable. In 2021, the Foundation continued to work with two partners on inequity in the ease of receiving health care. Western Michigan University College of Health and Human Services' West Michigan Health Careers Pipeline Program is a mentorship program for underrepresented, first-generation college and minority ninth- and 10th-grade high school students from urban and rural communities in the West Michigan region. The program provides exposure to multiple health career options, mentorship, health and wellness education, and job shadowing opportunities. Students participate in engaging, hands-on experiences, which will foster personal growth, self-efficacy and leadership qualities. In the area of medical student education, the Michigan State University College of Medicine is addressing health equity and health disparities by increasing empathic communication, the ability to listen and communicate verbally and non-verbally by acknowledging the emotion and circumstances of a patient, which is known to reduce health disparities, increase health equity and improve the patient experience in medical care. Dr. Emiko Blalock is working with third-year medical students in their clinical rounds in Flint, Grand Rapids, Lansing, Midland Regional, Southeast Michigan, Traverse City and the Upper Peninsula.



A Multipronged Approach to Attacking Michigan's Leading Cause of Death

Significant complications of cardiovascular disease are a leading cause of death in Michigan, according to the Michigan Department of Health and Human Services. Many of our grant recipient partners are working to reduce high blood pressure, address related factors, increase blood pressure screening and reduce complications. Dr. Rodlescia Sneed at Michigan State University and the M.A.D.E. Institute in Flint will improve blood pressure care using peer fitness coaches. The Michigan Primary Care Association has created a blood pressure training program and care protocol for dental care providers at community health centers. Dr. Youcheng Liu at Wayne State University is examining the relationship between air quality, high blood pressure and in-home air filtration systems in Detroit. A significant complication of untreated or poorly managed high blood pressure is loss of kidney function that requires hemodialysis. Dr. Bincy Joshwa at Wayne State University College of Nursing is researching fatigue and its relationships between biological, behavioral and sociocultural factors among dialysis patients. Dr. Ryan Reece at Hurley Medical Center is examining how to improve patient outcomes for those who experience cardiac arrest, a significant complication of high blood pressure, among other risk factors. Dr. Lorraine Weatherspoon at Michigan State University is developing methods to help health care providers address food insecurity, obesity, weight management and weight reduction to reduce a person's risk for high blood pressure.



Meeting the Challenge of COVID-19

As the world and Michigan entered the second year of the pandemic, the Foundation learned of new community needs related to COVID-19 and supported researchers, doctoral students and community organizations. Migrant Legal Aid is addressing the health and safety of farmworkers and farmers. Medical students at the University of Michigan are examining COVID-19 vaccinations, the homeless population (Gabriella VanAken), and the effects of social distancing in Michigan (Gavisha Waidyaratne). A doctoral student at Michigan Technological University, Isaac Wedig, is researching how to improve the health of seniors with COVID-19 through exercise. Dr. Marie-Anne Rosemberg at the University of Michigan School of Nursing is examining how the added stress of COVID-19 is related to behavioral health and the use of substances among essential workers. Researchers at Eversight in Ann Arbor are studying eye tissues for the presence of COVID-19 to reduce transmission through transplants. At Michigan State University College of Nursing, Dr. Hornq Shiuann Wu is using a COVID-19 database to create resources for people experiencing the long-term effects of COVID-19 infection. Physician investigator Dr. Arati Kelekar is developing a curriculum for pediatric and internal medicine residents at Beaumont Hospital in Royal Oak to improve their COVID-19 and other vaccine hesitancy counseling skills.

Request for Proposal Program Grants

Through listening and learning sessions with community leaders and gathering data, the Foundation created a request for proposal that is population-led and community-inspired. In 2021, our sessions and data gathering culminated in three initiatives:

1. Addressing Food and Nutrition Insecurity
2. Partnering to Meet Unmet Community Needs in the Upper Peninsula
3. Building Health Care Bridges to Stable Health

The BCBSM Foundation, with our funding partners, supported 22 organizations throughout Michigan to address community-identified needs. We give more insight into what was set in motion with our community and funding partners on the following pages.



Addressing Food and Nutrition Insecurity to Improve Health Equity

Blue Cross Blue Shield of Michigan Foundation, Blue Cross Blue Shield of Michigan, Michigan Health Endowment Fund and W. K. Kellogg Foundation partnered with Michigan-based nonprofit organizations for evidence-based, sustainable initiatives that addressed food and nutrition insecurity to improve health equity through Michigan's local food systems. The focus of these initiatives is on improving access to healthy, nutrient-rich food that addresses a social determinant of health, prevents chronic diseases and improves overall health and well-being. The total funding for the "Addressing Food and Nutrition Insecurity to Improve Health Equity" initiative was \$650,000 for 12 months.

Learn more at mibluesperspectives.com/Food and Nutrition Insecurity.*

Access of West Michigan

Emma Garcia

\$50,000

Support for "Refresh Now, Fresh Markets and Good Food Systems"

Kent County; West Michigan

Allen Neighborhood Center

Joan Nelson

\$50,000

Expansion of Hunter Park-based growing initiatives, Breadbasket Pantry and Veggie Box programs

Ingham County; Mid-Michigan

Barry County Community Foundation

Bonnie Gettys

\$50,000

Establish a local food policy council, build sustainability for School-to-Community Garden and complete a market analysis

Barry County; West Michigan

Community Action House

Scott Rumpsa

\$50,000

Support for "Healthy Eating & Nutrition Advocacy" at Holland/Zeeland Food Club

Ottawa County; West Michigan

Greater Lansing Food Bank

Michelle Lantz

\$50,000

Improving food service to diverse populations through outreach and distribution programs

Ingham County; Mid-Michigan

Groundwork for Resilient Communities Inc.

Hans Voss

\$75,000

Support for "Fresh Food for All" program

Grand Traverse County; Northern Michigan

Micah 6 Community

Coleman Yoakum

\$20,000

Expanding and restarting pop-up markets to bring produce to high-risk populations

Oakland County; Southeast Michigan

National Kidney Foundation of Michigan Inc.

Linda Smith-Wheelock

\$25,000

Expansion of Inkster community gardens and providing youth gardening training

Washtenaw and Wayne counties; Southeast Michigan

Oakland University School of Health Sciences

Laurel Stevenson, Ph.D., MPH

\$60,000

Support for "Prescription for a Healthy Oakland-Southeast Expansion" project

Oakland County; Southeast Michigan

R.I.S.E. Corp

Damon Brown

\$50,000

Support for healthy food distribution programs

Calhoun County; Mid-Michigan

Roosevelt Park Neighborhood Association

Amy Brower

\$20,000

Support for expansion of Cesar E. Chavez Farmers Market Services and Community Garden programs

Kent County; West Michigan

United Way of Northeast Michigan

Joe Gentry

\$75,000

Revitalize the local food policy council and establish programs to address food and nutrition insecurity

Alcona, Alpena and Montmorency counties; Northern Michigan

Wayne County Community Action Agency

Louis D. Piszker

\$25,000

Support "Empowered Pantry" at Wayne Metro's East Childhood Development Center in Dearborn Heights

Wayne County; Southeast Michigan

YMCA of Saginaw

Steve Meyer

\$50,000

Support for mini food pantries

Saginaw County; Bay Area Michigan

* This includes partner funding; see Page 20.

After holding a community roundtable meeting led by Superior Health Foundation, Michigan Health Endowment Fund and Blue Cross Blue Shield of Michigan Foundation joined forces to support five organizations that meet the food and nutrition needs in the Upper Peninsula. The “Food and Nutrition Insecurity” initiative awarded \$509,975 in the first year of the two-year project.*

*Includes partner funding

Upper Peninsula Commission for Area Progress

Jonathon Mead

\$322,388

Marquette County; Upper Peninsula Michigan

Upper Peninsula Commission for Area Progress provides the development, coordination and provision of human services in all 15 counties. Its “Food as Medicine” program provides residents with increased access to locally grown fresh produce and skill enhancement through nutrition education.

Partridge Creek Farm Inc.

Dan Perkins

\$106,427

Marquette County; Upper Peninsula Michigan

Partridge Creek Farm and the Lions of Michigan District 10 - U.P. will assess food insecurity, related health issues and resources; identify “community champions” to create local food insecurity workgroups; develop, disseminate and exchange information and resources in all 15 counties; create an educational video series, build a farm-school program, create training programs and build an intergenerational farm community space.

Upper Peninsula Veterans Community Action Team

Frank Lombard

\$50,000

Delta County; Upper Peninsula Michigan

The Upper Peninsula Veterans Community Action Team will increase access to food by providing grocery store gift cards, health program info and referrals to improve food access.



Feeding America West Michigan

Kenneth R. Estelle

\$31,160

Feeding America West Michigan’s “Mobile Food Pantry” and “A Recipe for Success” will serve families in six counties in the Upper Peninsula with nutrition education, online and in-person cooking demonstrations, distribute cooking tools and improve participant understanding of healthy food preparation.

Kent County; Upper Peninsula Michigan

Partnering to Meet Unmet Community Needs in The Upper Peninsula

Supporting the Development of Recovery Communities in the Upper Peninsula

Select members of the Michigan Opioid Partnership — Blue Cross Blue Shield of Michigan Foundation, Blue Cross Blue Shield of Michigan, Michigan Health Endowment Fund and Superior Health Foundation, along with the Michigan Health & Hospital Association and Upper Peninsula Health Plan — partnered with community-based nonprofit organizations to address the gaps in services for individuals and families facing substance use disorder and support the development and growth of “recovery communities” in Michigan’s Upper Peninsula. Recovery communities offer a wide range of services for individuals, families and communities that support the recovery of those with substance use disorder. The total awarded through this initiative was \$490,000 for up to two years.*

*Includes partner funding

Learn more at mibluesperspectives.com/RecoveryCommunitiesintheUP.

Eastern Upper Peninsula Opioid Response Consortium

Hunter Nostrant

\$150,000

Alger and Luce counties; Upper Peninsula Michigan

A peer recovery specialist will serve Alger and Luce County inmates’ treatment court teams, support behavioral health professionals and enhance community-wide education that reduces stigma and creates trauma-informed communities.

Great Lakes Recovery Centers Inc.

Greg Toutant, MS Ed., CAADC, CCS

\$150,000

Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, Schoolcraft counties; Upper Peninsula Michigan

The resource specialist, peer recovery coaches and mentors work one-on-one with program participants to help them gain and maintain employment. The project staff mediates between the employer and the participant to solve problems that may emerge during employment. Program participants receive assistance with interviewing skills and resume building, vocational profiling, information about vocational and apprenticeship programs and job readiness reviews, and are connected to recovery-friendly employers.

Western Upper Peninsula Health Department

Cathryn A. Beer, MPA, CFPH, CPA, CGMA

\$150,000

Baraga, Gogebic and Houghton counties; Upper Peninsula Michigan

The “FACE Project” reconnects people with substance use disorder to their families and communities. Services include education and support to help family members improve their mental and physical health and decrease relapse risk for their loved ones. Women receive culturally appropriate activities in a safe, non-judgmental space to help them build relationships with other women in recovery. People in jail receive education and support to lower the risk of relapse and overdose, create connections to ‘helpers’ and improve access to treatment services upon discharge.

Superior Housing Solutions

Jim Borowski

\$40,000

Alger, Delta, Dickinson, Iron and Marquette counties; Upper Peninsula Michigan

The Workforce Development and Recovery Community Organization project manager focuses on the expansion of services of Superior Housing Solutions, community inclusion events, becoming a Michigan state-certified health work and Michigan State and CCAR-certified recovery coach and the submission of the Superior Housing Solutions application to become a Recovery Community Organization.



Building Health Care Bridges to Stable Health

The Blue Cross Blue Shield of Michigan Foundation, The Children's Foundation and the Ethel and James Flinn Foundation partnered to address the needs of people affected by substance use disorder, experiencing homelessness or previously incarcerated. Five community partners were awarded a combined \$200,000 for 18 months through the "Building Health Care Bridges to Stable Health" initiative.* Our community partners assist at-risk individuals with a higher prevalence of infectious diseases, chronic diseases and mental illnesses.

*Includes partner funding

Authority Health – Popoff Clinic

Loretta V. Bush

\$40,000

Wayne County; Southeast Michigan

The Popoff Clinic, a federally qualified health center in Detroit, provides medication-assisted treatment for patients referred from St. John Ascension, Beaumont Grosse Pointe, the Detroit Medical Center and the 36th District Drug Treatment Court. Staffed by a psychologist, primary care provider and intake specialist, the program addresses barriers to treatment, appointment and annual screening compliance. Clients receive assistance with goal setting, obtaining state identification, government health insurance and other social services.

Hope Network

Jean Talsma, D.O.

\$40,000

Kent and Mackinac counties, West Michigan and Upper Peninsula

Hope Network will increase access to physical and behavioral health services for people with severe and persistent mental illness and intellectual or developmental disabilities. They'll manage primary care services in person and through virtual visits at Hope Network Behavioral Health Services offices in Western and Eastern Michigan and through virtual visits with their St. Ignace office.

Superior Housing Solutions

Jim Borowski

\$40,000

Marquette, Alger, Dickinson and Iron counties; Upper Peninsula Michigan

Superior Housing Solutions' community health workers and recovery coaches will guide their clients to get health insurance physician appointments, and assist with medication, visits and screening adherence. Community health workers also help their clients acquire the necessary documentation (for example, birth certificate, Social Security card and state identification) to get health care, housing and other resources.

M.A.D.E. Institute

Leon El-Alamin

\$40,000

Genesee County; Bay Area Michigan

By engaging at-risk youths and young adults ages 16 to 24 living in north Flint, the M.A.D.E. Institute will increase awareness of the affect that repeated trauma exposures have on mental health and the ways trauma is expressed. Participants will learn methods for managing mental health challenges, the skills to recognize signs of trauma-induced mental health challenges and how to provide emergency mental health first aid assistance.

Youth Justice Fund

Aaron T. Kinzel

\$40,000

Macomb, Oakland, Washtenaw and Wayne counties; Southeast Michigan

The Youth Justice Fund works with youths and adults at risk for poor health outcomes to obtain necessary documents (for example, birth certificate, Social Security card and state identification) to get health care, housing and other resources, and expand its services to Monroe and Lenawee counties.

Community Health Matching Grants

Through our Community Health Matching Grant Program, we partner with health professionals and community leaders at nonprofit organizations to develop population-led, community-inspired programs or implement evidence-based programs to address community-identified needs, and evaluate measurable programmatic and health outcomes. In 2021, \$972,020 in matching grants were distributed to address health care value and access to health care, and improve participants' health.* Learn more at [Community Health Matching Grant Program | BCBSM Foundation Grants](#) and contact us at foundation@bcbsm.com.

*Includes partner funding

Affinity Mentoring

Cassandra Kiger

\$33,000

Teaching social-emotional learning skills to middle school children to improve health equity and reduce the impact of adverse childhood experiences
Kent County; West Michigan
Learn more at mibluesperspectives.com/AffinityMentoring.

Bethany Christian Services

Emma Schab

\$25,000

Providing Refugee Healthcare Navigation and Case Management Program to assist refugees in West Michigan to manage their physical and mental health
Kent County; West Michigan

Covenant House Michigan

Gerald Piro

\$40,000

Address co-occurring disorders among young adults experiencing homelessness by providing intensive mental health care, life skills development, and support
Wayne County; Southeast Michigan

Disability Advocates of Kent County

David Bulkowski

\$35,000

Increasing the ability of seniors and persons with a disability to live safely and independently at home
Kent and Allegan counties; West Michigan

Extended Grace

Barbara VanHorsen

\$35,000

Increasing stress management skills among persons with disabilities by implementing the Skills Improvement on Emotion Regulation for Adults program
Ottawa County; West Michigan

Friends of Children Detroit

Nicole McKinney, MBA

\$34,000

Addressing the social determinants of health and the social development, health, and educational success of children
Wayne County; Southeast Michigan

Gracious Homes, Inc.

Grace Cowens

\$35,000

Addressing the health needs of homeless women through case management
Calhoun County; Mid-Michigan

Grand Rapids African American Health Institute

Vanessa Greene, M.Ed.

\$15,000

Address mental health, physical health and nutrition among African American families with children ages 8 to 13
Kent County; West Michigan
Learn more at mibluesperspectives.com/GRAAHIempoweringstudents.

Great Lakes Recovery Center

Greg Toutant, MS Ed, CAADC, CCS

\$80,370*

Support ongoing efforts to eliminate accessibility barriers to treatment, increase capacity and explore ways to strengthen sustained recovery
Chippewa County; Upper Peninsula Michigan
*Co-funded by Superior Health Foundation

Hospice of Michigan, Inc.

Robert Cahill

\$35,000

Implementation of a telehealth program and app to provide support to hospice patients and their caregivers
Oakland County; Southeast Michigan

LifeLab Kids Foundation

Jai Reddy

\$35,000

Provide physical and mental health, nutrition, speech, and life skill programs to autistic youth to prevent and reduce the incidence of chronic diseases
Oakland County; Southeast Michigan

Michigan Primary Care Association

Phillip Bergquist

\$35,000

Implementation of the Michigan Health and Human Services Oral Health Unit blood pressure screening protocol in community health centers
Ingham County; Mid-Michigan

Michigan State Medical Society Foundation

Cheryl Gibson Fountain, M.D.

\$36,000

Support to improve health care providers' knowledge of bioethical considerations of medical practice at the "Ethics, Inequality and Public Health" conference
Ingham County; Mid-Michigan

Michigan Transportation Connection

Clark Harder

\$50,000

Establish a call center in Escanaba for the Rides to Wellness Program in the Upper Peninsula as part of Connect UP
Ingham and Escanaba counties; Mid-Michigan and Upper Peninsula Michigan

Migrant Legal Aid, Inc.

Teresa Hendricks

\$40,000

Educate migrant and immigrant farmworkers, the farmers that employ them and health care providers to address COVID-19, pesticide safety and occupational injury and illness prevention
Kent County; West Michigan

Oakland University

Human Movement Science

Deborah J. Doherty, PT, Ph.D.

\$37,500

Use tele-rehab to improve physical functioning, wellness and physical activity of Black women breast cancer patients and their families in Metro Detroit
Oakland County; Southeast Michigan

Portage Health Foundation

Kevin Store

\$10,000*

Support training sessions on human trafficking, sexual assault and sexual coercion to providers and nonmedical staff and social service agencies team
Baraga, Houghton, Keweenaw, and Ontonagon counties; Upper Peninsula Michigan

*Co-funded by the Portage Health Foundation

Recovery Advocates in Livingston Inc.

Anne King-Hudson

\$10,000

Address the health needs of rural homeless women through case management support
Livingston County; Mid-Michigan
Learn more at mibluesperspectives.com/RecoveryAdvocatesinLivingstonCounty.

Rootead Enrichment Center

Kama Mitchell

\$35,000

Reducing infant mortality and racial disparities in birth in Kalamazoo by providing wraparound services for birthing people and their families by implementing the JJ Way® Model of Maternal Health Care-Easy Access Clinic
Kalamazoo County; West Michigan

Ten Sixteen Recovery Network

Sam Price

\$33,500

Support the Mid-Michigan Collegiate Recovery Education and Wellness program at the Harrison campus of Mid-Michigan College
Isabella and Clare counties; Mid-Michigan

The M.A.D.E Institute

Leon El-Alamin

\$40,000

Support for the M.A.D.E. Health and Wellness Program to address the health and wellness needs of vulnerable citizens in Flint Genesee County; Bay Area Michigan

Traverse Bay Children's Advocacy Center, Inc.

Sue Bolde

\$35,000

Support a primary prevention program, "The Public Will Campaign to End Child Sexual Abuse," to create new social expectations around community-level protective behavior related to child sexual abuse
Grand Traverse County; Northern Michigan

University of Michigan

Elizabeth Koschmann, Ph.D.

\$50,000

Support for the statewide expansion of the Transforming Research into Action to Improve the Lives of Students, or TRAILS, program to reduce symptoms of anxiety and depression among K-12 children
Washtenaw County; Southeast Michigan
Learn more at mibluesperspectives.com/TRAILS.

University of Michigan

School of Nursing

Marie-Anne Rosemberg, Ph.D., FAAOHN

\$40,000

Inquire into the linkages between COVID-19 added stress, mental health and substance use disorder among essential workers
Washtenaw County; Southeast Michigan

Upper Peninsula Commission for Area Progress

Jonathan Mead

\$6,150*

Evaluation of the Benjamin Rose Institute Care Coaching Program.
Marquette County; Upper Peninsula Michigan

*Co-funded by the Michigan Health Endowment Fund.

Washtenaw Area Council for Children

Michelle Walters, LLMSW

\$40,000

Implement child sexual abuse prevention programs to help children recognize, respond and report inappropriate sexual contact
Washtenaw County; Southeast Michigan

Western Michigan University College of Health and Human Services

Ron Cisler, Ph.D.

\$35,000

Addressing health equity and health disparities through a health careers pipeline program for underrepresented high school students
Kalamazoo County; West Michigan

Zaman International - Hope for Humanity

Najah Bazy, RN

\$36,500

Provide a chronic disease self-management program and mental health support group to immigrant, refugees and women of color
Wayne County; Southeast Michigan
Learn more at mibluesperspectives.com/ZamanInternational.

Investigator Initiated Research Grants

Our Investigator Initiated Research Award Program provides grants to doctoral level researchers to address critical gaps in health-related research, examine factors that may prevent or reduce risk for disease, examine associations and cause and effect relationships between health variables, secondary data analysis of large datasets, health care cost-analysis studies, robust evaluation projects and feasibility studies to test the implementation of innovative interventions to improve health outcomes. The results of the pilot studies should lead to research dissemination and a grant application to the National Institutes of Health or other federal agencies for funding to advance the research. In 2021, 12 researchers were awarded \$565,300 in research funding. Learn more at [Investigator Initiated Research Program | BCBSM Foundation Grants](#) and contact us at foundation@bcbsm.com.



CALVIN UNIVERSITY
Kent County; West Michigan

Department of Nursing
Mary Molewyk Doornbos, RN, Ph.D.
\$55,000
Evaluate Women Supporting Women Zoom adaptation and the Women Supporting Women Mental Health Ambassadors training program on behavioral health outcomes
Learn more at mibluesperspectives.com/Women Supporting Women.

EVERSIGHT
Washtenaw County; Southeast Michigan

Onkar Sawant, Ph.D.
\$27,000
Examine the presence of COVID-19 on ocular tissue before donation

MICHIGAN STATE UNIVERSITY
Ingham County; Mid-Michigan

College of Nursing
Tsui-Sui Annie Kao, Ph.D., RN, FNP-BC, FAANP
\$50,000
Evaluating the role of stress to promote healthy eating patterns and physical activity among Native American parent-child dyads using hair cortisol

College of Nursing
Hong Shiuann Wu, Ph.D., RN
\$48,250
Use COVID-19 health data to develop and test a toolkit for self-management of post-COVID-19 symptoms

College of Human Medicine
Emiko Blalock, Ph.D.
\$33,550
Address health equity and health disparities by increasing empathic communication in third-year medical students

College of Human Medicine
Rodlescia Sneed, Ph.D., MPH
\$50,000
Improving the blood pressure of returning citizens in Flint through a tailored peer-led physical activity and nutrition program

Department of Food Science and Human Nutrition
Lorraine J. Weatherspoon, Ph.D.
\$50,000
Increasing health care providers' capacity to address food insecurity, obesity, weight management and weight reduction

School of Social Work
Heather McCauley, Sc.D., MS
\$55,000
Evaluate the effectiveness of the "Public Will Campaign to End Child Sexual Abuse" in building community connections and promoting prosocial norms to reduce child sexual abuse and associated adverse health outcomes

MICHIGAN TECHNOLOGICAL UNIVERSITY
Houghton County; Upper Peninsula Michigan

Kinesiology and Integrative Physiology
Carolyn Duncan, Ph.D.
\$50,000
Evaluate the efficacy of a community-based 10-week tai chi exercise program to improve balance, glycemic control, and decrease falls among individuals with Type 2 diabetes

OAKLAND UNIVERSITY
Oakland County; Southeast Michigan

School of Health Sciences
Florence Dallo, MPH, Ph.D.
\$50,000
Design and evaluate the effectiveness of a vaccination intervention for Arab Americans

WAYNE STATE UNIVERSITY
Wayne County; Southeast Michigan

College of Nursing
Bincy Joshwa, Ph.D., RN
\$52,000
Understand the biobehavioral and sociocultural factors that influence fatigue severity in individuals on hemodialysis

Department of Family Medicine and Public Health Sciences
Youcheng Liu, M.D., MPH, Sc.D.
\$44,500
Examining the relationship between air pollution, the use of in-home air filtration and blood pressure

Physician Investigator Research Grants

BCBSM Foundation supports Michigan physicians who seek to improve health care value, access and the quality of their practices. In 2021, the seven grantees were awarded a total of \$68,599 to address the needs of their patients. Learn more at [Physician Investigator Research Award | BCBSM Foundation Grants](#) and contact us at foundation@bcbsm.com.



Beaumont Medical Group
Oakland County; Southeast Michigan

Arati Kelekar, M.D.
\$9,999
Health care provider communication skills training to address and overcome vaccine hesitancy

Henry Ford Health
Wayne County; Southeast Michigan

Henry Ford Family Medicine
Richard Bryce, D.O.
\$9,500
Pilot combining postpartum and newborn appointments to improve postpartum and newborn care

Hurley Medical Center
Genesee County; Bay Area Michigan

Emergency Medicine
Ryan Reece, M.D.
\$10,000
Identify the common characteristics of out-of-hospital cardiac arrest survivors and non-survivors in Genesee County

Spectrum Health Foundation
Kent County; West Michigan

Spectrum Health Family Medicine Residency
Harland Holman, M.D.
\$10,000
Improve the quality of care for Burmese and Rwandan refugees using a digital communication assistance tool

University of Michigan
Washtenaw County; Southeast Michigan

Family Medicine
Justine Wu, M.D., MPH
\$10,000
Explore the feasibility of a digital tool designed to meet unique contraceptive decision needs for women with multiple health conditions

Obstetrics & Gynecology
Alli Straubhar, M.D.
\$10,000
Test a new system for communicating with post-operative gynecological surgery patients

Pediatrics
Nicole Hamp, M.D.
\$9,100
Increase the use of the Rapid Interactive Screening Test for Autism in toddlers among primary care providers

Student Award Grants

The Student Award Program supports the health-related research of medical, terminal practice degree and doctoral students in Michigan. The 2021 Student Award Grants a total of \$39,000 for 12 months in funding that supports the research projects of 13 students at six Michigan universities. Applications are due by January 31 of every year. Learn more at [Student Award Program | BCBSM Foundation Grants](#) and contact us at foundation@bcbsm.com.



EASTERN MICHIGAN UNIVERSITY
Washtenaw County; Southeast Michigan

Psychology
Leah LaLonde
\$3,000
Evaluate psychometric properties of the Patient Health Questionnaire for depression screening in adolescents

MICHIGAN SCHOOL OF PSYCHOLOGY
Oakland County; Southeast Michigan

Clinical Psychology
Jared Boot
\$3,000
Create and test cultural competency training specific to the transgender population for mental health care to increase clinician knowledge and awareness

MICHIGAN STATE UNIVERSITY
Ingham County; Mid-Michigan

Emergency Medicine
Sara Urquhart
\$3,000
Study ultrasound-guided thoracentesis in the emergency department and related outcomes related to patient satisfaction, length of stay and procedure-related complications

MICHIGAN TECHNOLOGICAL UNIVERSITY
Houghton; Upper Peninsula Michigan

Kinesiology and Integrative Physiology
Isaac Wedig
\$3,000
Enhance the health and COVID-19 resilience of older adults in the Upper Peninsula with physical activity

UNIVERSITY OF MICHIGAN
Washtenaw County; Southeast Michigan

Health Behavior & Health Education
Molly Green
\$3,000
Explore the roles of ethnic identity in the relationship between discrimination and mental health outcomes for Arab Americans in Dearborn

Health Behavior & Health Education
Monika Doshi
\$3,000
Examine perceptions of and experiences with mental health care among undocumented Latinx communities

Internal Medicine
Gabriella VanAken
\$3,000
Assess COVID-19 vaccination policies for populations experiencing homelessness

Internal Medicine
Gavisha Waidyaratne
\$3,000
Understand the impacts of COVID-19 and social distancing on low-income communities in Michigan

WAYNE STATE UNIVERSITY
Wayne County; Southeast Michigan

College of Nursing
Cinzia Caparso
\$3,000
Develop holistic, culturally sensitive family interventions to assist with the impending death of a core family member, specifically focusing on African Americans with advanced cancer

Psychology
Jolin Yamin
\$3,000
Enhance provider skills in trauma-informed counseling and therapy

Psychology
Qin Yin
\$3,000
Investigate memory mapping after epilepsy surgery for patients with intracranial EEG analysis

Psychology
You Jin Jung
\$3,000
Examine the feasibility of a blood test to detect cognitive changes at the early stages of Alzheimer's disease

School of Social Work
Michael Broman
\$3,000
Explore the experiences of undergraduate college students in recovery from substance use disorder

Proposal Development Award Grants

Grant funding is one form of nonprofit capacity building. However, many nonprofits don't have a grant writer on staff or the capacity to hire a contract grant writer to develop and submit health-related grants. The Proposal Development Award provides nonprofits with funding to contract a grant writer to create and submit health-related grants. Our grantees and their contracted grant writers have successfully developed and submitted proposals to public agencies and private, community and corporate foundations. In 2021, the total awarded to seven organizations was \$21,250. Learn more at [Proposal Development Award | BCBSM Foundation Grants](#) and contact us at foundation@bcbsm.com.



CeaseFire Youth Initiative

Reggie Davis

\$2,500

Grant writing support for their crime and violence prevention and intervention program for young men in grades seven through 12 attending Detroit Public School Community District Schools
Wayne County; Southeast Michigan

Citizens for Prison Reform

Lois Pullano

\$3,000

Grant writing support for their "Supporting the Mental Health of Michigan Children with Incarcerated Mothers" program
Ingham County; Mid-Michigan

Gracious Homes Inc.

Grace Cowens

\$1,750

Grant writing support for their case management services for homeless women in Greater Battle Creek
Calhoun County; Mid-Michigan

Grand Rapids African American Health Institute

Vanessa Greene, M.Ed.

\$3,500

Grant writing support for their "Pathways Summer Pilot Health Care" program
Kent County; West Michigan

Lifeboat Addiction Services

Deborah Smith

\$3,500

Grant writing support for their Recovery Community Organization programs
Ingham County; Mid-Michigan

Partridge Creek Farm Inc.

Dan Perkins

\$3,500

Grant writer support to address increasing healthy food access in the Upper Peninsula by providing "Intergenerational Farming," community and nutrition education
Marquette County; Upper Peninsula Michigan

Sacred Beginnings Inc.

Katie Papke, LMSW, CAADC

\$3,500

Grant writing support for the "Home Base" service center that will provide resources and direct care to victims of human trafficking in Kent and neighboring counties
Kent County; West Michigan

2021 Grants Advisory Panel

Grants Advisory Panel members are essential in ensuring that BCBSM Foundation support is directed toward research of the highest quality to improve health care access, quality and cost to improve the health of the Michiganders. The BCBSM Foundation appreciates the time and service of the people listed below who served as GAP members during 2021. Without their efforts, the quality of the funded research could not be sustained.

Lawrence J. Baer, Ph.D.

Consultant
Grand Rapids

Clifford L. Broman, Ph.D.

Professor
Department of Sociology
Michigan State University

David Julius Brown, M.D.

Associate Vice President and Associate Dean for Health Equity and Inclusion
Associate Professor, Pediatric Otolaryngology
University of Michigan Medicine

Jade Burns Ph.D., RN, CPNP-PC

Assistant Professor
School of Nursing
University of Michigan

Cleopatra Howard Caldwell, Ph.D.

Professor and Chair
Department of Health Behavior & Health Education
School of Public Health
University of Michigan

Bhavin Dalal, M.D.

Associate Professor
Vice Chief, Division of Pulmonary Critical Care Sleep Medicine
Associate Program Director, Pulmonary
Critical Care Fellowship
Beaumont Health
Oakland University William Beaumont School of Medicine

Jessica D. Faul, Ph.D.

Associate Research Professor
Co-Director, Institute for Social Research Biospecimen Lab
University of Michigan

Gary L. Freed, M.D., MPH

Percy and Mary Murphy Professor of Pediatrics
School of Medicine
University of Michigan

Megan C. Frost, Ph.D.

Professor and Department Chair
Kinesiology and Integrative Physiology
Michigan Technological University

Charles Given, Ph.D.

Professor Emeritus
College of Nursing
Michigan State University

John Goddeeris, Ph.D.

Professor
Department of Economics
Michigan State University

Allen Goodman, Ph.D.

Professor
Economics Department
Wayne State University

Robert Goodman, D.O., MHSA, FACEP, FACOEP

Medical Director
Blue Care Network of Michigan

Gerod S. Hall, Ph.D., MPH

Senior Statistician
Blue Cross Blue Shield of Michigan

Denise Soltow Hershey, Ph.D., RN, FNP-BC

Associate Professor
College of Nursing
Michigan State University

Kenneth A. Jamerson, M.D., FASH

Professor, Internal Medicine
Frederick G.L. Huetwell Collegiate Professor of
Cardiovascular Medicine
University of Michigan Medicine

Phillip Levy, M.D., MPH., FACEP

*Assistant VP for Translational Science and
Clinical Research Innovation*
College of Medicine
Wayne State University and Wayne Health

Jersey Liang, Ph.D.

Professor
Department of Health Management & Policy
School of Public Health
University of Michigan

Rob Lyerla, Ph.D., MGIS

Professor
Western Michigan University

Nora Maloy, Dr.PH., MHSA

Adjunct Clinical Instructor
Department of Global Reach
University of Michigan Medical School

Milisa Manojlovich, Ph.D., RN, FAAN

Professor
School of Nursing
University of Michigan

Laurence McMahon, M.D., MPH

Professor
University of Michigan

Sharon Milberger, Sc.D.

Director
Michigan Developmental Disabilities Institute
Wayne State University

Kagan Ozer, M.D.

Professor
Orthopedic and Plastic Surgery
University of Michigan

Jae A. Puckett, Ph.D.

Assistant Professor
Department of Psychology
Michigan State University

Phillip Rodgers, M.D.

Professor
Department of Family Medicine
University of Michigan

Sanjay Saint, M.D., MPH

Chief of Medicine
VA Ann Arbor Healthcare System
George Dock Professor
University of Michigan

Herbert Smitherman, Jr., M.D., MPH., FACP

Vice Dean of Diversity and Community Affairs
Associate Professor, Internal Medicine
School of Medicine
Wayne State University
President and CEO, Health Centers Detroit Foundation

Michael Simon, M.D., MPH

Professor
Karmanos Cancer Institute
Wayne State University

Miron Stano, Ph.D.

Professor Emeritus
Department of Economics & Management
Oakland University

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SM Gavini Center for Cancer Prevention
Ascension Health

Ira Strumwasser, Ph.D.

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Gina Lynem-Walker, M.D.

Associate Medical Director
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Lori J. Warner, Ph.D., LP, BCBA-D

Licensed Psychologist
Lori J. Warner Ph.D., PLLC



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Executive Director
and CEO



Kelly Brittain,
Ph.D, RN
Senior Program Officer



Myra M. Tetteh,
MPP, Ph.D.
Senior Program Officer



Elba Huerta
Senior Analyst



Susan Shelton
Executive Assistant
and Secretary

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Joel I. Ferguson

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James K. Haveman

Paul C. Hilligonds

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Haifa Fakhouri, Ph.D.
President and
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James K. Haveman
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Retired, Director,
Michigan Department of
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Paul C. Hilligonds
Senior Advisor and
Retired CEO Michigan Health
Endowment Fund



Bruce A. Wolf, D.O.
Assistant Dean,
Macomb University Center
Michigan State University
College of Osteopathic
Medicine

Blue Cross Blue Shield of Michigan Foundation

Financial Statements as of and for the
Years Ended December 31, 2021 and 2020, and
Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Blue Cross Blue Shield of Michigan Foundation
Detroit, Michigan

Opinion

We have audited the financial statements of the Blue Cross Blue Shield of Michigan Foundation (the "Foundation"), a Michigan nonprofit corporation and a wholly owned subsidiary of Blue Care Network of Michigan (BCN), which is a wholly owned subsidiary of Blue Cross Blue Shield of Michigan Mutual Insurance Company (BCBSM), which comprise the balance sheets as of December 31, 2021 and 2020, the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As disclosed in Note 4 to the financial statements, certain expenses represent allocations made from the Blue Cross Blue Shield of Michigan Mutual Insurance Company. The accompanying financial statements have been prepared from the separate records maintained by the Foundation and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Foundation had been operated as an unaffiliated entity. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

April 27, 2022

BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

**BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND 2020
(\$ in thousands, except for share and per share data)**

	2021	2020
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 801	\$ 369
INVESTMENTS	56,692	56,069
ACCRUED INVESTMENT INCOME	-	27
OTHER ASSETS	<u>4,404</u>	<u>76</u>
TOTAL	<u>\$ 61,897</u>	<u>\$ 56,541</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Grants payable	\$ 2,292	\$ 1,957
Agency grants payable	88	63
Accounts payable—affiliates	161	493
Other liabilities	<u>203</u>	<u>115</u>
Total liabilities	<u>2,744</u>	<u>2,628</u>
NET ASSETS:		
Common stock, \$100 par value—2 shares authorized, issued, and outstanding		
Without donor restrictions	57,456	52,203
With donor restrictions	<u>1,697</u>	<u>1,710</u>
Total net assets	<u>59,153</u>	<u>53,913</u>
TOTAL	<u>\$ 61,897</u>	<u>\$ 56,541</u>

See notes to financial statements.

BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In thousands)**

	2021	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue:		
Investment revenue	\$ 1,557	\$ 196
Net realized and unrealized gain (loss) on investments	7,049	(706)
Net assets released from restrictions	446	225
Total revenue (loss) without donor restrictions	<u>9,052</u>	<u>(285)</u>
Expenses:		
Grants	2,142	1,329
Supporting activities	1,657	1,830
Total unrestricted expenses	<u>3,799</u>	<u>3,159</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>5,253</u>	<u>(3,444)</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Investment income—net	14	17
Net realized and unrealized gain on investments	419	395
Net assets released from restrictions	(446)	(225)
Total (decrease) increase in net assets with donor restrictions	<u>(13)</u>	<u>187</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	5,240	(3,257)
TOTAL NET ASSETS—Beginning of year	<u>53,913</u>	<u>57,170</u>
TOTAL NET ASSETS—End of year	<u>\$ 59,153</u>	<u>\$ 53,913</u>

See notes to financial statements.

BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In thousands)**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 5,240	\$ (3,257)
Reconciliation of increase (decrease) in net assets to net cash used in operating activities:		
Net gain on sale of investments	(14,093)	(118)
Unrealized loss on investments	6,627	436
Changes in:		
Accrued investment income	27	(27)
Other assets	(11)	(11)
Grants payable	335	(84)
Agency grants payable	25	(73)
Accounts payable—affiliates	(332)	151
Other liabilities	88	(85)
Net cash used in operating activities	<u>(2,094)</u>	<u>(3,068)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(45,970)	(18,239)
Proceeds from sales of investments	48,496	21,126
Net cash provided by investing activities	<u>2,526</u>	<u>2,887</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	432	(181)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>369</u>	<u>550</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 801</u>	<u>\$ 369</u>

See notes to financial statements.

BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In thousands, except share and per share data)

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Blue Cross Blue Shield of Michigan Foundation (the Foundation) is a Michigan nonprofit corporation and a wholly owned subsidiary of Blue Care Network of Michigan (BCN), which is a wholly owned subsidiary of Blue Cross Blue Shield of Michigan Mutual Insurance Company (BCBSM). Neither BCN nor BCBSM exercise control over the Foundation, therefore, the Foundation is not consolidated in the financial statements of these entities.

The Foundation was organized to improve individual and community health through the support of research and innovative health programs designed to provide high quality, appropriate access to efficient health care for the residents of Michigan.

Basis of Presentation—The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP).

Cash Equivalents—Cash equivalents, which are carried at fair value, are composed of short-term investments that mature within three months or less from the date of acquisition and have minimal credit or liquidity risk. If applicable, cash overdrafts are reported in the liability section of the Balance Sheets.

Investments—The Foundation's investments in securities are carried at fair value. The investment portfolio is actively managed by BCBSM investment managers with authority to buy and sell securities with oversight by the Finance Committee to ensure investment activities adhere to the Foundation's Investment Policy.

Realized gains and losses on sales of securities are determined based on the specific identification method, and both realized and unrealized gains and losses are included in the Statements of Activities and Changes in Net Assets.

Fair Value Measurements—The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced liquidation or sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced liquidation or sale.

Fair values are based on quoted market prices when available. The Foundation obtains quoted or other observable inputs for the determination of fair value for actively traded securities. For securities not actively traded, the Foundation determines fair value using discounted cash flow analyses, incorporating inputs such as nonbinding broker quotes, benchmark yields, and credit spreads. In instances where there is little or no market activity for the same or similar instruments, the Foundation estimates fair value using methods, models, and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment. Where appropriate, adjustments are included to

reflect the risk inherent in a particular methodology, model, or input used. The Foundation's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value as the price that would be received for an asset or paid to transfer a liability (exit price) in the most advantageous market for the asset or liability in an orderly transaction between market participants. An asset's or a liability's classification is based on the lowest-level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Level 1 and Level 2) and unobservable (Level 3).

Fair Value Classification of Investments—The Foundation classifies fair value balances on these investments based on the hierarchy defined below:

Level 1—Quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as: (a) quoted prices for similar assets or liabilities, (b) quoted prices in markets that are not active, or (c) other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities as of the reporting date.

Level 3—Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets and liabilities.

Certain securities that do not have readily determined fair values are measured at fair value using methods, models, and assumptions that management deems appropriate.

Certain securities do not have readily determined fair values; however, the securities' underlying investments are measured at fair value. The Foundation uses the net asset value per share as a practical expedient (NAV) for valuation purposes on these securities. Securities measured using NAV are not required to be classified into the fair value hierarchy levels.

The following techniques were used to estimate the fair value and determine the classification of assets and liabilities pursuant to the valuation hierarchy:

Cash Equivalents—Consist of short-term investments and have minimal credit or liquidity risk. Valuation is based on unadjusted quoted prices and are classified as Level 1.

Mutual Funds—Consist of actively traded, exchange-listed equity securities and equity mutual funds. Valuation is based on unadjusted quoted prices for these securities or funds in an active market and are classified as Level 1.

Exchange Traded Funds—Consist of actively traded exchange-listed equity securities and equity ETFs. The price of an ETF's shares will change throughout the trading day as the shares are bought and sold on the market. Valuation is based on unadjusted quoted prices for these securities or funds in an active market and are classified as Level 1.

Limited Liability Companies—Consist of interests in limited liability companies providing large cap U.S. equity exposure. Valuation is recorded at NAV based on the underlying investments held by the limited liability companies. These securities are not required to be classified in the fair value hierarchy.

Commingled Fixed Income Investment Trust—Underlying assets in the trust consist of corporate notes and bonds, collateralized mortgage obligations, asset backed and mortgage backed fixed income

securities, commercial paper, government and agency bonds, public and private debt obligations issued by corporate and non-corporate entities and other fixed income commingled investment vehicles. Valuation is recorded at NAV based on the underlying investments held by the trust. These securities are not required to be classified in the fair value hierarchy.

International Equity Funds—Consist of an international equity mutual fund and an investment in a commingled investment vehicle that holds underlying international equity securities with readily determinable market prices. The mutual fund valuation is based on unadjusted quoted prices and are classified as Level 1. For the commingled international equity fund, valuation is recorded at NAV based on the underlying investments in the vehicle. This security is not required to be classified in the fair value hierarchy.

Limited Partnerships—Consist of interests in hedge funds structured as limited partnerships. Valuation is recorded at NAV based on information provided by the fund managers along with audited financial information. These securities are not required to be classified in the fair value hierarchy.

Liquidity—As of December 31, 2021 and 2020, the Foundation had \$56,112 and \$54,728 respectively, of financial assets available within one year to meet its cash needs to cover grants and administrative expenses. These assets include cash and cash equivalents of \$801 and \$369, short-term investments of \$54,994 and \$54,359 and other assets—investments sold of \$317 and \$0, as of December 31, 2021 and 2020, respectively. A portion of investments are subject to donor restrictions and are unavailable for general expenditure. Additionally, income from the investments held related to the contribution is also limited to the specified purposes and, therefore, is not available for general expenditure.

As part of the Foundation's liquidity management, the Foundation structures its investment portfolio to provide sufficient liquidity to cover grants and administrative expenses as they come due. Investments with lock-up provisions, gates or redemption limits may reduce the total amount of investments immediately available to cover grants and administrative expenses.

Other Assets—As of December 31, 2021, other assets include \$4,000 of loss recovery receivable associated with investment portfolio losses recorded in 2020. The recovery was recorded in net realized and unrealized gain (loss) on investments in the Statements of Activities and Changes in Net Assets in 2021.

Grants Payable—Grants payable are recorded as of the date of approval. Grants subsequently canceled or adjusted are recorded as reductions of grant expense in the year of cancellation or adjustment.

Agency Grants Payable—Periodically, the Foundation enters into certain collaborative agreements with community partner entities to jointly fund certain grant programs within the community. In these arrangements, the Foundation receives monies from these organizations in an agency capacity and transfers those assets to a grantee that is specified by the community partner entity. These agency transactions are reported on the balance sheet as agency grants payable to the specified grantee rather than as a contribution to the Foundation.

Common Stock—In the event of dissolution, the sole stockholder, BCN, is entitled to the original subscription price of the stock. All other assets, after all obligations have been met, must be distributed to one or more organizations described in Section 501(c)(3) of the Internal Revenue Code. The Foundation authorized 2 shares of \$100 per share par common stock of which 2 shares are issued and outstanding.

Net Assets without Donor Restrictions—Net assets without donor restrictions are those not limited by donor-imposed restrictions and are available for the designated purposes of the Foundation. These funds are available for and used in the Foundation's regular activities entirely at the discretion of the Board of Directors.

Net Assets with Donor Restrictions—Net assets with donor restrictions consist of monies received in 2017 in support of grants to be awarded by the Foundation to qualified recipients for use in the Upper Peninsula of Michigan. Any earnings on these funds are also restricted and included in net assets with donor restrictions. As the funds are paid, amounts are released from restrictions. Monies that are received in the same year that the restriction has been met are not reported in net assets with donor restrictions but are reported as contributions without donor restrictions.

Income Tax Status—The Internal Revenue Service has determined that the Foundation meets the applicable requirements of Sections 501(c)(3) and 509(a)(3) of the Internal Revenue Code and is generally exempt from federal income taxes under Section 501(a).

Use of Estimates—The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Standards Adopted—In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU adds, modifies, and deletes certain disclosures related to Fair Value contained in Topic 820. This guidance was effective beginning January 1, 2020, with early adoption permitted. The Foundation adopted the provisions of ASU 2018-13 on January 1, 2020. The adoption of ASU 2018-13 did not have a material impact on the financial statements and related disclosures.

Forthcoming Accounting Pronouncements—In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as modified by ASU 2018-19, *Codification Improvements to Topic 326 Financial Instruments—Credit Losses* and ASU 2019-04, *Codification Improvements to Topic 326 Financial Instruments—Credit Losses* and ASU 2019-05, *Financial Instruments—Credit Losses (Topic 326) Targeted Transition Relief*, as modified by ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*. The guidance in ASU 2016-13 amends the reporting of credit losses for assets held at amortized cost basis, eliminating the probable initial recognition threshold, and replacing it with a current estimate of all expected credit losses. Estimated credit losses are recognized as a credit loss allowance reflected in a valuation account that is deducted from the amortized cost basis of the financial asset to present the net amount expected to be collected. The guidance also addresses available-for-sale securities, whereby credit losses remain measured on an incurred loss basis with the presentation of the credit losses using an allowance rather than as a write-down. ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842) Effective Dates* defers the effective date of ASU 2016-13 to January 1, 2023. The Foundation continues to evaluate the effects the adoption of ASU 2016-13 will have on the financial statements and related disclosures.

2. INVESTMENTS

Investments at December 31, 2021 and 2020 are as follows:

	2021	2020
Mutual funds	\$ -	\$ 4,035
Exchange traded funds	38,730	6,382
Limited liability companies	5,211	15,586
Commingled fixed income investment trust	-	14,951
International equity funds	12,558	12,414
Limited partnerships	<u>193</u>	<u>2,701</u>
Total investments	<u>\$ 56,692</u>	<u>\$ 56,069</u>

The Foundation recognized net unrealized losses of \$6,627 and net unrealized losses of \$436 at December 31, 2021 and 2020, respectively, relating to trading investments still held at year end.

Realized Gains/Losses—In the ordinary course of business, sales will produce realized gains and losses. The Foundation will sell securities at a loss for a number of reasons, including, but not limited to: (i) changes in the investment environment; (ii) expectations that the fair value could deteriorate further; (iii) desire to reduce exposure to an issuer or an industry; or (iv) a change in credit quality.

During the years ended December 31, 2021 and 2020, the Foundation sold \$48,813 and \$18,555 of investments, which resulted in gross realized gains of \$10,095 and \$1,987 and gross realized losses of \$2 and \$1,869, respectively.

As of December 31, 2021, the Foundation's investment portfolio includes \$5,211 of investments in limited liability companies, \$0 of investments in a commingled fixed income investment trust, and \$12,558 of investments in a commingled international equity fund that can be redeemed with 30 days' notice. None of the investments have unfunded commitments.

As of December 31, 2020, the Foundation's investment portfolio includes \$15,586 of investments in limited liability companies, \$14,951 of investments in a commingled fixed income investment trust, and \$6,660 of investments in a commingled international equity fund that can be redeemed with 30 days' notice. None of the investments have unfunded commitments.

The Foundation entered into investment transactions that were not settled as of December 31, 2021. There was \$317 included in other assets in the Balance Sheets, for investments sold. As these amounts were pending settlement, they have been excluded from proceeds from sales of investments on the statement of cash flows. There were no unsettled investment transactions as of December 31, 2020.

3. FAIR VALUE MEASUREMENTS

Fair values of the Foundation's securities are based on quoted market prices, where available. These fair values are obtained from either the custodian banks or third-party pricing services, which generally use Level 1 or Level 2 inputs for the determination of fair value.

The Foundation obtains one quoted price for each security, either from the custodian banks or third-party pricing services, which are derived through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available market observable information. For securities not actively traded, either the custodian banks or third-party pricing services

may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Foundation is responsible for the determination of fair value, management performs periodic analysis on the prices received from third parties to determine whether the prices are reasonable estimates of fair value.

In certain circumstances, it may not be possible to derive pricing model inputs from observable market activity, and therefore, such inputs are estimated internally. Such securities would be designated Level 3. The fair values of these securities are estimated using a discounted cash flow model that incorporates inputs such as credit spreads, default rates, and benchmark yields.

The primary market risks are exposures to (i) changes in interest rates that affect our investment income and interest expense and the fair value of fixed-rate financial investments and debt and (ii) changes in equity prices that affect our equity investments.

The Foundation's assets recorded at fair value at December 31, 2021 and 2020, are as follows:

	Fair Value Measurements Using			
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
2021				
Cash equivalents	\$ 675	\$ -	\$ -	\$ 675
Exchange traded fund	\$38,730	\$ -	\$ -	\$38,730
International equity mutual fund	<u>5,221</u>	<u>-</u>	<u>-</u>	<u>5,221</u>
Total investments measured at fair value	<u>\$43,951</u>	<u>\$ -</u>	<u>\$ -</u>	43,951
Total investments measured at NAV				<u>12,741</u>
Total investments				<u>\$56,692</u>

	Fair Value Measurements Using			
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
2020				
Cash equivalents	\$ 23	\$ -	\$ -	\$ 23
Mutual fund	\$ 4,035	\$ -	\$ -	\$ 4,035
Exchange traded fund	6,382	-	-	6,382
International equity mutual fund	<u>5,754</u>	<u>-</u>	<u>-</u>	<u>5,754</u>
Total investments measured at fair value	<u>\$16,171</u>	<u>\$ -</u>	<u>\$ -</u>	16,171
Total investments measured at NAV				<u>39,898</u>
Total investments				<u>\$56,069</u>

There were no transfers into or out of Level 3 and no purchases or issues of Level 3 assets in 2021 and 2020.

4. RELATED PARTY TRANSACTIONS

On a routine basis, the Foundation conducts business transactions with BCBSM. These transactions include management, treasury, administrative, and professional services, including computer operations and accounting services. Additionally, the Foundation receives monies from BCBSM in an agency capacity to make payments for grant awards being administered by the Foundation and co-funded by BCBSM and the Foundation.

For the years ended December 31, 2021 and 2020, \$1,307 and \$1,733, respectively, were billed from BCBSM and are included in supporting activities in the Statements of Activities and Changes in Net Assets. As of December 31, 2021 and 2020, the Foundation had \$161 and \$493, respectively, in accounts payable—affiliates due to BCBSM.

The accompanying financial statements present the financial position, results of operations, and changes in net assets and cash flows for the Foundation and are not necessarily indicative of what the financial position, results of operations, and changes in net assets and cash flows would have been if the Foundation had been operated as an unaffiliated corporation during the periods presented.

All outstanding shares of the Foundation are owned by BCN. In addition, the Foundation, BCBSM, and several of BCBSM’s subsidiaries have common officers and board members.

5. CLASSIFICATION OF EXPENSES

The financial statements include certain categories of expenses that are attributable to more than one program or supporting function, and therefore, requires an allocation. Salaries and benefits are allocated based on estimates of time spent on each program. Office expense, information technology, occupancy, travel, dues and subscriptions, and other expenses are allocated based on their impact to the programs.

The table below presents expenses by both their nature and function for the year ended December 31, 2021:

	Program Service Expenses	Management & General Expenses	Total Expenses
Grants	\$ 2,142	\$ -	\$ 2,142
Salaries and wages	980	494	1,474
Other employee benefits	9	3	12
Accounting fees	-	51	51
Office expense	3	6	9
Information technology	12	6	18
Occupancy	35	17	52
Travel	18	6	24
Contractors	9	-	9
Grants review panel	8	-	8
Total expenses	<u>\$ 3,216</u>	<u>\$ 583</u>	<u>\$ 3,799</u>

The table below presents expenses by both their nature and function for the year ended December 31, 2020:

	Program Service Expenses	Management & General Expenses	Total Expenses
Grants	\$ 1,329	\$ -	\$ 1,329
Salaries and wages	951	653	1,604
Other employee benefits	9	2	11
Accounting fees	-	44	44
Office expense	3	2	5
Information technology	20	10	30
Occupancy	68	32	100
Travel	17	8	25
Contractors	4	-	4
Grants review panel	7	-	7
Total expenses	<u>\$ 2,408</u>	<u>\$ 751</u>	<u>\$ 3,159</u>

6. SUBSEQUENT EVENTS

Management has evaluated all events subsequent to the balance sheet date of December 31, 2021, through April 27, 2022, the date the financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure under FASB ASC 855, *Subsequent Events*.

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Blue Cross Blue Shield of Michigan Foundation is a nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association.

Blue Cross Blue Shield of Michigan is a nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association.