



Blue Cross Blue Shield of Michigan Foundation

2019

Annual Report

Improving Health During the Cycle of Life

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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, the Foundation's assets have grown to approximately \$60 million.

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

Our 39-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.

For more information and application materials, please visit bcbsm.com/foundation, email foundation@bcbsm.com.



Mission

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

Vision

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

Values

- Commitment to quality performance
- Honesty, integrity, collaboration and teamwork
- Effective and efficient use of resources
- Excellence in programs, grants, and communications

Presidents' Letter



Focus on the Health of Michigan Residents

The health of Michigan residents is at the center of everything we do at Blue Cross Blue Shield of Michigan. As our company continues to evolve, we are focusing our efforts on improving people's health through all stages of life. It was through our strong performance last year that we laid the foundation for the critical work we're doing today to serve our members, customers, families and each other as we navigate the COVID-19 pandemic.




We offer health care coverage to people in every Michigan ZIP code. Through our social mission activities, we help school-aged children enjoy healthy meals and physical activity, address health disparities, strengthen the safety net for the uninsured and combat chronic health conditions.

The Blue Cross Blue Shield of Michigan Foundation, one of Michigan's largest nonprofit foundations, maintains a unique focus supporting health research and innovative interventions. The Foundation partners with health care providers, the Michigan Department of Health and Human Services and philanthropic health organizations to make investments throughout the state. In 2019, the Foundation and Social Mission gave more than \$1.9 million to address critical health issues.

This investment funded community interventions that directly impacted health issues. This year's annual report highlights 37 specific community grants that include efforts to combat the opioid crisis and improve the health of Michigan mothers and babies who experience the effects of substance use disorders and neonatal abstinence syndrome.

The Foundation also has a strong history of supporting the medical research community. As the landscape of health care continues to change, we remain dedicated to helping Michigan's leading academic and clinical researchers discover innovations to improve lives and change health care.

We're pleased to share our outcomes from the past year as we continue to work with our partners to invest in the health throughout the life cycle and continue to be our communities' trusted partner in health care.



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



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

From the Executive Director and Board Chair

Family Health Throughout The Life Cycle

The COVID-19 pandemic has triggered a shift in how people live, work and receive their health care. Blue Cross and the Foundation took immediate action earlier this year with support that has included expanded telehealth services so members isolated at home could still get medical care. Blue Cross also waived costs through the end of the year for members diagnosed with COVID-19.

In 2019, the Foundation focused on the overall health and wellness of families in Michigan experiencing health crises at all stages of life. We reached across 83 counties, numerous communities and many agencies and homes where residents grapple with various health issues. Our funding investments included innovative grants to address Adverse Childhood Experiences and community programs to tackle the trauma impacting families and compromising the development of adolescents. This is our second year investing in TRAILS, a program that supports the behavioral health of students in the Detroit Public School Community District. We also have an ongoing partnership with JED and the University of Michigan to develop tools that assess the behavioral health needs of high school students.

Working with the Michigan Department of Health and Human Services, we support the health of the most vulnerable of our communities affected by substance use disorder and ensure that parents understand the value children receive from healthy sleep. Our funding supports research to pinpoint methods for maintaining brain sharpness as residents age, efforts to keep seniors healthy and safe in their homes and processes to help them make sound surgical decisions to improve their health. We've also supported efforts to educate families about end-of-life care issues.

In the Upper Peninsula, we partnered with the Superior Health Foundation to improve people's access to transportation for medical visits. Called Rides to Wellness, this comprehensive non-emergency medical transportation program is now in six counties (Chippewa, Delta, Gogebic, Luce, Mackinac, and Schoolcraft).

We're proud to continue to serve Michigan residents throughout their entire lives and hope you'll enjoy reading about these and our other accomplishments of 2019.



Audrey J. Harvey

Audrey J. Harvey

Executive Director and CEO

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

Blue Cross, BCBSM Foundation helping grow telehealth in Michigan



Blue Cross and the Blue Cross Blue Shield of Michigan Foundation partnered with the Michigan Health Endowment Fund, the Ethel and James Flinn Foundation and the Metro Health Foundation to accelerate telehealth in Michigan.

Together, they awarded nearly \$3 million to help organizations implement new procedures, set up billing services, train or add staff, educate patients about telehealth, treat uninsured patients, and procure HIPAA-compliant licenses or equipment.

“Increasing access to health care is our core mission at Blue Cross. We are proud to join forces and help equip safety net providers with the resources they will need to provide quality care during this pandemic,” said President and CEO Daniel J. Loepp. “Now, perhaps more than ever before, Michiganders need safe access to their doctors.”

Grant recipients include federally qualified health centers, behavioral health providers, human service agencies, PACE programs, Area Agencies on Aging and other safety net providers.

“There is a tremendous need for safety net providers to be able to provide telehealth services, but available resources don’t match the urgent need,” said Lynda Rossi, executive vice president, Strategy, Government and Public Affairs. “This partnership will allow organizations to quickly meet this need in communities across the state.”

Examples of the funding at work:

- Ingham Community Health Centers will establish a telehealth platform for the immediate need of supporting medical and behavioral health essential services through the COVID-19 pandemic. Over time, the infrastructure will support ongoing telehealth services to support chronic disease management for patients.
- Northwest Michigan Health Services Inc. will provide virtual medical, dental and behavioral health treatment to residents of all ages across seven counties.

Supporting Mom And Baby In The Opioid Crisis



Infants exposed to opioids in the womb live in a state of overdrive as they go through withdrawal.

The smallest noise can set off their high-pitched cries. Too much light can irritate them. They're often hard to console.

In Michigan and across the country, the prevalence of babies born physically dependent on opioids – called neonatal abstinence syndrome – continues to grow. The smallest, most vulnerable population impacted by this public health crisis now accounts for about eight of every 1,000 births in Michigan, as of 2017.

For health care professionals, early pregnancy is a critical time to reach women with a substance use disorder, and evidence indicates medication-assisted treatment is the best way for both the mother and child to have the best chance at success.

Confronting the issue takes creative thinking and unconventional methods. For doctors and nurses on the front lines, finding ways to drive better outcomes will change the lives of vulnerable babies, their families and communities.

To help health care providers address the growing crisis, Blue Cross Blue Shield of Michigan, Blue Cross Blue Shield of Michigan Foundation and the Michigan Department of Health and Human Services funded local innovative solutions through a new grant program called Addressing Perinatal Opioid Use Disorder. The program supports organizations participating in one of 10 Regional Perinatal Quality Collaboratives to improve maternal and infant health.

Grant recipients include:

- RPOC Region 1: War Memorial Hospital, Sault Ste. Marie
- RPOC Region 2: Munson Medical Center, Traverse City
- RPOC Region 4: Kent County Health Department, Grand Rapids
- RPOC Region 5: Michigan Health Improvement Alliance, Bay City
- RPOC Region 7: Sparrow Hospital, Lansing

Learn more at mibluesperspectives.com/NAS

Investing In The U.P.: Health Departments Address Unique Concerns



Undisturbed wilderness and breathtaking landscapes beckon nature enthusiasts and tourists to Michigan's Upper Peninsula. But beyond travelers making it a top spot to visit are the 300,000 people who live there year-round and face challenges when it comes to economic opportunity, health care access and chronic disease.

A comprehensive report took stock of residents' health in all 15 counties and identified four focus areas for public health officials:

- Addressing an aging population's increased health care needs
- Focusing on prevention of chronic health conditions such as obesity and substance use disorder
- Understanding the link between socioeconomic status and health
- Tackling continuing uncertainty when it comes to health care access

With support from the Blue Cross Blue Shield of Michigan Foundation, representatives from U.P. health departments conducted focus groups during 2019 to create and implement community health improvement plans.

Cathryn Beer, health officer and administrator, Western U.P. Health Department, helped spearhead the initial report and lead focus groups. She said much of the work centers on identifying existing community resources and determining where the need is greater than the support that exists, putting plans in place to fill gaps.

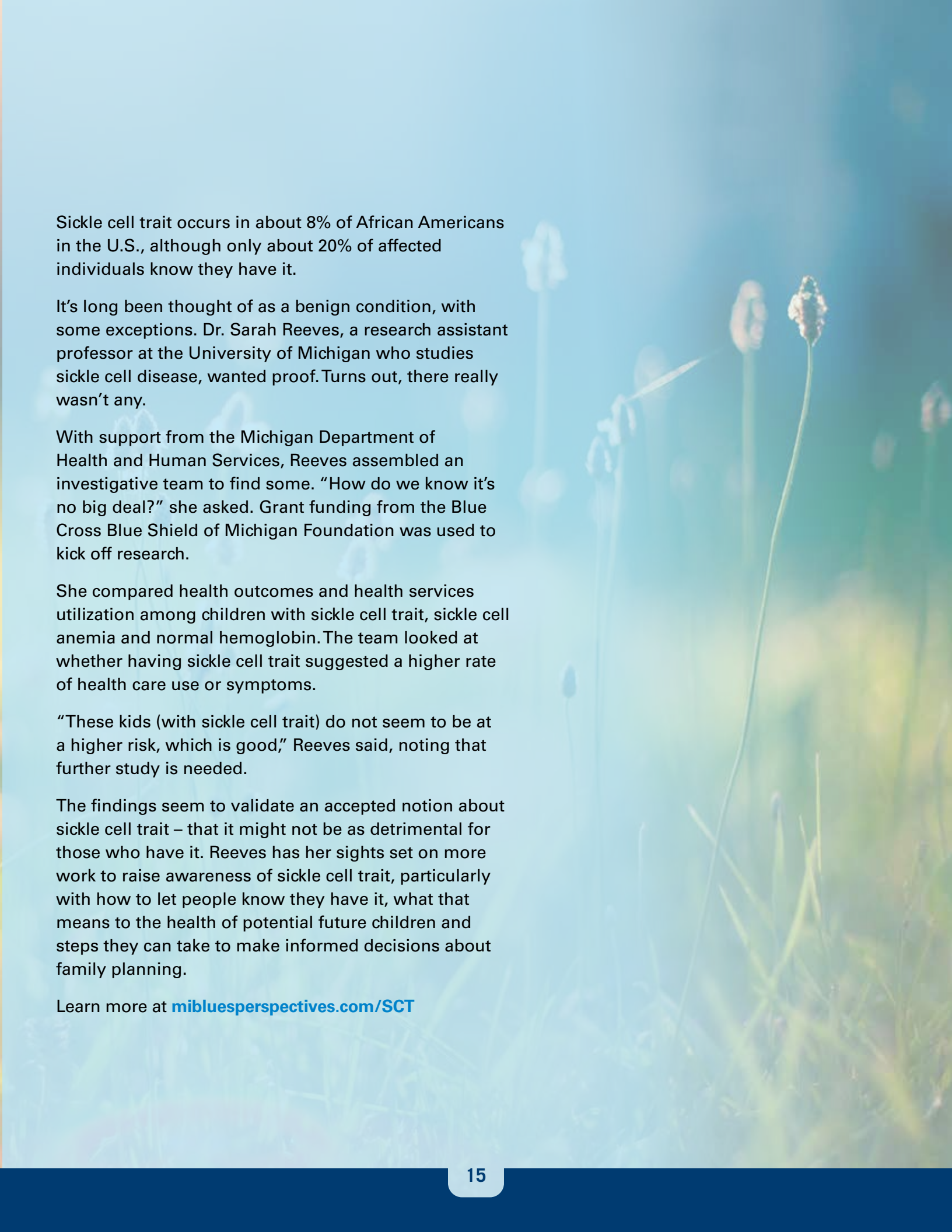
"We don't need to reinvent the wheel," she explained. "Just support some of the spokes."

This was one of 14 grants made in the Upper Peninsula in 2018. Following the development of plans through the focus group process, foundation staff plan to make additional investments in health interventions to bring plans to life.

Learn more at mibluesperspectives.com/upperpeninsula

U of M Researcher Tests Beliefs About Sickle Cell Traits





Sickle cell trait occurs in about 8% of African Americans in the U.S., although only about 20% of affected individuals know they have it.

It's long been thought of as a benign condition, with some exceptions. Dr. Sarah Reeves, a research assistant professor at the University of Michigan who studies sickle cell disease, wanted proof. Turns out, there really wasn't any.

With support from the Michigan Department of Health and Human Services, Reeves assembled an investigative team to find some. "How do we know it's no big deal?" she asked. Grant funding from the Blue Cross Blue Shield of Michigan Foundation was used to kick off research.

She compared health outcomes and health services utilization among children with sickle cell trait, sickle cell anemia and normal hemoglobin. The team looked at whether having sickle cell trait suggested a higher rate of health care use or symptoms.

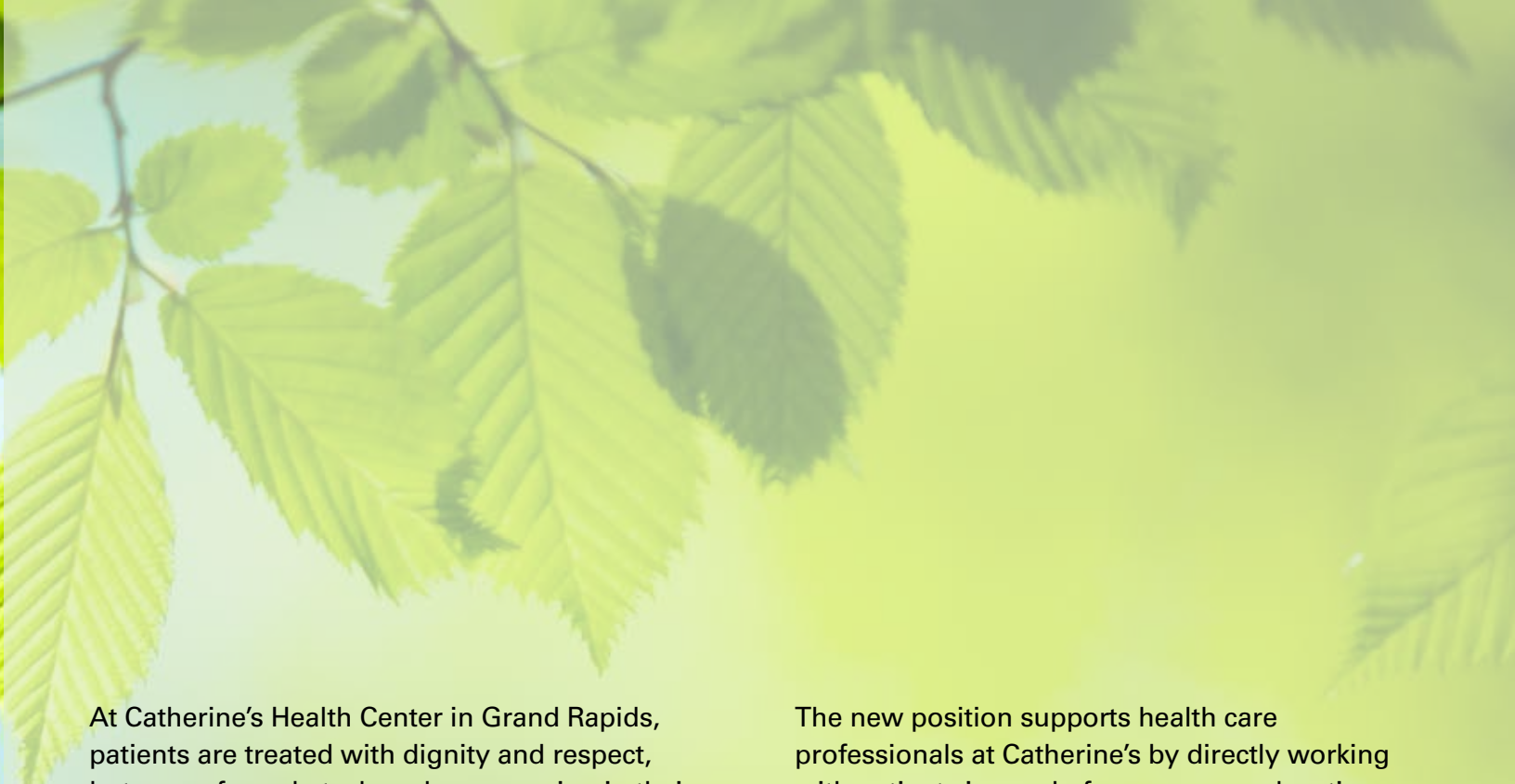
"These kids (with sickle cell trait) do not seem to be at a higher risk, which is good," Reeves said, noting that further study is needed.

The findings seem to validate an accepted notion about sickle cell trait – that it might not be as detrimental for those who have it. Reeves has her sights set on more work to raise awareness of sickle cell trait, particularly with how to let people know they have it, what that means to the health of potential future children and steps they can take to make informed decisions about family planning.

Learn more at mibluesperspectives.com/SCT

Foundation Support Enables Grand Rapids Clinic To Hire Key Health Worker





At Catherine's Health Center in Grand Rapids, patients are treated with dignity and respect, but many face obstacles when engaging in their own health care.

The safety net clinic provides more than 7,000 free and low-cost medical services a year. The people who seek care at Catherine's are often low income and uninsured or underinsured.

Executive Director Karen Kaashoek said clients served might have issues with transportation or scheduling time off work. In addition, some don't trust the medical establishment.

To bridge the gaps between the community and the clinic, Catherine's hired a community health worker. Funding for the position was made possible by a two-year \$50,000 grant from the Blue Cross Blue Shield of Michigan Foundation.

The new position supports health care professionals at Catherine's by directly working with patients in need of one-on-one education and motivational support. Kaashoek is hopeful that a trusted person who lives and works in the neighborhood served by Catherine's will decrease no-show rates at the center and improve health outcomes.

"They (community health workers) have their feet in both worlds," Kaashoek said. "They're part of the medical side but they're also a member of the community."

Kaashoek said Catherine's has been the beneficiary of a number of grants from both Blue Cross Blue Shield of Michigan and the Blue Cross Foundation. "We truly would not be where we are in our organizational development without the support."

Learn more at mibluesperspectives.com/Catherines

Study: Can Yoga And Qigong Help Breast Cancer Survivors Better Manage Pain?



Surviving breast cancer can sometimes come with an unwelcome side effect: lingering pain.

Nearly half of women who undergo surgery encounter pain for years afterward. Side effects of antiestrogen medications, such as Tamoxifen, can include bone pain and hot flashes or night sweats, which interfere with a good night's sleep – an important factor in pain management.

Dr. Judi Fouladbakhsh is an associate professor at Oakland University. Much of her life's work has focused on complementary and alternative therapies in health care. She's a yoga devotee and instructor and is embarking on research that would study the benefits of yoga and qigong for pain management in breast cancer patients and survivors. Fouladbakhsh received a \$70,000 grant from the Blue Cross Blue Shield of Michigan Foundation to fund her research.

Measurements were taken before, during and after the 12-week study. Participants reported their pain levels and how they slept. Watches monitored their sleep and rest periods. Cortisol levels were also assessed.

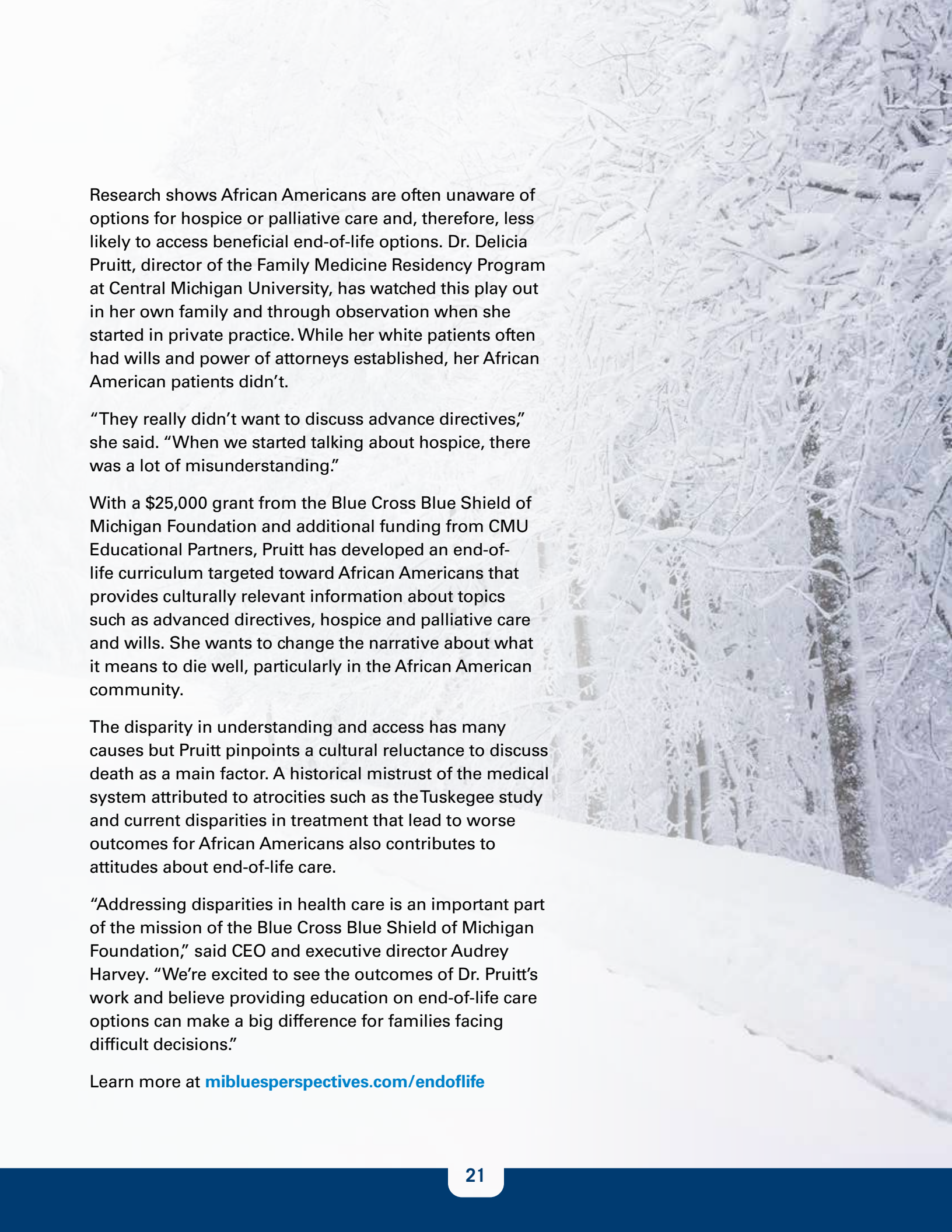
At the end of the study, Fouladbakhsh expected, a dedicated yoga and qigong practice would improve perceptions of pain, improve sleep quality and reduce stress, anxiety and fear. Fouladbakhsh, who also experiences chronic pain, said yoga breathing helps her manage pain levels when medication doesn't work. Like yoga, qigong combines meditation, focused breathing and movement.

"We know movement's a good thing," Fouladbakhsh said.

Learn more at mibluesperspectives.com/breastcancerstudy

Empowering African Americans to Make Informed End-of-Life Decisions





Research shows African Americans are often unaware of options for hospice or palliative care and, therefore, less likely to access beneficial end-of-life options. Dr. Delicia Pruitt, director of the Family Medicine Residency Program at Central Michigan University, has watched this play out in her own family and through observation when she started in private practice. While her white patients often had wills and power of attorneys established, her African American patients didn't.

"They really didn't want to discuss advance directives," she said. "When we started talking about hospice, there was a lot of misunderstanding."

With a \$25,000 grant from the Blue Cross Blue Shield of Michigan Foundation and additional funding from CMU Educational Partners, Pruitt has developed an end-of-life curriculum targeted toward African Americans that provides culturally relevant information about topics such as advanced directives, hospice and palliative care and wills. She wants to change the narrative about what it means to die well, particularly in the African American community.

The disparity in understanding and access has many causes but Pruitt pinpoints a cultural reluctance to discuss death as a main factor. A historical mistrust of the medical system attributed to atrocities such as the Tuskegee study and current disparities in treatment that lead to worse outcomes for African Americans also contributes to attitudes about end-of-life care.

"Addressing disparities in health care is an important part of the mission of the Blue Cross Blue Shield of Michigan Foundation," said CEO and executive director Audrey Harvey. "We're excited to see the outcomes of Dr. Pruitt's work and believe providing education on end-of-life care options can make a big difference for families facing difficult decisions."

Learn more at mibluesperspectives.com/endoflife

Grant program awardees



The grants offered by the Blue Cross Blue Shield of Michigan Foundation are categorized to allow for a wide range of applicants and ideas. This method increases our range of support, partnerships, grantee research and impact across the state. All who share in our mission will find opportunities to work with us to improve the health of Michigan residents.

Program award totals

Community Health Matching Grant Program

Program total: \$838,739

Investigator Initiated Research Program

Program total: \$482,565

Request for Proposal

Program total: \$350,000

Student Award Program

Program total: \$96,000

Physician Investigator Research Award Program

Program total: \$129,214

Proposal Development Award

Program total: \$35,000

Total research and program grants in 2019: \$1,931,518

Total membership grants in 2019: \$24,417

Grand total: \$1,955,935

Community Health Matching Grant Program

Program total: \$838,739

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

During 2019, community health matching grants were awarded to community agencies that sought to implement innovative solutions to address health issues that impacted all members of their communities. Communities addressed innovations needed to provide access to care that will address the health concerns of residents throughout the entire cycle of life. Grants provided were designed to address issues that addressed issues related to contraception, the sleep needs of young children, the ability of families who live in remote areas need for vaccinations, and behavioral health needs of school age children. Communities also focused attention on the care of the aging by developing interventions support healthy life styles, well trained caregivers and the need for end of life decision making models. Finally, communities continued to address the substance abuse crisis by developing interventions to reduce addiction and support the health women who seek recovery.

Applications are accepted at any time. Application materials and instructions can be found at bcbsm.com/foundation.



Brilliant Detroit

\$50,000

Brilliant Detroit HealthLink: Community Action to Improve Health
Wayne

Catherine's Health Center

\$50,000

Coordinated Care in a Safety-Net Setting
Kent

Central Michigan University

\$25,000

Teaching End of Life to African American Patients
Isabella

Chaldean Community Foundation

\$50,000

Aging Caregiver/Client Health and Wellness Training
Macomb

Concord School Linked Health Center

\$15,000

Vaccines for Children
Jackson

Grand Traverse Pavilions Foundation

\$50,000

The Program of All-Inclusive Care for the Elderly North Serving Northern Michigan
Grand Traverse

Health Department of Northwest Michigan

\$50,000

Mom Power Northern Michigan
Emmet

Henry Ford Hospital

\$50,000

Piloting the Contraception Counseling and Referral in the Emergency Department Intervention
Wayne

McFarlan Charitable Corporation

\$50,000

Senior Health Center
Genesee

Michigan League for Public Policy

\$50,000

Kids Count in Michigan
Ingham

Mid-Michigan District Health Department

\$49,500

Gratiot Isabella Prescription for Health
Montcalm

Michigan Osteopathic Association

\$20,000

Opioid Prescriber Educational Track
Ingham

Michigan State Medical Society

\$36,000

23rd Annual Conference on Bioethics
Ingham

Muskegon YMCA

\$25,000

Families in Community Combat Childhood Obesity: Healthy Weight and Your Child
Muskegon

National Kidney Foundation of Michigan

\$50,000

Preventing Diabetes in High Risk Michigan Communities
Washtenaw

Project Healthy Community

\$50,000

Project Healthy Community Family Wellness Center
Oakland

State of Michigan Department of Health and Human Services

\$10,214

Healthy Sleep Habits Kindergarten Student and Parent Education Program
Oakland

The Jed Foundation

\$25,000

Healthy Minds Study for High Schools
Statewide

University of Michigan

\$50,000

Implementing TRAILS 3-Tiered Model of Mental Health Programming in Detroit Public School Community District, Year 2
Washtenaw

Wayne Metropolitan Community Action Agency

\$25,000

A Community Solution to Trauma
Wayne

World Medical Relief

\$50,000

Pathway to Better Health for Low-Income Diabetic Patients
Oakland

YMCA of Greater Grand Rapids

\$8,025

Pedaling for Parkinson's
Kent

Investigator Initiated Research Program



Program total: \$ 482,565

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

In 2019, the investigator researchers received grants to address a wide variety of health issues that impact the of quality and cost of health care. The quality of care received by residents requiring cardiac care in the emergency room or whom undergo surgery and will require pain medication. Also, the needs of women pregnant and those recovering from breast cancer are being addressed by researchers at who seek to understand the impact of their treatments and look for ways to alleviate their discomfort. Finally, researchers sought to improve overall care provided in a family practice by investigating the ways assist primary care doctors in addressing acute eye disorders.

Applications are accepted at any time. Application materials and instructions can be found at bcbsm.com/foundation.

Alexander Brescia, M.D.

\$70,000

The Impact of Non-Pharmacological Interventions on Patient Experience, Opioid Use, and Healthcare Utilization in Adult Cardiac Surgery Patients
University of Michigan, Department of Cardiac Surgery

Sarah Comstock, Ph.D.

\$70,000

Antibiotic Use During Pregnancy and Antibiotic Resistance in Offspring
Michigan State University, Department of Food Science and Human Nutrition

Judith Fouladbakhsh, Ph.D., RN, AHN-BC, PHCNS-BC, CHTP

\$70,000

A Pilot Study of Yoga Therapy and Qigong for the Self-management of Pain among Estrogen-Receptor Positive Breast Cancer Survivors
Oakland University, School of Nursing

Nicholas Harrison, M.D.

\$62,658

Right Ventricular Echocardiography in the Emergency Department for Acute Heart Failure
Wayne State University, Department of Emergency Medicine

Maher El-Masri, Ph.D., RN, FAAN

\$69,907

Examining the Efficacy of a Novel Stress Reduction Training on The Reversal of Prediabetes: A Feasibility Study
Wayne State University, College of Nursing

Maria Woodward, M.D.

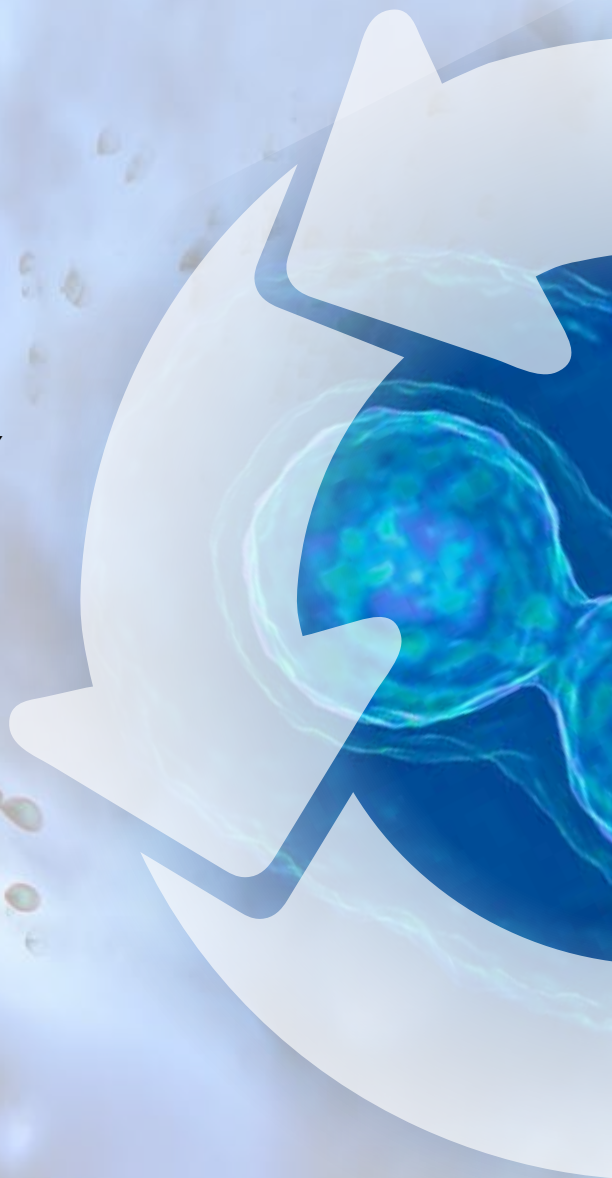
\$70,000

Acute Eye Infections Managed in Primary Care Settings: Identifying At-Risk Patients and Clinical Risk Factors
University of Michigan, Department of Ophthalmology and Visual Sciences

Philip Zazove, M.D.

\$70,000

The Impact of Hearing Loss on Hospital Readmissions
University of Michigan, Department of Family Medicine



Request for Proposal

Program total: \$ 350,000

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.

In 2019, the foundation continued our focus addressing the health issues of the Michigan's Upper Peninsula and the substance use disorder suffered by the residents of Michigan.

The Rides to Wellness program is a comprehensive non-emergency medical transportation program that will provide to build a transportation service in all 15 counties in the Upper Peninsula. The foundation is one of multiple partners in the grant.

The five health organizations across the state received the combined total of \$300,000 in grant funding to begin new projects, enhance or expand existing projects to prevent and treat opioid use disorder among women, their children and infants during prenatal, pregnancy and postpartum periods. The funding was provided through the "Addressing Perinatal Opioid Use Disorder" initiative, a new public-private collaboration between the Michigan Department of Health and Human Services, Blue Cross Blue Shield of Michigan and the Blue Cross Blue Shield of Michigan Foundation.



Request for Proposal: UP Invest

Superior Health Foundation

\$50,000

Medical Transportation in the U.P.

Marquette

Request for Proposal: Addressing Perinatal Opioid Use Disorder

Ingham County Health Department

\$74,695*

Bridging the Gaps: Mobile Healthcare Unit

Ingham

Kent County Health Department

\$50,000*

MIRecovery.info Enhancement

County

Saginaw County Community

\$66,779*

Centering Pregnancy for Women with Substance Use Disorders

Saginaw

Munson Healthcare Regional Foundation

\$64,135*

Northern Michigan Perinatal Substance Use HT2 Screening, Brief Intervention and Treatment Expansion

Grand Traverse

Upper Peninsula Health Care Solutions, Inc.

\$44,391*

Family Centered Care for Opioid Exposed Babies

Marquette

*Amount includes partnership monies

Physician Investigator Research Award Program



Program total: \$ 129,214

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

The 2019 Physician Investigator Research awards focused on the quality of the patient experience and the cost of health care. These grants represent an evaluation of a narrow improvement plan that can be shared across medical facilities and often enlarged with additional funding after the pilot has been completed. The funded awards are working to evaluate models for decision making for infants evaluation of hearing loss, evaluating the impact of cardiac events, understanding and evaluating the health issues of senior residents and helping mothers understand the impact of their choices to use marijuana during pregnancy.

Applications are accepted at any time. Application materials and instructions can be found at bcbsm.com/foundation.



Alexandra Halalau, M.D.

\$9,979

Incidence of Major Adverse Cardiovascular Events in Patients with Prediabetes

William Beaumont Hospital, Internal Medicine

Raza Haque, M.D.

\$10,000

Brain Sharpness Initiative: Keeping Your Wits in Your Golden Years

University of Michigan, Department of Family Medicine

Ryan Howard, M.D.

\$10,000

Improving the Safety and Cost of Ventral Hernia Repair Through Preoperative Risk Reduction

University of Michigan, Department of Surgery

John Hebert, M.D.

\$10,000

Counseling on Marijuana Use During Pregnancy: Sending a More Effective Message to Our Patients

Hurley Medical Center, Obstetrics & Gynecology

Alexandra Norcott, M.D.

\$9,240

Understanding the Surgical Experience of Older Adults and Caregivers

University of Michigan, Geriatric and Palliative Medicine

Russell Pajewski, M.D.

\$10,000

Assessing the Sustainability of a Street Medicine Program at the University of Michigan Medical School

University of Michigan, Internal Medicine

Alex Friedman Peahl, M.D.

\$10,000

Human Centered Design to Improve the Prenatal Care Experience and Engagement for Low-Income Women in Detroit

University of Michigan, Obstetrics & Gynecology

Megan Pesch, M.D.

\$10,000

A Targeted Congenital Cytomegalovirus Screening Program for Infants with Hearing Loss

University of Michigan, Department of Pediatrics

Ana De Roo, M.D.

\$10,000

Polygenic Risk Scoring in Surgical Decision Making for Diverticulitis

University of Michigan, Department of Surgery

Sanjay Saint, M.D., MPH

\$10,000

Pilot Testing & Validation of the Physician Wellness Survey

University of Michigan, Internal Medicine

Srijan Sen, M.D., Ph.D.

\$10,000

Prevalence and Impact of PTSD in Physicians: Findings from the Intern Health Study

University of Michigan, Department of Psychiatry

Nadine Talia, M.D.

\$9,997

Evaluating Outcomes in Severe Sepsis and Septic Shock without Lactic Acidosis

William Beaumont Hospital, Emergency Medicine

Sarah Yonder, M.D.

\$9,998

Geriatric Education and Awareness of the Silent Killer: Aortic Stenosis

Central Michigan University, College of Medicine

Student Award Program

Program total: \$ 96,000

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

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

The 2019 Student Award Program provided support for the research of 38 students at five Michigan universities.

All applications are due by January 15. Find materials and instructions at bcbsm.com/foundation



Central Michigan University

Aubrey Borgen

\$3,000

Family Environment and Child Obesity: Identifying Key Factors

Central Michigan University

Department of Psychology

Gregory Goshgarian

\$3,000

Neonatal Outcomes in Prenatal Opioid Use: A Multicenter Investigation of the Impact of Choice and Timing of Opioid Maintenance Therapy on Neonatal Outcomes

Central Michigan University

College of Medicine

Morsi Rayyan

\$3,000

Improving the Use of Bedside Ultrasound for the Rapid Diagnosis of Acute Heart Failure in a Community Emergency Department

Central Michigan University

College of Medicine

Henry Haley

\$1,500

Geriatric Education and Awareness of the Silent Killer: Aortic Stenosis

Central Michigan University

College of Medicine

Jacob Lynn

\$1,500

Geriatric Education and Awareness of the Silent Killer: Aortic Stenosis

Central Michigan University

College of Medicine

Caleb Pawl

\$1,500

Recreational Marijuana: Determining Whether Correlating Factors Exist Between Cannabis Legalization and Injuries or Mental Health

Central Michigan University

College of Medicine

Angela Hong

\$1,500

Recreational Marijuana: Determining Whether Correlating Factors Exist Between Cannabis Legalization and Injuries or Mental Health

Central Michigan University

College of Medicine

Olivia Samoray

\$1,500

Healthcare Barriers for People with Disabilities: The Community and Physicians' Perspectives

Central Michigan University

College of Medicine

Madelyn Aittama

\$1,500

Healthcare Barriers for People with Disabilities: The Community and Physicians' Perspectives

Central Michigan University

College of Medicine

Ashley Dean

\$1,500

Overcoming Barriers in HPV Vaccination & Increasing Vaccination Rates in Rural Michigan

Central Michigan University

College of Medicine

Rachel Cleminson

\$1,500

Overcoming Barriers in HPV Vaccination & Increasing Vaccination Rates in Rural Michigan

Central Michigan University

College of Medicine

Judy Kafelghazal

\$3,000

Smoking Cessation Outcomes of SCRIPT in Saginaw, Michigan

Central Michigan University

College of Medicine

Mahmoud Zeidan

\$3,000

Healthcare Outcomes in Psychiatric Disorders & Substance Use in the Emergency Department

Central Michigan University

College of Medicine

Roxanne Aleman

\$3,000

Oseltamivir Underdosing in Hospitalized Patients

Central Michigan University

College of Medicine

Eastern Michigan University

Ted Allaire

\$3,000

Classical-Test and Latent-Trait Analysis of the PHQ-9 and GAD-7 During Acute Rehabilitation, Post-Spinal-Cord Injury

Eastern Michigan University
Department of Psychology

Jennifer Battles

\$3,000

Mindfulness of What? Impact of Awareness - and Acceptance-Focused Mindful Eating Techniques on Eating Outcomes

Eastern Michigan University
Department of Psychology

Morgan Wright

\$3,000

Examining the Relationship Between Motor Skill Performance & Physical Activity in Children with and Without Autism Spectrum Disorder

Eastern Michigan University
Department of Psychology

Michigan State University

Maria Bule

\$1,000

A Community-Centered, Interactive Approach to Human Trafficking Education for Primary Care Providers in Flint, Michigan

Michigan State University
Osteopathic Medicine

Linh-An Cao

\$1,000

A Community-Centered, Interactive Approach to Human Trafficking Education for Primary Care Providers in Flint, Michigan

Michigan State University
Osteopathic Medicine

Diana Chen

\$1,000

A Community-Centered, Interactive Approach to Human Trafficking Education for Primary Care Providers in Flint, Michigan

Michigan State University
Osteopathic Medicine

Isabella Felzer-Kim

\$3,000

How Does Daily Habitual Physical Activity Relate to Sleep Quality the Following Night in Children with Autism?

Michigan State University
Department of Kinesiology

Natasha Fowler

\$3,000

Binge Eating in Women Taking Combined Oral Contraceptives: Does Stress Increase Risk?

Michigan State University
Department of Psychology

Jade Kobayashi

\$3,000

Developmental Predictors of Intimate Partner Violence in Young Adult Relationships

Michigan State University
Department of Psychology

Christopher Webster

\$3,000

Strength Training Exercise and Positive Self-Talk for Survivors of Sexual Assault and Gender-Based Violence

Michigan State University
Department of Psychology

Kyle Petit

\$3,000

The Relationship Between Habitual Physical Activity and Recovery Outcomes Following Concussion Diagnosis

Michigan State University
Department of Kinesiology



Wayne State University

Abeer Aseeri

\$3,000

Health Literacy, Social Support, and Diabetes Self-Care Among Individuals of Arabic Descent

Wayne State University

College of Nursing

Alyssa Mattes

\$3,000

Prenatal & Postnatal Growth in Relation to Executive Function & Language Outcomes in Preterm Born Preschoolers

Wayne State University

Department of Psychology

Kenneth Elkin

\$3,000

Study of Photoacoustic Hidradenitis Suppurativa-Specific Radiomic Signatures

Wayne State University

Medical School

Erin Snapp

\$3,000

Restorative Yoga for Individuals with a Traumatic Brain Injury to Improve Quality of Life

Wayne State University

Department of Kinesiology

Sarah Patrick

\$3,000

Detecting Simulated Versus Bona Fide Traumatic Brain Injury Using Pupillometry

Wayne State University

Department of Psychology

Christian Huber

\$3,000

Applicability of New Periprosthetic Joint Infection Diagnoses Classification System in Immunocompromised Postoperative Total Hip & Knee Arthroplasty Patient Populations

Wayne State University

Medical School

Davia Steinberg

\$3,000

Using a Holistic Lens of Adolescent Sexuality to Understand the Onset of Girls' Sexting

Wayne State University

Department of Psychology

Amber Sepsey

\$3,000

Yoga as a Complimentary & Alternative Medicine for Teacher Psychological Distress & Burnout: The Impact of Online Yoga

Wayne State University

Department of Psychology

Monica De Iorio

\$3,000

Perspective-Taking & Relationship Quality in Traumatic Brain Injury & Caregiver Dyads

Wayne State University

Department of Psychology

Mona Alanazi

\$3,000

Determinants of Successful Diabetes Self-Management Behaviors Among Arab-American Women with Type 2 Diabetes

Wayne State University

College of Nursing

Western Michigan University

Kathryn Schurr

\$3,000

Evaluating the Longitudinal Relationship Between Serum 25-Hydroxy Vitamin D & Hemoglobin A1c in American Adults

Western Michigan University

College of Health and Human Services

Erica Johnson

\$3,000

Mindfulness & Technology: Evaluating an Online Mindfulness Intervention for Symptoms Related to Sexual Assault

Western Michigan University

Department of Psychology

Nancy Hock

\$3,000

The Use of Thermal Ultrasound and Passive Stretch to Increase AROM in Wrist Following Distal Radius Fracture

Western Michigan University

College of Health and Human Services

Proposal Development Award



Program total: \$ 35,000

Crafting a proposal that captures what makes an application for funding for an innovative health project stand out from the rest can be challenging, and often requires special grant writing resources. The Proposal Development Award is designed to help organizations get the services of grant writers to prepare applications that draw the attention of grant makers of local, national private and public funders. It provides funding for capacity to build important Michigan organizations.

Applications are accepted at any time. Application materials and instructions can be found at bcbsm.com/foundation.



All Things Women, Inc

\$3,500

Mothers and Babies Program
Wayne

New Day Foundation for Families

\$3,500

New Day Foundation Financial Treatment Initiative
Oakland

Baxter Community Center

\$3,500

Freelance Grant Proposal Development Series
Kent

North Star Reach

\$3,500

North Star Reach Summer Camp
Washtenaw

Abundant Life Mission Inc.

\$3,500

*The Child and Adult Care Food Program (CACFP)
Enrollment*
Menominee

Mackinac Straits Health System

\$3,500

*Securing Rural Ambulance Response and Service:
Building of the Future for Healthcare*
Mackinac

Ele's Place Michigan

\$3,500

Ele's Place Evaluation Project
Ingham

Covenant House Michigan

\$3,500

*Mentorship Program for Homeless Youth Existing to
Permanent Housing*
Wayne

Northern Michigan University

\$3,500

*Northern Michigan Center for Rural Health: A HRSA
Development Grant Project in the Upper Peninsula
Michigan*
Marquette

Michigan Tech University

\$3,500

*U.P. Grant Planning Workshops: Developing
Academic- Community Partnerships to Improve
Health*
Houghton



Administration



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

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



Research proposal evaluation criteria

Significance of project

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

To the extent possible, applicants must document the:

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

New information

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

This criterion additionally evaluates whether or not the:

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

Technical quality

This is demonstrated by the:

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

Qualifications of project staff

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

Feasibility

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

Grants Advisory Panel



Our Grants Advisory Panel consists of health care professionals from across Michigan. They help us assess proposals and decide which projects are worthy of funding.

Lawrence J. Baer, Ph.D.

Consultant
Grand Rapids

Jane Banaszak-Holl, Ph.D.

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

John E. Billi, M.D.

Associate Vice President for Medical Affairs
Professor
Department of Internal Medicine
University of Michigan

Clifford L. Broman, Ph.D.

Professor
Department of Sociology
Michigan State University

Kirk J. Brower, M.D.

Professor
Department of Psychiatry
Medical School
University of Michigan

Robert Burack, M.D., M.P.H.

Professor
Internal Medicine
Wayne State University
Detroit Medical Center

Cleopatra Howard Caldwell, Ph.D.

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School of Public Health
University of Michigan

Derek E. Dimcheff, M.D., Ph.D.

Instructor
Department of Internal Medicine
Medical School
University of Michigan

Kim Eagle, M.D.

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Medical School
University of Michigan

Daniel Eisenberg

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School of Public Health
University of Michigan

N. Cary Engleberg, M.D.

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Medical School
University of Michigan

Scott A. Flanders, M.D.

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

Gary L. Freed, M.D., M.P.H.

Professor
Pediatrics and Communicable Diseases
Health Management and Policy
Division of General Pediatrics
University of Michigan Medical School

Megan C. Frost, Ph.D.

Chair Kinesiology and Integrative Physiology
Associate Professor of Kinesiology and Integrative
Physiology
Affiliate Associate Professor of Biomedical Engineering
Affiliate Associate Professor of Material Science and
Engineering
Michigan Technological University

Charles Given, Ph.D.

Professor
Department of Family Practice
Michigan State University

John Goddeeris, Ph.D.

Professor
Department of Economics
Michigan State University

Allen Goodman, Ph.D.

Professor
Economics Department
Wayne State University

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

Medical Director
Blue Care Network of Michigan

John R. Griffith, M.B.A.

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

James R. Holmes, M.D.

Assistant Professor
Orthopedic Surgery
Division of Foot & Ankle Surgery
University of Michigan

Phillip Levy, M.D., M.P.H., FACEP

Associate Director of Clinical Research
Department of Emergency Medicine
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Detroit Medical Center

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Professor
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School of Public Health
University of Michigan

Richard L. Lichtenstein, Ph.D.

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

Gina Lynem-Walker, M.D.

Case Management Medical Director
Blue Cross Blue Shield of Michigan



Nora Maloy, Dr.PH, M.H.S.A.

Adjunct Clinical Instructor
Department of Global Reach
University of Michigan Medical School
Director of Programs (Retired)
BCBSM Foundation

Milisa Manojlovich, Ph.D., R.N., C.C.R.N.

Associate Professor
School of Nursing
University of Michigan

Tamara McKay, Ph.D., L.P.

Clinical Psychologist
Behavioral Care Solutions

Laurence McMahon, M.D., M.PH.

Professor
Department of Internal Medicine
University of Michigan Health System

Sharon Milberger, Sc.D.

Director
Development Disabilities Institute
Wayne State University

Kagan Ozer, M.D.

Associate Professor
Orthopedic and Plastic Surgery
University of Michigan

Neal W. Persky, M.D., M.PH.

Assistant Professor Emeritus
Internal Medicine, Medical School
University of Michigan

Barbara Pieper, Ph.D., R.N., C.W.O.C.N., C.S., F.A.A.N.

Professor Emeritus
College of Nursing
Wayne State University

Phillip Rodgers, M.D.

Professor
Department of Family Medicine & Internal Medicine
University of Michigan

Sanjay Saint, M.D., M.PH.

Chief of Medicine
VA Ann Arbor Healthcare System
Professor
Department of Internal Medicine
University of Michigan

Kendra Schwartz, M.D., M.S.PH

Professor
Department of Family Medicine and
Public Health Sciences
School of Medicine
Wayne State University

James A. Shayman, M.D.

Professor
Internal Medicine and Pharmacology
University of Michigan

Michael Simon, M.D., M.PH.

Professor
Department of Oncology
School of Medicine
Wayne State University

Miron Stano, Ph.D.

Professor Emeritus
Department of Economics & Management
Oakland University

Ira Strumwasser, Ph.D.

Executive Director & CEO (Retired)
BCBSM Foundation

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

Lori J. Warner, Ph.D., LP, BCBA-D

Director
HOPE Center
Center for Human Development
Beaumont Hospital

Teresa Wehrwein, Ph.D., R.N.

College of Nursing
Michigan State University

Robert Dean Welch, M.D., M.S.

Professor and Director of Clinical Research
Department of Emergency Medicine
Wayne State University
Detroit Receiving Hospital

Henry M. Wellman, Ph.D.

Professor
Center for Human Growth & Development
University of Michigan

Ann Flanagan Whall, Ph.D., RN, FAAN, FGSA

*Allesse Endowed Chair in Gerontological
Nursing*
School of Nursing
University of Michigan

John R.C. Wheeler, Ph.D.

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

Robert A. Zucker, Ph.D.

Professor
Department of Psychiatry
University of Michigan

Foundation Staff, Officers and Board of Directors

Staff



Audrey J. Harvey,
MPH, CPH
Executive Director
and CEO



Kelly Brittain, Ph.D, RN
Senior Program Officer



Myra M. Tetteh,
MPP, PhD
Senior Program Officer



Elba Huerta
Senior Analyst



Susan Shelton
Executive Assistant
and Secretary

Officers

Chairwoman

Shauna Ryder Diggs, M.D.

Vice Chairman

Joel I. Ferguson

President

Lynda M. Rossi

Executive Director

Audrey J. Harvey

Treasurer

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

Secretary

Susan Shelton

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Finance committee

Chairman

James K. Haveman

Shauna Ryder Diggs, M.D.

Haifa Fakhouri, Ph.D.

Grants committee

Chairman

Bruce A. Wolf, D.O.

Vice Chairwoman

Shauna Ryder Diggs, M.D.

Joel I. Ferguson

James K. Haveman

Thomas L. Simmer, M.D.

Board of Directors & Officers



Shauna Ryder Diggs, M.D.
Chairwoman
*Dermatologist,
CosmeticDerm
Grosse Pointe Farms, Michigan*
*Regent, Board of Regents
University of Michigan*



Joel I. Ferguson
Vice Chairman
*President,
Ferguson Development LLC
Lansing, Michigan*
*Trustee, Board of Trustees
Michigan State University*



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



Benjamin N. Grier, J.D., C.P.A.
Treasurer
*Director, Treasury Services
Blue Cross Blue Shield
of Michigan*



Haifa Fakhouri, Ph.D.
**President and
Chief Executive Officer,**
*Arab American
Chaldean Council
Troy, Michigan*



James K. Haveman
*Retired Director of the Michigan
Department of Community Health
Grand Rapids, Michigan*
*Finance Committee Chair,
Board of Trustees
Northern Michigan University*



Thomas L. Simmer, M.D.
*Senior Vice President and
Chief Medical Officer,
Blue Cross Blue Shield
of Michigan*



Bruce A. Wolf, D.O.
*Assistant Professor,
Interventional Radiology
Michigan State University*

Audited Financial Statements

Blue Cross Blue Shield of Michigan Foundation

Financial Statements as of and for the
Years Ended December 31, 2019 and 2018, 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, 2019 and 2018; 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, 2019 and 2018, 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 31, 2020

BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

BALANCE SHEETS AS OF DECEMBER 31, 2019 AND 2018 (In thousands)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 550	\$ 332
Investments	56,703	54,727
Accounts receivable — investments sold	2,571	-
Software — net	-	3
Other assets	<u>65</u>	<u>35</u>
TOTAL	<u>\$ 59,889</u>	<u>\$ 55,097</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Grants payable	\$ 2,041	\$ 2,791
Agency grants payable	136	-
Accounts payable — parent and affiliates	342	536
Other liabilities	<u>200</u>	<u>108</u>
Total liabilities	<u>2,719</u>	<u>3,435</u>
NET ASSETS:		
Common stock, \$100 par value — 2 shares authorized, issued, and outstanding	-	-
Without donor restrictions	55,647	50,245
With donor restrictions	<u>1,523</u>	<u>1,417</u>
Total net assets	<u>57,170</u>	<u>51,662</u>
TOTAL	<u>\$ 59,889</u>	<u>\$ 55,097</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, 2019 AND 2018

(In thousands)

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue:		
Investment expense – net	\$ (142)	\$ (146)
Net realized and unrealized gain (loss) on investments	8,277	(2,712)
Net assets released from restrictions	<u>252</u>	<u>396</u>
Total revenue (loss) without donor restrictions	<u>8,387</u>	<u>(2,462)</u>
Expenses:		
Grants	1,538	2,534
Supporting activities	<u>1,447</u>	<u>1,481</u>
Total expenses without donor restrictions	<u>2,985</u>	<u>4,015</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	5,402	(6,477)
NET ASSETS WITH DONOR RESTRICTIONS:		
Investment income – net	17	19
Net realized and unrealized gain (loss) on investments	341	(155)
Agency funds	-	100
Net assets released from restrictions	<u>(252)</u>	<u>(396)</u>
Total increase (decrease) in net assets with donor restrictions	<u>106</u>	<u>(432)</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	5,508	(6,909)
TOTAL NET ASSETS — Beginning of year	<u>51,662</u>	<u>58,571</u>
TOTAL NET ASSETS — End of year	<u>\$ 57,170</u>	<u>\$ 51,662</u>

See notes to financial statements.

BLUE CROSS BLUE SHIELD OF MICHIGAN FOUNDATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In thousands)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 5,508	\$ (6,909)
Reconciliation of increase (decrease) in net assets to net cash used in operating activities:		
Depreciation	3	5
Net gain on sale of investments	(407)	(1,981)
Unrealized (gain) loss on investments	(8,205)	4,843
Changes in:		
Accrued investment income	-	29
Other assets	(30)	(15)
Grants payable	(750)	271
Agency grants payable	136	-
Accounts payable — parent and affiliates	(194)	(385)
Other liabilities	<u>92</u>	<u>11</u>
Net cash used in operating activities	<u>(3,847)</u>	<u>(4,131)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(3,218)	(5,840)
Proceeds from sales of investments	<u>7,283</u>	<u>10,207</u>
Net cash provided by investing activities	<u>4,065</u>	<u>4,367</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	218	236
CASH AND CASH EQUIVALENTS — Beginning of year	<u>332</u>	<u>96</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 550</u>	<u>\$ 332</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, 2019 AND 2018

1. SIGNIFICANT ACCOUNTING POLICIES

Organization — Blue Cross Blue Shield of Michigan Foundation (the Foundation) is a Michigan nonprofit corporation and was a wholly owned subsidiary of Blue Care of Michigan, Inc. (BCMI), which was a wholly owned subsidiary of Blue Cross Blue Shield of Michigan Mutual Insurance Company (BCBSM). On July 1, 2018, BCMI merged into Blue Care Network of Michigan (BCN), which is a wholly owned subsidiary of BCBSM. Due to the merger, the Foundation became a wholly owned subsidiary of BCN. Neither BCMI, BCN or BCBSM exercise control over the Foundation, therefore, the Foundation is not consolidated in the financial statements of these entities.

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

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

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

Investments — The Foundation's investments in equity securities are carried at fair value. The investment portfolio is actively managed by external investment managers with broad authority to buy and sell securities without prior approval from the Foundation.

As of December 31, 2018, the Foundation classified its investments in equity securities as trading in accordance with its intent and, accordingly, such securities were carried at fair value.

Beginning in 2019, in accordance with Accounting Standards Update No. 2016-01, *Financial Instruments – Overall (subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities*, equity securities are no longer classified as trading and instead are classified as equity securities, and continue to be carried at fair value.

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

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

Fair values are based on quoted market prices when available. The Foundation obtains quoted or other observable inputs for the determination of fair value for actively traded securities. For securities not actively traded, the Foundation determines fair value using discounted cash flow analyses, incorporating

inputs such as nonbinding broker quotes, benchmark yields, and credit spreads. In instances where there is little or no market activity for the same or similar instruments, the Foundation estimates fair value using methods, models, and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model, or input used. The Foundation's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. ASC 820 defines fair value as the price that would be received for an asset or paid to transfer a liability (exit price) in the most advantageous market for the asset or liability in an orderly transaction between market participants. An asset's or a liability's classification is based on the lowest-level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Level 1 and Level 2) and unobservable (Level 3).

Fair Value Classification of Investments — The Foundation and its investment managers classify fair value balances on these investments based on the hierarchy defined below:

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

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

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

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

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

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

Cash Equivalents — Consist of money market funds that mature within three months or less of acquisition and have minimal credit or liquidity risk. Valuation is based on unadjusted quoted prices and are classified as Level 1.

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

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

Commingled Fixed Income Investment Trust — Underlying assets in the trust consist of corporate notes and bonds, collateralized mortgage obligations, asset backed and mortgage backed fixed income securities, commercial paper, government and agency bonds, public and private debt obligations issued by corporate and non-corporate entities and other fixed income commingled investment vehicles. Valuation is recorded at NAV based on the underlying investments held by the trust. This security is not required to be classified in the fair value hierarchy.

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

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

Liquidity — As of December 31, 2019 and 2018, the Foundation had \$58,301,000 and \$52,767,000, respectively, of financial assets available within one year to meet its cash needs to cover grants and administrative expenses. These assets include cash and cash equivalents of \$550,000 and \$332,000, short-term investments of \$55,180,000 and \$52,435,000, and accounts receivable – investments sold of \$2,571,000 and \$0, as of December 31, 2019 and 2018, respectively. A portion of investments are subject to donor restrictions and are unavailable for general expenditure. Additionally, income from the investments held related to the contribution is also limited to the specified purposes and, therefore, is not available for general expenditure.

As part of the Foundation’s liquidity management, the Foundation structures its investment portfolio to provide sufficient liquidity to cover grants and administrative expenses as they come due. Investments with lock-up provisions may reduce the total amount of investments immediately available to cover grants and administrative expenses. As of December 31, 2019 and 2018, 0.0% and 1.6%, respectively, of the Foundation’s investment assets are subject to lock-up provisions preventing complete redemption within 365 days. The remainder of the Foundation’s investment portfolio can be liquidated within 75 days’ notice or less.

Software — Purchased software is stated at cost, net of depreciation. Depreciation is recorded using the straight-line method over the estimated useful life of the asset, which is three years. Capitalized software costs were \$17,000, offset by accumulated depreciation of \$17,000 and \$14,000, resulting in a net book value of \$0 and \$3,000 as of December 31, 2019 and 2018, respectively. Depreciation expense was \$3,000 and \$5,000 for the years ended December 31, 2019 and 2018, respectively.

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

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

Common Stock — In the event of dissolution, the sole stockholder, BCN, is entitled to the original subscription price of the stock. All other assets, after all obligations have been met, must be distributed to one or more organizations described in Section 501(c)(3) of the Internal Revenue Code.

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

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

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

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

Accounting Standards Adopted — In January 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-01, *Financial Instruments-Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities*. This guidance requires equity investments, not accounted for under the equity method of accounting or those that result in the consolidation of the investee, to be measured at fair value with changes in value recognized in net income. The guidance simplifies impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. The guidance also removes the requirement to disclose fair value of financial instruments measured at amortized costs for entities that are not public business entities. This guidance became effective January 1, 2019. The adoption of ASU No. 2016-01 did not have a material impact on the financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The guidance in ASU No. 2016-15 adds or clarifies guidance on the classification of eight types of cash receipts and payments in the statement of cash flows. The update was issued with the intent of reducing diversity in practice with respect to eight types of cash flows. This guidance became effective January 1, 2019. The adoption of ASU No. 2016-15 did not have a material impact on the financial statements and related disclosures.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The guidance in ASU No. 2018-08 provides clarity when evaluating whether transactions should be accounted for as contributions or as an exchange transaction, as well as determining whether a contribution is conditional. The guidance was applied using a modified prospective basis. This guidance became effective January 1, 2019 for contributions received, and will be effective on January 1, 2020 for contributions made. The

adoption of ASU No. 2018-08 did not have a material impact on the financial statements and related disclosures.

Forthcoming Accounting Pronouncements — In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as modified by ASU No. 2018-19, *Codification Improvements to Topic 326 Financial Instruments-Credit Losses*, and ASU No. 2019-04, *Codification Improvements to Topic 326 Financial Instruments-Credit Losses*, and ASU No. 2019-05, *Financial Instruments-Credit Losses (Topic 326) Targeted Transition Relief*, as modified by ASU No. 2019-11, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses*. The guidance in ASU No. 2016-13 amends the reporting of credit losses for assets held at amortized cost basis, eliminating the probable initial recognition threshold and replacing it with a current estimate of all expected credit losses. Estimated credit losses are recognized as a credit loss allowance reflected in a valuation account that is deducted from the amortized cost basis of the financial asset to present the net amount expected to be collected. The guidance also addresses available-for-sale securities, whereby credit losses remain measured on an incurred loss basis with the presentation of the credit losses using an allowance rather than as a write-down. ASU No. 2019-10 defers the effective date of ASU No. 2016-13 to January 1, 2023. The Foundation continues to evaluate the effects the adoption of ASU No. 2016-13 will have on the financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The amendments in ASU No. 2018-13 describe the development of a framework that promotes consistent decisions about disclosure requirements and the appropriate exercise of discretion by reporting entities. The ASU adds, modifies and deletes certain disclosures related to Fair Value contained in Topic 820. This guidance is effective beginning January 1, 2020, with early adoption permitted. The Foundation does not expect this standard to have an impact on the financial statements and related disclosures.

2. INVESTMENTS

Investments at December 31, 2019 and 2018, by investment strategy, are as follows (in thousands):

	2019	2018
Mutual fund	\$ 3,052	\$ 1,700
Limited liability companies	19,665	18,219
Commingled fixed income investment trust	15,371	15,932
International equity funds	12,765	9,036
Limited partnerships	<u>5,850</u>	<u>9,840</u>
Total investments	<u>\$ 56,703</u>	<u>\$ 54,727</u>

The Foundation recognized net unrealized gains of \$8,205,000 and net unrealized losses of \$4,843,000 at December 31, 2019 and 2018, respectively, relating to equity and trading securities, respectively, for investments still held at year end.

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

During the years ended December 31, 2019 and 2018, the Foundation sold \$7,283,000 and \$10,207,000 of investments, which resulted in gross realized gains of \$407,000 and \$2,140,000, and gross realized losses of \$0 and \$159,000, respectively.

As of December 31, 2019, the Foundation's investment portfolio includes \$19,665,000 of investments in limited liability companies, \$15,371,000 of investments in a commingled fixed income investment trust, and \$6,928,000 of investments in a commingled international equity fund that can be redeemed with 30 days' notice. The portfolio also includes \$3,668,000 of holdings in a limited partnership that can be redeemed with 60 days' notice, and \$2,182,000 of holdings in a limited partnership in which the Foundation can redeem 25 percent per quarter with 45 days' notice. None of the investments have unfunded commitments.

As of December 31, 2018, the Foundation's investment portfolio includes \$18,219,000 of investments in limited liability companies, \$15,932,000 of investments in a commingled fixed income investment trust, and \$5,634,000 of investments in a commingled international equity fund that can be redeemed with 30 days' notice. The portfolio also includes \$3,459,000 of holdings in a limited partnership that can be redeemed with 60 days' notice, \$2,915,000 of holdings in a limited partnership that can be redeemed with 75 days' notice, and \$3,466,000 of holdings in a limited partnership in which the Foundation can redeem 25 percent per quarter with 45 days' notice. None of the investments have unfunded commitments.

The Foundation entered into investment transactions that were not settled as of December 31, 2019. There was \$2,571,000 in accounts receivable – investments sold in the Balance Sheets, for investments sold on account. As these amounts are pending settlement, they have been excluded from proceeds from sales of investments on the statement of cash flows.

3. FAIR VALUE MEASUREMENTS

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

The Foundation obtains one quoted price for each security, either from the custodian banks or third-party pricing services, which are derived through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available market observable information. For securities not actively traded, either the custodian banks or third-party pricing services may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Foundation is responsible for the determination of fair value, management performs periodic analysis on the prices received from third parties to determine whether the prices are reasonable estimates of fair value.

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

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

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

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

The Foundation's assets recorded at fair value at December 31, 2019 and 2018, are as follows (in thousands):

	Fair Value Measurements Using			Total Fair Value
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
2019				
Cash equivalents	\$ 395	\$ -	\$ -	\$ 395
Mutual fund	\$ 3,052	\$ -	\$ -	\$ 3,052
International equity mutual fund	5,837	-	-	5,837
Total investments measured at fair value	\$ 8,889	\$ -	\$ -	8,889
Total investments measured at NAV				47,814
Total investments				\$ 56,703
2018				
Cash equivalents	\$ 3	\$ -	\$ -	\$ 3
Mutual fund	\$ 1,700	\$ -	\$ -	\$ 1,700
International equity mutual fund	3,402	-	-	3,402
Total investments measured at fair value	\$ 5,102	\$ -	\$ -	5,102
Total investments measured at NAV				49,625
Total investments				\$ 54,727

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

There were no assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2019 and 2018, and 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 BCBSM and BCN. These transactions include management, administrative, and professional services, including computer operations and accounting services. Additionally, the Foundation receives monies from BCBSM in an agency capacity to make payments for grant awards being administered by the Foundation and co-funded by BCBSM and the Foundation.

For the years ended December 31, 2019 and 2018, \$1,162,000 and \$1,129,000, respectively, were billed from BCBSM and BCN and are included in supporting activities in the Statements of Activities and Changes in Net Assets; and \$342,000 and \$536,000, respectively, were due to BCBSM and BCN. 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 were owned by BCMI through July 1, 2018, after which all outstanding shares of the Foundation are owned by BCN. In addition, the Foundation, BCBSM, BCN, Blue Cross Complete of Michigan LLC, owned by BCBSM through a joint venture, and COBX CO., a subsidiary of a BCBSM wholly owned affiliate, Emergent Holdings, Inc., have some common officers and board members.

5. CLASSIFICATION OF EXPENSES

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

The table below presents expenses by both their nature and function at December 31, 2019 (in thousands):

	Program Service Expenses	Management & General Expenses	Total Expenses
Grants	\$ 1,538	\$ -	\$ 1,538
Salaries and wages	698	531	1,229
Other employee benefits	24	6	30
Accounting fees	-	42	42
Office expense	5	1	6
Information technology	7	6	13
Occupancy	55	40	95
Travel	13	10	23
Contractors	3	-	3
Grants review panel	5	-	5
Dues and subscriptions	<u>1</u>	<u>-</u>	<u>1</u>
Total expenses	<u>\$ 2,349</u>	<u>\$ 636</u>	<u>\$ 2,985</u>

The table below presents expenses by both their nature and function at December 31, 2018 (in thousands):

	Program Service Expenses	Management & General Expenses	Total Expenses
Grants	\$ 2,534	\$ -	\$ 2,534
Salaries and wages	772	486	1,258
Other employee benefits	12	3	15
Accounting fees	-	41	41
Office expense	3	1	4
Information technology	14	5	19
Occupancy	56	35	91
Travel	18	11	29
Contractors	14	-	14
Grants review panel	8	-	8
Dues and subscriptions	-	1	1
Other expenses	<u>-</u>	<u>1</u>	<u>1</u>
Total expenses	<u>\$ 3,431</u>	<u>\$ 584</u>	<u>\$ 4,015</u>

6. SUBSEQUENT EVENTS

Management has evaluated all events subsequent to the balance sheet date of December 31, 2019, through March 31, 2020, the date the financial statements were available to be issued, and has determined that there are no subsequent events that require disclosure under FASB ASC 855, *Subsequent Events*.

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

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