

REPORT TO THE COMMUNITY



**BlueCross BlueShield
of Alabama**

An Independent Licensee of the Blue Cross and Blue Shield Association

A Message

These are truly exciting times for Blue Cross and Blue Shield of Alabama. We continue to celebrate numerous accomplishments, introduce new products, and of course, provide quality healthcare coverage to our customers.



But one of the most important things we do is to continue to serve the community. At Blue Cross, we consider ourselves “The Caring Company,” and serving the community is one way we support that claim. As The Caring Company, we continually work to enhance communities through various health, education and safety initiatives. Blue Cross employees are always willing to go the extra mile to make a positive impact on the community — whether they are rolling up their sleeves to build a Habitat for Humanity house, taking time to mentor a young student in our Partners in Education program, or saving a life by donating blood — they are always the first to step up to the plate for the community.

I am proud of all the accomplishments that Blue Cross and Blue Shield of Alabama has made in healthcare coverage and in the community. This year we look forward to continuing to seek improvements, exceeding our customers’ expectations and offering quality healthcare coverage. Most of all, we look forward to another year of caring for our community.

Sincerely,

A handwritten signature in black ink that reads "Phillip Pope". The signature is written in a cursive, flowing style.

*President and
Chief Executive Officer
Blue Cross and Blue Shield of Alabama*



At Blue Cross and Blue Shield of Alabama,

“The Caring Company” is more than just a motto – for us, it is a way of life. In addition to caring for our customers, we give back to the communities we serve through initiatives that positively impact education, health and safety.

Blue Cross' Habitat for Humanity volunteers help provide decent, affordable housing for low-income families in local communities. Volunteers enjoy helping people in need by working on everything from painting, landscaping and mowing lawns to providing construction for new homes.



Our daily experiences with individuals who are faced with illness or injury have helped us discover what really matters in dealing with our fellow human beings. These realizations are reflected in our Corporate Values, the foundation from which we build stronger communities.

Our Corporate Values

The Caring Company — The Caring Company is “caring” individuals who are truly concerned about their customers’ well-being; who work hard to improve the community and who respect and support each other.

Customer First — Our top priority must be to respond to the needs of every customer with a sense of urgency and most important – with compassion.

Teamwork — Our ability to provide “quick solutions” is a direct result of working together as a team to assure that our products and services meet our customers’ expectations.

Innovation — We must continue to welcome change, be dedicated to developing new ideas, and aggressively seek the latest technology, which will allow us to give our customers the best possible service.

Continuous Improvement — Fundamental to our success is to continually seek and implement improvements in all aspects of our operations; we must communicate and reinforce improvements, actions and ideas that exceed our customers’ expectations every year.

Blue Cross employees exemplify these same values as they participate in philanthropic efforts in communities throughout Alabama. Our partnerships with schools and non-profit and governmental organizations have created a framework from which employees can build relationships and improve lives by helping others.

This report commemorates the spirit of our Company with a glimpse at some of the many ways we are involved in improving our communities. You’ll find that behind the Cross and the Shield are people helping people: a simple idea with powerful consequences.

The Caring Company

United Way

United Way is a national network of more than 1,300 locally governed organizations that work to create lasting positive changes in communities and people's lives. Building on more than a century of service as the nation's preeminent community-based fundraiser, United Way engages the community to identify and address the underlying causes of the most significant local issues.

A large part of our commitment to the community is giving to United Way. In fact, the Company feels so strongly about the positive role of United Way of Central Alabama that Blue Cross is the highest per capita donor in the state for a company our size. In 2007, Blue Cross employees increased their contributions by seven percent, donating more than \$2.6 million.

Alabama Child Caring Program

Blue Cross and Blue Shield of Alabama established the Alabama Child Caring Program (ACCP) in 1987 out of a desire to give every child the opportunity to grow up healthy. The Program provides healthcare coverage for children whose parents cannot afford coverage but earn too much money for their children to qualify for government-assisted care. The ACCP also helps refer children who are eligible for government healthcare to the appropriate program.

The Alabama Child Caring Foundation (ACCF), a non-profit, publicly supported foundation, is the funding mechanism for the Child Caring Program. Blue Cross provides all administrative support for the Foundation so that every dollar contributed goes directly to providing healthcare coverage for children. Blue Cross also matches every contribution dollar for dollar.

When the ACCP was established in 1987, there were 230,000 uninsured children in the state. Today, Alabama leads the nation for having the lowest percentage of medically uninsured children. This tremendous accomplishment would not be possible without the support of our generous donors. In 2007, ACCF received more in donations than in any other year in the history of the Program. These generous contributions helped us attain our highest yearly enrollment in 2007 of over 10,000 disadvantaged children.

"The Child Caring Program gives children the opportunity to grow toward good health — something many of us take for granted. With proper healthcare, medical crises can often be prevented and minor illnesses can be treated before they become serious."

*— Barbara Hutchinson, Executive Director
Alabama Child Caring Foundation*

Southeast Child Safety Institute

The Southeast Child Safety Institute (SECSI) is a cooperative program sponsored by Children's Hospital and Blue Cross and Blue Shield of Alabama. Formed in 1988, SECSI has touched the lives of Alabama children in many ways through its research, programs and public service initiatives. It's comprised of the Telephone Triage Program, Alabama SAFE KIDS Campaign, the Regional Poison Control Center (for Birmingham area calls), and the Child Passenger Safety Center.

■ SAFE KIDS

The National Safe Kids Campaign is the first and only national non-profit organization dedicated solely to the prevention of unintentional childhood injury — the number one killer of children ages 14 and under. More than 300 Safe Kids Coalitions exist. Blue Cross is a member of the Birmingham Safe Kids Coalition that serves a five-county area. Additionally, we participate in Safe Kids events that help families learn valuable tips on how to keep their kids safe.

■ ALABAMA AND REGIONAL POISON CONTROL CENTERS

Blue Cross sponsors the Alabama Poison Control Center as well as the Regional Poison Control Center (serving the Birmingham area), giving Alabamians a place to call if a person accidentally ingests a toxin or has a question about a drug. The Centers are open 24 hours day, seven days a week. In 2007, the Regional Center received 38,800 calls, and the Alabama Center received over 41,000 calls.

■ CHILD PASSENGER SAFETY CENTER

This permanent check site, located at Children's Hospital in Birmingham, provides the public with lifesaving educational resources and child car safety seat checks. Child passenger safety technicians also work with schools to measure and weigh children. Based on their data, a recommendation is made that parents use to determine the most appropriate restraint.

■ TELEPHONE TRIAGE

Telephone Triage manages emergency and after-hour calls for 38 contracted pediatric practices — a total of 143 physicians — as well as calls for the Jefferson County Health Department, Children's Connection Line and the Children's Hospital of America Emergency Division. Telephone Triage makes the appropriate recommendations to the caller for treatment and/or a facility.



Customer First

WalkingWorksSM

Blue Cross and Blue Shield of Alabama promotes WalkingWorks, a plan to help motivate Alabamians to incorporate more walking into their everyday routine. WalkingWorks helps participants set personal walking goals based on their current level of fitness and health and provides online resources to help get participants started on the road to better health.



BeCareful BeSafe[®]

Blue Cross' BeCareful BeSafe campaign is dedicated to the prevention of accidental injuries and to making individuals aware of how they can protect themselves and their loved ones.

BeHealthy.com

Blue Cross created BeHealthy.com to help everyone be as healthy as possible. Visitors can use the BeHealthy web site as a resource for improving their health. Site resources include information about health and wellness, the latest health news and these tools:

■ HEALTHQUOTIENT[™]

HealthQuotient is an online health assessment available on BeHealthy.com. After taking the health assessment, Blue Cross members receive a personalized online report with an overview of their current health status and ways to reduce health risks.

■ LIFESTYLE SOLUTIONS

These six-week health courses offer step-by-step assistance to help members change unhealthy behaviors and make better lifestyle choices. Participants can choose one of 13 courses or engage in the program personally recommended for them by the HealthQuotient.

A New Leaf ... Choices for Healthy Living

Blue Cross has partnered with the Alabama Department of Public Health Office of Women's Health (OWH) to bring this behavior modification initiative to Alabama communities. This scientifically proven program, designed to combat our state's obesity epidemic, is a structured nutrition, physical activity and assessment program that promotes weight loss and healthy lifestyles. Introduced in three Alabama counties so far, the program has helped an average of 78 percent of participants lose weight.

Baby Yourself[®]

Baby Yourself is a prenatal wellness program that helps ensure expectant mothers and their babies receive the best possible healthcare during pregnancy. This program is available to members who are expecting regardless of whether or not their pregnancies are normal or high-risk. It offers resources, such as support and educational materials, plus a nurse to call when questions arise throughout the pregnancy.



"BeHealthy.com is a full-service health information web site with tools and resources to help our members improve their health."

— Kathy Shuleva
Blue Cross Wellness
Enhancement Analyst



Teamwork

LDA

The Leadership Development Association (LDA) is designed to provide leadership development and professional opportunities for Blue Cross employees. LDA sponsors, organizes and supports many community service activities.

Activities and Volunteer Opportunities

AIDS Walk	Light The Night
American Cancer Society's Relay for Life	M-Pact Tutoring Program
American Heart Walk	Multiple Sclerosis Walk
Arthritis Walk	My Sister's Closet
Blood Drives	NCCJ Walk As One
Big Brothers, Big Sisters Bowl for Kids Sake	Shelby County Success Program
Coat Drive	Susan G. Komen Race for the Cure
Diabetes Walk	Sickle Cell Walk
Grace House Ministries Gift Wrapping	Special Equestrians
Habitat for Humanity Projects	Walking to Remember
Headsprout Reading Program	Zoolight Safari
KidOne Transport	

"I participate in LDA community events because I enjoy helping people who have a need — but even a step beyond this is a strong conviction that tells me that it's my responsibility to inspire others to reach out and do the same."

— Jeff Hairrell
Claims Manager

Partners in Education

The mission of Partners in Education is to strengthen the relationship between Blue Cross and the community by providing partner schools with opportunities for educational enhancement, while giving Blue Cross volunteers opportunities to develop personally and professionally. Every year, approximately 150 Blue Cross employees volunteer their time to Partners in Education programs.

School children also benefit from visits by Blue Cross Community Relations staff members. In fact, they visit schools in almost every county in the state, and over 70,000 students participate in their school presentations. These programs help children learn more about health, reading, leadership, career planning and more.

Blood Drives

Donating blood is called "The Gift of Life" because it actually can make the difference between life and death. That's why Blue Cross sponsors several blood drives each year. Hundreds of employees take the time to give blood and help in this simple way.

Anti-Smoking Coalition

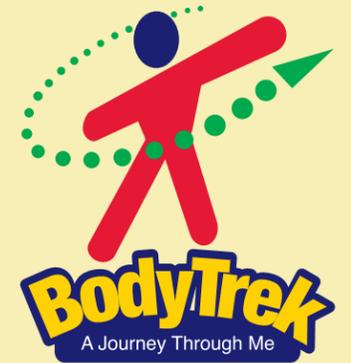
Blue Cross representatives work alongside the Anti-Smoking Coalition for both the State and Jefferson County. These efforts include programs that help increase awareness of the dangers of smoking and reduce the number of children and teen smokers in Alabama.



Innovation

BodyTrek

BodyTrek is an interactive cooperative educational program sponsored by Blue Cross and Children's Health System. It is a freestanding mobile unit that travels to elementary schools in and around Jefferson County. BodyTrek's mission is to provide children with a learning experience that will enable them to make positive health choices. This interactive unit offers a series of exhibits that teach children about the importance of making healthy choices.



Alabama Hospital Quality Initiative

The Alabama Hospital Quality Initiative (AHQI) is a partnership of state hospitals, MedMined Services and Blue Cross and Blue Shield of Alabama. This effort, which began in 2002 with six hospitals, has grown to include almost every hospital in the state. The goal is to help hospitals detect and prevent future occurrences of hospital-acquired infections, which account for more than 80,000 annual deaths in the U.S. This is more annual deaths in the U.S. than AIDS or auto accidents. The AHQI program analyzes more than 20 billion possible warning signs, and hospitals receive real-time, monthly and biannual findings. This initiative is so successful that it's now a model for Blue Cross and Blue Shield plans in California, Texas, New York, Pennsylvania and New Jersey.

Go Green With Blue

The Go Green With Blue campaign was introduced to promote energy conservation and create an earth-friendly work environment at Blue Cross facilities. Employees are encouraged to recycle cans, plastic, paper and cardboard in Company-provided recycling bins. The cleaning staff uses 100 percent green cleaning products, which means they don't harm the environment. Printer cartridges are donated to local schools and recycled to fund computers and reading programs. Blue Cross customers are even encouraged to view claim statements online to do their part to save trees and reduce paper waste. A Go Green With Blue taskforce continues to investigate new ways Blue Cross can save energy and help the environment.



"The partnership between Blue Cross and Blue Shield of Alabama and Children's Hospital has provided children in and around Jefferson County a wonderful hands-on, educational opportunity for the past 15 years. Over 90,000 children (K-5 through 5th grade) have visited the exhibit since 1993. It is our hope that we have increased awareness of safety and health-related issues for these children and their families."

*— Marilyn Prier
Children's Hospital of Alabama*

Asthma Agent

Asthma accounts for over three million doctor and 200,000 hospital visits each year nationwide. To help children reduce the number of asthma attacks, Blue Cross has partnered with the University of Alabama at Birmingham to provide a fun, interactive computer program to help kids learn about asthma symptoms and how to treat them. The results are phenomenal, and the program has piqued interest nationwide.



Continuous Improvement

Blue Sky

The Blue Sky Program provides education and job search preparation tools for high school juniors and seniors. Educational workshops are presented on writing resumes and cover letters, communication basics, professional dress, job applications, interview skills, evaluating an offer, working with others, business ethics and business etiquette.

WAY Program

In an attempt to prevent obesity issues in Alabama children, Blue Cross sponsors the Wellness, Academics and You (WAY) program. The WAY program incorporates physical activity and nutrition education into the academic classroom and promotes activities that engage the family. It is effective in getting the entire family more active and improving nutritional choices.

Character Through Reading

Character Through Reading (CTR) is a Blue Cross program designed to help develop and increase reading comprehension among students in grades K-5. Participating schools are given information about character education. This information promotes trustworthiness, respect, responsibility, fairness and caring. Students select and read a book that describes a character trait. Each student is then asked to describe a character trait he or she possesses that is similar to a trait in the story. Twenty schools were recently awarded grants for CTR.

Focus First

Blue Cross is partnering with Focus First and Sight Savers of Alabama to help young children with vision problems. The program provides free vision screenings to children, ages six months to five years, in urban and rural poverty areas of Alabama. Trained Blue Cross volunteers join other community volunteers to conduct screenings. Sight Savers of Alabama provides the examinations and treatments for children in need.

Healthy Reading Program

Every year, Blue Cross helps children improve their reading skills by bringing the Healthy Reading Program to schools throughout the state. The goal of this program is to develop and/or increase reading comprehension among students in grades K-5. Children in the program read a book that promotes positive character traits and document what they've learned. Those who complete the program receive a certificate and help their school qualify for a reading grant.

VERB Program

National statistics indicate the number of overweight children ages 6 to 19 in the U.S. has tripled in the past 40 years. Blue Cross is responding to this crisis by adopting a local version of a national, multi-cultural marketing campaign called VERB. Promoted by the U.S. Department of Health and Human Services Centers for Disease Control, VERB makes physical activity accessible, exciting and rewarding for youth during the summer, a time when many students are inactive.

“What a wonderful opportunity for my students to hear about ‘real world’ career expectations from ‘real world’ presenters from Blue Cross.”

— Donna Jones
Homewood High School





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450 Riverchase Parkway East
Birmingham, Alabama 35244

