



Blue Cross Blue Shield of Michigan Foundation

2012 Annual Report



Improving health care: It's what we do

The BCBSM Foundation was created by Blue Cross Blue Shield of Michigan 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 BCBSM cost-containment program. Since then, with no further contributions of new funds, the Foundation's assets have grown to approximately \$52.9 million.

The Blue Cross Blue Shield of Michigan 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.

Over the past 30 years, the Foundation contributed approximately \$50 million in grants for research and \$10 million for community health programs. This funding resulted in enhancements to the 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, visit **bcbsm.com/foundation**.

In 2012, the Foundation provided \$1.9 million in grants to Michigan-based researchers and nonprofit organizations to address:

Quality and costs of care

Access to care

Community health



Mission

The Blue Cross Blue Shield of Michigan Foundation's mission is 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 BCBSM 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



Presidents' message

Supporting better health and health care

Blue Cross Blue Shield of Michigan and the BCBSM Foundation are committed to helping Michigan get healthier. It's a responsibility we take very seriously. The Foundation, along with the Blues' Community Responsibility and Social Mission divisions, provides approximately \$9 million each year in grants to the community to improve access to quality, affordable health care and to improve the health of Michigan's people and communities.

This report focuses on the Foundation's efforts to enhance the quality of care, patient safety and access to care in Michigan. They do this by supporting dozens of health care research projects and programs each year. From examining the economic factors that lead to racial and ethnic disparities in health care, to studying hospital discharge processes to reduce rehospitalizations, Foundation-supported projects are helping solve critical community health problems.

As the Affordable Care Act begins expanding the health care safety net in the U.S., the Foundation's efforts to improve health and increase access to cost-effective, quality health care are more important than ever. We invite you to review the projects and programs the Foundation funded in 2012 and the ones it will support in 2013 and beyond. You'll see how Michigan health professionals and researchers continue to make a real difference in people's lives.



Daniel J. Loepp
President and CEO
Blue Cross Blue Shield of Michigan

Lynda M. Rossi
Senior Vice President, Public Affairs and Chief of Staff
Blue Cross Blue Shield of Michigan

President
Blue Cross Blue Shield of Michigan Foundation



Shauna Ryder Diggs

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

Ira Strumwasser

Ira Strumwasser, Ph.D.
Executive Director and Chief Executive Officer
Blue Cross Blue Shield of Michigan Foundation

Executives' message

Collaboration works

The Blue Cross Blue Shield of Michigan Foundation has a long and successful history of partnering with physicians, researchers, community-based nonprofits, public agencies and other foundations. We work together to promote high quality, cost-effective and affordable health care in Michigan.

In 2012, we launched a new grant program to improve quality and safety in patient care and surgery. The grants encouraged physicians and hospitals to use checklists and communication to reduce inpatient hospital errors, and improve the outcomes of care, which can help reduce costs. We funded eight projects with universities and hospital systems statewide, and they are already achieving positive results.

We also joined with the Kresge Foundation, McGregor Fund, the Community Foundation for Southeast Michigan and the Ethel & James Flinn Foundation to fund a grant to the Detroit/Wayne County Health Authority. The Health Authority used the grant to develop proposals seeking funding from the U.S. Department of Health and Human Services to expand services provided by Federally Qualified Health Centers. As a result, three Detroit health centers received federal grants worth more than \$2.1 million annually. The funds will be used to expand access to health care for Detroit residents.

As you review the partnerships highlighted in our 2012 annual report, it's clear that collaboration works. We are pleased to support these joint efforts. We thank the dedicated health professionals, researchers, community groups and others who, every day, are discovering new and better ways to help the people of Michigan become healthier.



Grant programs



Total research and program grants in 2012: \$1,916,300

Total membership grants in 2012:..... \$19,370

Grand total: \$1,935,670

The grant programs offered by the BCBSM Foundation create partnerships with researchers, health professionals and community organizations. The goal of these partnerships is to improve the health and health care of Michigan residents by examining important health care issues, developing interventions, improving processes and building and supporting grassroots community organizations and their health care initiatives.

The Foundation invites Michigan's health, research and nonprofit community to explore the opportunities we offer.

Investigator Initiated Research Program

Program total: \$628,762



Physician Investigator Research Award Program

Program total: \$75,548



Frank J. Mcdevitt, D.O., Excellence in Research Award

Program total: \$40,000



Excellence in Research Award for Students

Program total: \$1,750



Student Award Program

Program total: \$54,000



Community Health Matching Grants Program

Program total: \$706,000



Request for Proposal Patient Safety: Implementing Checklists

Program total: \$399,740



Proposal Development Award

Program total: \$10,500



Investigator Initiated Research Program

Program total: \$628,762

Program guidelines

Investigator Initiated Research Program grants average \$75,000 for one year. Multiyear grants or grants in excess of \$75,000 are awarded for exemplary projects. This program does not support basic or biomedical research, or any research involving nonhuman subjects.

Applications are accepted at any time. Please contact the BCBSM Foundation for an application, or download application materials and instructions from our website at **bcbsm.com/foundation**. Submissions must include an unbound original and five copies of the following:

- Completed application form
- A one-page project summary
- A detailed budget for the project, including information on other sources of funding, either existing or anticipated
- A proposal of approximately 20 double-spaced pages delineating the nature of the research questions, study design, methodology and an assessment of barriers that may impede the project
- A statement that all applicable requirements of the applicant's institution have been met, including requirements for research involving human subjects and data confidentiality (adherence to HIPAA requirements)
- Curricula vitae of the principal investigators and other key personnel

Valerie Myers, Ph.D. \$48,256	<i>Rankism and Behavioral Competencies in Hospitals</i> University of Michigan, School of Public Health
Robert Sherwin, M.D. \$149,414	<i>Real Time Artificial Intelligence Alert Software for Automated Early Identification of High Risk Septic Patients</i> WSU School of Medicine, Department of Emergency Medicine
Sonia Duffy, Ph.D., R.N., F.A.A.N. \$74,772	<i>A Randomized Controlled Trial of Sun Protection Interventions for Operating Engineers</i> University of Michigan, School of Nursing
Justin Dimik, M.D. \$100,000	<i>Impact of Keystone Surgery in Michigan</i> University of Michigan, Department of Surgery
Sanjay Saint, M.D., M.P.H. \$69,900	<i>Translating Healthcare – Associated Infection Prevention Research Into Practice: Wave 3</i> University of Michigan Medical Center, Division of Internal Medicine
Robert K. Cleary, M.D. \$102,106	<i>Outcomes Analysis Following Implementation of an Enhanced Recovery Initiative for Open, Laparoscopic and Robotic Colon and Rectal Surgery</i> Saint Joseph Mercy Health System, Department of Surgery

The Investigator Initiated Research Program is available to health care researchers interested in finding ways to improve health and health care in Michigan. Projects address health care quality, costs and access to services, and include research on:

- Health service organization and delivery, including managed care
- New methods or approaches to providing appropriate access to care
- Quality of care, utilization review and cost containment
- Development and validation of clinical protocols and practice guidelines



Ksenia Ustinova, Ph.D.

Virtual Reality Telerehabilitation in Patients with Traumatic Brain Injury

College of Health Professions
Central Michigan University

\$84,314

A virtual reality game-based therapy was developed to address multiple posture and coordination abnormalities in individuals with traumatic brain injury, or TBI. The program uses interactive customized virtual reality games/scenarios, supported by an Xbox® Kinect® sensor. It then replicates conventional exercise programs recommended for this patient population. The therapy was tested in participants with mild-to-moderate TBI-related

balance and movement impairments. Following therapy, the majority of participants improved their balance, gait and arm movements, and these effects persisted over the retention interval. Results will be used to improve the virtual reality program, with the goal of producing a cost-effective, accessible and easy-to-individualize therapeutic approach, which has the potential to be delivered over telecommunications networks and the internet.

Physician Investigator Research Award Program

Program total: \$75,548

Program guidelines

The **Physician Investigator Research Award** program request for funding should include a brief proposal (three to five pages) that describes the project, the nature of the research question(s) to be addressed and the proposed approach of the study.

An application may be submitted at any time. Please contact the BCBSM Foundation for application materials, or download application materials from our website at **bcbsm.com/foundation**.

Proposals will be competitively reviewed based on:

- The viability and importance of the project as a possible area of research
- The potential of the project for appropriately answering the research question
- The applicant's qualifications for conducting the proposed project
- The feasibility of the proposed project

- Marisa Louie, M.D.**
\$9,948
Respiratory Scores in Children with Bronchiolitis
University of Michigan, Department of Emergency Medicine
- Amy Rothberg, M.D.**
\$10,000
Change in Non-Exercise Activity Thermogenesis
University of Michigan Medical Center, Investigational Weight Management Clinic
- Haseeb Ilias Basha, M.D.**
\$5,700
Red Cell Distribution Width (RDW) as an Independent Predictor of Adverse Cardiovascular Outcomes in Elderly Patients following Elective Non-Cardiac Surgery
Hurley Medical Center, Internal Medicine
- Elizabeth Hastings, M.D.**
\$10,000
Primary Care Physicians' Interactions with Schools
University of Michigan, Department of Pediatrics
- Katherin Auger, M.D.**
\$10,000
Improving Hospital Discharge Processes and Practices to Reduce Re-Hospitalization Risk
University of Michigan, Department of Pediatrics and Communicable Diseases
- Gordon Sun, M.D., M.S.**
\$10,000
Variation in Diagnosis of Laryngeal Cancer
University of Michigan, Department of Otolaryngology
- Vineet Chopra, M.D.**
\$9,900
Hospitalist Patterns of Use, Knowledge and Experiences Associated with Peripherally Inserted Central Catheters: A Michigan and National Survey

University of Michigan, Department of Internal Medicine

Physicians are often the first to identify breakthroughs in health care. The Physician Investigator Research Award provides seed money to physicians to explore the merits of a particular research idea for further study. We offer grants of up to \$10,000 for projects that include pilot, feasibility or small research studies in clinical or health services research.



Erin Sarzynski, M.D.

Medication Reconciliation in an Outpatient Geriatric Clinic: Does Accuracy Improve if Patients “Brown Bag” Their Medications for Appointments

Michigan State University
Department of Family Medicine

\$10,000

Medical clinics may ask patients to “brown bag” their medications for review at office visits to improve medication management. Our research – supported by the BCBSM Foundation – found that fewer than half of patients who brown bagged their medications for appointments brought in all of the medications they routinely use. While the value of the brown bag practice remains inconclusive, we did find that a prompted medication history at point-of-care results in fewer medication discrepancies. Unfortunately, extensive medication reviews are time consuming and may not be used to effectively update the medical record. We see an opportunity to empower patients to play an active role in managing their own medications. Our next step will be to develop effective and efficient technologies to achieve this goal. Our research was awarded first prize in the category Models of Geriatric Care at the American Geriatrics Society Annual Meeting in May 2013.

Frank J. McDevitt, D.O., Excellence in Research Award

Program total: \$40,000

Program guidelines

Nominations for the annual **Frank J. McDevitt, D.O., Excellence in Research Award** may be submitted by individual researchers or other interested parties. The BCBSM Foundation grants a total of four \$10,000 awards annually to Michigan physicians and doctoral-level researchers.

The nominated research must have been published in the past two years or accepted for publication in a refereed journal focusing on health or medical care. Awards are made in each of two categories:

- Health policy or health services research that focuses on public health, the financing and organization of health services, reimbursement or resource allocation
- Clinical care research that focuses on outcomes, clinical effectiveness or clinical protocol research

Applications must be received by January 1 of each year, with awards announced during the second quarter of each year.

The \$10,000 award is issued to the researcher's affiliated organization in the form of a grant for unrestricted research in health or medical care.

Along with a copy of the nominated research article, nominations must include the name, degree, affiliated organization and address of the nominee. In cases of multiple authorship, the nominee must be the first author.

Michael S. Simon, M.D., M.P.H.
\$10,000

*Prospective Analysis of Association Between Use of Statins
or Other Lipid-lowering Agents and Colorectal Cancer Risk*
Karmanos Cancer Institute, Wayne State University

Lesli Skolarus, M.D., M.S.
\$10,000

*Guideline-discordant Periprocedural Interruptions in
Warfarin Therapy*
University of Michigan, Department of Neurology

Rebecca H. Lehto, Ph.D., R.N., O.C.N.
\$10,000

*Identifying Primary Concerns in Individuals Newly
Diagnosed with Lung Cancer*
Michigan State University, College of Nursing

**Our annual Frank J. McDevitt, D.O.,
Excellence in Research Award
for Health Services, Policy
and Clinical Care is named in
honor of our late board chair.
This award honors researchers,
both physicians and those with
terminal research degrees, who
make significant contributions to
improving health care in Michigan.
We hope to encourage continued
excellence in research
by recognizing outstanding
Michigan researchers.**



Christopher Brunt, Ph.D.

Lake Superior State University, School of Business

Gail A. Jensen, Ph.D.

Wayne State University, Department of Economics

*Medicare Part B Reimbursement and the
Perceived Quality of Physician Care*

\$10,000

The article, *Medicare Part B Reimbursement and the Perceived Quality of Physician Care*, evaluates whether Part B payment rates, state restrictions and physician balance billing influence how beneficiaries rate the quality of their doctor's care. This paper is important because it is the first to document that higher payment rates under Part B may lead to better quality while lower payments may lead to lower quality.

Excellence in Research Award for Students

Program total: \$1,750

Program guidelines

Excellence in Research Award for Students nominations must be submitted by a faculty member from the student's university. Nominations must include a copy of a published article or a manuscript accepted for publication in a refereed research journal. Also include the name, degree program, university department, address and phone number of the student nominee. A letter of endorsement from the nominating faculty member should accompany the nomination, as well as an abstract that explains the topic's significance to health care in Michigan. If a research paper has multiple authors, the nominated student must be the first author.

Second place

Zhenzhen Zhang
\$750

*Habitual Coffee Consumption and Risk of Hypertension:
A Systematic Review and Meta-Analysis of Prospective
Observational Studies*

Michigan State University, Department of Epidemiology

The BCBSM Foundation recognizes students for their contributions to the research literature and for their potential to make future contributions to health care. The Excellence in Research Award for Students is designed to identify students at Michigan universities who have made contributions to the health and medical care research literature.



Elham Mahmoudi

*Diverging Racial and Ethnic Disparities in
Access to Physician Care: Comparing 2000
and 2007*

Wayne State University
Department of Economics

\$1,000

Eliminating racial and ethnic disparities in access to health care has been a stated goal of national policymakers for well over a decade. African-Americans and Hispanics have been shown to have less access to medical care than non-Hispanic whites. Mahmoudi examined recent changes in racial and ethnic disparities in access to physician services in the U.S., and investigated the economic factors driving the changes observed. Her article focuses on two measures of access: whether an individual has a usual source of care and whether he or she has had any doctor visits during the past year.

Mahmoudi's research shows that large disparities in access to health care were evident for both minority groups in 2000 and 2007. Disparities in doctor visits diminished for African-Americans, but disparities in both measures worsened sharply for Hispanics. The most important contributing factors to the growing disparities between Hispanics and whites are health insurance, education and income differences.

Student Award Program

Program total: \$54,000

Program guidelines

The **Student Award Program** is available to medical and doctoral students enrolled in Michigan universities. The one-year, \$3,000 award is intended to support research for Ph.D. doctoral dissertations and research by students in medical school. Applications may be obtained from the BCBSM Foundation or downloaded from our website at **bcbsm.com/foundation**. The deadline for annual submission is April 30 of each year. In addition to the completed application form, we request:

- Two copies of a three-page proposal
- One copy of the Human Subjects Review Committee approval, including compliance to HIPAA regulations, if applicable
- A letter of endorsement from a faculty member from the student's academic department
- The student's official transcript
- The student's resume
- A one-page biographical sketch of the student

Eastern Michigan University

Monica Marie Lackups
\$3,000
Treatment of Anxiety Sensitivity Using Acceptance and Commitment Therapy
Department of Psychology

Natalie K. Nugent
\$3,000
Military Sexual Trauma and Excessive Behaviors and Health Related Outcomes
Department of Psychology

University of Detroit Mercy

Lori Glenn, M.S., R.N., C.N.M.
\$3,000
Caring Nurse Practice in Second Stage of Labor
McAuley School of Nursing

University of Michigan

Ewa Czyz
\$3,000
Identifying Suicide Risk in Adolescent Emergency Department Patients: A Follow-Up Study of the C-SSRS Scale
Department of Psychology

Dokyeong Lee
\$3,000
Development Trajectory of Bone Mineral Content in Infants with Typical Development and Myelomeningocele
School of Kinesiology

Wayne State University

Paula Thompson Ross
\$3,000
Exploring How Women with Sickle Cell Disease Experience Reproductive Health
Department of Sociology

Jayne Yatzcak
\$3,000
Exploration of the Use of Objects in the Creation, Maintenance and Social Performance of People with Alzheimer's Disease
School of Kinesiology

Edward J. Rohn
\$3,000
The Making of Healers in an American Family Medicine Residency
College of Liberal Arts and Sciences Training Program

The BCBSM Foundation encourages and nurtures students by funding their health and medical care research. The Foundation recognizes that students return significant value throughout their professional lives.

With this award, students have the opportunity to enhance their academic experience while making contributions to our knowledge of health and medical care.



Ryan Reece

Michigan State University

Comparing EMR Electronic Prescribing Capabilities with a Safe Prescribing Checklist

\$3,000

"Patient safety, electronic medical records and their interaction has been an interest of mine for some time. The Foundation's grant has allowed me to pursue this research and I hope that Michigan patients will benefit from this research."

For more than a decade, computers and electronic prescribing have been used regularly in the health care field. During this period, physicians have been encouraged to use electronic management records, or EMRs, in their practice. Research indicates a mixed outcome in regards to patient safety. Some features of EMRs help to reduce the risk of medication errors and adverse drug reactions. However, errors still occur and affect patients negatively.

The objective of the study is to identify current capabilities of the Office of the National Coordinator for Health Information Technology's certified EMR systems' ability to support safe prescribing by comparing the systems to the checklist developed by medical students. Reece anticipates his study will determine how well EMR programs support safe prescribing.

Wayne State University

Hyunjee Kim
\$3,000

Medicare Home Health Care Spending Increase Under the Prospective Payment System

Joint Ph.D. Program in Social Work/Economics

Ana Daugherty
\$3,000

The Role of Iron Accumulation in Brain and Cognitive Decline

College of Liberal Arts and Sciences

Thomas Walter Engel II
\$3,000

End Tidal Carbon Dioxide versus Cerebral Oximetry for Monitoring Quality of CPR

School of Medicine

Karen Wykowski
\$3,000

Methods of Coping in an Urban African-American Population

College of Nursing BSN-Ph.D. Program

Western Michigan University

Colleen Cullinan
\$3,000

Evaluation of a Parent-Administered Intervention and Investigation of Factors Associated with Encopresis

Department of Clinical Psychology

Jennifer Blackwood
\$3,000

Assessment of Balance and Cognition as Risk Factors for Falls in Community Dwelling Older Adults

College of Health and Human Services

Amy Yorke
\$3,000

Balance Training in Cancer Survivors with Chemotherapy Induced Peripheral Neuropathy: A Pilot Method of Coping in an Urban African-American Population

Interdisciplinary Health Sciences

Theresa M. Lynn
\$3,000

Experience of Hospice Referral: Patients', Families' & Physicians' Perspectives

College of Health and Human Services



Marilyn Franklin

Wayne State University

*Mental Health Utilization among Low Income,
Urban African-American Adolescents*

College of Liberal Arts and Sciences

\$3,000

Underutilization of mental health services by racial and ethnic minorities has been identified by the U.S. Department of Health and Human Services as a major public health problem. Stigma has been hypothesized as one explanation for racial and ethnic disparities in utilization.

I am exploring whether the presence of stigma creates a barrier that keeps young African-Americans from seeking the mental health services they need. I predict that my study will provide information on health disparities, improve access to care and promote a healthier Michigan.

Community Health Matching Grants Program

Program total: \$706,000

Since 1980, the BCBSM Foundation has been funding research and community health programs that are making a real difference in the lives of Michigan residents.

Through our **Community Health Matching Program**, we encourage community-based nonprofit organizations to develop, test or validate new approaches that address community health problems. Matching funds are available for programs that help:

- Increase access to health care
- Address critical public health issues
- Improve the quality of care
- Enhance efficiency

Applicants are encouraged to partner with health care organizations, universities, research or governmental agencies to develop and evaluate projects aimed at addressing community problems. Partners may assist in the design and evaluation of the project.

The Foundation seeks projects that are:

- **Systemic in nature.** Community problems can only be successfully addressed if relevant stakeholders in the community are contributing members of the partnership.
- **Cost-effective.** Once operational, the proposed approach will be both affordable and sustainable.
- **Replicable.** The proposed approach would be feasible in other communities and would produce similar outcomes

An application may be submitted at any time. Please contact the Foundation for application materials, or download application materials from our website at **bcbsm.com/foundation**.

Michigan State Medical Society Foundation \$36,000	<i>16th Annual Bioethics Conference</i> Ingham
Nathan A. McCaughey, Ph.D. \$100,000	<i>Building Healthy Communities: Evaluation of Outcomes and Impact</i> Wayne State University, College of Education
First Steps Kent \$50,000	<i>Fit Kids 360</i> Kent
Hills and Dales General Hospital \$25,000	<i>School Nurse Partnership</i> Tuscola
Covenant Community Care, Inc. \$50,000	<i>Covenant's Moross Avenue Clinic Site</i> Wayne
Saginaw Area Foundation for Eye Care \$35,000	<i>Preventing Vision Loss from Site to Sight</i> Saginaw
Van Andel Research Institute \$150,000	<i>Pathway to Hope – Pediatric Tumor Research Initiative</i> Kent
Steven Harris, D.D.S. \$20,000	<i>Michigan Mission of Mercy</i> Michigan Dental Association Foundation, Oakland
Donna L.B. Lowry, M.D. \$50,000	<i>Ready for School</i> Ottawa
Kent County Health Department \$25,000	<i>Kent County Community Dental Clinic</i> Kent
Carole Stacy, M.S.N., M.A., R.N. \$25,000	<i>IOM State Implementation Plan: Building a Bridge to a Preferred Nursing Future</i> Michigan Center for Nursing, Ingham
Centra Wellness Network \$50,000	<i>Integrated Health – Northern Michigan Health Coalition</i> Manistee
Affirmations \$40,000	<i>Mental Health Services – Training and Education</i> Oakland

In 2012, the Community Health Matching Grant Program's funding priority was access to health care for the uninsured. In 2013, we will continue to offer matching grants of up to \$50,000 per year for a maximum of two years to community organizations that collaborate with nonprofit health care organizations or government agencies to implement and rigorously evaluate new models designed to improve access to care for the uninsured. We also will support projects to improve the quality and cost-efficiency of care.



Alternatives For Girls

*Healthcare Room Expansion and Project
Evaluation for Vulnerable Populations in Detroit*

Wayne

\$50,000

Alternatives For Girls celebrated 25 years of serving Detroit's at-risk women and girls in 2012. This venerable organization received a two-year grant to expand on-site health services for the highly vulnerable and largely uninsured runaway youth and homeless women who come through their doors. The project is part of ongoing services for high-risk female populations as well as families from Southwest Detroit. AFG's drop-in resource center provides material assistance, referrals to other agencies, crisis intervention support and entry into the agency's program.

"Through a range of partnerships and funding, including this generous grant from the BCBSM Foundation, we will be better able to assess the physical health needs of our clients and address some of the barriers that keep them from seeking care."

— Amanda L. Good, MSW, chief executive officer, Alternatives for Girls

Request for Proposal

Patient Safety: Implementing Checklists

Program total: \$399,740

In 1999, the Institute of Medicine published the report *To Err is Human: Building a Safer Health System* which highlighted the high rate of preventable medical errors in this country. It was estimated that between 44,000 and 98,000 people die in hospitals each year as the result of preventable errors.* Many errors are not the result of individual mistakes, but rather due to the complexity of patient conditions and system problems. The IOM report recommended implementing well understood safety principles to prevent errors. Despite this report, many health care providers and hospitals are not using available and cost-effective tools to the fullest extent possible. Some have proposed the use of medical/surgical checklists as a tool to improve patient safety.

In the aviation industry, checklists are universally used to prevent human error. Anesthesiologists have used checklists for many years, but they have only slowly gained broad support in medicine, a field in which physicians work in a highly complex environment with variable patient conditions and illnesses such that two patients are rarely the same. However, in the context of this complexity and variability, there are medical interventions common to all patients that, if missed, can lead to catastrophic consequences — for instance, if a patient drug allergy or blood type is not confirmed prior to administration of a treatment. For these mundane, yet essential tasks, a checklist may be a useful tool to guard against medical errors.

The purpose of this **Request for Proposal** is to encourage the development and expanded use of checklists in medicine and surgery to enhance patient safety. The BCBSM Foundation focuses on evidence-based projects that seamlessly integrated checklists into providers' work flow so that they could be readily adopted and utilized. We hope that checklists will become part of the culture of clinical medicine, not by mandate, but because of the power of the tool to prevent harm. We also hope that checklists will be used voluntarily by clinicians, with the support of clinical and executive hospital management.

*Kohn LT, Corrigan JM, Donaldson MS (Institute of Medicine). *To Err is Human: Building a Safer Health System*. Washington, DC: National Academy Press, 2000.

Maysaa Merhi Basha, M.D.
\$50,000

Improving Patient Safety Outcomes and Direct Hospital Costs with the Use of Patient Checklists in Acute Seizure Management

Wayne State University, Department of Neurology

Joel J. Gagnier, N.D., Ph.D.
\$50,000

Development, Implementation and Evaluation of a Checklist for Patient Handoffs

University of Michigan, Department of Orthopedic Surgery

Linda C. Schofield, R.N., Ph.D.
\$50,000

The Prevention of Delirium in the ICU

Northern Michigan Regional Hospital

Fabian Fregoli, M.D.
\$50,000

Implementing The Joint Commission Stroke Checklist

St. Joseph Mercy, Oakland

Daniel Silvasi, M.D.
\$50,000

SCIP Safety Checklist: Improving Perioperative Handover and Followup

William Beaumont Hospital Research Institute

Gary Goodman, M.D.
\$50,000

Reducing Surgical Readmissions through High Repeatability Measures

Providence and Providence Park Hospitals

Robert Sherwin, M.D.
\$49,740

A Checklist Tool to Improve the Quality of Care for Critically Ill Patients Boarded in the Emergency Department

WSU School of Medicine, Department of Emergency Medicine

Specific areas of health care deserve focused attention. Under the Request for Proposal Program, the BCBSM Foundation periodically identifies important health issues and solicits proposals. Individual topics are explored within the context of quality, cost, access to care and community health.



Arthur L. Riba, M.D., FACC
Principal Investigator

Robert C. Kornas, M.D.
Project Manager and Quality Technician

*Development, Implementation and Impact of a Daily
Coronary Care Unit Rounding Quality Checklist*

Oakwood Hospital & Medical Center

\$50,000

The purpose of the multidisciplinary Coronary Care Unit Rounding Quality Checklist is to embed a care tool in the Coronary Care Unit at Oakwood Hospital and Medical Center to assure that all evidence-based therapeutic deliverables and performance measures are applied, executed and documented on a daily basis. If any deficiencies in care are detected, the appropriate corrections are

addressed by the quality technician to improve patient outcomes, reduce medical errors and enhance patient safety. The checklist has served as an important reminder for nurses, residents and physicians to improve adherence to key care deliverables, core measures, safe practices and preventative strategies in a standardized, consistent and reliable fashion.

Proposal Development Award

Program total: \$10,500

Program guidelines

The **Proposal Development Award** is a technical assistance program that offers \$3,500 to help nonprofit organizations develop proposals for health and medical care projects. Funds awarded are restricted to proposal development costs, such as freelance proposal writers and related research and production costs. Proposals that are already complete are not eligible for funding.

Applications may be submitted at any time. Obtain application forms from the BCBSM Foundation, or download them from our website at **bcbsm.com/foundation**. Application materials should include:

- A concept paper that includes a description of the health care project, its approximate cost and an explanation of why Proposal Development assistance is needed
- Detail on potential funding sources, which may include the BCBSM Foundation and others
- Information about the nonprofit organization
- Resume of the project director
- A copy of the Internal Revenue Service 501(c)(3) federal tax exemption letter

Awards will be determined based on:

- Demonstrated need or problem
- Potential of the proposed activity to improve health and health care in Michigan
- Applicant's qualifications or organization's ability to conduct the proposed project
- Likelihood that the organization can secure funding for the proposed project

**Greater Lansing African
American Health Institute**
\$3,500

Abstinence Education Grant Program

In-Home Companion Services
\$3,500

Improving the Performance of Seniors and Caregivers

Innovative ideas for improving health care delivery are often born in community service organizations. However, because these organizations are usually lean, both in staff and resources, many valuable ideas never become reality. To implement their ideas, nonprofit organizations may need to develop proposals for funding that require specialized assistance beyond their financial reach.

The Proposal Development Award is designed to help community nonprofit organizations develop high-quality, effective proposals that will result in innovative services to improve the health of the community.



Centra Wellness Clinic

*Integrated Health – Northern Michigan
Health Coalition*

\$3,500

"We are excited about the support of the Foundation and we are pleased to have many forward-thinking organizations as partners, including the Blue Cross Blue Shield of Michigan Foundation."

*– Chip Johnston, executive director of
Centra Wellness Network*

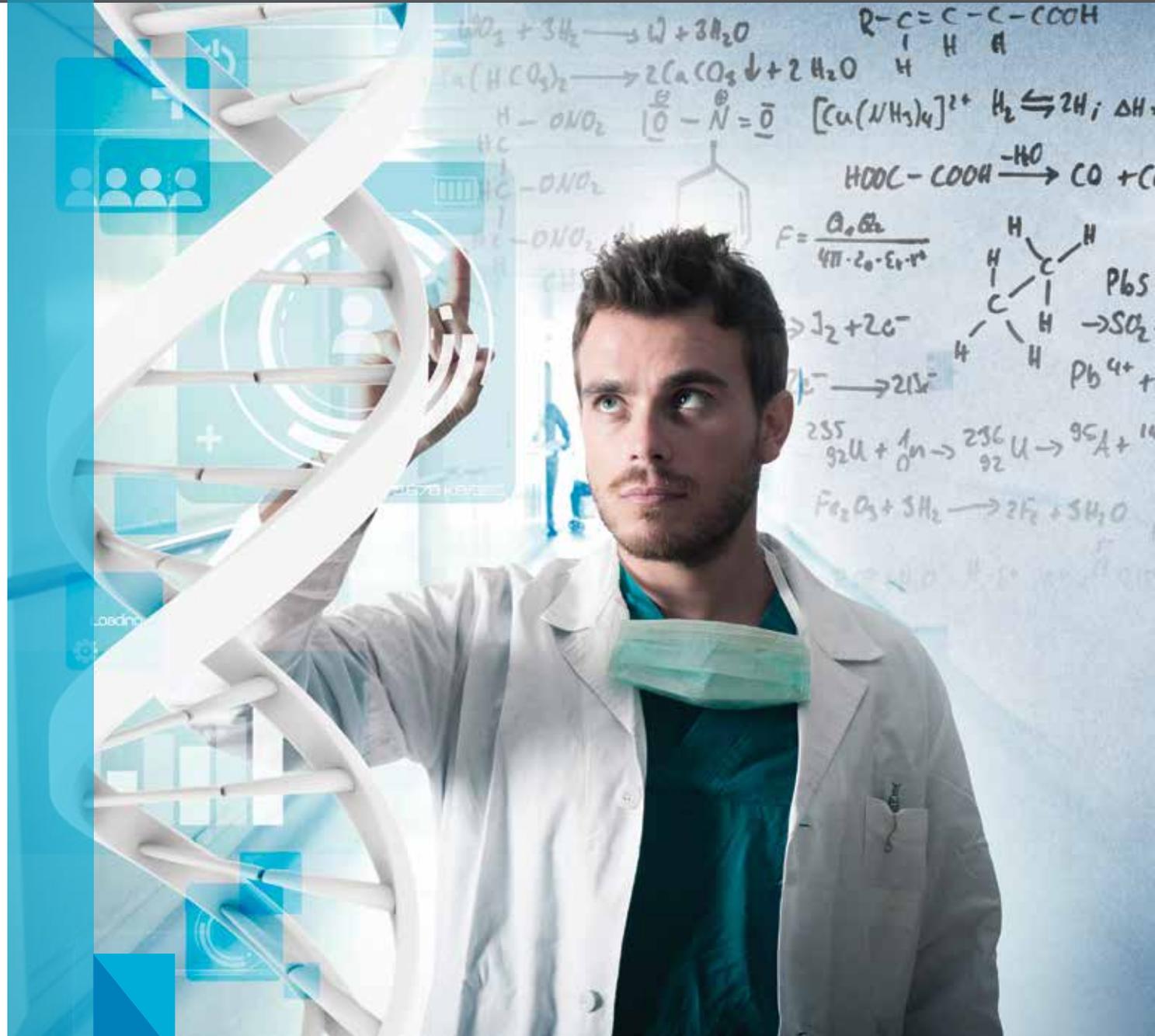
Centra Wellness Network, on behalf of the Northern Michigan Health Coalition, received a Proposal Development grant from the BCBSM Foundation to support the efforts of the Coalition. The Coalition provides access to integrated health services and support for the underserved and uninsured population of all ages with its combined network spanning 25 counties across northern and western Michigan.

This Proposal Development grant helped the Coalition apply for and receive several community grants, including a \$50,000 Community Matching grant from the Foundation in 2012.

Administration

Grant seekers should review the requirements of our individual grant programs. For more detailed information on BCBSM Foundation grant programs, please contact the Foundation program officers.

Grant proposals are reviewed by staff to determine if they meet program guidelines and objectives. Proposals are then reviewed by members of our Grants Advisory Panel. Based on Grants Advisory Panel and staff reviews, funding recommendations are presented to the Foundation Board of Directors.



Research proposal evaluation criteria

Significance of project

This criterion reflects the significance of the project as a means of understanding or ameliorating important health care problems and concerns. Applicants must document, to the extent possible, the significance of the problem being addressed, the anticipated effect of the project on the problem, and the potential for widespread dissemination and replication of the results.

New information

To what extent does the proposed project contribute new information not otherwise available? Has the intervention been tested or evaluated elsewhere? Is the research original? Is the proposed program or research particularly innovative?

Technical quality

Technical quality will be demonstrated by the clarity of the presentation, the degree to which the applicant demonstrates understanding of the problem, the description of the methodology to be employed, the suitability of the proposed analytical methods for the proposed research and the 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 the key project staff that will conduct the proposed research or implement the proposed initiative.

Feasibility

The feasibility of the project will be demonstrated by the clarity with which the applicant has described the tasks to be undertaken and the objectives to be met in carrying out the project. This includes the appropriateness and reasonableness of the budget and the feasibility of achieving project objectives within the specified time frame and budget.



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Left to right: Cynthia Weed, executive assistant;
Nora Maloy, Dr.P.H., senior program officer;
Ira Strumwasser, Ph.D., executive director and CEO;
Jacqueline Paul, program associate; and
Darlene Flowers, analyst

Officers & Board of Directors



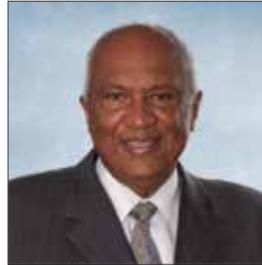
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Haifa Fakhouri, Ph.D.



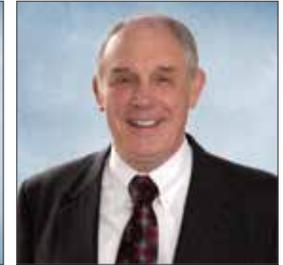
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Grand Rapids, Michigan

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Peter B. Ajluni, D.O.

Joel I. Ferguson

Financial statements

**Financial statements as
of and for the years ended
December 31, 2012 and 2011, 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, 2012 and 2011, and 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, 2012 and 2011, 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.

Deloitte & Touche LLP

March 20, 2013

BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

BALANCE SHEETS

AS OF DECEMBER 31, 2012 AND 2011

(In thousands)

ASSETS

Cash and cash equivalents

Investments

Accounts receivable – investments sold

Accrued investment income

Other assets

TOTAL

LIABILITIES AND NET ASSETS

LIABILITIES:

Grants payable

Accounts payable – affiliates

Accounts payable – investments purchased

Other liabilities

Total liabilities

NET ASSETS:

Common stock, \$100 par value – 2 shares authorized, issued, and outstanding

Unrestricted net assets

Total net assets

TOTAL

	2012	2011
	\$ 873	\$ 819
	51,742	47,478
	68	9
	166	253
	100	73
	<u>\$ 52,949</u>	<u>\$ 48,632</u>
	\$ 3,188	\$ 2,584
	699	375
	206	5
	177	118
	<u>4,270</u>	<u>3,082</u>
	48,679	45,550
	<u>48,679</u>	<u>45,550</u>
	<u>\$ 52,949</u>	<u>\$ 48,632</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, 2012 AND 2011 (In thousands)

	2012	2011
UNRESTRICTED NET ASSETS:		
Revenue:		
Investment income – net of investment expense of \$200 and \$160 for 2012 and 2011, respectively	\$ 984	\$ 1,175
Net realized and unrealized gain (loss) on investments	5,403	(1,226)
Total unrestricted revenue (loss)	<u>6,387</u>	<u>(51)</u>
Expenses:		
Grants	1,975	1,345
Supporting activities	1,283	993
Total unrestricted expenses	<u>3,258</u>	<u>2,338</u>
TOTAL INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	3,129	(2,389)
TOTAL NET ASSETS – Beginning of year	45,550	47,939
TOTAL NET ASSETS – End of year	<u>\$ 48,679</u>	<u>\$ 45,550</u>

See notes to financial statements.

BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:

	2012	2011
Increase (decrease) in net assets	\$ 3,129	\$ (2,389)
Reconciliation of increase (decrease) in net assets to net cash used in operating activities:		
Accretion of investments	(1)	(1)
Net gain on sale of investments	(1,704)	(4,086)
Unrealized (gain) loss on investments	(3,699)	5,312
Changes in:		
Accrued investment income	87	(33)
Other assets		(9)
Grants payable	604	(677)
Accounts payable – affiliates	324	84
Other liabilities	59	(16)
	<u>(1,201)</u>	<u>(1,815)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(48,916)	(30,282)
Proceeds from sales and maturities of investments	50,171	31,993
	<u>1,255</u>	<u>1,711</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS – Beginning of year

CASH AND CASH EQUIVALENTS – End of year

NONCASH SUPPLEMENTAL DISCLOSURE –

Change in net accounts payable (receivable) – investments

	54	(104)
	819	923
	<u>\$ 873</u>	<u>\$ 819</u>
	<u>\$ 142</u>	<u>\$ (3)</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, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – 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 (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.

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 and 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.

Cash Equivalents – Cash equivalents are carried at fair value and are comprised of money market mutual funds and short-term investments with initial maturities at the date of acquisition of 90 days or less.

Investments – The Foundation classifies its investments in debt and equity securities as trading, 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 – Included in various investment-related line items in the financial statements are certain financial instruments carried at fair value. 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 non-binding 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 which becomes significant with increasingly complex instruments or pricing models.

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*. It defines fair value as the price that would be received for an asset or paid to transfer a liability (exit price) in the principal 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 (Levels 1 and 2) and unobservable (Level 3).

Investment Risks – Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values in the near term could materially affect the amounts reported in the accompanying balance sheets and statements of activities and changes in net assets and cash flows.

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 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.

Adoption of New Accounting Standards – FASB issued Accounting Standards Update (ASU) 2011-04 (Topic 820), *Fair Value Measurement*, in May 2011. The amendments in this update result in common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards (IFRS). Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend for the amendments in this update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the FASB's intent about the application of existing fair value measurement requirement. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. This update was effective beginning January 1, 2012. The new standard did not have a material impact on the Foundation's financial position or results of operations.

2. INVESTMENTS

Investments, by asset category, as of December 31, 2012 and 2011, consist of the following (in thousands):

	2012	2011
Common stock and exchange traded funds	\$ 24,776	\$ 20,990
U.S. treasury securities	10,562	5,347
Asset-backed securities and collateralized mortgage obligations	1,806	4,894
Corporate notes and commercial paper	8,446	11,073
Commingled international equity fund	<u>6,152</u>	<u>5,174</u>
Total investments	<u>\$ 51,742</u>	<u>\$ 47,478</u>

The Foundation recognized net unrealized gains of \$3,699,000 and net unrealized losses of \$5,312,000 at December 31, 2012 and 2011, respectively, relating to trading investments still held at year-end.

For the year ended December 31, 2012, proceeds from the sales of investments totaled approximately \$49,376,000. Gross realized gains and losses on those sales were approximately \$2,650,000 and \$944,000, respectively.

For the year ended December 31, 2011, proceeds from the sales of investments totaled approximately \$31,278,000. Gross realized gains and losses on those sales were approximately \$4,361,000 and \$286,000, respectively.

As of December 31, 2012 and 2011, the Foundation's trading investment portfolio contained \$6,152,000 and \$5,174,000, respectively, of holdings in a commingled international equity fund that holds investments in publicly traded international equity securities. The fair market value of the fund has been determined using the net asset value (NAV) per share of the fund. Accordingly, the change in NAV is included in investment income. The Foundation can redeem its investment in this fund on a monthly basis upon written notification 30 days prior to the predetermined monthly redemption date.

3. FAIR VALUE MEASUREMENTS

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.

Financial Statements

The Foundation's financial instruments measured at fair value on a recurring basis as of December 31, 2012 and 2011, according to the valuation techniques the Foundation used to determine fair value are summarized below (in thousands):

	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
2012				
Cash equivalents	\$ 661	\$ —	\$ —	\$ 661
Common stock and exchange traded funds	\$ 24,776	\$ —	\$ —	\$ 24,776
U.S. treasury securities		10,562		10,562
Asset-backed securities and collateralized mortgage obligations		1,806		1,806
Corporate notes and commercial paper		8,446		8,446
Commingled international equity fund		6,152		6,152
Total investments	\$ 24,776	\$ 26,966	\$ —	\$ 51,742
2011				
Cash equivalents	\$ 523	\$ —	\$ —	\$ 523
Common stock and exchange traded funds	\$ 20,989	\$ 1	\$ —	\$ 20,990
U.S. treasury securities	5,347			5,347
Asset-backed securities and collateralized mortgage obligations		4,894		4,894
Corporate notes and commercial paper		11,073		11,073
Commingled international equity fund		5,174		5,174
Total investments	\$ 26,336	\$ 21,142	\$ —	\$ 47,478

U.S. treasury securities were classified as Level 2 during 2012 recognizing that there is a lack of transparency into the specific pricing of the individual securities.

Some of the Foundation's financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and liabilities include: accounts receivable – investments sold; accrued investment income; other assets; grants payable; accounts payable – affiliates; accounts payable – investments purchased; and other liabilities.

There were no financial instruments measured at fair value on a nonrecurring basis as of December 31, 2012 and 2011.

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.

Transfers into Level 3 – During the years ended December 31, 2012 and 2011, there were no transfers into Level 3.

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, 2012 and 2011, \$882,000 and \$830,000, 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 \$375,000, respectively, were due to affiliates. The majority of the transactions and balances are related 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 BCMI. Since BCMI does not exercise control over the Foundation, the Foundation is not consolidated with BCMI. The Foundation, BCBSM, and BCN have some common officers and board members.

5. SUBSEQUENT EVENTS

Management has evaluated all events subsequent to the balance sheet date of December 31, 2012 through March 20, 2013, 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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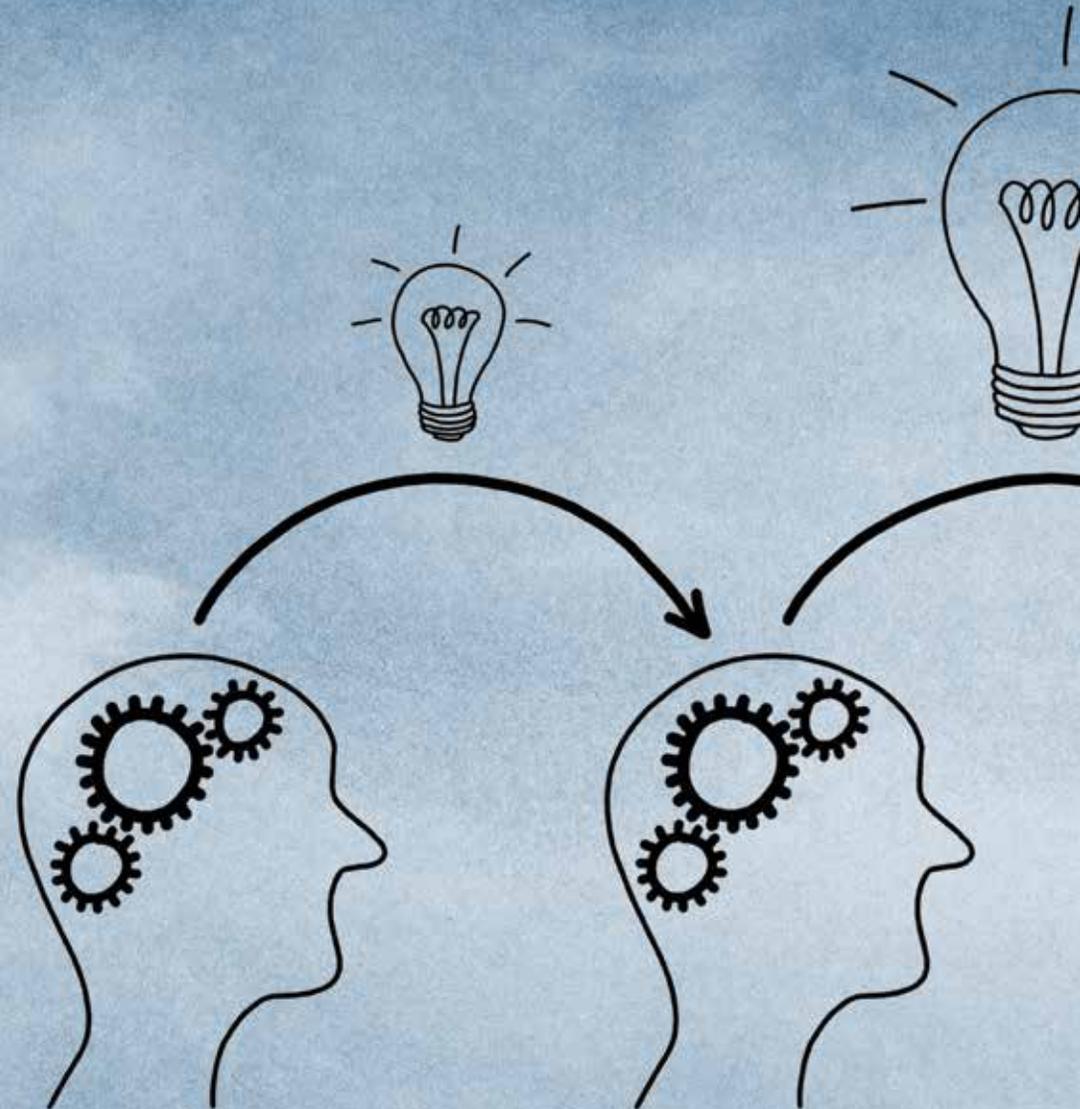
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