



Ensuring all
Californians have
access to affordable,
high-quality health
care — that's our
mission, and it drives
everything we do



At the heart of all we do is our mission: to ensure all Californians have access to high-quality health care at an affordable price

Serving Californians for more than 75 years

Blue Shield of California was founded in 1939 by a group of physicians who believed that everyone should be able to afford a visit to their doctor. In that first year, more than 20,000 Californians signed up. More than 75 years later, Blue Shield now serves 4 million members with the same goal in mind. How we pursue our mission is just as important as what we achieve. That means operating ethically, acting with integrity, responsibly stewarding our company's financial resources and conserving natural resources. As a nonprofit, we are organized to benefit our members and the public rather than private owners and investors.

Delivering on the promise of affordability

Everyone talks about rising health costs, but we're taking bold steps to make coverage affordable. Our 38 – and counting – accountable care organizations (ACOs) across California are transforming the healthcare delivery system.

An ACO is an innovative model where we work closely with hospitals and physicians on the front line of member care. Between 2010 and 2015, our ACOs have improved care while reducing hospital admissions up to 13% and decreasing bed days up to 27%. They have also resulted in a total savings of more than \$325 million.

In June 2011, we became the first health plan in the nation to limit our annual net income to 2% of revenue and pledge to return the difference to our customers and community with approval from our board of directors. Since 2011, we returned more than \$560 million to our members and community. Our pledge demonstrates that we are motivated by our mission, not by profits.

Advocating at the local, state and national level

When we talk about access for all Californians, we mean it. In 2002, Blue Shield became the first major health plan to advocate for universal health coverage and share a proposal on how to get there. Since then, we have continued to support health reform efforts at the state and national levels. This includes working closely with Covered California, and we are proud to be the number one health plan purchased on the state exchange.

We've also invested in access by giving more than \$325 million over the past ten years to the Blue Shield of California Foundation, which funds community organizations and clinics dedicated to making health care effective, safe and accessible. The Foundation has been named one of *Business Week's* 20 most generous corporate foundations.

Compassion is our strength

True to our nonprofit heritage, community involvement is essential to building enduring, positive relationships with the people we serve. Our Shield Cares program supports and encourages employees to volunteer or donate to nonprofit organizations where they live and work. Through the program, Blue Shield matches donations annually of up to \$1,000 per employee. In 2015, Blue Shield employees gave more than \$300,000, which totaled \$600,000 when combined with Blue Shield's 1:1 matching funds. Blue Shield employees also logged 4,000 volunteer hours in 2015.

Improving quality for better health

Blue Shield's mission is to provide high-quality, affordable health care to all Californians, making quality improvement a key priority for us. Our efforts are designed to measure and improve both clinical quality as well as patient experience. We are investing in quality in a number of ways to achieve short-term and long-term improvements:

- Establishing the data systems and analytical expertise to better pinpoint where to focus our quality improvement efforts for greatest impact
- Building relationships with our highest-volume primary care physicians and closest partner physician groups through aligned financial incentives
- Performing in-home assessments of high-risk members to create a convenient way to bring services directly to those members

