



2016 BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION ANNUAL REPORT **DOING WHAT MATTERS**



## MISSION

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

## VISION

Michigan's population will enjoy improved health and access to cost-effective, quality 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 all Michigan residents.

## VALUES

Commitment to quality performance

Honesty, integrity, collaboration  
and teamwork

Effective and efficient use of  
resources

Excellence in programs, grants  
and communications

The Blue Cross Blue Shield of Michigan Foundation was created in 1980 with \$800,000 in seed money. Three years later, Michigan physicians endowed the Foundation with \$19.2 million in incentive funds from a Blue Cross cost-containment program. Since then, with no further contributions of new funds, the Foundation's assets have grown to approximately \$60 million.

The Foundation is dedicated to improving the health of Michigan residents by supporting health care research and innovative health programs. The diversity, relevance and practical application of the research and service delivery projects we fund have earned the Foundation a reputation for excellence and innovation in health philanthropy.

Our 37-year history of grant funding has resulted in enhancements to quality of care and improved patient safety and access to care for the people of Michigan.

The Foundation also supports efforts to control the rising cost of health care through research, demonstration and evaluation projects. 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 nonprofits and independent licensees of the Blue Cross and Blue Shield Association.

For more information and application materials, please visit [bcbsm.com/foundation](http://bcbsm.com/foundation), call us at 313-225-8706 or write to:

Blue Cross Blue Shield  
of Michigan Foundation  
600 E. Lafayette Blvd., MC X520  
Detroit, MI 48226-2998



# TABLE OF CONTENTS

Presidents' letter .....	2
Board Chair and Executive Director letter .....	3
Grantee highlights .....	4
<b>Health engineering</b>	
Albert Shih .....	4
<b>Preventative services</b>	
Marquette County Health Department .....	6
<b>Health outreach</b>	
Aaron Brody .....	8
<b>Integrating behavioral and physical health</b>	
Mackinac Straits Health System and St. Ignace Shores .....	10
Covenant Community Care .....	12
<b>Health community infrastructure</b>	
Edith Kieffer .....	14

Grant programs and awardees .....	16
Program award totals .....	16
Community Health Matching Grant Program .....	17
Investigator Initiated Research Program .....	18
Request for Proposal .....	19
Student Award Program .....	20
Physician Investigator Research Award Program .....	22
Proposal Development Award .....	23
Administration .....	24
Research proposal evaluation criteria .....	24
Grants Advisory Panel .....	25
Foundation Staff, Officers and Board of Directors .....	28
Independent Auditors' Report .....	30

## PRESIDENTS' LETTER

More than 35 years ago, the Blue Cross Blue Shield of Michigan Foundation was created to improve health care in Michigan. Every year since then, the Foundation has fulfilled that mission, and we are proud to mark yet another successful year of making a difference in our state.

We are constantly amazed and deeply humbled by the passion, dedication and excellence of the medical professionals and community organizations that work to improve the health of Michigan residents and the quality of care available to them. They are the reason the Foundation can do what it does best: support initiatives that are shaping a better tomorrow.

We see "full-state support" as one of the most vital areas of Michigan health care that needs our attention. It's an all-too-common issue within our state that certain areas flourish while others are severely disadvantaged. Challenges such as financial hardship and lack of primary care access confront many Michigan communities, holding the state back from seeing its residents reach their highest possible level of health. The Foundation is expressly focused on investing in grantees that will increase access to high-quality care throughout our state.

The Foundation was part of significant achievements toward these ends in 2016. We gave nearly \$2 million in grants to fund numerous meaningful projects. For instance, we contributed \$100,000 to help 15 Michigan-based universities and colleges improve student mental health. We also contributed \$370,820, alongside several of our funding peers, to eight Michigan safety net clinics. The clinics will receive a total of \$705,820 to integrate their patients' primary and behavioral health care. Behavioral health care includes mental health treatment and behavior modification plans to improve patients' physical health. We are very proud that, through these efforts, the Foundation is positively impacting numerous lives.

We invite you to read the stories that have unfolded over this past year, and look forward to many more successful years ahead.



**DANIEL J. LOEPP**

**President and CEO**  
Blue Cross Blue Shield of Michigan



**LYNDA M. ROSSI**

**Executive Vice President, Strategy,  
Government and Public Affairs**  
Blue Cross Blue Shield of Michigan

**President**  
Blue Cross Blue Shield of Michigan Foundation



# BOARD CHAIR AND EXECUTIVE DIRECTOR LETTER

As the Blue Cross Blue Shield of Michigan Foundation concludes another year of significant work and progress, we are exceedingly thankful for the opportunities we have had to work with our funding partners and grantees. Together, we are making strides toward a healthier Michigan with health care that properly meets the diverse needs and expectations of all of our residents.

This year, one goal that we set for ourselves was to expand the Foundation's influence throughout the state. For years, the Foundation's influence was primarily concentrated within southeast Michigan. However, with projects such as U.P. Wide Smiles, we are starting to expand our reach. We are committed to establishing a solid line of support for the communities of northern Michigan and the U.P.

Above all, we want to ensure that the support we gave in 2016 went to causes that make a difference in individual lives. This report highlights the ways that the Foundation's giving has resulted in direct and quantifiable impact on people's lives throughout the state. Together with our funding partners and grantees striving to make a difference and bring about positive change, the Foundation is contributing in positive ways to the health of our people, communities and shared future as Michiganders.

We believe in Michigan. We believe in our hospitals, community organizations, universities — in all members of our health community that work toward improving Michigan health. Because of them, our health system will continue to evolve in positive ways. Our shared vision is for Michigan to set the standard for health care. We thank our partners and collaborators for joining us as we move toward that goal together.



**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



*Believe it or not, prestigious universities with thousands of researchers and thousands more students still get rejected — a lot.*

“For ten years, essentially, we struggled,” said Albert Shih, Ph.D., professor of mechanical engineering at the University of Michigan. “It may surprise you, but no one wanted to give us a major grant to do research.”

Shih has worked with the University of Michigan’s Orthotics and Prosthetics Center, also known as UMOPC, for most of its 15-year existence. But he’s only just recently been able to begin intensive research on a major issue in the prosthetic community: ill-fitting sockets. “Most of our people don’t have doctorates, and that makes us less competitive to funders.

But thankfully we received funding from the Blue Cross Foundation at a critical time, and we chose to use it for our sockets. We could finally show what we can do.”

Shih is leading a project that evaluates the comfort and fit of prosthetic sockets for transtibial amputees — those who have lost the lower portion of their leg. When a limb is lost, the bone actually may not stop growing. This growth, called heterotopic ossification, can result in discomfort when the limb is placed in a prosthetic socket that doesn’t fit its new shape. “Nothing is static,” Shih explained. “Everything changes. Think about sliding your open hand into a glass cup, then making a fist. Your knuckles are pressed against the cup with nowhere to go. That is what many people have to live with.”

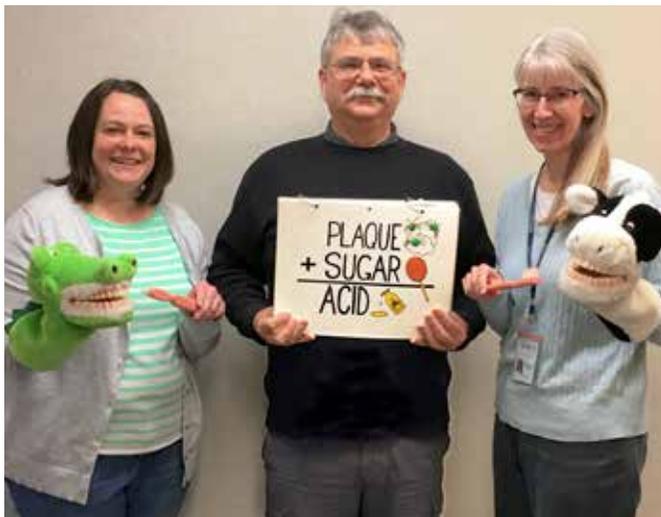
UMOPC runs like a manufacturing line and resembles a studio more than a medical facility. Cubicles and office space give way to a functional landscape of ovens and workstations. Prosthetic sockets sit like decorations in various stages of completion, from papier-mâché to carbon fiber. "It's important that our approach be multidisciplinary and our facility reflects that. There are three essential parts to solving the problem. There's psychology, there's kinesiology for the motion aspect, and there's engineering for the actual molding process. So it's a complicated issue that requires people beyond engineering," said Shih.

But despite their dedication to the project and all of the disciplines involved, even they can't fully grasp the potential impact their work will have on the lives of others. "You can't really understand the value of prosthetics to amputees unless you are one. I know that prosthetics determine their mobility or can influence their livelihood, but I can't speak for what it means to them to regain something that was lost," said Shih. "What we're doing is not 'creating an arm,' but designing a functional tool to help people regain their abilities," added Jeff Wensman, UMOPC's clinical and technical director.

Our health care community has the ability to be a force of lasting positive change in people's lives, so it's our collective responsibility to act. However, most of Michigan's health care community sticks to a conservative approach. "We live in a very siloed community," Shih laments. "There is a general unwillingness to share and collaborate. It's unfortunate, but natural." Yet it's not too late to change our ways. "If we can find the one percent who are willing to cross their comfort zone and take risks, then we have a chance of solving the big societal problems."

*"IF WE CAN FIND THE ONE PERCENT WHO ARE WILLING TO CROSS THEIR COMFORT ZONE AND TAKE RISKS, THEN WE HAVE A CHANCE OF SOLVING THE BIG SOCIETAL PROBLEMS."*





*Nationally, the standard for a child's first dentist visit is before his or her first birthday. But in the Upper Peninsula, many children don't have the luxury of seeing a dentist as often as they should — or even before age eighteen. Children in the U.P. are at a much higher risk of dental disease and tooth decay due to limited access to fluoridated water and topical fluorides, widespread poverty, and a shortage of dentists in their area. These factors, as well as limited understanding of basic oral health information, continue the harmful trend of poor oral health among children, leading to other health issues.*

Marquette County Health Department recognized the oral health disparities that plague the U.P. and stepped in to create the U.P. Wide Smiles initiative. With this initiative, MCHD aims to spur dental care educational outreach in the U.P. and get children to the dentist sooner. Wide Smiles was first made possible by a grant from the Superior Health Foundation. After the first year, the Blue Cross Blue Shield of Michigan Foundation saw the project's potential and funded it for another two years to increase access to quality dental care in the U.P.

“One of the most important aspects of the program is the introduction of fluoride rinse programs and resources into schools,” said Rebecca Maino, a dental hygienist and the project coordinator of Wide Smiles since its inception. “Since one of the main issues is that these children can't get to the resources they need, we do our best to bring the resources to them.” The school programs are managed by volunteers and teachers. Maino also personally travels to as many schools as she can to give presentations on the importance of oral health and encourage good habits that help prevent serious problems like tooth decay and cavities.

In the short time that this project has been in operation, nearly 30 schools have already partnered with Wide Smiles. However, success has not come without difficulty. “Because the U.P. is so rural, most people only have access to well water, which of course is not fluoridated. That breeds many opportunities for oral problems,” Maino said. “Then of course there is the issue of transportation, people's ability to get to dentists when they need, or even my ability to get out to some of these schools. But we have great collaborators in our community to help us. We're working on it, and it's working out just fine.”



*“IT REALLY SHOWS YOU THE HEART OF THE COMMUNITY UP HERE. WE’RE STRONG AND WE WANT TO HELP EACH OTHER AS BEST WE CAN.”*

MCHD is a small organization, yet is responsible for serving the entire U.P. At times, it can be daunting to bring quality work to all of the people it’s accountable for. But despite this obstacle, MCHD treats every individual with care and respect, and that treatment forms longtime bonds. “When I was working at a clinic in the early days of the project, a woman came in with her baby and walked straight up to me. She introduced herself as one of the children that I served as a hygienist, and she said that the importance of good health care stuck with her all her life, and now she was bringing in her baby for fluoride varnish,” Maino grinned. “She wanted her baby to receive the same care that she had when she was younger. And that was when I knew that this work is really making a difference.”

Sustainability is the goal for the Wide Smiles initiative, so children can continue getting the dental care they need even after any one funding source stops. The team is hopeful about the initiative’s future. “I’ve been here so long that it seems like it’s only a matter of time before the program can’t continue, but someone else always steps up and takes an interest,” Maino said. “It really shows you the heart of the community up here. We’re strong and we want to help each other as best we can.”

*There is a social stigma that comes with being homeless. Unfortunately, this is a common sight: dozens of people walking past a lone homeless person without one even acknowledging him or her. The homeless are victims of a society that refuses to see them, and so, their basic human needs often go ignored. There are over 10,000 homeless people in Detroit — over 10,000 people whose needs are unaddressed. Many of them have disabling conditions. Because they lack access to the care they need, their health issues are left to fester unchecked. Street Medicine Detroit aims to change that.*



Street Medicine Detroit is a student-run organization that brings health care to the city streets where it's desperately needed. Aaron Brody, one of the providers working with the organization, is leading a project to determine how the practice of "street medicine" can impact the health of Detroit's homeless population. "This project was brought to me by the students," Brody said. "We were wondering how street medicine would affect the number of ER visits from

the homeless." Homeless people frequent emergency rooms for a variety of reasons, from actual health emergencies to needing a warm place to sleep. But despite their visits being so numerous, they're difficult to track and study. This calls for collaboration. Brody said, "We're analyzing our data to find overlap between SMD's activities and ER operations so we can leverage all our resources and learn how to better serve this population."

Although many are unfamiliar with the term, street medicine has been around for about 15 years. The power of street medicine lies in its ability to reach those who may not receive care otherwise. Brody asserts, "One of the main tenets of street medicine is that people deserve health care, even those who are on the boundaries of 'normal' society." Compassion precedes care, and all Michigan residents have an equal right to a high-quality health system that they can depend on.

SMD teams deliver care on "street runs," during which they load up their supplies into vans and venture out to any site where they will reach a good number of people. An SMD van might even pull up to a busy corner and start providing services, such as dressing wounds, handing out appropriate medication

or screening for diseases, including HIV and diabetes. "We even have medical records for our patients," said Brody with a grin. "Once there was a man who had visited us several times, and he claimed that his blood pressure was up. So, we pulled up his files from the past couple years and found that his numbers had increased each time up until then. That's how we diagnosed him with hypertension."

Perhaps one of the most important aspects of the project is that the students treat their patients with the care and respect they deserve. "The humanity and humility with which they approach the patients is wonderful," Brody beamed. "They meet them in shelters, and soup kitchens, but above all, they listen to them. They listen to their stories. And it's just an inspiring thing to see."



***"ONE OF THE MAIN TENETS OF STREET MEDICINE IS THAT PEOPLE DESERVE HEALTH CARE, EVEN THOSE WHO ARE ON THE BOUNDARIES OF 'NORMAL' SOCIETY."***



# INTEGRATING BEHAVIORAL AND PHYSICAL HEALTH

MACKINAC STRAITS HEALTH SYSTEM AND ST. IGNACE SHORES



The Mackinac Straits emergency room burst into frenzy as a woman's frantic cries filled the air. A terrified mother stumbled in, desperate and short of breath, supporting her mentally ill son who had been on a three-day drug binge. In rural St. Ignace, MI, days at the hospital are generally calm, with patients flowing in and out in a familiar murmur. But that day, everything changed. The hospital staff gave the young man and his mother a place to go, but were struck by the urgency of his state. They knew they didn't have the treatment resources he desperately needed in that moment.

This happened two years ago, before Mackinac Straits Health System, also called MSHS, began uniting the capabilities of its community to better serve the people who depend on it. "The need for behavioral health care has always been apparent in Mackinac County," said Rod Nelson, CEO of Mackinac Straits Health System. "However, it has become increasingly clear that the need for integrated care has become even more significant." As in the previous tragic story, there is a direct correlation between severity of mental illness and drug and alcohol abuse. This means that the two often occur simultaneously. Moved by this young man's case, MSHS took immediate action to address the critical issue.

“We saw in her what we see in everyone: a desire to protect. So we sat down with her family and discussed a plan to assemble a community task force including behavioral health professionals, law enforcement, judicial, hospital providers and the St. Ignace Behavioral Health Center to combat this problem,” Nelson said. “We needed to make a change. This matters.”

This resolve spurred the creation of an integrated care plan at St. Ignace Shores, an existing residential treatment center that provides individualized care for those with substance abuse, addiction, mental illness, dementia or developmental disabilities. Integrated care is now provided in three

facilities: the eight-bed Crisis Assessment and Social Detox Center and two 10-unit adult foster care facilities. The integrated care plan provides a substance abuse and mental health assessment, an on-site detox center, 24-hour nursing as well as clinical staffing.

“There is almost always a connection between mental and physical issues,” Nelson explained. “This facility is the doorway to treating both. Once patients are stabilized, they go down to the 10-bed unit in the same location to receive a 30- to 60-day focus, and finally to a transition center that will assist them in finding housing and jobs. This is an inclusive process that ensures that the whole person is treated, not just parts.”

The resource and service scarcity faced by rural communities like Mackinac County are only made worse by their distance from other areas. But MSHS is determined to serve its community despite all obstacles. “We’re not afraid to go down to Lansing to meet with legislators, and are very comfortable going to D.C., if necessary,” Nelson said. There are still many challenges on the horizon, but MSHS is determined to meet them head-on and change lives. “It’s a never-ending process to meet the community need. We know it’s going to be a challenge, but we’ll just keep moving. We’ll be there.”

***“THIS IS AN INCLUSIVE  
PROCESS THAT ENSURES  
THAT THE WHOLE PERSON IS  
TREATED, NOT JUST PARTS.”***





*Picture someone who lives in poverty. What comes to mind? Maybe you think of a person wearing dirty, tattered clothes who is wandering about, struggling to belong. How does your narrative of that same person change when he or she has two young children — with nicer clothing on than his or her own — and is working day and night to put a roof over their heads? It's easy to generalize others, but there is always more to an individual than meets the eye.*

"You can't just make assumptions about people," said Joslyn Pettway, chief program officer of Covenant Community Care. "When you have family problems or money problems, it's easy for your health to fall down the list of priorities." Covenant's Health Homes program addresses the mental health issues faced by Detroit's poor that are not solved in primary care settings, including depression and anxiety. In addition to the mental harm of poverty, many people suffer from physical health issues such as heart disease, diabetes or hypertension. The combination of physical, mental and socioeconomic difficulties creates a harmful cycle that prevents them from getting all the care they need.

With Health Homes, Covenant is answering a desperate need with outstretched arms. "In most settings, our patient population hears 'no' a lot. They hear that they don't have the money for this or don't qualify for that. But with our Care Team, we can say 'We are here just for you.'" Patients enrolled in the program are visited in-home by a community health worker and nurse care manager who work with them to create a customized care plan. By going to patients' homes, not only do Covenant's team members show their commitment to serving the community, but they also build more meaningful relationships with their patients. These relationships are the key to Covenant's success.

"We actually don't use the term 'community health worker.' Here, they're 'patient advocates,' or patients just call them by name," Pettway explained. "Our workers have this great connection with the patients. Everyone in Health Homes has either anxiety or depression. Knowing that they have someone here just for them makes them more comfortable and gives them a better layer of support. It can make all the difference in the world."



Community health workers are ordinary members of the community who are trained to perform certain health care duties. The reason they're so effective is that they reflect the people that they serve. Even though doctors have patients' best interests at heart, there can be disconnects that negatively impact care. For example, patients may withhold information about what they're experiencing because they feel uncomfortable. Covenant's approach takes full advantage of community health workers' ability to connect with patients. "Our CHWs don't wear uniforms. They need to look like the people they serve," Pettway said. "We rely on them to tell us what will and won't work in our programs because they know the people best. We want to make sure that our programs reflect the community, and the CHW helps us do that."

Covenant has come very far in its efforts to serve the community and doesn't show any signs of slowing down in the future. Pettway said, "We want to continue to expand with the needs of the community. We want to continue to help people make better choices and give them the resources to do it."

*"WE WANT TO CONTINUE TO EXPAND WITH THE NEEDS OF THE COMMUNITY. WE WANT TO CONTINUE TO HELP PEOPLE MAKE BETTER CHOICES AND GIVE THEM THE RESOURCES TO DO IT."*

# HEALTH COMMUNITY INFRASTRUCTURE

EDITH KIEFFER

*“WE ARE TRAINING PEOPLE  
TO TRAIN OTHERS.  
NOT ONLY DO THEY LEARN  
THE CORE COMPETENCIES  
OF COMMUNITY HEALTH  
WORKERS, BUT THEY’RE  
TRAINED ON A CURRICULUM  
THAT TEACHES THE MANY  
SKILLS OF CHWs.”*

Despite being a relatively new role, community health workers are becoming an increasingly valuable part of health care communities across the state. CHWs are trusted community members that not only speak the language of the marginalized, but also empower their patients through relationship with them. The Michigan Community Health Worker Alliance, known as MiCHWA, is one of the primary hubs of information about CHWs. It’s committed to establishing CHWs as a key fixture of health care.

Although they’ve already shown significant impact on patients’ lives, there are fewer than 2,000 CHWs in the entire state. Because there are so few, MiCHWA has taken steps to increase the size and expertise of Michigan’s CHW population.

Through a grant funded by the Blue Cross Blue Shield of Michigan Foundation, the Metro Health Foundation and the Michigan Department of Health and Human Services, MiCHWA has initiated a training program for CHW instructors

in order to equip them to teach others about the position. “We are training people to train others,” said Edith Kieffer, the project’s principal investigator. “Not only do they learn the core competencies of CHWs, but they’re trained on a curriculum that teaches the many skills of CHWs.”

Since CHWs are so impactful, it may seem confusing that increasing their number is such a challenge. Despite their clear potential to benefit many lives, there is simply not enough funding



for the position. “The problem with most CHW programs across the country is that most of them are funded by grants without sustainable funding,” Kieffer explained. “I personally know several excellent CHWs who consistently lost their job because funding dried up. It’s obviously detrimental to their livelihood, and so it’s difficult to make that role attractive without first securing a sustainable funding source for them.” The long-term goal of MiCHWA is to support the sustainability of CHWs by creating a digital networking platform to increase their visibility to employers and communicate how these workers can add another dimension to comprehensive health care.

One CHW in Grand Rapids shared an experience that illustrates the need for her role:

“I had a girl who had five people coming to visit her... All kinds of other agencies were involved and they were telling her to give her infant a certain medication without telling her what it would do for the baby. She wanted consistency. Nobody understood that, for some reason, so I tried to help her — teach her how to express herself in a positive way so that they could understand what her goal was, what she wanted, and what she needed.”

If Michigan’s health care community aims to improve the health of its residents in the most effective way, then health care providers must understand the various factors affecting patients’ lives. With their unique perspective as relatable, ordinary members of the community trained to perform specific health care tasks, CHWs have this understanding, and therefore supply a missing piece in the standard health care system. “I think we’re on the cusp of something great,” Kieffer said with a smile.



# GRANT PROGRAMS AND AWARDEES

*The grants offered by the Blue Cross Blue Shield of Michigan Foundation are categorized to allow for a wide range of applicants and ideas. This method increases our range of support, partnerships, grantee research and impact across the state. We invite the Michigan community to explore what we have to offer. All who share in our mission will find opportunity with us.*

## PROGRAM AWARD TOTALS

### **Community Health Matching Grant Program**

Program total: \$706,378

### **Investigator Initiated Research Program**

Program total: \$648,422

### **Request for Proposal**

Program total: \$705,820

### **Student Award Program**

Program total: \$120,000

### **Physician Investigator Research Award Program**

Program total: \$79,982

### **Proposal Development Award**

Program total: \$17,500

**Total research and program grants in 2016: \$2,278,102**

**Total membership grants in 2016: \$29,483**

**Grand total: \$2,307,585**

# COMMUNITY HEALTH MATCHING GRANT PROGRAM

**PROGRAM TOTAL: \$706,378**

Through our Community Health Matching Grant Program, we partner with and encourage community-based nonprofit organizations to develop, test or validate new techniques and programs that will address the needs of their community members and produce a tangible effect in their lives. With increased collaboration at the community and organizational level, we are sowing the seeds for a future when communities will have the resources and ability to meet their own health needs.

Applications are accepted at any time. Application materials and instructions can be found at [bcbsm.com/foundation](http://bcbsm.com/foundation).

<b>ASIAN CENTER – SOUTHEAST MICHIGAN</b>	<b>\$50,000</b>	<b>MARQUETTE HEALTH DEPARTMENT</b>	<b>\$50,000</b>	<b>SOUTHWEST DETROIT ENVIRONMENTAL VISION</b>	<b>\$50,000</b>
<i>Diabetes Prevention Program for Asian Americans</i>		<i>Upper Peninsula Wide Smiles Marquette</i>		<i>Healthy Homes Wayne</i>	
<b>BETHANY CHRISTIAN SERVICES</b>	<b>\$25,000</b>	<b>MICHIGAN LEAGUE FOR PUBLIC POLICY</b>	<b>\$45,000</b>	<b>ST. VINCENT CATHOLIC CHARITIES</b>	<b>\$50,000</b>
<i>TOP Program Expansion</i>		<i>Kids Count in Michigan</i>		<i>Health Access for Refugees</i>	
Kent		Ingham		Ingham	
<b>CORPORATION FOR SUPPORTIVE HOUSING – MICHIGAN</b>	<b>\$50,000</b>	<b>MICHIGAN STATE MEDICAL SOCIETY FOUNDATION</b>	<b>\$36,000</b>	<b>SUPERIOR HEALTH FOUNDATION</b>	<b>\$50,000</b>
<i>Integrating Health and Housing Models with Medicaid Reimbursement</i>		<i>20th Annual Conference on Bioethics</i>		<i>Improving Pediatric Obesity in the Upper Peninsula</i>	
Statewide		Ingham		Marquette	
<b>EDITH KIEFFER, PH.D., M.P.H.</b>	<b>\$50,000</b>	<b>NATIONAL ALLIANCE FOR THE MENTALLY ILL (NAMI) OF MICHIGAN</b>	<b>\$18,000</b>	<b>THE JED FOUNDATION</b>	<b>\$250,000*</b>
<i>Building Capacity for Community Health Worker Curriculum Instruction</i>		<i>Ending the Silence - Providing Mental Health Awareness Programs to Youth</i>		<i>Jed Campus Program</i>	
Michigan Community Health Worker Alliance		Statewide		Statewide	
<b>GENESEE HEALTH SYSTEM</b>	<b>\$50,000</b>	<b>NATIONAL ALLIANCE FOR THE MENTALLY ILL (NAMI) OF WASHTENAW COUNTY</b>	<b>\$33,228</b>	<b>YMCA OF GREATER FLINT</b>	<b>\$24,750</b>
<i>Community Support and Resilience Program</i>		<i>Expansion and Evaluation of Peer-to-Peer among New Populations</i>		<i>360 Health</i>	
Genesee		Washtenaw		Genesee	
<b>MARINERS INN</b>	<b>\$24,400</b>				
<i>Recovery is Real and Begins at Mariners Inn</i>					
Wayne					

\*Fifteen Michigan-based universities and colleges will benefit from a combined total of \$250,000 that will be used to fund a Michigan cohort of the JED Campus program to improve student mental health. The funding is provided through a partnership between the Blue Cross Foundation, the Flinn Foundation, the Michigan Health Endowment Fund, the Community Foundation for Southeast Michigan and the Jed Foundation. The JED Campus program is a nationwide initiative of the Jed Foundation.

# INVESTIGATOR INITIATED RESEARCH PROGRAM

**PROGRAM TOTAL: \$648,422**

Before an innovative idea can be implemented, it must first be tested. The Investigator Initiated Research Program is the arm that we extend to Michigan researchers, enabling them to turn theory into data, and data into knowledge. These grantees often go on to be published in scholarly journals, academic circles and community platforms to inform and shape future thought and improvement.

Applications are accepted at any time. Application materials and instructions can be found at [bcbsm.com/foundation](http://bcbsm.com/foundation).

**SUSAN BROWN, PH.D.** \$74,565  
*Assessment of Self-Generated Arm Use Following Surgical Intervention for Brachial Plexus Injuries*  
University of Michigan, School of Kinesiology

**TAMARA BUSH, PH.D.** \$71,274  
*Reducing Levels of Contamination through Package Redesign and Opening Technique*  
Michigan State University, Department of Mechanical Engineering

**FLORENCE DALLO, PH.D., M.P.H.** \$64,000  
*Racial and Ethnic Disparities in the Identification of and Treatment for Depression among Arab, Asian, Black, Hispanic and White Patients*  
Oakland University, School of Health Sciences

**CARMEN GIURGESCU, PH.D., R.N.** \$63,418  
*Pilot Testing an Intervention to Increase Physical Activity in Pregnant Black Women*  
Wayne State University, College of Nursing

**KAREN LOMOND, PH.D.** \$47,150  
*Sensorimotor Integration in Chronic Low Back Pain*  
Central Michigan University, College of Health Sciences

**PAULA NEWMAN-CASEY, M.D.** \$54,765  
*Creating and Evaluating a Counseling Training Program for Glaucoma Staff*  
University of Michigan, Department of Ophthalmology and Visual Sciences

**SANJAY SAINT, M.D., M.P.H.** \$69,798  
*Translating Healthcare — Associated Research into Practice: Wave 4*  
University of Michigan, Department of Internal Medicine

**ALBERT SHIH, PH.D.** \$75,000  
*Prosthetic Sockets for Transtibial Amputees with Heterotopic Ossification*  
University of Michigan, Department of Mechanical Engineering

**PAUL STEIN, M.D.** \$72,170  
*Inferior Vena Cava Filters in Unstable Acute Pulmonary*  
Michigan State University, Department of Osteopathic Medical Specialties

**MICHELLE SUAREZ, PH.D.** \$56,282  
*Treatment for Food Selectivity in Children with Developmental Disabilities*  
Western Michigan University, Department of Occupational Therapy



# REQUEST FOR PROPOSAL

**PROGRAM TOTAL: \$705,820**

The Foundation doesn't just sit back and wait for grant applications. With the Request for Proposal program, we reach out to Michigan-based safety net organizations that primarily serve the uninsured, underinsured, Medicaid recipients and other vulnerable populations. Our goal is to solicit proposals that align with areas of need that we identify.

As the default source of care for vulnerable populations, Michigan's safety net clinics occupy a niche in the health system, serving a large and disadvantaged part of the state's population. Therefore, we see it as our duty to lend these clinics the support they need to innovate and increase the quality of care they offer to Michigan residents.

The eight Michigan-based safety net providers below received over \$700,000 through a unique partnership between Blue Cross Blue Shield of Michigan, the Blue Cross Foundation, the Ethel and James Flinn Foundation and the Michigan Department of Health and Human Services. The funding will help providers expand care to identify and address mental health and substance abuse concerns, so patients get the full range of care they need in one setting.

Application materials and instructions can be found at [bcbsm.com/foundation](http://bcbsm.com/foundation).

**BALDWIN FAMILY HEALTH CENTER**      **\$96,250**  
*Optimize Therapeutic Outcomes in Behavioral Health Patients through Improvements in Medication Counseling*  
Lake County

**CATHERINE'S HEALTH CENTER AND HEALTH INTERVENTION SERVICES**      **\$96,250**  
*Grand Rapids Integrated Care Collaborative (GRICC): Serving Vulnerable Populations in an Urban Setting*  
Kent

**COVENANT COMMUNITY CARE, INC.**      **\$96,250**  
*Covenant Health Home Program*  
Wayne

**INTERCARE COMMUNITY HEALTH NETWORK, INC.**      **\$75,000**  
*Medication Assisted Treatment (MAT) Care Coordination in an Integrated Primary Care Setting*  
Van Buren

**MACKINAC STRAITS HEALTH SYSTEM AND ST. IGNACE SHORES**      **\$75,000**  
*Integrated Stabilization and Recovery Program*  
Mackinac

**MERCY HEALTH SAINT MARY'S**      **\$100,000**  
*Enhancing Mental Health Care and Substance Abuse Treatment*  
Kent

**MUNSON HEALTHCARE CHARLEVOIX HOSPITAL FOUNDATION**      **\$96,250**  
*Integrated Behavioral Health and Primary Care Program*  
Charlevoix

**PACKARD HEALTH**      **\$70,820**  
*Expansion and Generalizability of Integrated Health Program at Packard Health*  
Washtenaw

**"IT'S A NEVER-ENDING PROCESS TO MEET THE COMMUNITY NEED. WE KNOW IT'S GOING TO BE A CHALLENGE, BUT WE'LL JUST KEEP MOVING. WE'LL BE THERE."**

— Rod Nelson, CEO of Mackinac Straits Health System

# STUDENT AWARD PROGRAM

**PROGRAM TOTAL: \$120,000**

As a frequent partner of Michigan universities and researchers, the Blue Cross Blue Shield of Michigan Foundation is acutely aware of the importance of higher education. Without properly trained professionals, Michigan would have small hope of creating effective and efficient solutions to the many health issues that people face every day.

The Student Award Program is our way of recognizing Michigan students who excel in the academic programs offered by our universities. It's our responsibility to support these young minds in their journey to complete their degree programs and become the researchers, medical professionals and healers of tomorrow.

Application materials and instructions can be found at [bcbsm.com/foundation](http://bcbsm.com/foundation). All applications are due by April 30.

## CENTRAL MICHIGAN UNIVERSITY

**YISHENG CAO** \$3,000  
*Open versus Endoscopic Surgery for Patients with Carpal Tunnel Syndrome*  
Medical School

**ALLISON NOSOTTI** \$3,000  
*Reliability of Standing versus Sitting Computerized Dynamic Posturography for Vestibular Testing*  
School of Physical Therapy

**DEREK PIERCE** \$3,000  
*Evaluating Patient Factors Associated with Musculoskeletal Conditions for Opioid versus Non-Opioid Therapy*  
Medical School

## EASTERN MICHIGAN UNIVERSITY

**MEAGAN CARR** \$3,000  
*Recognizing Addictive Disorders Study*  
Department of Psychology

**ANA-MERCEDES FLORES** \$3,000  
*PediaTrac: Tool to Screen for Risk Factors in Developing Infants and Toddlers — Cross Sectional Pilot Study*  
Department of Psychology

**BETHANY GOURLEY** \$3,000  
*Exploring the Relationship between Anxiety Sensitivity and Heart Rate Variability*  
Department of Psychology

**KETRIN LENGU** \$3,000  
*Neural Correlates and Predictors of Social Development among Preterm Infants Explored with Functioning Near Infrared Spectroscopy*  
Department of Psychology

**KAITLIN OSWALD** \$3,000  
*Motor Functioning in Childhood Survivors of Acute Lymphoblastic Leukemia*  
Department of Psychology

**DAVID PHILLIPS** \$3,000  
*The Effect of Reading Based Scanning Habits on Wechsler Adult Intelligence Scale's Processing Speed Index Performance*  
Department of Psychology

## MICHIGAN STATE UNIVERSITY

**SALMAH AWAD ALGHAMDI** \$3,000  
*Factors Associated with Breastfeeding Practice among Saudi Arabian Mothers*  
College of Nursing

**ANTONIA GARCIA** \$3,000  
*Emotion Regulation and Associated Health Problems in Children Exposed to Intimate Partner Violence*  
Department of Psychology

**SHANNON O'CONNOR** \$3,000  
*Unraveling the Dynamic Interplay Between Genetic and Environmental Risk for Eating Disorders*  
Department of Psychology

**FAYANA RICHARDS** \$3,000  
*Mothering Again: Grandparents Raising Grandchildren as a Case Study in Michigan*  
Department of Anthropology

## MICHIGAN TECHNOLOGICAL UNIVERSITY

**MATTHEW KILGAS** \$3,000  
*Restoring Quadriceps Function Following ACL Reconstruction with Blood Flow Restricted Exercise*  
School of Kinesiology

**KEVIN PHILLIPS** \$3,000  
*Muscle Architecture and Neuromuscular Fatigue in Middle-Aged Obese Adults*  
School of Kinesiology

## UNIVERSITY OF DETROIT MERCY

**RHUNELL ADAMS** \$3,000  
*Raising the Level of Geriatric Competency through Inter-Agency Collaborative Initiatives*  
College of Nursing

## UNIVERSITY OF MICHIGAN

**OWEN BROWN** \$3,000  
*Matched Control Assessment of a Preoperative Optimization Project*  
Medical School

**ANDREW POMERVILLE** \$3,000  
*Evaluation of a Pilot Program to Support Urban American Indian Health*  
Department of Psychology

**SARA STEIN** \$3,000  
*Understanding Women's Engagement with Multiple Violent Intimate Partners*  
Department of Psychology and School of Social Work

## WAYNE STATE UNIVERSITY

**MAHA ALBDOUR** \$3,000  
*Arab American Adolescents Bullying Experience and Effects on their Health and Perceived Stress*  
College of Nursing

**DALIA ALHASANAT** \$3,000  
*Postpartum Depression and Acculturation among U.S. Immigrant Women of Arabic Descent*  
College of Nursing

**SUMAYYA ATTAALLAH** \$3,000  
*Identifying Influential Factors Affecting Heart Failure Self-Care in Arab American Older Adults*  
College of Nursing

**FAEZEH BABIEASL** \$3,000  
*Myocardial Infarction Related Symptoms Experienced by Middle Eastern Women Living in the U.S.*  
College of Nursing

**MARYAM JAFARI BIDGOLI** \$3,000  
*Health Shocks and Labor Market; Cancer in Michigan*  
Department of Economics

**ANGELIA CORLEY** \$3,000  
*Emotional Validation: Reinforcing or Relieving Pain?*  
Department of Psychology

**ANDREW HEITZER** \$3,000  
*Prenatal Burden and Neuropsychological Outcomes in Preterm Born Preschoolers*  
Department of Psychology

**LOGAYN HUSSAMALDIN** \$3,000  
*The Use of Complementary and Alternative Medicine for Children by Mothers of Arabic Descent*  
College of Nursing

**ROBERT KANSER** \$3,000  
*Classification of Simulated versus Bona Fide Traumatic Brain Injury Using Response Time on a Performance Validity Test*  
Department of Psychology

**CLAUDE LAUDERBACH** \$3,000  
*Improving Use of Guidelines for Weight Management in a Primary Care Setting*  
College of Nursing

**KIEL OPPERMAN** \$3,000  
*Detroit People and Transitions in Housing-3: Changes in the Composition and Service Needs of the Homeless Population*  
Department of Psychology

**NICHOLAS SEIVERT** \$3,000  
*Impact of Stress on Social and Emotional Competence in Clinically Referred Children with and without ADHD*  
Department of Psychology

**LAUREN SPARKS** \$3,000  
*Barriers to and Predictors of Healthcare Utilization for Low-Income Urban Families*  
Department of Psychology

**TRACY WUNDERLICH** \$3,000  
*Medical Education and End of Life Care: The Merging of Medical Worlds*  
Department of Anthropology

## WESTERN MICHIGAN UNIVERSITY

**MONICA BARRETO** \$3,000  
*Acceptance and Commitment Therapy: Focused Brief Intervention for Health-Related Behaviors*  
Department of Psychology

**RAJU CHOWDHARY** \$3,000  
*Patterns in Screening and Follow Up of Diabetes Related Imbalance in Primary Care: An Exploratory Study*  
School of Health and Human Services

**NEIL DEOCHAND** \$3,000  
*Visual Feedback on Hand Washing Behaviors in Students*  
Department of Psychology

**JUSTIN MOORE** \$3,000  
*Examination of Breath Counting Training and Self-Compassion Training with Adolescents*  
Department of Psychology

**NURJANNAH** \$3,000  
*Mapping Diabetes Deaths and Risk Factors by School Districts to Inform School-Based Prevention*  
School of Health and Human Services

**JOANNE O'ROURKE** \$3,000  
*Equipment Purchase for Neurofeedback Intervention Study*  
School of Health and Human Services

**ALBERTA STOVER** \$3,000  
*Using the County Health Rankings Model to Analyze Health Outcomes at the Neighborhood Level: Development of an Algorithm for within County Rankings*  
School of Health and Human Services

# PHYSICIAN INVESTIGATOR RESEARCH AWARD PROGRAM

**PROGRAM TOTAL: \$79,982**

As the professionals who bear witness to unmet health needs, unsatisfactory medical practices and potential areas of interest firsthand, doctors are in the best position to identify and act on innovative breakthroughs in health care. The Physician Investigator Research Award Program supports these physicians in their studies, and in doing so, improves the delivery and quality of patient care.

Applications are accepted at any time. Application materials and instructions can be found at [bcbsm.com/foundation](http://bcbsm.com/foundation).

**CLAIRE ANKUDA, M.D.** **\$10,000**

*What Matters Most? Identifying Key Elements of a Home-Based Palliative Program in Michigan*  
University of Michigan  
Department of Internal Medicine

**AARON BRODY, M.D., M.P.H.** **\$10,000**

*Street Medicine Detroit: How do Mobile Medical Outreach Services for Homeless Patients Affect Their Emergency Department Utilization?*  
Wayne State University  
Department of Emergency Medicine

**MARTINA CALDWELL, M.D.** **\$10,000**

*Exploring Women's Acceptance and Priorities for Components of a Contraception Intervention in the Emergency Department: A Mixed Methods Study*  
University of Michigan  
Department of Internal Medicine

**DINA GRIAUZDE, M.D.** **\$10,000**

*A Mixed Methods Pilot Randomized Controlled Trial of a Mobile Phone Based Health Program Among Adults with Prediabetes*  
University of Michigan  
Department of Internal Medicine

**ALEXANDRA HALALAU, M.D.** **\$9,984**

*Impact of Digital Recovery Support on Substance Use*  
William Beaumont Research Institute,  
Department of Internal Medicine

**JACOB JOSEPH, M.D.** **\$10,000**

*Evaluating Quantitative Pupillometry in Athletes as a Biomarker of Mild Traumatic Brain Injury*  
University of Michigan  
Department of Neurosurgery

**WENDY MILLER, M.D., FACP** **\$9,998**

*Text Messaging to Promote Healthy Lifestyle Change and Weight Loss: Does the Addition of Text Messaging Enhance Weight Loss in a Medically Supervised Group Program?*  
William Beaumont Research Institute  
Department of Medicine

**KYLE SHEETZ, M.D., M.S.** **\$10,000**

*The Value and Appropriateness of Laparoscopic Cholecystectomy*  
University of Michigan  
Department of Surgery

# PROPOSAL DEVELOPMENT AWARD

**PROGRAM TOTAL: \$17,500**

Crafting a proposal that captures what makes a project stand out from the rest can be challenging, and often requires special grant writing resources. The Proposal Development Award financially supports organizations in need to help them attain these services.

Applications are accepted at any time. Application materials and instructions can be found at [bcbsm.com/foundation](http://bcbsm.com/foundation).

**BAXTER COMMUNITY CENTER**      **\$3,500**  
*Technical Assistance Support*  
Kent

**FRANKENMUTH FARMERS MARKET**      **\$3,500**  
*Preventing Disease through Healthy Eating*  
Saginaw

**LOVE INC OF THE TRI-CITIES**      **\$3,500**  
*Love INC Free Health and Dental Clinic*  
Ottawa

**NATIONAL FEDERATION FOR THE  
BLIND OF MICHIGAN**      **\$3,500**  
*Access to Health Information and Activities  
for Blind Michiganders*  
Statewide

**THE WELLNESS ADVOCATES  
OF DETROIT**      **\$3,500**  
*Adult and Youth Wellness  
Enhancement Program*  
Wayne

***“ABOVE ALL, THEY LISTEN TO  
THEM. THEY LISTEN TO THEIR  
STORIES. AND IT’S JUST AN  
INSPIRING THING TO SEE.”***

— Aaron Brody, M.P.H.,  
Street Medicine Detroit



If you're seeking a grant, please start by reviewing the requirements of our individual grant programs at [bcbsm.com/foundation](https://bcbsm.com/foundation). For more detailed information on Blue Cross Blue Shield of Michigan Foundation grant programs, reach out to the Foundation's program officers by emailing [foundation@bcbsm.com](mailto:foundation@bcbsm.com).

What happens next? When the Foundation receives a grant proposal, our staff reviews it to determine if it meets the program guidelines and objectives. Our Grant Advisory Panel then evaluates all of the suitable proposals. Lastly, the Foundation's Board of Directors evaluates funding recommendations based on the staff's and Grant Advisory Panel's reviews.

## RESEARCH PROPOSAL EVALUATION CRITERIA

### SIGNIFICANCE OF PROJECT

This criterion evaluates the project as a means of understanding or improving important health care problems and concerns.

To the extent possible, applicants must document the:

- Significance of the problem being addressed
- Anticipated effect of the project on the problem
- Potential for widespread dissemination and replication of the results

### NEW INFORMATION

To what extent does the proposed project contribute new information not otherwise available?

This criterion additionally evaluates whether or not the:

- Intervention has been tested or evaluated elsewhere
- Research is original
- Proposed program or research is particularly innovative

### TECHNICAL QUALITY

This is demonstrated by the:

- Clarity of the presentation
- Degree to which the applicant shows understanding of the problem
- Description of the methodology to be employed
- Suitability of the proposed analytical methods for the proposed research
- Quality, appropriateness and availability of the data

### QUALIFICATIONS OF PROJECT STAFF

This criterion requires documentation of the experience, qualifications and time commitment of the project director and key project staff members who will conduct the proposed research or implement the proposed initiative.

### FEASIBILITY

The feasibility of the project is demonstrated by how clearly the applicant describes the tasks to be undertaken and objectives of carrying out the project. This includes the appropriateness and reasonableness of the budget as well as the feasibility of achieving project objectives within the specified time frame and budget.

# GRANTS ADVISORY PANEL

## **RICHARD C. ADELMAN, PH.D.**

*Senior Research Scientist Emeritus*  
Institute of Gerontology  
University of Michigan

## **ASHEESH BEDI, M.D.**

*Associate Professor*  
Orthopedic Surgery  
University of Michigan

## **LAWRENCE J. BAER, PH.D.**

*Consultant*  
Grand Rapids

## **JANE BANASZAK-HOLL, PH.D.**

*Associate Professor*  
Department of Health Management  
and Policy  
University of Michigan

## **JOHN E. BILLI, M.D.**

*Professor*  
Department of Internal Medicine  
University of Michigan

## **JAMES BRIDGES, M.D.**

*Medical Director*  
UAW Retiree Medical Benefits Trust  
Clinical Management  
Blue Cross Blue Shield of Michigan

## **CLIFFORD L. BROMAN, PH.D.**

*Professor*  
Department of Sociology  
Michigan State University

## **KIRK J. BROWER, M.D.**

*Professor*  
Department of Psychiatry  
University of Michigan

## **ROBERT BURACK, M.D., M.P.H.**

*Professor*  
Department of Internal Medicine  
Wayne State University

## **CLEOPATRA HOWARD CALDWELL, PH.D.**

*Professor*  
Department of Health Behavior and  
Health Education  
University of Michigan

## **DEREK E. DIMCHEFF, M.D., PH.D.**

*Instructor*  
Department of Internal Medicine  
University of Michigan

## **KIM EAGLE, M.D.**

*Professor*  
Department of Internal Medicine, Cardiology  
University of Michigan

## **DANIEL EISENBERG**

*Associate Professor*  
Department of Health Management  
and Policy  
University of Michigan

## **N. CARY ENGLEBERG, M.D.**

*Professor*  
Department of Internal Medicine  
University of Michigan

## **JOHN M. FLACK, M.D., M.P.H.**

*Chairman*  
Department of Internal Medicine  
Wayne State University

## **SCOTT A. FLANDERS, M.D.**

*Professor*  
Department of Internal Medicine  
University of Michigan

## **GARY L. FREED, M.D., M.P.H.**

*The Percy and Mary Murphy Professor  
of Pediatrics and Child Health Delivery*  
University of Michigan

## **STEPHEN S. GEBARSKI, M.D.**

*Professor*  
Department of Radiology  
University of Michigan

## **CHARLES GIVEN, PH.D.**

*Professor*  
Department of Family Practice  
Michigan State University

## **JOHN GODDEERIS, PH.D.**

*Professor*  
Department of Economics  
Michigan State University

## **BETH GOLDMAN, M.D.**

*Associate Medical Director*  
PPO and Care Management  
Blue Cross Blue Shield of Michigan

## **ALLEN GOODMAN, PH.D.**

*Professor*  
Department of Economics  
Wayne State University

## **ROBERT GOODMAN, D.O., M.H.S.A., FACEP, FACOEP**

*Medical Director*  
Blue Care Network of Michigan

## **JOHN R. GRIFFITH, M.B.A.**

*Professor Emeritus*  
Department of Health Management  
and Policy  
University of Michigan

**ANDY HAIG, M.D.**

*Professor*  
Physical Medicine and Rehabilitation  
University of Michigan

**JEFFREY B. HALTER, M.D.**

*Professor*  
Geriatric Center and Institute of Gerontology  
University of Michigan Health System

**JAMES R. HOLMES, M.D.**

*Assistant Professor*  
Department of Foot and Ankle Surgery  
University of Michigan

**PHILLIP LEVY, M.D., M.P.H., FACEP**

*Associate Director*  
Department of Emergency Medicine  
Wayne State University

**JERSEY LIANG, PH.D.**

*Professor*  
Department of Health Management  
and Policy  
University of Michigan

**RICHARD L. LICHTENSTEIN, PH.D.**

*Associate Professor*  
Department of Health Management  
and Policy  
University of Michigan

**MILISA MANOJLOVICH, PH.D., R.N., C.C.R.N.**

*Associate Professor*  
Department of Systems, Populations  
and Leadership  
University of Michigan

**TAMARA MCKAY, PH.D., L.P.**

*Director*  
Department of Psychology  
University of Michigan

**LAURENCE MCMAHON, M.D., M.P.H.**

*Professor*  
Department of Internal Medicine  
University of Michigan

**SHARON MILBERGER, SC.D.**

*Director*  
Henry Ford Live Well  
Henry Ford Health System

**JAMES MONTIE, M.D.**

*Professor*  
Department of Urology  
University of Michigan

**MARY M. NOEL, M.P.H., PH.D., R.D.**

*Professor*  
Department of Family Medicine  
Michigan State University

**KAGAN OZER, M.D.**

*Associate Professor*  
Department of Orthopedics and  
Plastic Surgery  
University of Michigan

**NEAL W. PERSKY, M.D., M.P.H.**

*Assistant Professor Emeritus*  
Department of Internal Medicine  
University of Michigan

**BARBARA PIEPER, PH.D., R.N., C.W.O.C.N., C.S.,  
F.A.A.N.**

*Professor*  
Department of Nursing  
Wayne State University

**RICHARD H. PRICE, PH.D.**

*Professor Emeritus*  
Institute for Social Research  
University of Michigan

**MARY A.M. ROGERS, PH.D., P.S.E.P.**

*Associate Professor*  
Department of Internal Medicine  
University of Michigan

**PHILLIP RODGERS, M.D.**

*Associate Professor*  
Department of Family Medicine  
University of Michigan

**SANJAY SAINT, M.D., M.P.H.**

*Professor*  
Department of Internal Medicine  
University of Michigan Health System

**KENDRA SCHWARTZ, M.D., M.S.P.H.**

*Assistant Dean*  
Medical Academic and Student Programs  
Wayne State University

**DAVID SHARE, M.D., M.P.H.**

*Senior Vice President*  
Value Partnerships  
Blue Cross Blue Shield of Michigan

**JAMES A. SHAYMAN, M.D.**

*Professor*  
Department of Internal Medicine  
and Pharmacology  
University of Michigan

**MICHAEL SIMON, M.D., M.P.H.**

*Professor*  
Department of Internal Medicine  
Wayne State University

**MIRON STANO, PH.D.**

*Professor*  
Department of Economics and Management  
Oakland University

**IRA STRUMWASSER, PH.D.**

*Retired Executive Director and CEO*  
Blue Cross Blue Shield of Michigan  
Foundation

**MARIANNE UDOW-PHILLIPS, M.H.S.A.**

*Director*  
Center for Healthcare Quality and  
Transformation

**KSENIA I. USTINOVA, PH.D.**

*Associate Professor*  
Department of Rehabilitation and  
Medical Sciences  
Central Michigan University

**DEBORAH BANAZAK WAGENAAR, D.O.**

*Associate Professor*  
Department of Psychiatry  
Michigan State University

**LORI J. WARNER, PH.D., LP, BCBA-D**

*Director*  
HOPE Center  
Beaumont Hospital

**TERESA WEHRWEIN, PH.D., R.N.**

*Associate Dean*  
Department of Nursing  
Michigan State University

**ROBERT DEAN WELCH, M.D., M.S.**

*Professor*  
Department of Emergency Medicine  
Wayne State University

**HENRY M. WELLMAN, PH.D.**

*Professor*  
Department of Psychology  
University of Michigan

**ANN FLANAGAN WHALL, PH.D., R.N.**

*Professor Emeritus*  
Department of Nursing  
University of Michigan

**JOHN R.C. WHEELER, PH.D.**

*Professor Emeritus*  
Department of Health Management  
and Policy  
University of Michigan

**FELETA WILSON, PH.D., R.N.**

*Associate Professor*  
Department of Nursing  
Wayne State University

**ROBERT J. ZALENSKI, M.D.**

*Professor*  
Department of Emergency Medicine  
Wayne State University

**ROBERT A. ZUCKER, PH.D.**

*Professor*  
Department of Psychiatry  
University of Michigan

# FOUNDATION STAFF, OFFICERS AND BOARD COMMITTEES



*Executive  
Director and CEO*

AUDREY HARVEY



*Director of  
Programs*

NORA MALOY, DRPH



*Senior Analyst*

ELBA HUERTA



*Program  
Associate*

JACQUELINE PAUL



*Executive  
Assistant*

SUSAN SHELTON

## OFFICERS

### CHAIRWOMAN

Shauna Ryder Diggs, M.D.

### VICE CHAIRMAN

Joel I. Ferguson

### PRESIDENT

Lynda M. Rossi

### EXECUTIVE DIRECTOR

Audrey J. Harvey

### TREASURER

Benjamin N. Grier, J.D., C.P.A.

### SECRETARY

Susan Shelton

## BOARD COMMITTEES

### FINANCE COMMITTEE

#### CHAIRMAN

James K. Haveman

Shauna Ryder Diggs, M.D.

Haifa Fakhouri, Ph.D.

### GRANTS COMMITTEE

#### CHAIRMAN

Willard S. Stawski, M.D.

#### VICE CHAIRWOMAN

Shauna Ryder Diggs, M.D.

Joel I. Ferguson

James K. Haveman

Thomas L. Simmer, M.D.

Bruce A. Wolf, D.O.

# BOARD OF DIRECTORS

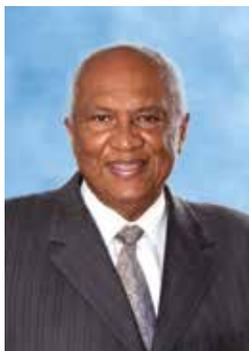


**Chairwoman**

**SHAUNA RYDER DIGGS, M.D.**

*Dermatologist,  
CosmeticDerm  
Grosse Pointe Farms,  
Michigan*

*Chairwoman,  
Board of Regents  
University of Michigan*



**Vice Chairman**

**JOEL I. FERGUSON**

*President, Ferguson  
Development LLC  
Lansing, Michigan*

*Chairman, Board of Trustees  
Michigan State University*



**President**

**LYNDA M. ROSSI**

*Executive Vice  
President, Strategy,  
Government and  
Public Affairs*

*Blue Cross Blue Shield  
of Michigan*



**Treasurer**

**BENJAMIN N. GRIER,  
J.D., C.P.A.**

*Director, Treasury Services  
Blue Cross Blue Shield  
of Michigan*



**HAIFA FAKHOURI, PH.D.**

*President and Chief  
Executive Officer, Arab-  
American Chaldean Council  
Troy, Michigan*



**JAMES K. HAVEMAN**

*Director (Retired),  
Michigan Department  
of Community Health  
Grand Rapids, Michigan*



**THOMAS L. SIMMER, M.D.**

*Senior Vice President and  
Chief Medical Officer,  
Health Care Value  
Blue Cross Blue Shield  
of Michigan*



**WILLARD S. STAWSKI, M.D.**

*General Surgeon (retired)  
Grand Rapids, Michigan*



**BRUCE A. WOLF, D.O.**

*Assistant Professor,  
Interventional Radiology  
Michigan State University*

## BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

Financial Statements as of and for the  
Years Ended December 31, 2016 and 2015, and  
Independent Auditors' Report

## INDEPENDENT AUDITORS' REPORT



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

We have audited the accompanying financial statements of Blue Cross Blue Shield of Michigan Foundation (the Foundation), which comprise the balance sheets as of December 31, 2016 and 2015; 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.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### EMPHASIS OF MATTER

As discussed in Note 4 to the financial statements, portions of certain expenses represents allocations made from Blue Cross Blue Shield of Michigan Mutual Insurance Company. Accordingly, the financial statements 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 company. Our opinion is not modified with respect to this matter.

*Deloitte & Touche LLP*

March 30, 2017

**BALANCE SHEETS**

AS OF DECEMBER 31, 2016 AND 2015

(In thousands)

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
Cash and cash equivalents	\$ 1,486	\$ 212
Investments	54,864	56,623
Accounts receivable:		
Affiliates	85	-
Investments sold	-	45
Accrued investment income	30	11
Software — net	14	-
Other assets	-	23
	<hr/>	<hr/>
TOTAL	<u>\$ 56,479</u>	<u>\$ 56,914</u>
 <b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
Grants payable	\$ 2,918	\$ 2,732
Accounts payable — affiliates	699	728
Accounts payable — investments purchased	-	75
Other liabilities	79	95
	<hr/>	<hr/>
Total liabilities	<u>3,696</u>	<u>3,630</u>
 NET ASSETS:		
Common stock, \$100 par value — 2 shares authorized, issued, and outstanding	-	-
Unrestricted net assets	52,783	53,134
Temporarily restricted assets	-	150
	<hr/>	<hr/>
Total net assets	<u>52,783</u>	<u>53,284</u>
	<hr/>	<hr/>
TOTAL	<u>\$ 56,479</u>	<u>\$ 56,914</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, 2016 AND 2015

(In thousands)

	2016	2015
UNRESTRICTED NET ASSETS:		
Revenue:		
Investment income — net of investment expense of \$263 and \$254 for 2016 and 2015, respectively	\$ 130	\$ 486
Net realized and unrealized gain (loss) on investments	2,610	(151)
Contributions	<u>20</u>	<u>-</u>
Total unrestricted revenue	<u>2,760</u>	<u>335</u>
Expenses:		
Grants	1,670	1,745
Supporting activities	<u>1,441</u>	<u>1,635</u>
Total unrestricted expenses	<u>3,111</u>	<u>3,380</u>
TOTAL DECREASE IN UNRESTRICTED NET ASSETS	(351)	(3,045)
TEMPORARILY RESTRICTED NET ASSETS:		
Temporarily restricted contributions	-	150
Net assets released from restrictions	<u>(150)</u>	<u>-</u>
(Decrease) Increase in temporarily restricted net assets	<u>(150)</u>	<u>150</u>
TOTAL DECREASE IN NET ASSETS	(501)	(2,895)
TOTAL NET ASSETS — Beginning of year	<u>53,284</u>	<u>56,179</u>
TOTAL NET ASSETS — End of year	<u>\$ 52,783</u>	<u>\$ 53,284</u>

See notes to financial statements.

# BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(In thousands)

	<b>2016</b>	<b>2015</b>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	\$ (501)	\$ (2,895)
Reconciliation of decrease in net assets to net cash used in operating activities:		
Depreciation	3	-
Net gain on sale of investments	(4,350)	(730)
Unrealized loss on investments	1,740	881
Changes in:		
Accounts receivable — affiliates	(85)	-
Accrued investment income	(19)	17
Other assets	23	156
Grants payable	186	(344)
Accounts payable — affiliates	(29)	123
Other liabilities	(16)	(163)
Net cash used in operating activities	<u>(3,048)</u>	<u>(2,955)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(46,435)	(36,573)
Proceeds from sales and maturities of investments	50,774	32,867
Acquisition of software	(17)	-
Net cash provided by (used in) investing activities	<u>4,322</u>	<u>(3,706)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,274	(6,661)
CASH AND CASH EQUIVALENTS — Beginning of year	<u>212</u>	<u>6,873</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 1,486</u>	<u>\$ 212</u>

### 1. 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 of Michigan, Inc. (BCMI), which in turn is a wholly owned subsidiary of Blue Cross Blue Shield of Michigan Mutual Insurance Company (BCBSM). BCMI does not exercise control over the Foundation, therefore, the Foundation is not consolidated with BCMI. 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 (U.S. GAAP). The significant policies followed by the Foundation are summarized below.

**Cash Equivalents** — Cash equivalents, which are carried at fair value, are composed of short-term investments that mature within 90 days 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 classifies its investments in debt and equity securities as trading in accordance with its intent, for they are actively managed by external investment managers with broad authority to buy and sell securities without prior approval and, accordingly, such securities are carried at fair value. 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).

**Software** — Purchased software is stated at cost, net of depreciation. Depreciation is recorded using the straight-line method over the estimated useful life of the asset, which is three years. Capitalized software costs were \$17,000, offset by accumulated depreciation of \$3,000, resulting in a net book value of \$14,000 as of December 31, 2016. Depreciation expense was \$3,000 for the year ended December 31, 2016.

**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.

**Common Stock** — In the event of dissolution, the stockholder 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.

**Unrestricted Net Assets** — Unrestricted net assets 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.

**Temporarily Restricted Assets** — Temporarily restricted assets consist of monies received from BCBSM. These funds were received in support of grants to be administered by the Foundation. As expenses are incurred, the amounts are released from restrictions. The outstanding balance as of December 31, 2015 was released during 2016. There were no temporarily restricted assets as of December 31, 2016.

**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 U.S. 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.

**New Accounting Standards — Adopted** — For the year ended December 31, 2016, there were no new accounting standards that are applicable to the Foundation.

**New Accounting Standards — Forthcoming** — In May 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. This guidance removes the requirement to categorize within the fair value hierarchy all investments for which the fair value is measured using the net asset value (NAV) per share practical expedient. This guidance also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. ASU No. 2015-07 is effective for annual reporting periods beginning after December 15, 2016.

The Foundation continues to evaluate the effects the adoption of ASU No. 2015-07 will have on the financial statements and related disclosures.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities (Subtopic 825-10)*. This guidance requires equity investments, not accounted for under the equity method of accounting or those that result in the consolidation of the investee, to be measured at fair value with changes in value recognized in net income. The guidance simplifies impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. The guidance also removes the requirement to disclose fair value of financial instrument measured at amortized costs for entities that are not public business entities. This guidance is effective for the fiscal years beginning after December 15, 2018 and interim periods within fiscal years beginning after December 15, 2019. The Foundation continues to evaluate the effects the adoption of ASU No. 2016-01 will have on the financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The guidance in ASU No. 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. This estimate credit loss allowance is 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 should be measured in a manner similar to current GAAP and the presentation of the credit losses will be in an allowance rather than as a write-down. This guidance is effective for the fiscal years beginning after December 15, 2020. The Foundation continues to evaluate the effects the adoption of ASU No. 2016-13 will have on the financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The guidance in ASU No. 2016-14 addresses changes in the presentation and disclosure requirements for not-for-profit entities. The guidance is effective for the fiscal years beginning after December 15, 2017. Early adoption is permitted. The Foundation continues to evaluate the effects the adoption of ASU No. 2016-14 will have on the financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The guidance of ASU No. 2016-15 addresses various cash flow issues. The guidance should be applied using a retrospective transition method for each period presented. This guidance is effective for the fiscal years beginning after December 15, 2018. Early adoption of the guidance is permitted. The Foundation continues to evaluate the effects the adoption of ASU No. 2016-15 will have on the financial statements and related disclosures.

## 2. INVESTMENTS

Investments at December 31, 2016 and 2015, by asset category are as follows (in thousands):

	<b>2016</b>	<b>2015</b>
Common stock	\$ 2,000	\$ 18,896
Limited liability companies	16,044	-
Commingled fixed income investment trust	16,228	16,814
International equity funds	10,874	11,541
Limited partnerships	<u>9,718</u>	<u>9,372</u>
Total investments	<u>\$ 54,864</u>	<u>\$ 56,623</u>

The Foundation recognized net unrealized losses of approximately \$1,740,000 and \$887,000 at December 31, 2016 and 2015, 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, 2016 and 2015, the Foundation sold \$50,729,000 and \$32,777,000 of investments, which resulted in gross realized gains of \$5,713,000 and \$6,606,000, and gross realized losses of \$1,363,000 and \$5,876,000, respectively.

## 3. FAIR VALUE MEASUREMENTS

The fair values of the Foundation's securities are based on quoted market prices, where available. These fair values are obtained from either 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 only 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 our fixed-rate financial investments and debt and (ii) changes in equity prices that affect our equity investments.

An increase in the market interest rates decreases the market value of fixed-rate investments and fixed-rate debt. Conversely, a decrease in market interest rates increases the market value of fixed-rate investments and fixed-rate debt.

The Foundation manages exposure to market interest rates by diversifying investments across fixed-income market sectors and across various maturities. Future increases in prevailing interest rates could have an adverse effect on the Foundation's financial results.

The Foundation and its investment managers classify fair value balances 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.

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 money market funds that mature within 90 days or less of acquisition and have minimal credit or liquidity risk. Valuation is based on unadjusted quoted prices and are classified as Level 1.

*Common Stocks* — 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.

*Limited Liability Companies* — Consist of interests in limited liability companies providing large cap U.S. equity exposure. Valuations are recorded at NAV based on the underlying investments held by the limited liability companies. The underlying investments in the limited liability companies providing U.S. large cap equity exposure have readily determinable and observable market prices and interests in these limited liability companies are classified as Level 2.

*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 of the underlying assets is based on inputs derived directly or indirectly from observable, active market data and the investment in the trust is classified as Level 2.

*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 is classified as Level 1 as a market price is readily available. For the commingled international equity fund, valuation is recorded at NAV based on the underlying investments in the vehicle, and the investment is classified as Level 2.

*Limited Partnerships* — Consist of interests in hedge funds structured as limited partnerships. Valuation is based on information provided by the fund managers along with audited financial information. These securities have been classified as Level 3.

The Foundation's assets recorded at fair value at December 31, 2016 and 2015, are as follows (in thousands):

	<b>Fair Value Measurements Using</b>			<b>Total Fair Value</b>
	<b>Quoted Prices In Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	
<b>2016</b>				
Cash equivalents	\$ 1,459	\$ -	\$ -	\$ 1,459
Common stock	\$ 2,000	\$ -	\$ -	\$ 2,000
Limited liability companies	-	16,044	-	16,044
Commingled fixed income investment trust	-	16,228	-	16,228
International equity funds	5,471	5,403	-	10,874
Limited partnerships	-	-	9,718	9,718
<b>Total investments</b>	<b>\$ 7,471</b>	<b>\$ 37,675</b>	<b>\$ 9,718</b>	<b>\$ 54,864</b>
<b>2015</b>				
Cash equivalents	\$ 130	\$ -	\$ -	\$ 130
Common stock	\$ 18,896	\$ -	\$ -	\$ 18,896
Commingled fixed income investment trust	-	16,814	-	16,814
International equity funds	5,774	5,767	-	11,541
Limited partnerships	-	-	9,372	9,372
<b>Total investments</b>	<b>\$ 24,670</b>	<b>\$ 22,581</b>	<b>\$ 9,372</b>	<b>\$ 56,623</b>

Transfers between levels may occur due to changes in the availability of market observable inputs. Transfers in and/or out of any level are assumed to occur at the end of the period.

There were no assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2016 and 2015, and there were no transfers into or out of Level 1, Level 2 or Level 3.

As of December 31, 2016, the Foundation's investment portfolio includes \$16,044,000 of investments in limited liability companies, \$16,228,000 of investments in a commingled fixed income investment trust, and \$5,403,000 of investments in a commingled international equity fund that can be redeemed with 30 days notice. The portfolio also includes \$6,487,000 of holdings in limited partnerships that allow redemptions with 75 days notice, and \$3,231,000 of holdings in limited partnerships that have a three-year lockup provision where redemptions are not allowed until February of 2018. The Foundation can redeem its entire interest in this fund effective February 1, 2018 or, thereafter, can redeem 25 percent per quarter with 45 days notice. None of the investments have unfunded commitments.

The Foundation's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) at December 31, 2016 and 2015, are as follows (in thousands):

	<b>(Level 3)</b> <b>Limited</b> <b>Partnerships</b>
Balance—January 1, 2015	\$ -
Total gains or losses (realized/unrealized):	
Included in earnings	372
Purchases, issuances, and settlements	9,000
Sales	<u>-</u>
Balance—December 31, 2015	9,372
Total gains or losses (realized/unrealized):	
Included in earnings	346
Purchases, issuances, and settlements	3,165
Sales	<u>(3,165)</u>
Balance—December 31, 2016	<u><u>\$ 9,718</u></u>
The amount of total gains or losses for the period included in earnings (or other comprehensive income) attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2015	<u><u>\$ 372</u></u>
The amount of total gains or losses for the period included in earnings (or other comprehensive income) attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2016	<u><u>\$ 181</u></u>

## 4. RELATED PARTY TRANSACTIONS

On a routine basis, the Foundation conducts business transactions with affiliates: BCBSM and Blue Care Network of Michigan (BCN). These transactions include management, administrative, and professional services, including computer operations and accounting services.

For the years ended December 31, 2016 and 2015, \$1,192,000 and \$1,357,000, respectively, were billed from affiliates and are included in supporting activities in the Statements of Activities and Changes in Net Assets; and \$699,000 and \$728,000, respectively, were due to affiliates. The majority of the transactions and balances are related to BCBSM.

For the year ended December 31, 2016, \$85,000 was due from BCBSM as a result of BCBSM receiving funding on the Foundation's behalf. For the year ended December 31, 2015, there were no amounts due from affiliates.

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 BCMI. In addition, the Foundation, BCBSM, BCN, Blue Cross Complete of Michigan LLC, owned by BCBSM through a joint venture, and COBX CO., a subsidiary of BCBSM, have some common officers and board members.

## 5. SUBSEQUENT EVENTS

Management has evaluated all events subsequent to the balance sheet date of December 31, 2016, through March 30, 2017, 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*.

\*\*\*\*\*

## CREDITS

### PROJECT MANAGER

Jacqueline Paul

### CONTENT WRITER AND GRANTEE INTERVIEWER

Alton Brown

### ART DIRECTION AND GRAPHIC DESIGN

Lisa Schmidt

### PHOTOGRAPHY

Kristie Stocker

### EDITOR

Rachael Hubers

For more information and application materials please visit our website at [bcbsm.com/foundation](http://bcbsm.com/foundation), call us at (313)-225-8706 or email [foundation@bcbsm.com](mailto:foundation@bcbsm.com).





**Blue Cross  
Blue Shield  
Blue Care Network**  
of Michigan

**[BCBSM.COM/FOUNDATION](https://www.bcbsm.com/foundation)**