
Blue Cross Blue Shield of Michigan Foundation
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 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.

Our 35-year history of grant funding has 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.

Mission
The Blue Cross Blue Shield of Michigan Foundation’s mission is to support health care research and innovative programs 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

For more information and application materials please visit our website at bcbsm.com/foundation, call us at (313)-225-8706, or write to the following address:

Blue Cross Blue Shield of Michigan Foundation
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Detroit, MI 48226-2998
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For more than 35 years, improving health has been the core of the Blue Cross Blue Shield of Michigan Foundation’s purpose. This year we expanded our focus to include something that strengthens our purpose even more: empowering our community partners. These partnerships are bringing the Foundation ever closer to realizing its shared vision of a healthier Michigan, touching thousands of lives in the process.

From prestigious universities to local health clinics, these community partners have shown us over and over how much they care about Michigan’s future and are willing to use their time, talent and energy to ensure it is a healthy one.

This year, we gave nearly $2 million in grants to research quality, cost and access to care in the health care system. None of the money came from the premium payments of Blue Cross Blue Shield of Michigan members. The Foundation is funded through a donation made by Michigan doctors in 1983.

Inside the pages of this report, you’ll find the stories of how our community partners are making a difference in the lives of people they serve. Through their good works and our partnership, collectively we build a healthier Michigan.

We thank all those who have joined in our mission and eagerly anticipate the partnerships, innovation and successes that are yet to come.
The core of the Blue Cross Blue Shield of Michigan Foundation’s strength as a facilitative force in the state’s health community lies in this simple truth — *we can always do more*. This resolve guided us in our funding decisions this year.

The Foundation’s funding efforts span the state, from the Metro Detroit area to the communities of the Upper Peninsula. Within this broad scope, there are legions of amazing people with the desire to help others. They include places like the HOPE Hospitality & Warming Center, which provides a place to rest and recover for homeless people who are released from the hospital. And they include people like Angelique Day, who is making sure foster kids get the health care they need.

These people and places form the safety net that catches the uninsured and the underinsured — anyone who falls through the cracks of Michigan’s health system.

We at the Foundation are proud to invest in their ideas, which are increasing access and quality of care throughout the state. It is our hope that by continuing to invest in new ideas and practices, we will usher in a brighter future for Michigan residents.

In this annual report, we give thanks to our partners and praise the work done in 2015, but our eyes are constantly trained on the horizon as we look for more ways to support the great work being done in our state.
Imagine this: You’re standing in the doorway, watching your son play with his favorite toys. Suddenly, a familiar tune echoes in the distance, followed by the rallying cry of children everywhere: “Ice cream!” You look to your son, waiting for a reaction.

But it never comes because your child can’t hear.

This happens to parents of hearing-impaired children every day. As these parents navigate the world of the hearing impaired, they need support to help their child learn the basic skills needed to function in everyday life.

The Lions Hearing Center of Michigan, a nonprofit organization dedicated to helping the hearing impaired regardless of income level, provides a system of support for these families in need. Philip Wells, executive director of the organization, is keen to the hardships faced by parents and children affected by hearing difficulties.

“Ninety percent of deaf children have hearing parents,” said Wells. “Hearing parents often wonder ‘How do I nurture my child?’ or ‘how do I teach my child to read past age one?’ There’s a lot of need out there to help these parents do just that.”

Children and Youth Hearing Screening and Treatment Program

Early intervention for the hearing impaired is critical to long-term success. That’s why The Blue Cross Blue Shield of Michigan Foundation partnered with Lions Hearing Center to fund a hearing screening program for Michigan youth. The inability to hear can lead to delays in speech, language and academic skills. This can lead to long-lasting difficulties that may persist well into adulthood.
We’re helping these youth who have not had any intervention for years.
“Hearing loss is a devastating disability,” says Wells. “Even for adults and seniors, it leads to social isolation, not being able to communicate with family and friends, job loss and it has recently been linked to dementia. Getting people the help they need as soon as possible eliminates these barriers and often results in people simply being happier than if they were left alone.”

Wayne County Juvenile Detention Facility

Thousands of youth between the ages of 11 and 18 go through the Wayne County Juvenile Detention Facility each year. The facility is mandated to provide medical checkups, tests and screenings to each youth, including hearing. The Lions Hearing Center is the only organization currently providing these screenings.

Many of these youth have poor medical histories and care. These problems were largely the result of outdated equipment, untrained staff and poor screening environments. The Lions Hearing Center has recruited students and volunteers to help provide regular screenings with updated equipment. However, there is still room for improvement.

“We have met numerous youth with hearing problems, lost hearing aids, complaints of pain and discomfort that have not had medical intervention,” says Wells. “The challenge for us is that these youth are only at the facility for a limited time, after which they have no insurance. So we have to screen them and get them help within a very small window.”

This is a tall order, but the Lions Hearing Center has proven quite successful in their efforts to assist these youth, many of whom have never been to a doctor before.
The inability to hear can lead to delays in speech, language and academic skills.

“We’re helping these youth who have not had any intervention for years,” said Wells. “People only see the fact that they’re struggling in school. I wonder why. Maybe it’s because they can’t hear.”

The Lions Hearing Center ensures that the care they provide is safe and cost-effective, and that the young people they serve are treated with dignity and respect. Without the center’s help, the young patients would have to be handcuffed, shackled and escorted by guards to an appointment. The Lions Hearing Center believes that such treatment, coupled with substandard medical practices, has resulted in a deadly cycle that prevents troubled, hearing-impaired teens from bettering themselves.

**Intervention for a brighter tomorrow**

With the support of the Foundation, the Lions Hearing Center is changing people’s lives for the better.

“There are so many people who, without our help, would be so much more isolated, so much more withdrawn, so uninvolved and alone at home, in the community, or in the workplace,” said Wells. “I’ve seen how our work takes that away and helps them become engaged with their own circles simply by helping them to hear better. I think that’s very empowering.”
What is the key to staying healthy in later life? Diet and exercise are important, but a Wayne State University researcher has discovered that it’s more complex than that.

“We know that longevity is different for many people, but there are many conflicting arguments in the literature I have read on the subject,” said Nasim Ferdows, a doctoral candidate in economics at Wayne State University. “Different studies have identified different factors that influence aging, each drawing from a different point in life. Inspired by these studies, I hypothesized that it is actually a combination of multiple direct and indirect factors over the course of an individual’s life that determines whether someone ages well or will develop chronic health issues.”

It turns out that healthy aging starts in childhood.

“In my project, I am looking at factors such as socioeconomic status, income levels, childhood education levels, as well as parental education levels in addition to biological and health factors of aging,” explained Ferdows. “I believe that the different combinations of these numerous life factors create the variance in the quality of aging among respective groups of people.”

We witness the effects of problematic aging in our everyday lives, whether by our own experiences or those of our loved ones. How many times have we
Important steps that must be taken are decreasing childhood poverty, increasing the quality of the population’s education, and we must implement more programs to teach people about the importance of safeguarding the future of their health.
We witness the effects of problematic aging in our everyday lives, whether by our own experiences or those of our loved ones. Have you seen beloved grandparents worn down by the likes of arthritis and diabetes? What can be more familiar than taking your first steps in the morning only to realize that your knees simply cannot support you as they once could? Many people are driven to seek medical assistance, hoping for some sort of quick solution for their ailments, but most do not realize just how far back in their lives that these issues have their roots.

This research could lead to programs that specifically address aging factors at all stages of life. Nasim’s goal is to inform the state’s policy-makers and garner their support for increasing the quality of health for Michigan residents throughout their lifetimes. This task will take some time, so it is imperative that the process begins now.

“If policy advisors impose the appropriate policies today, we can possibly achieve the
It is actually a combination of multiple direct and indirect factors over the course of an individual’s life that determines whether someone ages well or will develop chronic health issues.

long-term goal of healthier generations going forward in Michigan,” said Ferdows. “Important steps that must be taken are decreasing childhood poverty, increasing the quality of the population’s education, and we must implement more programs to teach people about the importance of safeguarding the future of their health.”

It will be a long road, but this is the kind of research that will shape our future and the lives of our children.
Community health organizations often find themselves analyzing the same data over and over, leading to duplication of effort and inefficiency. Western Michigan University’s Health Data Research, Analysis and Mapping Center aims to change this by bringing collaboration and transparency to these organizations.

Western Michigan University’s Health Data Research, Analysis and Mapping Center was founded in 2013 by Amy Curtis, professor of interdisciplinary health sciences, as the perfect intersection of two opportunities.

“In public health, organizations are often on a strict budget, trying to do many things in many different areas,” says Curtis. “The Health Data Research, Analysis, and Mapping Center was a perfect win-win situation that allowed us to really help the community in a meaningful way. And the students at the university get a chance to do hands-on work using and analyzing health data. We can handle gathered data in a way that most organizations either don’t have the time or perhaps the expertise for.”

With a grant from the Blue Cross Foundation, Curtis is helping create an interactive website to be shared among universities, community organizations and health departments that will share community resource and health data for counties across Michigan. The project is aimed primarily at decreasing work duplication, which wastes resources that could be better spent in other areas.
We can handle gathered data in a way that most organizations either don’t have the time or perhaps the expertise for.
Fostering this type of collaboration in Michigan communities is one of the primary goals of the Blue Cross Foundation.

“So many groups that are trying to help those in need simply don’t know if the work they’re doing has already been done by another group,” Curtis said. “So the idea we had was that if we were going to do these analyses and handle this data, we should put it up publicly so the entire community can see it. That way, work doesn’t have to be done again and again and again.”

“The path to change is never a simple one, but it is always one worth walking.”

“Because everyone is so used to doing research on their own, whether it’s to get their own grant or otherwise, reaching the necessary level of collaboration will take time, relationship building, and trust,” said Curtis. “You really have to know your community and partners in order for this kind of vision to work.”
Building trust is not a process that can be completed in a week — it can take years. The path to change is never a simple one, but it is always one worth walking. With partners like Amy Curtis and Health Data Research, Analysis, and Mapping Center, we can help ensure that for Michigan, it will always be the right one.
Stepping into the HOPE Recuperative Center, you can immediately feel the warmth of a healing environment. This is a place where the homeless can heal after a hospital stay, surrounded by a kind and caring staff.

A shoeless victim of frostbite is released from the hospital back into the cold. Or a patient with terrible back problems is forced to sleep on park benches. Many who face the struggle of being unsheltered and alone after an illness now find hope at the HOPE Recuperative Center in Pontiac.

Initially a seasonal warming center, the HOPE Recuperative Center provides respite care year-round for recently discharged hospital patients who have nowhere to go and whose circumstances contribute to poor health and hospital readmissions.

Jason Wasserman, assistant professor of Biomedical Sciences at Oakland University William Beaumont School of Medicine, works at the Recuperative Center analyzing data collected on the homeless who stay at the center.

“What impresses me about HOPE is that they’re able to coordinate the many different services of organizations in the area,” he said. “They really understand the challenges faced by the homeless as they try to navigate the complicated system they find themselves in. What HOPE does is help them along in the labyrinth of care needed to get into housing, and I think the benefits to these people are immeasurable.”

A quick look around the recuperative center reinforces Wasserman’s words. The staff treats every resident less like patients and more like friends.

“They’re good people,” said one staff member as she adjusted a woman’s walking brace. “They just need to be treated like you, me or anyone else would expect to be treated. Like equals.”
We’re always looking to determine what partnership is missing, and what we need in order to help somebody move from homelessness to being housed more quickly.
Wasserman explained the unique position the center holds within the health community.

“If you believe as I do, that we have a responsibility to provide health care and shelter to all people, this is a no-brainer,” he said. “Providing these services obviously helps people by protecting vulnerable individuals in our society. On the other hand, if you’re concerned about the economic aspect of health care, then you too should champion recuperative care because it simply saves money. No matter what your politics are, recuperative care makes sense, holistically and economically.”

When the homeless first arrive at the center, they often appear downtrodden and sullen. However, when exposed to the friendly treatment of HOPE, there’s an almost instant shift. During a recent visit, nearly everyone there was either smiling or laughing.

“We’ve seen that the physical and mental health of the clients change for the better having been here,” Wasserman says. “With nurse counseling and individualized attention, we’ve observed a trend of less fatalistic outlook on the future, increased optimism and improved social health. They trust our nurses so much that we can’t even wait a day to record the changes in attitude or we’ll miss it.”

The passion of HOPE is so palpable in the Recuperative Center that it affects every single person who walks through their doors. They’re trying to spread that
"With nurse counseling and individualized attention, we’ve observed a trend of less fatalistic outlook on the future, increased optimism and improved social health."

passion throughout Michigan communities by partnering with other organizations, said Elizabeth Kelly, executive director of HOPE.

“Our whole organization is built around collaboration,” said Kelly. “We’re always looking to determine what partnership is missing, and what we need in order to help somebody move from homelessness to being housed more quickly. I want to do everything that I possibly can to get the right players in the same room to help anyone who finds themselves in this position and move them forward.”
Creating a healthier Michigan starts with education and collaboration. It includes encouraging and educating younger generations to take control of their bodies. The Cadillac Area YMCA continues the Y’s national legacy of youth development and social responsibility with its YouthFit program, which fosters a love for fitness in Michigan youths.

A fixture of its community since 2002, the Cadillac Area YMCA promotes health and fitness among all age groups with a variety of programs. The Cadillac branch has grown considerably from its early days when it didn’t have its own building.

“We were a lot smaller back then,” said Program Director Michael Kelso. “We did what we could—programming in the schools and other spaces, and collaborating with anyone we could. But six years ago we were able to build a traditional YMCA center complete with pool, gymnasium, classrooms, youth rooms and the like.”

“Upon finally getting a home, our efforts and reach within the community increased exponentially. And after filling up the building with programs and activities, we began reaching out in the community to serve people on-site at schools, churches, and more.”

By partnering with the Blue Cross Foundation, the Cadillac YMCA is better equipped to further develop its YouthFit program.

“The YouthFit program came about from our strong relationship with schools and a developing relationship with Munson Healthcare-Cadillac,” says Kelso, “We had already been working with Munson for years on the SeniorFit program, which targeted low-income seniors with chronic conditions. Eventually we wanted to put more focus on a different target group in need and deliver service based on our values of nutrition and fitness.”
The YouthFit program came about from our strong relationship with schools and a developing relationship with Munson Healthcare-Cadillac.
A meeting with Munson staff and a middle school led to a discussion of teens who don’t participate in extracurricular activities. This resulted in an after-school program to engage young people who are overweight or have body-image issues.

“The teenage years are a very impressionable and vulnerable time. Lack of self-confidence can be socially damaging, reduce academic performance and negatively affect psychological development. Having a body to be proud of provides a stable foundation upon which one’s development can properly take place, and YouthFit is an initiative that negotiates the balance between physical and mental health in children.

The greatness of the Cadillac YMCA and the YouthFit program lies in the fact they exemplify the level of community collaboration and health development.
Care providers can prescribe medication or activity, but they perhaps don’t have the position to engage the child. By referring them to us, we can do what they can’t.

that the Foundation sees as the future of Michigan health care. The program bridges three different sectors of the community—education, community organizations, and health providers—to create an effective project that enacts observable change in the lives around them.

“People trust us with their children,” Kelso explains, “Their children are involved in several of our programs so we have a privileged presence in their lives. Because of that trust, we’re able to tackle the more pressing issues like obesity in a way that most organizations who don’t have that level of trust can’t do.”

It’s that trust, combined with dedication, communication and collaboration that helps build healthier communities.
Kids in foster care are often at risk of health disparities. Changes in health care delivery can sometimes put these children at even greater risk. How have changes in health care affected foster children? Identifying those risks is the first step in improving health care for young people in foster care.

Angelique Day, an assistant professor at Wayne State University’s School of Social Work, has received a grant to support her research project, which looks at the effects of Michigan health care changes on foster care youth.

“Michigan is one of 12 states that have been sued by the legal organization Children’s Rights for negligent practices that have occurred in our child welfare system,” says Day. “One of the issues that Michigan was required to improve on as part of the resulting settlement was to improve the well-being of our foster children. That of course includes physical health.”

The state has since made efforts to address the health of foster care youth, one of which was to transition Medicaid insurance from a fee-for-service model to a Health Maintenance Organization (HMO) model. The goal in making the change was to more effectively coordinate the care foster children receive. However, Day explained that the change was made without any research to guide it.

“One of the interests of this study is to simply question whether or not that was a good practice for the state to do,” said Day. “And one of our research questions...
As someone exposed to social work from a young age, this work is very important to me.
asks if changing from fee-for-service to Medicaid HMO improves or reduces health care access for our population.”

Helping foster children get the health care they need is more than just a passion for Day — it’s personal.

This research is significant because of the great influence such a shift in health care delivery can exert in the lives of Michigan youth. Foster children may be a group that sits at the fringe of the health system, but the state’s decisions become the realities of thousands of young people in the state — realities that shape the people they will become in time.

Helping foster children get the health care they need is more than just a passion for Day — it’s personal.

“As someone exposed to social work from a young age, this work is very important to me,” she says. “My family was investigated for child abuse, and I was subsequently placed into foster care. I’ve lived these issues firsthand. That gives me a unique mesh of experience to bring into my work.”
I’ve lived these issues firsthand. That gives me a unique mesh of experience to bring into my work."
As people age, they want to remain independent as long as possible. But when an older person is sent home from the hospital or nursing home, the readmission rate is high. To help, the Area Agency on Aging 1-B is using technology to help seniors stay healthy and out of the hospital.

The AAA 1-B, which serves seniors in six counties in Southeast Michigan, is one of the state’s primary sources of support for senior citizens, matching them with community resources, services and programs.

Committed to keeping Michigan seniors independent as long as possible, the AAA 1-B has launched a project that will use Care at Hand technology to reduce hospital readmission rates and increase the quality of health care available to these seniors who opt to stay in their own homes.

“Hospital recidivism is a huge problem in Michigan that needs to be addressed,” explained Jim McGuire, AAA 1-B’s director of research, policy and advocacy. “Most of the reasons why seniors must readmit are not because of problems that arise in hospitals or professional facilities, but rather issues that occur once they are discharged from care.”

Care at Hand technology uses smart surveys from front-line staff – such as social workers, home health aides and doctor’s office staff – to predict the medical risks of a patient.

The Care at Hand project, made possible by the Foundation’s grant, will enable AAA 1-B to test the technology, allowing care providers to administer preventative care. With such a practice
Our intent is never to simply follow state guidelines and do the minimum for our clients and this project is proof of that.
in place, seniors would no longer have to sacrifice their independence in exchange for reliable care. They can rest easy knowing that they are being cared for at all times, no matter where they are.

McGuire said his agency is always looking for creative ways to help older adults.

“We are an organization committed to innovation,” he said. “Our intent is never to simply follow state guidelines and do the minimum for our clients and this project is proof of that. We see that we have high readmission rates and ask ourselves what we can add to the equation that will bring the situation to where we want it to be. We are always looking for something new.”

Hospital recidivism is a huge problem in Michigan that needs to be addressed.
Most of the reasons why seniors must readmit are not because of problems that arise in hospitals or professional facilities, but rather issues that occur once they are discharged from care.
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

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<thead>
<tr>
<th>Program</th>
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<tbody>
<tr>
<td>Community Health Matching Grant Program</td>
<td>$665,429</td>
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<tr>
<td>Investigator Initiated Research Program</td>
<td>$658,308</td>
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<tr>
<td>Request for Proposal</td>
<td>$400,000</td>
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<tr>
<td>Student Award Program</td>
<td>$99,000</td>
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<td>Physician Investigator Research Award Program</td>
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<td>Frank J. McDevitt, D.O., Excellence in Research Award</td>
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<td>Excellence in Research Award for Students</td>
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**Total research and program grants in 2015:** $1,954,825  
**Total membership grants in 2015:** $26,625  
**Grand total:** $1,981,450
While making strides in health research is always important to the Foundation’s efforts, 2015 showed us that there is still work to be done at the community level. There are children who need care, distraught parents with no idea how to help them and underserved communities with few to no health care options — real people facing very real issues.

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 its community members and produce a tangible effect in their lives. Through increased collaboration at the community and organizational levels, we are sowing the seeds for a future in 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.

Jewish Family Services of Washtenaw County, Inc.
$50,000
Partners in Care Concierge (PiCC) Demonstration Project
Ann Arbor

Michigan AIDS Coalition
$50,000
Integrated Testing Pilot Project
Ferndale

Oakwood Healthcare Foundation
$50,000
River Rouge Teen Health Center
Dearborn

Lions Hearing Center of Michigan
$30,200
Increase Access to Hearing Center for Children and Youth

University of Michigan – Dearborn
$50,000
The Standards and Measurement of Readiness for HIE: Exploring and Facilitating a Healthy Transition

Michigan State Medical Society Foundation
$36,000
19th Annual Bioethics Conference: Ethical Issues in Neonatal and Pediatric Care
Lansing

HOPE Hospitality & Warming Center, Inc.
$25,000
HOPE Recuperative Center and Outcome Study
Pontiac

Area Agency on Aging 1-B
$25,000
Reducing Hospitalization among the Medicaid Waiver Population through Application of Care at Hand Technologies
Southfield

Hillsdale Community Health Center
$40,000
Diabetes Education Outreach
Hillsdale

Cadillac Area YMCA
$25,000
Youth FIT
Cadillac

ACCESS Community Health & Research Center
$50,000
Be Hooka Free
Dearborn

University of Michigan, School of Public Health
$40,000
Statewide Collaborative Management of Epinephrine Use in Food Allergy in Michigan K-12 Schools

Wayne State University, College of Nursing
$15,000
Future of Nurse Scholars
Detroit
Before an innovative idea can be implemented, it must first be tested. The Investigator Initiated grant 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.

**Investigator Initiated Research Program**

**Program total: $658,308**

Indira Brar, MD
$74,805
A Pilot RCT to Prevent HIV/STDs in Detainees
Henry Ford Health System

Angelique Day, Ph.D.
$75,000
Assessing the Physical Health of Foster Care Youth
Wayne State University, School of Social Work

Kristen Loeher Votruba, Ph.D.
$95,792
Longitudinal Analysis of Emotional and Psychosocial Functioning in Patients Undergoing Blood and Marrow Transplant
University of Michigan, Department of Pediatrics

James Leonard, M.D.
$75,000
Effect of Custom Orthotic Insoles on Gait and Activity Levels in Older Persons with Diabetic Peripheral Neuropathy: An Extended, “Real World” Study
University of Michigan, Physical Medicine and Rehabilitation

Gaurav Kapur, MD
$74,259
Childhood Adversity & Risk for Pre-hypertension and Hypertension
Wayne State University, Department of Pediatrics

Peter Higgins, M.D., Ph.D.
$70,871
5-ASA to Sulfasalazine – A Cost Saving Drug Switch
University of Michigan, Department of Internal Medicine

Daniel Morgan, M.D.
$75,000
Understanding the Appropriateness of Hysterectomy
University of Michigan, Department of OB/GYN

Sandra Graham-Bermann, Ph.D.
$60,086
Early Intervention for Children Exposed to Domestic Violence Follow Up Study
University of Michigan, Department of Psychology

Robert Zalenski, M.D.
$57,495
Upholding Dignity with Advance Care Planning: An Emergency Trial of Palliative Care Screening and Consultation in Advanced Illness
Wayne State University, Department of Emergency Medicine
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. This year, the program's focus was “Specialty Care Access for Underserved Patients in Michigan.”

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 needy 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.

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

**Family Medical Center of MI, Inc.**
$100,000
*Improving Access for Medically Underserved in Southeastern MI*
Monroe

**Isabella Citizens for Health**
$100,000
*Referral Management Program*
Mount Pleasant

**The Wellness Plan Medical Centers**
$100,000
*The Wellness Plan Point of Care Specialty Care Services*
Detroit

**University of Detroit Mercy/ McAuley Health Center**
$100,000
*An Innovative Patient-Center, Nurse Driven Model to Increase Access to Specialty Care and Improve Health Outcomes*
Detroit
Student Award Program

Program total: $99,000

As a frequent partner of Michigan universities and researchers, the Blue Cross 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 contend with every day.

The Student Award Program is our way of recognizing the efforts of Michigan students to 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. All applications are due by April 30.

University of Michigan

Elisa Geiss
$3,000
Stress and Social Support in Adolescents at Risk for Depression
Department of Psychology

Maria Galano
$3,000
The Long Term Trajectory of Intimate Partner Violence on Children’s Trauma Symptoms and Post Traumatic Stress Disorder
Department of Psychology

Hannah Clark
$3,000
The Role of Executive Functioning in Mental Health Outcomes for Women and Children Exposed to Intimate Partner Violence
Department of Psychology

Katherine Foster
$3,000
Approach Bias Modification Treatment for Severe Substance Use Disorders
Department of Psychology

David Cron
$3,000
Preoperative Opioid Use and Healthcare Utilization in Surgery
Medical School

David Malewski
$3,000
Attitude and Intention to Abuse Controlled Prescription Drugs
College of Pharmacy

Gu Eon Kang
$3,000
A Pilot Longitudinal Study of Motor Behavior in Bipolar Disorder
College of Pharmacy

Michigan State University

Erica Beidler
$3,000
Examining the Psychological Differences between Those With and Without a Previous History of Concussion
Department of Psychology

Vicki Voskuil
$3,000
Predicting Physical Activity in Adolescent Girls
Department of Psychology

Amy Saxe-Custack
$3,000
A Paraprofessional-Led Intervention for Families with Overweight and Obese Children
Department of Psychology

Allison Liao
$3,000
Knowledge of Appropriate Acetaminophen Use and Potential Toxicity in College Aged Women
College of Pharmacy

Ryota Nishiyori
$3,000
Cortical Activation Patterns as Infants with Down Syndrome Develop Functional Motor Skills
Department of Psychology
<table>
<thead>
<tr>
<th>Name</th>
<th>University</th>
<th>Topic</th>
<th>Amount</th>
<th>Department of Psychology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karis Casagrande</td>
<td></td>
<td>Understanding Health Care Disparities among Families of Children with Autism Spectrum Disorder</td>
<td>$3,000</td>
<td>Department of Psychology</td>
</tr>
<tr>
<td>Victoria Marshall</td>
<td></td>
<td>Adherence to Oral Cancer Medication</td>
<td>$3,000</td>
<td>Department of Psychology</td>
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<tr>
<td>Deirdre Shires</td>
<td>Eastern Michigan University</td>
<td>Are Healthcare Providers Able and Willing to Treat Transgender Patients?</td>
<td>$3,000</td>
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<tr>
<td>Nasim Ferdows</td>
<td>Wayne State University</td>
<td>Determinants of Healthy Aging: The Role of Childhood Circumstances and Lifecycle Factors</td>
<td>$3,000</td>
<td>Department of Psychology</td>
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<tr>
<td>Ashley Osim</td>
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<td>Early Mobility with Heart Failure Patients in a Rural Hospital</td>
<td>$3,000</td>
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<td>Christina Wong</td>
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<td>Hearing Loss and Verbal Memory Assessment in Older Adults</td>
<td>$3,000</td>
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<td>Shahrazad Timraz</td>
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<td>An Exploration of Coping with Childhood Sexual Abuse of Arab American Women</td>
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<td>Department of Psychology</td>
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<td>Matthew Jasinski</td>
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<td>Family Consultation for High Risk Patients with End Stage Renal Disease</td>
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<td>Department of Psychology</td>
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<td>Eastern Michigan University</td>
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<td>Adherence to Oral Cancer Medication</td>
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<td>Department of Psychology</td>
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<td>Heidi Hendrick</td>
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<td>Child Stress and Parenting Study</td>
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<td>Department of Psychology</td>
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<td>Lauren Ostarello</td>
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<td>Concept Mapping: Item Generation for Tanning Motivation Scale</td>
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<td>Department of Psychology</td>
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<td>Lauren McSweeney</td>
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<td>Affective Deficits and Posttraumatic Stress Disorder: A Study Using Ecological Momentary Assessment</td>
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<td>Chi-Mei Lee</td>
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<td>Visuomotor Adaption in Children with Autism Spectrum Disorder</td>
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<tr>
<td>Kelly Vogt</td>
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<td>Examining Joint Attention, Social Referencing, and Theory of Mind in School Age Children for Autism Spectrum Disorder</td>
<td>$3,000</td>
<td>Department of Psychology</td>
</tr>
<tr>
<td>Aimee Moore</td>
<td></td>
<td>Application of Learned Industriousness Theory to Brain Injury Rehabilitation</td>
<td>$3,000</td>
<td>Department of Psychology</td>
</tr>
<tr>
<td>Pelin Catak</td>
<td>Western Michigan University</td>
<td>Associations between Decision Making Deficits and Excessive Overeating Subtypes in Obesity</td>
<td>$3,000</td>
<td>Department of Psychology</td>
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<tr>
<td>Carmelita Foster</td>
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<td>Does Values Based Behavioral Activation Activate: Methodological and Measurement Enhancements</td>
<td>$3,000</td>
<td>Department of Psychology</td>
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<td>Satoshi Ozeki</td>
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<td>Process Evaluation of Integrating a Computerized Treatment into a Health Care System</td>
<td>$3,000</td>
<td>Department of Psychology</td>
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<tr>
<td>Sharon Long</td>
<td></td>
<td>Impact of Appetite Awareness Therapy on Dietary Self Management in a Group of Type 2 Diabetic Clients</td>
<td>$3,000</td>
<td>Department of Psychology</td>
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<tr>
<td>Laura Stayton</td>
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<td>Investigation of Mindfulness as a Stand Alone Treatment for Victims of Interpersonal Violence</td>
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<td>Department of Psychology</td>
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<td>Julissa Duenas</td>
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<td>Acceptance and Commitment Therapy for Adolescent Emotion Regulation</td>
<td>$3,000</td>
<td>Department of Psychology</td>
</tr>
</tbody>
</table>
Physician Investigator Research Award Program

Program total: $89,838

As the professionals who bear witness to unmet health needs, unsatisfactory medical practices, and potential areas of interest firsthand, doctors occupy 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.

Ziv Tsafrir, M.D.
$10,000
Wireless Audio System for Improved Safety and Efficiency in the Robotics Operating Room
Henry Ford Health System, Women's Health Services

Matthew Sims, M.D., Ph.D.
$9,992
Screening to Predict Clostridium Difficile Infection
William Beaumont Hospital Research Institute, Infectious Diseases Research

Tolulope Sonuyi, M.D., MSc
$9,986
Detroit L.I.V.E.s.: Detroit Life is Valuable Everyday
Wayne State University, Department of Emergency Medicine

Abeer Berry, D.O.
$10,000
D-Dimer Concentration as a Mortality Predictor in Out of Hospital Cardiac Arrests: A Prospective Pilot Study
William Beaumont Hospital Research Institute, Internal Medicine

John Harris, M.D.
$10,000
Obesity and Patient Satisfaction with Hospitalization and Post Acute Care
University of Michigan, Medical School

Nirupama Kannikeswaran, M.D.
$10,000
Psychiatric Medication Errors in a PED
Children's Hospital of Michigan, Department of Pediatrics

John Strandmark, M.D.
$10,000
Prevalence and Trajectory of Dyspnea or Respiratory Distress among Patients at End of Life
Grace Hospice

Rafina Khateeb, M.D.
$9,879
Geriatric/Palliative Care Inter Professional Rounding
University of Michigan, Department of Internal Medicine

Danette Taylor, M.D.
$9,981
Effects of LSVT BIG on Parkinson's Driving Skills
William Beaumont Research Institute, Movement Disorders Program
Frank J. McDevitt, D.O., Excellence in Research Award

Program total: $40,000

The annual Frank J. McDevitt, D.O., Excellence in Research Award for Health Services, Policy and Clinical Care is one of our most cherished and prestigious awards. Named in memory of our late board chair, the award recognizes outstanding researchers who exemplify the spirit and vision of the Blue Cross Foundation with significant contributions to Michigan’s health community.

Michael S. Simon, M.D., MPH
$10,000
*Mammography Interval and Breast Cancer Mortality in Women over the Age of 75*

Journal: Breast Cancer Research and Treatment
Wayne State University, Karmanos Cancer Institute

Mark Lumley, Ph.D.
$10,000
*The Effects of Written Emotional Disclosure and Coping Skills Training in Rheumatoid Arthritis: A Randomized Clinical Trial*

Journal: Consulting and Clinical Psychology
Wayne State University, College of Liberal Arts and Sciences

Mousumi Banerjee, Ph.D.
$10,000
*Tree-Based Model for Thyroid Cancer Prognostication*

Journal: Clinical Endocrinology & Metabolism
University of Michigan, School of Public Health

Kyle Sheetz, M.D., MS
$10,000
*Patients’ Perspectives of Care and Surgical Outcomes in Michigan*

Journal: Annals of Surgery
University of Michigan, Center for Healthcare Outcomes and Policy

Excellence in Research Award for Students

Program total: $2,250

The Foundation seeks to reward exceptional research. The Excellence in Research Award for Students allows faculty members of Michigan’s universities to nominate a student who has produced outstanding research in the field of health and has published it as an article or manuscript. This award is a first step in recognizing and encouraging our youngest and brightest minds.

Leslie Markun
$1,000 Award 1st Place
*Shorter Disease Duration Correlates with Improved Long-Term Deep Brain Stimulation Outcomes in Young-Onset DYT1 Dystonia*

Journal: Neurosurgery
Central Michigan University, College of Medicine

Adam Horwitz
$750 Award 2nd Place
*Predicting Future Suicide Attempts among Adolescent and Emerging Adult Psychiatric Emergency Patients*

Journal: Clinical Child & Adolescent Psychology
University of Michigan, Department of Psychiatry & Psychology

Nasir Hussain
$500 Award 3rd Place
*A Comparison of the Types of Screening Tool Administration Methods Used for the Detection of Intimate Partner Violence: A Systematic Review and Meta-Analysis*

Journal: Trauma, Violence and Abuse
Central Michigan University, College of Medicine
Grant seekers should review the requirements of our individual grant programs. For more detailed information on Blue Cross Blue Shield of Michigan 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 who 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.
Grants Advisory Panel

Richard C. Adelman, Ph.D.
Director & Professor
Biological Chemistry
Institute of Gerontology
University of Michigan

Asheesh Bedi, M.D.
Assistant Professor
Sports Medicine and Shoulder Surgery, Med Sport
University of Michigan Health System

Adjunct Assistant Professor
Hospital for Special Surgery/Weill Cornell Medical College

Lawrence J. Baer, Ph.D.
Consultant
Grand Rapids

Jane Banaszak-Holl, Ph.D.
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School of Public Health
University of Michigan

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Professor
Department of Internal Medicine
University of Michigan

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Senior Associate Medical Director
Community Health Initiatives
Blue Cross Blue Shield of Michigan

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Michigan State University

Kirk J. Brower, M.D.
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University of Michigan Medical School

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Wayne State University
Karmanos Cancer Institute

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School of Public Health
University of Michigan

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Wayne State University

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University of Michigan Health System

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Clinical Director
Cardiovascular Center
University of Michigan

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School of Public Health
University of Michigan

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Department of Internal Medicine
Chief
Division of Infectious Diseases
University of Michigan

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Wayne State University

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Professor of Internal Medicine
Associate Chief, Division of General Medicine
University of Michigan Health System

Gary L. Freed, M.D., M.P.H.
Percy & Mary Murphy Professor of Pediatrics & Child Health Delivery
Division of General Pediatrics
University of Michigan Medical School

Stephen S. Gebarski, M.D.
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Department of Radiology
University of Michigan Medical School

Charles Given, Ph.D.
Professor
Department of Family Practice
Michigan State University

John Goddeeris, Ph.D.
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Department of Economics
Michigan State University
Beth Goldman, M.D.
Physician Consultant
Blue Cross Blue Shield of Michigan

Allen Goodman, Ph.D.
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Economics Department
Wayne State University

Carmen R. Green, M.D.
Associate Vice President and Associate Dean
Health System Office for Health Equity and Inclusion

Professor of Anesthesiology
Obstetrics & Gynecology, and Health Management and Policy
University of Michigan

John R. Griffith, M.B.A.
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Department of Health Management & Policy
School of Public Health
University of Michigan

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School of Nursing
University of Michigan

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University of Michigan

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Division Chief
Geriatric Medicine

Director
Geriatric Center & Institute of Gerontology
University of Michigan Health System

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University of Michigan

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Assistant Residency Director
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Detroit Receiving Hospital

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School of Public Health
University of Michigan

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School of Public Health
University of Michigan

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University of Michigan

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Chief
Division of General Medicine
University of Michigan Health System

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University of Michigan Medical School

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Associate Chair
Academic Affairs
Michigan State University

Lisa A. Newman, M.D., M.P., F.A.C.S.
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Breast Care Center

Deborah Oakley, Ph.D.
Professor Emeritus & Interim Director
Healthy Asian American Program
School of Nursing
University of Michigan

Kagan Ozer, M.D.
Associate Professor of Orthopedic Surgery
University of Michigan

Nola J. Pender, Ph.D., R.N., F.A.N.N.
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School of Nursing
University of Michigan
Neal W. Persky, M.D., M.P.H.
Medical Director
Glacier Hills Care & Rehabilitation Center
Geriatrics Center
University of Michigan Health System

Barbara Pieper, Ph.D., R.N., C.W.O.C.N., C.S., F.A.A.N.
Professor & Nurse Practitioner
College of Nursing
Wayne State University

Richard H. Price, Ph.D.
Barger Family Professor & Director
Interdisciplinary Program on Organizational Studies
Institute for Social Research
University of Michigan

Mary A.M. Rogers, Ph.D., P.S.E.P.
Research Director
Department of Internal Medicine
University of Michigan

Phillip Rodgers, M.D.
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Department of Family Medicine
University of Michigan Health System

Sanjay Saint, M.D., M.P.H.
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Department of Internal Medicine

Kendra Schwartz, M.D., M.S.P.H
Associate Professor
Department of Family Medicine
Wayne State University

David Share, M.D., M.P.H.
Senior Vice President
Value Partnerships
Blue Cross Blue Shield of Michigan

Medical Director
The Corner Health Center

James A. Shayman, M.D.
Professor of Internal Medicine and Pharmacology
Associate Vice President for Research — Health Sciences
University of Michigan

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Department of Internal Medicine
School of Medicine
Wayne State University

Miron Stano, Ph.D.
Professor
Department of Economics & Management
Oakland University

Marianne Udow-Phillips, M.H.S.A.
Director
Center for Healthcare Quality & Transformation

Ksenia I. Ustinova, Ph.D.
Associate Professor
School of Rehabilitation and Medical Sciences
Central Michigan University

Deborah Banazak Wagenaar, D.O.
Associate Professor
Geriatric Psychiatrist
Department of Psychiatry
Michigan State University

Teresa Wehrwein, Ph.D., R.N.
Associate Dean for Academic and Clinical Affairs
Associate Professor
College of Nursing
Michigan State University

Robert Dean Welch, M.D., M.S.
Associate Professor
Department of Emergency Medicine
Wayne State University
Detroit Receiving Hospital

Henry M. Wellman, Ph.D.
Professor of Psychology
Center for Human Growth & Development
University of Michigan

Feleta Wilson, Ph.D., R.N.
Associate Professor
School of Nursing
Wayne State University

Robert J. Zalenski, M.D.
Director of Clinical Research
Department of Emergency Medicine
Wayne State University

Robert A. Zucker, Ph.D.
Professor of Psychiatry & Psychology
Director
Addiction Research Center
University of Michigan

Ira Strumwasser, Ph.D.
Executive Director & CEO
(Retired)
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Executive Director
Audrey J. Harvey

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

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Susan Shelton

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Bruce A. Wolf, D.O.
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Grand Rapids, Michigan

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Chief of Interventional Radiology,
Huron Valley - Sinai Hospital
Director of Medical Education —
Osteopathic Division —
Detroit Medical Center
Commerce Township, Michigan
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, 2015 and 2014, 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, 2015 and 2014, 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.

**Other Matter**

The accompanying financial statements have been prepared from the separate records maintained by the Foundation and may not necessarily be indicative of the conditions that would have existed or the results of operations if the Foundation had been operated as an unaffiliated company. Portions of certain expenses represent allocations made from Blue Cross Blue Shield of Michigan Mutual Insurance Company.

April 5, 2016
Balance sheets  
As of December 31, 2015 and 2014 (In thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>2015</th>
<th>2014</th>
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<tr>
<td>Cash and cash equivalents</td>
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<td>Investments</td>
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<td>Accounts receivable — investments sold</td>
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<td>Accrued investment income</td>
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<td>28</td>
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<td>Other assets</td>
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<td>172</td>
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<tr>
<th>Liabilities and net assets</th>
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<th>2014</th>
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<tr>
<td>Liabilities:</td>
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<td>Grants payable</td>
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<td>Accounts payable — affiliates</td>
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<td>Accounts payable — investments purchased</td>
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<td>Other liabilities</td>
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<td>Total liabilities</td>
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<td>4,058</td>
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<td>Net assets:</td>
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<tr>
<td>Common stock, $100 par value — 2 shares authorized, issued, and outstanding</td>
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<tr>
<td>Unrestricted net assets</td>
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<td>56,179</td>
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<tr>
<td>Temporarily restricted assets</td>
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<tr>
<td>Total net assets</td>
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<td>56,179</td>
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<tr>
<td>Total</td>
<td>$56,914</td>
<td>$60,237</td>
</tr>
</tbody>
</table>

See notes to financial statements.
# Statements of activities and changes in net assets

For the years ended December 31, 2015 and 2014 (In thousands)

## Unrestricted net assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
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</thead>
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<tr>
<td><strong>Revenue:</strong></td>
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<td></td>
</tr>
<tr>
<td>Investment income — net of investment expense of $254 and $249 for 2015 and 2014, respectively</td>
<td>$486</td>
<td>$206</td>
</tr>
<tr>
<td>Net realized and unrealized (loss) gain on investments</td>
<td>(151)</td>
<td>3,205</td>
</tr>
<tr>
<td>Contributions</td>
<td>—</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total unrestricted revenue</strong></td>
<td>335</td>
<td>3,413</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>1,745</td>
<td>1,943</td>
</tr>
<tr>
<td>Supporting activities</td>
<td>1,635</td>
<td>1,351</td>
</tr>
<tr>
<td><strong>Total unrestricted expenses</strong></td>
<td>3,380</td>
<td>3,294</td>
</tr>
<tr>
<td><strong>Total (decrease) increase in unrestricted net assets</strong></td>
<td>(3,045)</td>
<td>119</td>
</tr>
</tbody>
</table>

## Temporarily restricted net assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporarily restricted contributions</td>
<td>150</td>
<td>—</td>
</tr>
<tr>
<td>Increase in temporarily restricted net assets</td>
<td>150</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total (decrease) increase in net assets</strong></td>
<td>(2,895)</td>
<td>119</td>
</tr>
<tr>
<td><strong>Total net assets — Beginning of year</strong></td>
<td>56,179</td>
<td>56,060</td>
</tr>
<tr>
<td><strong>Total net assets — End of year</strong></td>
<td>$53,284</td>
<td>$56,179</td>
</tr>
</tbody>
</table>

See notes to financial statements.
### Statements of cash flows

For the years ended December 31, 2015 and 2014 (In thousands)

#### Cash flows from operating activities:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Decrease) Increase in net assets</td>
<td>$(2,895)</td>
<td>$119</td>
</tr>
</tbody>
</table>

Reconciliation of (decrease) increase in net assets to net cash used in operating activities:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net gain on sale of investments</td>
<td>$(730)</td>
<td>$(9,166)</td>
</tr>
<tr>
<td>Unrealized loss on investments</td>
<td>881</td>
<td>5,961</td>
</tr>
<tr>
<td>Changes in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>17</td>
<td>(17)</td>
</tr>
<tr>
<td>Other assets</td>
<td>156</td>
<td>(2)</td>
</tr>
<tr>
<td>Grants payable</td>
<td>(344)</td>
<td>46</td>
</tr>
<tr>
<td>Accounts payable — affiliates</td>
<td>123</td>
<td>(69)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(163)</td>
<td>55</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(2,955)</td>
<td>(3,073)</td>
</tr>
</tbody>
</table>

#### Cash flows from investing activities:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investments</td>
<td>(36,573)</td>
<td>(69,625)</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>32,867</td>
<td>78,529</td>
</tr>
<tr>
<td>Net cash (used in) provided by investing activities</td>
<td>(3,706)</td>
<td>8,904</td>
</tr>
<tr>
<td>Net (decrease) increase in cash and cash equivalents</td>
<td>(6,661)</td>
<td>5,831</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents — Beginning of year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,873</td>
<td>1,042</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and cash equivalents — End of year</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$212</td>
<td>$6,873</td>
</tr>
</tbody>
</table>

Noncash supplemental disclosure — Change in net accounts receivable/payable - investments

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$47</td>
<td>$(74)</td>
</tr>
</tbody>
</table>

See notes to financial statements.
Notes to financial statements
As of and for the years ended December 31, 2015 and 2014

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 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.

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, which are carried at fair value, are composed of short term investments with original maturities of 90 days or less. If applicable, cash overdrafts are reported in the liability section of the balance sheets.

Investments — Investments in debt and equity securities are classified as trading in accordance with its intent at acquisition, 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 without identical assets on an active market, 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. 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 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 (Level 1 and Level 2) and unobservable (Level 3).

**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.

**Adoption of New Accounting Standards** — For the year ended December 31, 2015, there are 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.
2. Investments

Investments, by asset category, as of December 31, 2015 and 2014, consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>$18,896</td>
<td>$21,773</td>
</tr>
<tr>
<td>Commingled fixed income investment trust</td>
<td>16,814</td>
<td>22,530</td>
</tr>
<tr>
<td>Commingled international equity funds</td>
<td>11,541</td>
<td>8,725</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>9,372</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td><strong>$56,623</strong></td>
<td><strong>$53,028</strong></td>
</tr>
</tbody>
</table>

The Foundation recognized net unrealized losses of approximately $887,000 and $5,933,000 at December 31, 2015 and 2014, 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.

For the year ended December 31, 2015, proceeds from the sales of investments totaled approximately $32,777,000. Gross realized gains and losses on those sales were approximately $6,606,000 and $5,876,000, respectively.

For the year ended December 31, 2014, proceeds from the sales of investments totaled approximately $78,447,000. Gross realized gains and losses on those sales were approximately $9,674,000 and $508,000, respectively.
The fair values of the Foundation's securities are based on quoted market prices, where available. These fair values are obtained either from custodian banks or third party pricing services, which generally use Level 1 or Level 2 inputs for the determination of fair value in accordance with U.S. GAAP guidance.

The Foundation obtains only one quoted price for each security either from custodian banks or its third party pricing services, which is derived through recently reported trades for identical or similar securities making adjustments through the reporting date based upon available market observable information. For securities without identical assets on an active market, 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.

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 in accordance with ASU 820 guidance.

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 Corporation manages exposure to market interest rates by diversifying investments across fixed income market sectors and across various maturities. The current levels of interest rates are at or near historical lows and future increases in prevailing interest rates could have an adverse effect on our 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 commercial paper, money market and mutual fund amounts, and other securities that mature in 90 days or less. Valuation is based on unadjusted quoted prices, and classified as Level 1.

**Common Stocks** — Consist of actively traded, exchange listed equity securities. Valuation is based on unadjusted quoted prices for these securities or funds in an active market, and classified as Level 1.
Commingled International Equity Funds — Consist of international equity securities. Valuation is recorded at NAV and is based on the underlying investments in the funds, and it is classified as either Level 1, if listed market price is available, or Level 2 if investment is a commingled vehicle that holds underlying securities.

Commingled Fixed Income Investment Trust — As defined in the Declaration of Trust, underlying securities consist of corporate notes and bonds, collateralized mortgage obligations, asset backed and mortgage backed fixed income securities, commercial paper, government and agency bonds, public and private debt obligations issued by corporate and non-corporate entities and other fixed income commingled investment vehicles. Valuation is based on inputs derived directly or indirectly from observable, active market data, such as discounted cash flows, and are consistently or actively traded and classified as Level 2. The 2014 disclosure of fair value measurements for the commingled fixed income investment trust, $22,530,000, was previously presented as a Level 1 category investment and has been presented in the table below as a Level 2 category investment. The Foundation has modified the 2014 presentation of such investment to be consistent with the 2015 presentation. The modification had no impact on reported investment values in the 2014 financial statements, and the total fair value column remains unchanged.

Limited Partnerships — Consist of interests in hedge funds structured as 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 financial instruments recorded at fair value that are measured on a recurring basis at December 31, 2015 and 2014, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Fair Value Measurements Using</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
<th>Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>$ 130</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 130</td>
</tr>
<tr>
<td>Common stock</td>
<td>$ 18,896</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 18,896</td>
</tr>
<tr>
<td>Commingled fixed income</td>
<td>—</td>
<td>16,814</td>
<td>$ —</td>
<td>16,814</td>
</tr>
<tr>
<td>investment trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commingled international equity fund</td>
<td>5,774</td>
<td>5,767</td>
<td>$ —</td>
<td>11,541</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>—</td>
<td>—</td>
<td>9,372</td>
<td>9,372</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$ 24,670</td>
<td>$ 22,581</td>
<td>$ 9,372</td>
<td>$ 56,623</td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>$ 6,231</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 6,231</td>
</tr>
<tr>
<td>Common stock</td>
<td>$ 21,773</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 21,773</td>
</tr>
<tr>
<td>Commingled fixed income</td>
<td>—</td>
<td>22,530</td>
<td>$ —</td>
<td>22,530</td>
</tr>
<tr>
<td>investment trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commingled international equity fund</td>
<td>8,725</td>
<td>—</td>
<td>$ —</td>
<td>8,725</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$ 30,498</td>
<td>$ 22,530</td>
<td>$ —</td>
<td>$ 53,028</td>
</tr>
</tbody>
</table>
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, 2015 and 2014.

During 2014, no Foundation assets were measured at fair value on a recurring basis using significant unobservable inputs (Level 3), and there were no gains or losses attributed to the change in unrealized gains or losses on such investments.

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

<table>
<thead>
<tr>
<th>(Level 3)</th>
<th>Limited Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance — December 31, 2014</td>
<td>$ —</td>
</tr>
<tr>
<td>Total gains or losses (realized/unrealized):</td>
<td></td>
</tr>
<tr>
<td>Included in earnings</td>
<td>372</td>
</tr>
<tr>
<td>Purchases, issuances, and settlements</td>
<td>9,000</td>
</tr>
<tr>
<td>Sales</td>
<td>—</td>
</tr>
<tr>
<td>Balance — December 31, 2015</td>
<td>$ 9,372</td>
</tr>
</tbody>
</table>

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 is $372.

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. During the years ended December 31, 2015 and 2014, there were no transfers into or out of Level 1, Level 2 or 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, 2015 and 2014, $1,357,000 and $1,127,000, respectively, were billed from affiliates and are included in supporting activities in the “Statements of Activities and Changes in Net Assets;” and $728,000 and $605,000, 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. The Foundation, BCBSM, Blue Cross Complete of Michigan LLC, 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, 2015, through April 5, 2016, 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.