

## Our Company

Blue Cross and Blue Shield of North Carolina (BCBSNC) is a not-for-profit, fully taxed company with headquarters in Chapel Hill and major operations centers in Durham, Fayetteville and Winston-Salem. We are the largest health insurer in the state, with more than 4,800 employees<sup>1</sup> serving more than 3.9 million customers.<sup>2</sup> In 2014, salaries and benefits provided to BCBSNC employees represented an economic impact of \$456 million.<sup>3</sup>

## Our Customer Service

**Customer satisfaction:** 66.1% vs 58.9% for the other Blues on average.<sup>4</sup>

**Number of claims paid in 2014:** 51.8 million<sup>5</sup>

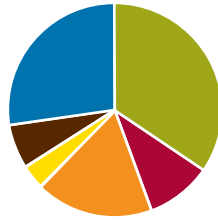
**Value of claims paid:** \$6.4 billion<sup>6</sup>

**Customer service calls received in 2014:** over 7.2 million<sup>7</sup>

## Our Membership<sup>8</sup>

**2014 Total membership: 3,910,036\***

- Group
- Individual
- State Employees & Retirees
- Federal Employee Program
- Seniors
- BlueCard\*\*



\*Medical Membership as of 12/31/2014 \*\*Covered on behalf of other Blue plans

## Our Provider Network<sup>9</sup>

Our PPO<sup>10</sup> network of health care providers includes 98% of medical doctors<sup>11</sup> and 99% of all general acute-care hospitals.

	HMO	PPO
Primary Care	5,856	5,863
Specialists <sup>12</sup>	30,059	32,249
Hospitals <sup>13</sup>	115	115

## Our Employees<sup>14</sup>

<b>Women:</b> 76%	<b>Ages 25 and under:</b> 3%
<b>Men:</b> 24%	<b>Ages 26-44:</b> 53%
<b>Minorities:</b> 52%	<b>Ages 45 and older:</b> 44%

## Executive Leadership Team

### J. Bradley (Brad) Wilson

President, Chief Executive Officer

### Maureen K. O'Connor

Executive Vice President of Diversified Businesses  
President, Mosaic Health Solutions

### Alan Hughes

Executive Vice President, Chief Operating Officer

### Fara M. Palumbo

Senior Vice President, Chief Human Resources Officer

### Gerald Petkau

Senior Vice President, Chief Financial Officer

### John T. Roos

Senior Vice President, Sales, Marketing & Communications

### N. King Prather

Senior Vice President, General Counsel, Corporate Secretary

## Company Milestones<sup>15</sup>

**1933:** Founded as Hospital Care Association, chartered on August 7

**1935:** Hospital Saving Association founded

**1968:** Hospital Care and Hospital Saving associations consolidate as North Carolina Blue Cross and Blue Shield

**1973:** Distinctive headquarters building opens in Chapel Hill, company name is changed to Blue Cross and Blue Shield of North Carolina

**1979:** Customer Service Center opens in Durham

**2000:** BCBSNC establishes the Blue Cross and Blue Shield of North Carolina Foundation

**2001:** BCBSNC establishes major operations center in Winston-Salem

**2005:** BCBSNC becomes the first health insurer in the nation to cover obesity as a primary condition

**2011:** BCBSNC collaborates with health care providers to open Carolina Advanced Health, a new primary-care physician practice specializing in the treatment of chronic conditions, and three accountable care organizations (ACO) that provide high-quality, coordinated and efficient care for customers, while reining in costs

**2013:** BCBSNC is the only insurer that offers ACA-compliant plans to all North Carolinians, regardless of income or where they live

**2014:** BCBSNC opened new regional service center in Fayetteville.

## 2014 Financial Performance<sup>16</sup>

Revenue	\$8.0 billion
Consolidated Net Income	(\$50.6 million)
Net Income Ratio	(.06%)
Taxes Paid in 2014	\$266.7 million
Fully Insured Claims and Medical Expenses Paid	\$6.4 billion
Months of Claim in Reserve	3.6 months
Percentage of Premium Dollar Spent on Medical Expenses	87.3%

## Headquarters

Location: Chapel Hill, NC  
Mailing address: P.O. Box 2291  
Durham, N.C. 27702-2291  
(919) 489-7431  
[bcbsnc.com](http://bcbsnc.com)

## Media Contacts

Media Line for reporters and analysts:  
(919) 765-3005 [media.inquiry@bcbsnc.com](mailto:media.inquiry@bcbsnc.com)  
Newsroom: <http://mediacenter.bcbsnc.com>

## Awards and Recognition

### Alliance for Work Life Progress:

Seal of Distinction (2013-15)

### American Heart Association:

AHA Fit Friendly Award (2010-14)

### AARP:

Top 50 Employer for Employees Over 50 (5th time recognized)

### Carolina Parent:

Top 50 Family-Friendly Companies (2000-14)

### CEO Roundtable on Cancer:

CEO Cancer Gold Standard Award (2010 -14)

### DiversityInc:

Top 10 Company for Diversity in the South

### Ethisphere Institute:

World's Most Ethical Companies (2012-15)

### Human Rights Campaign:

Best Places to Work for LGBT Equality (2015)

### National Association for Female Executives:

Top 50 Companies for Executive Women (2015)

### Triangle Business Journal:

Healthiest Employers of the Triangle (2012-14)

### Triangle Business Journal:

2014 Leaders in Diversity

### Working Mother Media:

100 Best Companies (2007-14)

## Community Involvement<sup>17</sup>

Since 1997, BCBSNC employees have logged more than 387,000 volunteer hours. Additionally, 86 percent of our corporate officers participate in volunteerism and community outreach programs.

BCBSNC employees also organize fundraisers to support local nonprofit groups, make donations to company-sponsored food and back-to-school drives and participate in hands-on volunteer projects, including sorting meals for the Food Bank of Central and Eastern North Carolina and KaBOOM! playground builds.

## BCBSNC Foundation<sup>18</sup>

The BCBSNC Foundation was founded in November 2000 and is a separate, independent, private, charitable foundation with the mission of improving the health and well-being of North Carolinians.

**Priority Areas:** Health Care: Supporting safety net organizations and their partners in achieving measurable results to increase quality, supply of and access to health care. Healthy Living: Increasing access to safe, inviting places to play and be active, as well as access to healthy, local food. Nonprofit Leadership: Increasing the effectiveness of North Carolina nonprofit organizations and their leaders.

**Signature Programs:** Be Active Kids<sup>®1</sup> and Nonprofit Leadership Academy

**Total Grants:** More than 750 grants totaling more than \$100 million to North Carolina organizations since the year 2000.

## Health Care Coverage Solutions

We offer a comprehensive portfolio of health insurance products for individuals and groups, including:

- + Preferred Provider Organizations (PPO)
- + Point of Service (POS)
- + High Deductible Health Plans (HDHP) paired with a Health Savings Account (HSA) or Health Reimbursement Account (HRA)
- + Medicare Options

Our products provide a broad range of options and financial incentives for members.

We also provide a range of services for self-insured plans, commonly referred to as administrative service only, or ASO, including stop-loss insurance, actuarial and reporting services, network access, medical cost management, claims processing and other administrative services.

Finally, we offer a full range of benefits, either on a stand-alone basis or as a complement to our core health insurance offerings, including:

- + Dental options
- + Individual term life
- + Group and voluntary life
- + Group short- and long-term disability
- + Voluntary short- and long-term disability
- + Group accidental death and dismemberment
- + Group and voluntary vision
- + Employee assistance plan
- + Accident coverage
- + Hospital confinement
- + Critical illness

- 1 Employment numbers as of 3/5/2015.
- 2 BCBSNC Financial Background, 3/2015.
- 3 BCBSNC human resources data, 3/3/2015 (includes related payroll taxes, employee welfare and acquisition costs).
- 4 4th Quarter Corporate Goals Results, 2/26/2015.
- 5 BCBSNC claims data, 3/2015.
- 6 BCBSNC claims data, 3/2015.
- 7 BCBSNC customer service data (2014 Phone Report), 1/9/2015.
- 8 Total Medical Membership as of 12/31/2014.
- 9 BCBSNC statewide PPO vendor count as of 3/16/15. (excludes mental health and dental providers).
- 10 Preferred provider organization (PPO) includes State PPO, Federal Employee Program PPO, ACS Services and National Carolinas Program.
- 11 The percentage of medical doctors is based upon the number of providers that applied for a BCBSNC provider number and then contracted with us versus the total number of providers who applied.
- 12 Includes all providers, medical doctors, non-medical doctors and specialties of family practice, general practice, internal medicine and pediatrics not counted as a primary-care provider (excludes mental health and chemical dependency providers).
- 13 Includes general acute care only.
- 14 BCBSNC human resources data, 3/5/2015.
- 15 BCBSNC historical data.
- 16 "Blue Cross Blue Shield of North Carolina Reports Financial Results for 2014," BCBSNC press release, 2/27/2015.
- 17 BCBSNC community relations data, 3/2015.
- 18 BCBSNC Foundation data, 3/2015.

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