

2009 ANNUAL REPORT

A NEW APPROACH:

“HEALTH” CARE



**Blue Cross
Blue Shield**
of Rhode Island

bcbsri.com

“Our members are
the center
of our universe.
It’s about
their health.”

— **Jim Purcell,**
President and CEO



DEAR FELLOW RHODE ISLANDERS,

In 2009, we heard more about the state of healthcare in America than perhaps ever before. Reporters, commentators, pundits, and the President himself described how:

- More than 46.3 million Americans (including about 118,100 Rhode Islanders) are uninsured.
- Despite the United States' spending more on healthcare than any other developed nation, we're not much healthier.
- About half of all healthcare spending in the United States treats just 5 percent of the population.
- Annual healthcare spending has grown at a rate of about 9.6 percent since 1970—2.4 percent faster than our gross domestic product.

In addition, there are wide variations in care. The delivery of healthcare across our nation—and throughout our state—has reached a state of crisis. Our members and employers can't afford us. Our community hospitals are struggling. Clearly, these quality and cost trends are unsustainable.

The system needs to change—and it needs to change NOW.

That's why we agree with many aspects of federal healthcare reform. We believe that all Rhode Islanders deserve access to high-quality, cost-effective, and affordable healthcare. However, we also believe the issues we face are critical—too critical to wait for federal reform to take hold. Here at Blue Cross & Blue Shield of Rhode Island (BCBSRI), we think the greatest opportunity to truly reform healthcare is at the local level where care is actually delivered.

In 2009, we set about to change the healthcare delivery system here in Rhode Island, with the ultimate goal of better care, more moderate costs,

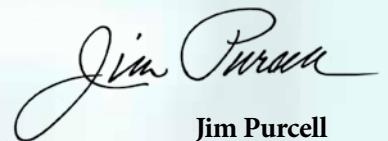
and, most important, improved health for our members. To accomplish this, we are embarking on perhaps the greatest transformation in our company's history—a transformation so encompassing that it is fundamentally changing the way that we operate our business. In partnership with our members, physicians, hospitals, and employers, we are striving to improve the healthcare delivery system by:

- Increasing our cultural competency to better understand our members' diverse healthcare needs
- Providing our members with customized tools, support, and care to meet those needs
- Collaborating with our primary care physicians, specialists, and hospitals to enhance ways of delivering and paying for care
- Offering our employers innovative benefits to reward employees for healthy choices
- Fine-tuning our business processes to operate as efficiently as possible

Ultimately, all of these changes will produce a healthier Rhode Island. And as our members' health improves, medical costs will moderate over the long-term, providing employers and members with the economic relief they need and deserve.

Our goal is to be a better company—and a better partner in helping to ensure your good health. We are Blue Cross & Blue Shield of Rhode Island. And we are here for you.

Sincerely,



Jim Purcell
President and Chief Executive Officer

IMPROVE HEALTHCARE LOCALLY. TRULY REFORM.

The medical quality and cost trends that drove much of the debate at the federal level also played out here in the Ocean State. Locally, our healthcare costs and utilization have steadily increased over the last several years. For example, in 1999, Rhode Island spent roughly \$4.5 billion on healthcare. By 2004, which is the latest year for which these data are available, the state spent about \$6.7 billion on healthcare. That's more than 48 percent* in just five years. Continuing at this rate, we estimate the state's health expenditures to exceed \$9 billion by the end of 2010—doubling what they were in 1999.

This growth rate is simply not sustainable. To moderate costs, we must reform our *local* healthcare delivery system with the goal of improving quality of care, and ultimately, the health of our members.

*Source: Centers for Medicare & Medicaid Services.

We can start right here in Rhode Island

In 2009, we laid the groundwork for an innovative new approach designed to bring many improvements to local healthcare delivery in Rhode Island over the next several years.

Our strategy involves:

- **Increasing our support for primary care physicians in Rhode Island** to help our members maintain good health
- **Leveraging technology** by supporting our physicians' efforts to adopt electronic health records to reduce health disparities and increase the consistent delivery of safe and high-quality care
- **Establishing patient-centered medical homes across the state** to provide the best care possible for our members
- **Developing care plans** with customized health goals and personalized support to help our members with chronic conditions avoid more complex illnesses
- **Helping our physicians and members access proven treatments** by putting evidence-based medicine at their fingertips to support them in making informed treatment decisions
- **Investing in good health with value-based benefits** to reward employees for choices leading to healthier and more productive lives

Our overall objective is to create a new medical quality and cost trend: one with a consistent focus on “health” care, reducing the need for “sick” care. As a result, our members will be healthier. They will experience fewer complications of their illnesses. Eventually, they will need fewer medical services, which will help to moderate long-term healthcare costs.

Where to begin

Our new approach will start with improving care for our members with complex health concerns like uncontrolled diabetes, complicated heart disease, cancer, HIV/AIDS, and combinations of these and other conditions. Enhancing their care provides the greatest opportunity to make a difference—

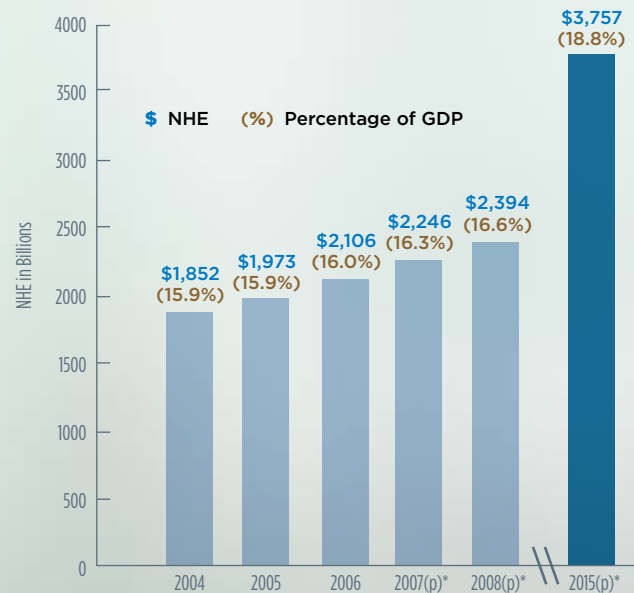
both in improving their health and moderating long-term healthcare costs.

Consistent with the national trend, these individuals account for just 16 percent of our membership, but their medical expenses account for 54 percent of our claims costs.

We believe the best setting to address their health concerns is the patient-centered medical home. This setting includes more collaborative, coordinated care by a team of healthcare professionals led by a primary care physician. (Please see pages 6 to 8 to learn how our patient-centered medical homes will transform care for our members who need it the most.)

NATIONAL HEALTH EXPENDITURE (NHE)

National Health Expenditures continue to rise and are projected to comprise nearly 20 percent of GDP by 2015



*Projected by Centers for Medicare and Medicaid Services.
Source: Centers for Medicare and Medicaid Services (2008).



INCREASE PRIMARY CARE. IMPROVE HEALTH.

Primary care physicians—family physicians, general internists, geriatricians, and general pediatricians—are central to the success of our patient-centered medical homes. They are the first line of defense in preventive medicine. They help keep emergency rooms for true emergencies. They prevent inpatient stays by taking a proactive approach to treating patients' conditions before they worsen.

Here's what we did in 2009 to strengthen primary care in Rhode Island:

- Partnered with the Rhode Island Foundation and the Rhode Island Medical Society to establish the Primary Care Physician Loan Forgiveness Program. This \$1.1 million fund—of which BCBSRI contributed \$500,000—pays \$20,000 annually for four years toward the medical school loans of new Rhode Island primary care physicians.
- Made a \$1,000 donation to the Rhode Island Free Clinic (RIFC) for every new doctor who joined its Physician Network program. In all, we contributed \$50,000, which enabled RIFC to bring an additional 48 doctors to its clinic and an additional 65 doctors to its network.
- Teamed up with other insurers and community partners to participate in Rhode Island's Chronic Care Sustainability Initiative. This two-year patient-centered medical home pilot program has established five patient-centered medical homes in Rhode Island so far, with plans to open five more in 2010.

“I’d like to see a much stronger primary care infrastructure in this country and for our members. Studies show that in areas with large numbers of primary care physicians, relative to specialists, the cost of care is less, and the quality of care is better.”

“In addition, the foundation of any future delivery system must be a health information exchange, where regardless of specialty, all providers coordinate care through highly functional interoperable electronic health records.”

— Gus Manocchia, M.D., Chief Medical Officer and Vice President of Provider Relations

LEVERAGE TECHNOLOGY. ENHANCE PATIENT CARE.

An integral part of our patient-centered medical home approach, electronic health records (EHR) can improve quality of care and lower costs by putting patients’ full medical histories at their doctors’ fingertips, alerting them to:

- **Potential interactions among drugs and supplements** – This helps doctors keep their patients safe. In addition, doctors can send prescriptions electronically to the pharmacy, saving time for their patients and reducing chances of pharmacists’ misinterpreting handwriting.
- **X-rays and test results** – Having these readily available ensures they’re not ordered again unnecessarily.
- **Treatments based on evidence-based medicine** – Built-in prompts displaying proven treatment protocols for a given diagnosis ensures health equity and saves valuable time in finding treatments that work. (Please see page 10 to learn how we will make evidence-based medicine readily available to our physicians and members in 2010.)

Whether in a medical emergency or a routine checkup, EHRs are a critical component of complete and integrated healthcare. To support our physicians’ efforts to adopt EHRs, we:

- Established our Electronic Health Record Grant Program in May 2009, which will continue through 2010. This program provides funding to primary care physicians and specialists in selected fields who implement EHR technology. So far, we have approved 106 physicians to receive funding, allocating \$600,000 to their practices.
- Made a contribution of more than \$1 million over the last two years to support currentcare, Rhode Island’s health information exchange, which launched in October 2009. Sponsored by the Rhode Island Quality Institute and the Rhode Island Department of Health, this initiative synchronizes the individual health records of patients who register to ensure their medical histories are readily available in an emergency or when they are seeing specialists.

ESTABLISH PATIENT-CENTERED MEDICAL HOMES. IMPROVE OUTCOMES.

Our long-standing support for primary care and electronic health records has helped establish the partnerships and infrastructure needed to improve care for our members with the most serious health concerns. These may be individuals with multiple or uncontrolled chronic conditions—chronic obstructive pulmonary disease, cancer, heart disease, complicated diabetes, and combinations of these and other conditions. They may also be struggling to keep weight off, and the emotional burden of their illnesses may be great.

Repeatedly, studies show that the patient-centered medical home (PCMH) is the best setting for their care. A physician's practice that provides personalized, collaborative, and coordinated care, a PCMH involves a team of healthcare professionals led by a primary care physician. Other team members may include a nurse care manager, and if necessary, a nutritionist, behavioral health specialist, and other specialists.

In 2009, we partnered with our primary care physicians in developing our PCMH model and worked with them on transitioning their traditional practices to PCMHs. This included providing information on developing new policies for their practices' tasks, implementing electronic health records, and hiring additional staff. By the end of 2010, about five of our primary care practices will have transitioned their practice models to PCMHs. Aquidneck Medical Associates, with locations in Newport and Portsmouth, will be the first one to switch, opening as a PCMH in the first quarter.

How a PCMH works

In a PCMH, the primary care physician leads care, examines patients, diagnoses illnesses, prescribes

medicines, coordinates care with other specialists, and works with patients on treatment decisions. This all sounds pretty much like what goes on at a traditional practice.

However, the difference in a PCMH is that:

- The nurse care manager reviews the doctor's instructions with patients and helps them understand their medicines, as well as other aspects of managing their health.
- A behavioral health specialist may help a patient deal with the emotional aspects of illness.
- A nutritionist is available to assist patients with concerns about weight or cholesterol management.

In addition, the entire PCHM team:

- Meets regularly as a group to discuss their patients' care and unique health concerns, taking collective responsibility for helping patients improve their health.
- Tracks all care in electronic health records, which puts their patients' full medical histories at their fingertips.

(continued on page 8)

“We have partnered with local primary care physicians to design a program that will provide our members with more personalized and coordinated care. It’s the kind of care I’d want for my own family and friends.”

— **Andrea Galgay, Director of Practice Innovation, Provider Relations**



ESTABLISH PATIENT-CENTERED MEDICAL HOMES. IMPROVE OUTCOMES. (continued from page 6)

- Reminds patients to come in for exams, X-rays, or lab work if they forget.
- Proactively reaches out to patients whose test results indicate that immediate care is needed.
- Engages the member to find solutions to issues affecting their health.
- Collaborates with the member and his or her caregiver on strategies for better health.

This proactive approach to care helps patients stay out of hospitals and may even reduce their need for medications, procedures, and other services down the road. Most important, this kind of care bridges the gaps to good health. While the enhanced support, technology, and collaboration is mainly focused on patients with complex needs, all of a PCMH's patients benefit as a result.

Meanwhile, we believe our physicians should be fairly compensated for this higher quality of care. In today's healthcare delivery system, they are paid

a fee for each service they provide. In the future, we will gradually move away from the fee-for-service compensation model in favor of pay-for-performance. Our new pay-for-performance model will begin for doctors in our PCMHs.

Paying for quality care

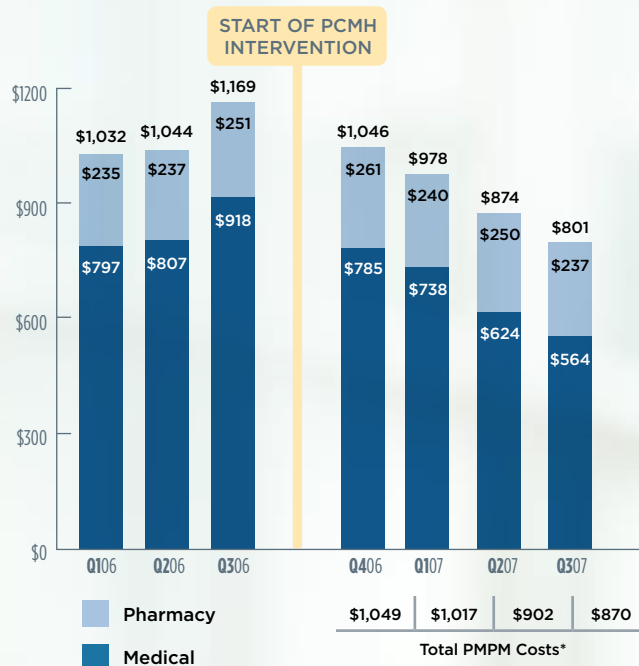
A pay-for-performance system bases reimbursements on certain care quality targets that, in the past, couldn't be recognized under the fee-for-service model. For example, doctors who can show that their patients with diabetes got all of their tests done on time would get paid more than doctors whose patients fall behind on their tests.

We recognize that our primary care physicians face enormous pressure, seeing upwards of 30 patients a day. So setting up PCMHs requires support—a lot of support. We will continue assisting them with this effort because we think all of our members deserve a setting focused around their care.



COST IMPACT OF PCMHs
(PER MEMBER PER MONTH COSTS BY QUARTER)

Early evidence identifies reduced treatment costs after the implementation of PCMH.



*Includes cost of PCMH. PMPM is per member per month. Source: Horizon Blue Cross Blue Shield and Partners in Care Corp. (2008).



DEVELOP A CARE PLAN.

GET RESULTS.

While most members may not need the more intense focus of a PCMH team, some have chronic conditions requiring careful management to avoid complications. To provide these individuals with customized support, in 2009, we increased our internal team of nurses, dietitians, and social workers—also known as our care coordinators.

Starting in 2010, this dedicated staff will work more regularly over the telephone with members on customized and ongoing care plans. This Care Coordination Program involves helping our members develop personalized health goals and providing ongoing support to meet those goals. Our intent is to complement the relationships these members have with their physicians. By providing our members with tools, support, and information, we can help them be more active participants in managing their health.

“One of the most rewarding things I do is help people to help themselves. Managing a chronic disease can be very challenging, and we’re here to encourage, support, and educate our members,”
says Dietitian Care Coordinator Roslyn Grant. “I agree,” **says Care Coordinator Joe Gelineau, R.N.** “I love thinking that we’re actually helping our members improve their health and get more enjoyment out of life.”

ACCESS PROVEN TREATMENTS. MAKE INFORMED DECISIONS.

Brenda Briden,
Senior Director
of Health
Management
and Integration

When it comes to treatment protocols, research clearly shows that some treatments consistently work better than others. That's the idea behind evidence-based medicine, which includes diagnosis and treatment protocols based on the most proven science. These guidelines are developed from an analysis of multiple large, well-designed studies on the same topic. Studies show that when combined with physicians' expertise (the art of medicine) and patients' values, these protocols can create the best care possible.

In 2009, our staff worked to make tools available to our physicians and members that support decision making around evidence-based medicine. In 2010, we will roll them out on our Web site, BCBSRI.com.

EVIDENCE-BASED MEDICINE IN ACTION

\$4.5 billion in savings

In 2008, variations in care for diagnosing, treating, and managing diabetes alone accounted for about 46,000 avoidable deaths and up to \$4.5 billion in avoidable hospital costs and lost worker productivity.*

40% death rate decrease

A protocol for dealing with a category of pneumonia at Intermountain Healthcare cut the death rate associated with the condition by 40 percent over several years.**

*Source: Blue Cross and Blue Shield Association's 2009 *Healthcare Trends in America*.

**Source: "Making Healthcare Better," *The New York Times*, November 3, 2009.

“We’ve been spending a great deal of time listening to our customers and designing products with their critical needs in mind. Value-based plan designs make good business sense. They align the active engagement of our employers, members, and physicians, and help our members improve their health. That’s the best part.”

— **Jim Gallagher, Assistant Vice President of Strategic Marketing & Product Innovation**

INVEST IN GOOD HEALTH. ENJOY GOOD HEALTH.

We recognize that our employers need affordable healthcare coverage for their workforce, and are looking for solutions to keep their employees healthy. So in 2009, we sat down with our customers to get their feedback.

By getting to know our members and customers, we will be able to engage them in ways like never before. Combining their input with our own research, we designed new, innovative value-based benefits to encourage members to achieve health goals through incentives and rewards. These rewards may include waiving copayments for primary care physician visits, providing free or low-cost medicines, and offering financial assistance to employees who complete a personal health assessment.

We will pilot these products with our own employees in 2010. As part of our new employee health plan, we will hold wellness clinics in 2010 where employees can get cholesterol screenings and blood pressure checks. Our employees and their spouses will be encouraged to complete a personal health assessment, have an annual exam, and complete 12 to 20 hours of “well time”—exercise and other healthy activities. In turn, they will receive a \$100 to \$200 reward.

As our members assume more responsibility for managing their health, they will need an aspect of healthcare delivery that hasn’t existed in the past—the information and tools to make wise decisions about their health and benefits and to get the best values. We are now in a position to close this gap. In 2010, we will introduce more value-based benefits to most market segments.



REACH OUT.

TRANSFORM A COMMUNITY.

By succeeding as a healthcare partner, business leader, and employer, we will help sustain our commitment to the health and economic viability of Rhode Island.

In 2009, our 1,100 employees gave over 4,000 volunteer hours to our community, sorting food at the Rhode Island Community Food Bank, serving meals at Amos House, and walking to raise money for heart disease, as well as doing countless other charitable activities.

2009 VOLUNTEER NUMBERS

750 volunteers

4,008 volunteer hours

\$81,162 in the value of volunteer hours

\$51,000 in employee contributions (through employee fundraising)

\$626,000 in sponsorships and charitable donations (distributed to nearly 190 agencies)

Our annual BlueAngel Community Health Grants (BACHG) provided funding for local nonprofit organizations committed to improving the health of Rhode Islanders, particularly the uninsured and underserved.

Here's a partial list of our 2009 recipients:

- The Boys & Girls Club of Woonsocket for their program "Healthy Kids are Happy Kids." This

program engages at-risk youths to help them build a positive self image through health and fitness. Our \$25,000 grant will be used for parent engagement and education.

- Progreso Latino's "Wellness Program." This grant of \$25,000 will allow Progreso Latino to expand its existing health literacy and health education efforts to increase its impact on the underserved population of Latinos in Rhode Island.
- Rhode Island Community Food Bank's "Raising the Bar on Nutrition." This obesity education program helps participants adopt a healthier diet. Our grant of \$25,000 will allow for the funding of a nutritionist.

You can find a full listing of BACHG recipients on BCBSRI.com.

Sun Smarts Campaign

During the warmer months, we partnered with ABC6 and Lifespan to sponsor skin cancer screening tests at five Rhode Island beaches with Lifespan's board-certified dermatologists. Through this campaign, nearly 200 Rhode Islanders received screenings and information about skin cancer prevention.

The flu, you, and what to do

With heightened concern about the flu, we took a number of steps to curb the outbreak by helping people without access to healthcare to get vaccinated. We took our Wellness Van (our own portable flu clinic) out to 30 locations across the state, including the Rhode Island Free Clinic. With the help of CVS Caremark, we administered nearly 700 seasonal flu shots to the uninsured.

We also educated members on avoiding and coping with the flu through our Flu News feature on BCBSRI.com, *Choices* magazine articles, and our telephone on-hold messaging system.

Bringing the medical home... well, home

Since patient-centered medical homes play an important role in our transformation, we introduced the concept to the community last September. Our 2009 Community Meeting featured keynote speaker Richard Baron, M.D., who runs a patient-centered medical home in Philadelphia. Dr. Baron spoke about how his patients have benefited by the increased collaboration among him and his colleagues. Helping our community better understand elements of high-quality care leads to more informed discussions and decisions around healthcare issues.

“Our corporate responsibility and commitment to the community is a constant and important focus. We know our success is closely linked to how well we understand and support the diverse needs of our members and our community. To me, it’s all about making Rhode Island a healthier place to live.”

— Linda H. Newton, Vice President of
Community Relations, CSR, & Diversity

A healthy move

In October 2009, we consolidated our operations from six locations and moved into our new corporate home at 500 Exchange Street. Our new headquarters is helping to produce:

- **Healthy savings.** Our new building will create long-term savings of about \$25 million over 23 years with no negative impact on our premiums or reserves.
- **A healthy environment.** A LEED®-certified commercial building, our new headquarters is designed to conserve water and energy, make the most of natural light, and minimize our environmental impact.
- **A healthy economy.** By staying in Providence, we’re keeping more than 1,000 people downtown every work day, contributing to the local economy.

Community service honors

We were thrilled in 2009 to be honored by the *Providence Business News* for Community Involvement as part of its 2009 Business Excellence Awards. Our contributions to the community have a far-reaching impact in helping Rhode Islanders to enjoy better health and better lives.



FINANCIAL PERFORMANCE SUMMARY

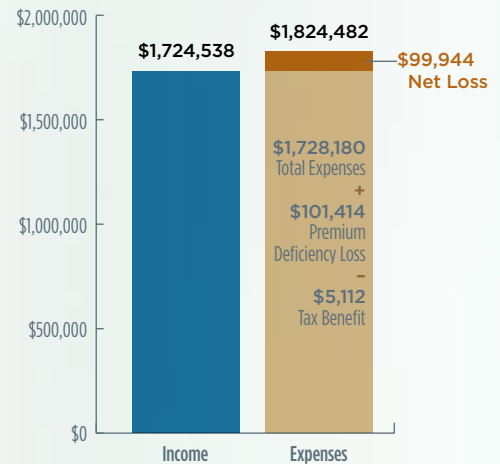
Our financial picture today is a direct result of the factors impacting healthcare delivery.

Healthcare costs continue to rise, and our current premiums cannot keep pace with the increasingly high cost of care. As a result of these conditions, we will book a premium deficiency loss of about \$100 million for 2009, which we are covering by using our reserves.

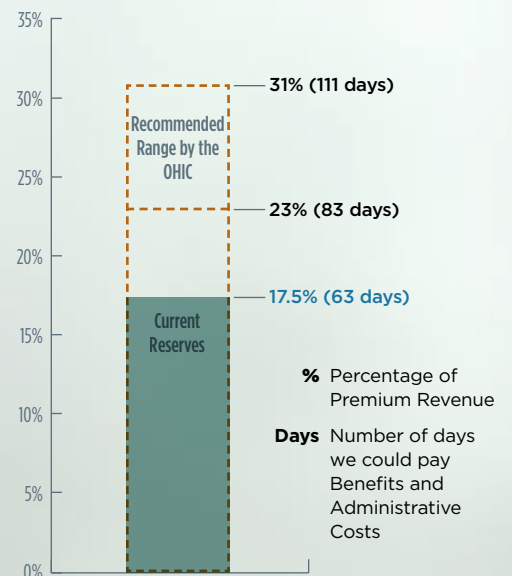
However, we cannot sustain losses of this magnitude indefinitely. Without fully adequate rates, we are facing a situation that is putting our company—and our members—in financial jeopardy. We also recognize that rate increases are difficult for our customers to bear—particularly during tough economic times.

With all of this in mind, we are intensifying our efforts to reduce healthcare costs—and premiums—by transforming both our company and local healthcare delivery. We are committed to aggressively lowering our overhead by improving the efficiency of our operations. And we are moving forward with efforts to transform healthcare delivery in Rhode Island. Our actions will ultimately lead to better health for our members and more moderate costs as a result.

2009 INCOME VS. 2009 EXPENSES (IN THOUSANDS OF DOLLARS)



CURRENT RESERVES



2009 FINANCIAL REPORT (IN THOUSANDS OF DOLLARS)

Income

In 2009, we recorded \$1,703,432 in premiums from members (individuals and employers). We also earned \$16,148 in investment income. In addition, income from non-health revenue sources totaled \$4,958.

Premiums	+	Investment Income	+	Non-Health Revenue Sources	=	Total Income
\$1,703,432		\$16,148		\$4,958		\$1,724,538

Expenses

From this total income, we utilized \$1,468,119 for medical and dental claims for our members. This amount accounted for 86.2% of premiums collected. The company also spent \$260,061 on operating expenses. At 15.3% of premiums collected, our operating expenses are within industry standards.

Payments to Providers	+	Operating Expenses	=	Total Expenses
\$1,468,119		\$260,061		\$1,728,180

Premium Deficiency Loss

Due to rising healthcare costs exceeding approved premium rates, we have recorded a \$101,414 premium deficiency loss*. And due to recognized losses we have recorded a tax benefit of \$5,112.

Loss Before Premium Deficiency	-	Premium Deficiency Loss	+	Tax Benefit	=	Net Loss
(\$3,642)		(\$101,414)		\$5,112		(\$99,944)

Reserves

In 2009, we deducted the net loss of \$99,944 from our reserve fund. This brought our total reserve fund to \$298,721, or 17.5% of premium revenue—well below the 23 to 31 percent range recommended in a study done for the Office of the Health Insurance Commissioner (OHIC). Using our reserves enables us to sustain the loss temporarily, but this is not a viable solution over the long-term.

Total Reserves	/	Average Daily Benefit Payments to Providers	+	Average Daily Administrative Costs	=	(No. of days we could pay Benefits & Administrative Costs)
\$298,721		(\$4,022)		\$712)		63 Days

This formulation represents unaudited results utilizing Statutory Accounting Principles. The Blue Cross and Blue Shield Association licenses Blue Cross & Blue Shield of Rhode Island to offer certain products and services under the Blue Cross and Blue Shield brand names. Blue Cross & Blue Shield of Rhode Island is an independent organization governed by its own Board of Directors and solely responsible for its own debts and other obligations. Neither the Association nor any other organization using the Blue Cross and Blue Shield brand names acts as a guarantor of Blue Cross & Blue Shield of Rhode Island's obligations. A copy of Blue Cross & Blue Shield of Rhode Island's most recent audited financial statements is available on request to Blue Cross & Blue Shield of Rhode Island, 500 Exchange Street, Providence, RI 02903.

*Based on current trends and premium rates, we anticipate that we will pay more for medical expenses in 2010, 2011, and 2012 than we receive in premium income. Accounting principles required us to report this loss to the Department of Business Regulation in 2009.

MOVE FORWARD.

MAKE PROGRESS.

We're excited about the progress we made toward transforming healthcare delivery in 2009 and the prospects of better health outcomes for our members.

In 2010, we will:

- Improve care by opening five patient-centered medical homes across the state.
- Help members with chronic conditions avoid complicated health concerns through our Care Coordination Program.
- Help doctors and members in making informed treatment choices by providing evidence-based medicine guidelines.
- Encourage employees to improve their health by introducing value-based benefits.
- Connect members to each other to discuss important health issues by establishing online forums.
- Continue to fine-tune our processes for higher efficiency.
- Make our community stronger and healthier through our social responsibility and diversity efforts.

Three to five years from now, when our transformation is complete, healthcare delivery in Rhode Island will revolve around patients. Care will be better coordinated and include a higher degree of collaboration among our members' healthcare teams. Increased care coordination, evidence-based medicine, and patient-centered medical homes will provide our members with new information, tools, and support to be more proactive in managing their health. There will be more services to help them stay healthier, and their care will become safer. This all defines high-quality "health" care. And as a result, costs for medical services will eventually begin to moderate.

We believe our transformation will provide a better way—a better way to health, and a better way to care.

“When our transformation is complete, it will mean better care, more moderate costs, and most important, better health, not just for our members with complicated health concerns, but for all of our members.”

— **Jim Purcell, President and CEO**



bcbsri.com

BCBSRI Board of Directors as of December 31, 2009

Made up of leaders in the medical field and the community at large, our Board of Directors represents a cross-section of the employers, healthcare providers, and members we serve. In 2009, the Board held 45 Board or Board Committee meetings. Each director devoted a substantial amount of time to ensuring that Blue Cross & Blue Shield of Rhode Island is a valuable asset to the community.

Deborah R. Jacobson	Board Chair
Fredric V. Christian, M.D.	Vice Chair
Denise A. Barge	
Francis X. Basile, Jr., M.D.	
Judge Edward C. Clifton	
Meredith Curren	
Michael V. D'Ambra	
Christine C. Ferguson	
Samuel H. Havens	
Peter C. Hayes	
Juana I. Horton	
Chuck LoCurto	
John P. Maguire	
The Honorable Carol A. Mumford	
Anne E. Powers	

BCBSRI Executive Leadership Team

The following Blue Cross & Blue Shield of Rhode Island (BCBSRI) executives are leading our effort to transform our company and the way healthcare is delivered in Rhode Island. These changes will help improve care, moderate costs over the long term, and, most important, improve the health of our members.

James E. Purcell	President and Chief Executive Officer
Richard P. Farias	Chief Operating Officer
Dorothy A. Coleman	Executive Vice President and Chief Financial Officer
Michele B. Lederberg	Executive Vice President and General Counsel
William K. Wray	Executive Vice President and Chief Information Officer



As part of our efforts to continuously improve and be kind to the environment, our 2009 Annual Report has been printed on Forest Stewardship Council certified paper. In addition, we have saved more than \$46,000 in printing costs by decreasing its printed distribution from 280,610 to 1,100 recipients. Everyone is invited to view our annual report online at BCBSRI.com.

500 Exchange Street • Providence, RI 02903-2699

Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

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