Change starts here.

We are boldly leading the way in health care in our region and the nation. We’re collaborating with physicians and hospitals to create groundbreaking new models of cost-effective superior care. We’re forging powerful partnerships with Blue Cross and Blue Shield companies and other recognized health care leaders to harness technology and create innovative new products and services. And we’re exceeding our customers’ expectations.

Bold, nimble, and visionary.

Independence Blue Cross. We’re changing the game.
It’s time for change.

America spends more on health care than any other industrialized country in the world, yet we’re no healthier. Clearly, it’s time for change.

At Independence Blue Cross, we’re delivering what Americans truly need: encouragement to stay well, superb care when you become ill, and a coordinated health care system that rewards physicians and hospitals for the safest, most effective care.
Dear Friends, Customers, and Colleagues:

We’re leading a transformation in health care.

As reform moves forward and health care undergoes dramatic change, the health care companies that thrive will be those with a bold, clear vision that move rapidly, executing fresh ideas and developing groundbreaking innovations.

In 2012, Independence Blue Cross and its affiliated companies embarked on a new four-year strategic plan, IBC 2016, that charts our course for becoming the best Blue health insurer in the United States. Our vision is to become a recognized leader in transforming the delivery of health care and offering market-leading commercial and Medicare health plans in our region and sophisticated, cost-effective Medicaid managed care nationwide.

Our strategy also lays out our ongoing commitment to shaping innovative collaborations and partnerships with like-minded Blue plans and other leaders in health care.

We have made tremendous progress in the last year, from fully embracing reform to creating buzz in the marketplace about the new Independence Blue Cross — 75 years strong and still Changing the Game.

In 2012, we began developing a growing portfolio of health capability investments. We led the effort with health care technology company Lumeris, Inc., and two regional Blue health insurers, Highmark Inc. in western Pennsylvania and Horizon Blue Cross Blue Shield of New Jersey, to buy the enormously promising NaviNet, Inc., the nation’s largest real-time, secure communication network for physicians and hospitals. The resulting partnership is helping to build fully collaborative relationships between physicians, hospitals, and patients that will increase the quality of care, lower costs, and improve patient and physician satisfaction.

Since we partnered with Blue Cross Blue Shield of Michigan in 2011 to purchase the rapidly growing national Medicaid organization AmeriHealth Caritas, we have expanded our company’s footprint to 19 states across the country. Independence Blue Cross and its subsidiaries now serve more than 7 million people nationwide.
We are transforming the way doctors and hospitals are compensated, rewarding them for high-quality, cost-effective care through our innovative accountable care payment model for hospitals and pay-for-performance incentives for primary care physicians. These recognize doctors and hospitals for working together to put patients first.

In one of our proudest accomplishments, over the past three years we've become a national leader in the growth of patient-centered medical homes, models of high-quality, coordinated primary care that keep the chronically ill well. In fact, research by outside experts showed that in our patient-centered medical home practices, the cost of care for diabetics went down substantially.

We believe that innovation is the key to bringing fresh ideas into health care, and we are making strategic moves to transform the Philadelphia region into a national magnet for health care innovation, investment, and employment. In 2012, we introduced the IBX Game Changers Challenge, a six-week competition for new health care-related business ideas that drew more than 150 applications, and we awarded three promising start-ups a $50,000 stipend each, office space, and guidance from experienced experts and entrepreneurs. We also joined forces with Penn Medicine and DreamIt Ventures to launch the first-ever Philadelphia-based health care “accelerator” — DreamIt Health, which will accelerate the path to success for ten health care start-ups selected in a national competition in 2013.

In 2012, we made advances in our capabilities to better serve our customers and prepare for health care reform. With new flexible, cost-effective health plans for individuals and employers, we’re offering more choices than ever to fit customers’ health care needs and budgets. We also took dramatic steps forward in the technology we offer our customers. For example, our new Web tool, Find a Doctor, allows members to locate physicians and hospitals, read patient reviews, post rankings of doctors, and compare the costs of basic procedures. In addition, we are transitioning to Highmark’s operating platform, which will allow us to achieve a more competitive cost structure, create new products and services, further diversify our revenue streams, and grow membership.

“Our goal is to be a recognized leader in transforming the delivery of health care, shaping innovative collaborations and partnerships, and offering market-leading commercial and Medicare health plans in our region and sophisticated, cost-effective Medicaid managed care nationwide.”
In a solid year overall, we generated the financial fuel we needed to pursue strategic investments to bring about real change. In 2012, with total revenues of $10.5 billion, we saw a modest margin of 1.8 percent, or a net income of $191.5 million. This positive performance allows us to remain financially stable, better serve our customers, and prepare for the future.

We also continued to act as a leader in corporate social responsibility and community investment. We invested tens of millions supporting innovative health and wellness initiatives and forward-thinking organizations that build the health of our community. Our associates donated 9,700 hours to 200 volunteer projects. And in just one year since its creation in 2011, the $56 million Independence Blue Cross Foundation has become a leading voice in tackling health care challenges. In 2012, the foundation announced the new three-year, $1.8 million Healthy Futures initiative, dedicated to reversing the childhood obesity epidemic by helping children get fit, eat right, and stay well.

With our role as a leader of change in health care comes responsibility: to our customers, to their employees and families, to our local communities, and to our 7,472 associates, whom we thank for working every day to change the game and improve health care for all of us.

M. Walter D’Alessio
Chairman

Daniel J. Hilferty
President and Chief Executive Officer
Who we are

Independence Blue Cross and its subsidiaries serve more than 7 million people in 19 states — 4 million through our medical coverage and administrative services, and 3 million through pharmacy, dental, and vision coverage and other ancillary products.
Independence Blue Cross at a glance

For nearly 75 years, Independence Blue Cross and our companies have boldly led the way in changing how health care is delivered. Headquartered in Philadelphia, we are committed to enhancing the health and wellness of the people we serve in southeastern Pennsylvania and across the nation.

$10.5 BILLION in total revenue.

$250 MILLION paid in federal, state, and local nonpayroll taxes.

$8.4 BILLION paid to physicians, hospitals, and other health care professionals for our members’ care.

158 HOSPITALS AND 42,545 PHYSICIANS AND OTHER HEALTH CARE PROFESSIONALS in our network, offering our members the widest consumer choice for quality care.

7,472 people employed.
One-third of all insured Americans — about 100 million nationwide — are in a Blue Cross® or Blue Shield® plan, and 83 of the Fortune 100 companies offer Blue health plans to their employees.

WE ARE POSITIONED FOR SUCCESS UNDER HEALTH CARE REFORM WITH ALL LINES OF BUSINESS:

- consumer
- employer-sponsored
- Medicare
- Medicaid

34,670
employer groups served, 95 percent with fewer than 100 employees.

7 MILLION
people served nationwide — through our medical coverage, administrative services, and stand-alone ancillary products — including 2.2 million members in our region.

THE POWER OF BLUE

preferred brand in our region.
We’re changing the way you experience health care.

By investing in a nationally respected and highly effective new model of care, and by motivating doctors and hospitals to improve the quality of care and lower costs for consumers, we’re leading the way to a healthier future.

Dr. Allan Crimm of Ninth Street Internal Medicine in Philadelphia talks with Marcy Berlin-Burton, a patient in his patient-centered medical home practice. “My care has been excellent and very personalized,” says Marcy. “My chronic conditions are better controlled and I feel healthier.”
Driving success

From its pilot in 2008, our patient-centered medical home model grew to include 280 primary care practices by the end of 2012. These practices improve patient health and lower costs through a team-oriented approach to primary care. In all, 1,339 primary care physicians in our network practice in a patient-centered medical home — that’s nearly 37 percent of all primary care physicians.

In 2012, to assess the effectiveness of these practices, we convened a panel of experts, led by our Chief Medical Officer Dr. Richard Snyder and Chief Informatics Officer Somesh Nigam, to evaluate the success of our model through research. The results told a dramatic story for chronically ill members: During three years of patient-centered care, they spent less time in the hospital and visiting specialists than they had previously, and their patient-centered medical homes experienced a substantial reduction in costs. The message is clear: Patient-centered care, with its strong focus on preventive medicine, is helping chronically ill patients like diabetics take control of their health while reducing health care costs. For a list of physicians in our network practicing in patient-centered medical homes, visit www.ibx.com/pcmh.

Encouraging change

In 2012, we took our commitment to the patient-centered medical home model a step further by offering the American College of Physicians’ Medical Home Builder tool to primary care physicians in our network. This online tool is designed to help practices become patient-centered medical homes by providing ways to improve patient care, organization, and workflow.
**Rewarding results**

Our accountable care payment model rewards doctors and hospitals for working together to put patients first while keeping costs down. In 2012, more than 80 percent of the eligible health systems in the Philadelphia area agreed to participate in this innovative incentive program. Participating hospitals and physicians commit to reducing hospital-acquired infections and readmissions, following evidence-based guidelines for care, and managing costs through careful coordination of health care services. This payment model is designed to recognize and reward high-performing hospitals and physicians, who share in the resulting savings. This ultimately makes health care — and health insurance — less expensive for all of us.

In addition, our pay-for-performance incentive plan for primary care rewards physicians for improved quality, reduced cost, and activities such as extending office hours, prescribing cost-effective generic drugs whenever possible, communicating and collaborating with hospitals to oversee their patients’ care, and becoming certified patient-centered medical homes. It’s one more way we’re making the patient experience more convenient and more pleasant for consumers.
We’re changing health care through innovations in our community and beyond.

By transforming Philadelphia into a national magnet for health care innovation, investment, and employment, we’re investing in better health — for you, your family, and your employees.

IBX Game Changers Challenge winner Samir Malik received a $50,000 stipend and expert consulting to nourish his start-up 1DocWay, which increases access to mental health care for people in rural areas.
Investing in innovation

In 2012, we took important steps toward making Philadelphia a magnet for health care innovation, helping to build a healthier and more robust future for our region. We introduced the **IBX Game Changers Challenge**, a six-week competition for bold new health care-related business ideas that drew more than 150 applications and resulted in our support of three promising start-ups. We also launched our region’s first-ever health care “accelerator,” **DreamIt Health**, to encourage the growth of high-profile health care start-ups right here in our backyard.

**Supporting effective solutions**: What if you needed psychiatric care — but like millions of Americans — lived many miles from the nearest specialist? Local entrepreneur Samir Malik invented a way to successfully address the plight of rural patients with **1DocWay**, his winning entry in the 2012 IBX Game Changers Challenge. Each of three Challenge winners received a $50,000 stipend, three months of office space, and business advisory services. 1DocWay increases access to psychiatric care in a creative, effective way: A patient can use 1DocWay software installed at a local clinic to have a secure, confidential video chat with an accredited psychiatrist. The other two Challenge winners were Doug Barg, whose **Kitchen Cred** introduces students to healthy cooking, and Lon Hecht, whose **QuickSee MD** helps identify alternatives to emergency room care.

**Thinking big**: Our new health care business accelerator, **DreamIt Health**, combines three of Philadelphia’s most respected resources: Independence Blue Cross, the region’s leading health insurer; Penn Medicine, one of the city’s finest health systems; and **DreamIt Ventures**, an established and successful new-business developer.
Along with Penn Medicine, we will provide $50,000 stipends, guidance from experienced health care executives and entrepreneurs, and Philadelphia office space to ten winning start-ups from across the country to develop scalable, innovative technology. During a four-month “boot camp,” winners will rapidly develop and test their business models and prepare for their introduction to the marketplace. It’s the first time a leading health insurer and a leading health system have teamed up to support entrepreneurship, and we believe it will improve the future of health care for all of us.

The IBX Game Changers Challenge, a six-week competition for bold new health care-related business ideas, drew more than 150 applications.

On the front lines of cancer research

By encouraging participation in a national long-term cancer prevention study, we’ve offered members a very real way to honor friends and family with cancer, and to help prevent it. After providing background information on health and lifestyle, participants in the American Cancer Society’s CPS-3 study will be followed for 20 years or more to assess their ongoing health and determine how it relates to diet, exercise, hormone use, air pollution, and other factors. In October, at a special event at our headquarters, about 170 men and women enrolled in the historic study for the chance to shape the future of cancer treatment and help save lives.
We’re changing the way technology is used to keep you well.

Making good decisions about health care requires fast access to accurate information anytime, anywhere. That’s why we’ve invested in technology to help physicians and hospitals deliver better care and lower costs, and help consumers stay well.
Harnessing technology for your care

We added new technological capabilities in 2012 when we spearheaded with three other companies to buy a promising national company, NaviNet, Inc., which uses state-of-the-art technology to simplify administrative, financial, and clinical health care transactions — including insurance verification, reimbursement, referrals, and authorizations — at millions of doctors’ offices and hospitals across the country. Through NaviNet, we can offer software and guidance to support hospitals as they shift to accountable, value-based health care, which will help build more fully collaborative relationships between physicians, hospitals, and patients that will increase the quality of care and lower costs. As we begin to pilot these capabilities, we are excited about their promise.

Knowledge is power

Having the facts you need about your health care helps put you in control. In 2012, we introduced Find a Doctor, a search tool and cost estimator available through our member website that provides consumers with critical information about physicians and hospitals.

**Search for a doctor or hospital:** Looking for a new primary care doctor or specialist who accepts your health plan? Need to find a hospital or health center that’s convenient to your home? Now a comprehensive, searchable database of our network doctors, hospitals, and treatment facilities is only a few clicks away when you log onto www.ibx.com or www.ibxpress.com and access Find a Doctor. Enter your location, choose a medical specialty or type of facility, and find the physician, hospital, or treatment center that’s right for you.

We're delivering reliable information about health care through our real-time health care communication network, new online search tools, and social media chats.
Calculate your expenses: When it comes to health care, higher price tags don’t necessarily mean better quality, and cost is just one of the important factors you need to consider when deciding where to have a procedure performed. Find a Doctor provides an estimated range of costs at facilities in our network for nearly 150 common health care procedures, from colonoscopies to MRIs, so that you and your doctor can choose the option that’s best for you.

Read and post reviews: It’s always easier to make a decision after learning about the experiences of others. Find a Doctor allows you to read reviews of doctors and post your own ratings. This information sharing benefits everyone and helps you feel confident in your final choice.

Our social media presence more than doubled in 2012 with a 230 percent increase in Facebook fans and a 209 percent boost in Twitter followers. Connect with us: ibx.com/social.

A new resource for doctors
Physicians can review and compare relative cost rankings for a wide assortment of common outpatient procedures at network facilities through a new feature available on www.navinet.com. As a result, your physician will be able to recommend the most cost-effective, high-quality options for your care.

Technology on the move.
On May 1, 2012, we hosted our first live Twitter chat with running expert Jeff Galloway, who answered questions from 80 Blue Cross Broad Street Run participants before the race. We continued our use of Twitter to reach out to members with a popular diabetes chat in November.
We’re changing our health plans to meet your needs and improve your bottom line.

Whether you’re an individual consumer, a small business owner, or a national corporation, our market-leading health plans and services fit your budget, add value to your health coverage, and exceed your expectations.
In 2012, as consumers and business owners continued to grapple with a challenging economy, we responded by offering fresh options to meet evolving needs, help keep costs down, and encourage our members to stay well.

Stepping up to serve large national customers

In 2012, we began offering national customers the Independence Blue Cross National Alliance — new, powerful, comprehensive medical coverage along with prescription, dental, and vision coverage and stop-loss reinsurance. Our National Alliance health coverage, powered by Highmark Blue Shield, provides access throughout the nation to superior care at highly competitive costs and helps companies manage health care costs through sophisticated reporting and analytics. This extraordinary new national product has already attracted new customers, bringing almost 35,000 new members to Independence Blue Cross.

New plans for businesses, consumers, and seniors

In 2012, we listened to the needs of our small business customers and launched six enhanced small group plans that include wellness incentives. For individual consumers and families, we developed three new competitively priced health plans. For seniors, we introduced a new Medicare Advantage HMO plan with benefits including the award-winning SilverSneakers fitness program and a choice of almost all of the hospitals in our network — all for no monthly premium.

As part of our effort to explore new markets, we also announced a strategic relationship with AAA Mid-Atlantic, the respected travel services provider, to offer a broad variety of health plans to AAA members in southeastern Pennsylvania. These plans offer an added benefit: the support of trained health advocates to help consumers find physicians, understand their insurance benefits, and navigate the often confusing health care system.

On behalf of all our customers, we began a carefully planned multiyear transition to Highmark Inc.’s operating platform, which is allowing us to expand our capabilities and offer increasingly outstanding customer service — all while keeping down the costs of doing business.
Expanding Medicaid managed care

We supported the expansion of AmeriHealth Caritas, our rapidly growing national Medicaid company, which has taken a leading role in bringing access to Medicaid managed care to people across the country. AmeriHealth Caritas — one of the country’s largest Medicaid organizations, serving 1.7 million people through Medicaid managed care plans and administrative services in eight states — is positioned to help financially pressured states modify their Medicaid costs through managed care and take advantage of the expansion of Medicaid under health care reform.

Expanded coverage for urgent care: What do you do when your child spikes a fever or develops an earache on a Friday night when your physician is unavailable? Urgent care centers provide a convenient, more efficient, and often less expensive alternative to crowded emergency rooms when treating non-life-threatening conditions. In 2012, we added coverage for treatment at urgent care centers and introduced a new tool to help you locate these centers — ibx.com/findcarenow.

Embracing reform

We also continued our planning for the significant changes reform will bring in 2014 — preparing to offer our health plans on the new electronic health insurer marketplace, or “exchange”; modifying our health plans to include newly required benefits; and making sure our premiums follow new pricing rules. We promise to guide our customers smoothly through this new health care environment.

“I am impressed by Independence Blue Cross’s response to both health care reform and the increasing demand in the marketplace for data and transparency. Their responsiveness and flexibility are critical for us to serve our clients, whether they are small businesses, regional employers, or multinational corporations.”

— Christopher J. Gavigan
President
Charon Planning
We’re building a firm foundation for a bright future.

Financial stability is critical to allowing us to invest in innovative capabilities to better serve our customers, keep them well, and prepare for the changes that health care reform will bring.

Our 2012 financial performance allows us to change the game for our members.
Our performance

Throughout 2012, Independence Blue Cross continued its solid financial performance. We ended the year with $10.5 billion in revenue, resulting in a net income margin of 1.8 percent, or $191.5 million. Our net income is critical to our ability to remain financially stable, invest in better serving our customers, and prepare for health care reform.

Game-changing investments for our members’ health

Unlike publicly traded health insurance companies, our net income benefits our customers and our community, not shareholders. We made game-changing investments to boost future growth, lower health care costs, and improve health care quality for our members. We expect that these strategic initiatives will continue to drive success in 2013 and beyond. For example, we partnered with Lumeris, Inc., Highmark Inc., and Horizon Blue Cross Blue Shield of New Jersey to purchase health care technology company NaviNet, Inc. And we expanded our reach throughout the nation by partnering with Blue Cross Blue Shield of Michigan to purchase AmeriHealth Caritas, an experienced leader in government-funded health insurance programs, which serves 13 states.

We also used our income to respond to customers’ needs for new products and services, continue improving our high level of service, invest in technology to simplify doing business with us, support initiatives that bolster community health, and retain an adequate surplus to weather serious financial downturns or medical crises, such as epidemics or natural disasters.

Maintaining financial discipline and stability

In 2012, we added to our surplus — the funds set aside to pay unexpected claims and a crucial measure of an insurance company’s financial stability. Our 2012 surplus was $2.5 billion. This level falls in the “sufficient” range, as defined by the Pennsylvania Insurance Department, and ensures that we have resources to pay claims and keep our customers secure.

We will continue to maintain our financial health so that we can innovate, invest, and expand while changing the game for the 7 million people who depend on us.
How your premium dollar is spent

We spent 83.9 cents of each premium dollar to pay for our customers’ health care. We used 11.9 cents to run our business and invest for the future and 2.4 cents to pay taxes — a total of $250 million in federal, state, and local nonpayroll taxes, including $34.2 million in state premium taxes and $159.1 million in gross receipts tax. We had a 1.8-cent margin, which strengthens our financial foundation.

### Consolidated Balance Sheet

December 31, 2012, and December 31, 2011 ($ in thousands)

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$3,550,839</td>
</tr>
<tr>
<td>Premiums and other receivables</td>
<td>1,387,842</td>
</tr>
<tr>
<td>Intangibles and other assets</td>
<td>809,387</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$5,748,068</strong></td>
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<tr>
<td>Claim liabilities</td>
<td>1,676,507</td>
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<tr>
<td>Unearned income</td>
<td>468,665</td>
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<tr>
<td>Accrued expenses</td>
<td>631,157</td>
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<tr>
<td>Other liabilities</td>
<td>456,044</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$3,232,373</strong></td>
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<tr>
<td>Independence Blue Cross surplus</td>
<td>2,346,167</td>
</tr>
<tr>
<td>Noncontrolling interest surplus</td>
<td>169,528</td>
</tr>
<tr>
<td><strong>Total surplus</strong></td>
<td><strong>$2,515,695</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and surplus</strong></td>
<td><strong>$5,748,068</strong></td>
</tr>
</tbody>
</table>

### Consolidated Statement of Operations

December 31, 2012, and December 31, 2011 ($ in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium revenue</td>
<td>$10,020,518</td>
<td>$8,876,219</td>
</tr>
<tr>
<td>Management fees</td>
<td>463,067</td>
<td>335,318</td>
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<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$10,483,585</strong></td>
<td><strong>$9,211,537</strong></td>
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<tr>
<td>Claims incurred</td>
<td>8,407,024</td>
<td>7,711,901</td>
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<tr>
<td>Operating expenses</td>
<td>1,673,957</td>
<td>1,138,217</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$10,080,981</strong></td>
<td><strong>$8,850,118</strong></td>
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<tr>
<td><strong>Operating income (loss)</strong></td>
<td><strong>$402,604</strong></td>
<td><strong>$361,419</strong></td>
</tr>
<tr>
<td>Investment income</td>
<td>123,564</td>
<td>138,061</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td>(201,706)</td>
<td>25,017</td>
</tr>
<tr>
<td><strong>Pretax net income (loss)</strong></td>
<td><strong>$324,462</strong></td>
<td><strong>$524,497</strong></td>
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<tr>
<td>Income tax benefit (expense)</td>
<td>(116,964)</td>
<td>(177,643)</td>
</tr>
<tr>
<td>Discontinued operations, net of tax</td>
<td>0</td>
<td>3,476</td>
</tr>
<tr>
<td><strong>Noncontrolling interest</strong></td>
<td>(15,969)</td>
<td>(35,527)</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td><strong>$191,529</strong></td>
<td><strong>$314,803</strong></td>
</tr>
</tbody>
</table>
The subsidiaries and affiliates of Independence Blue Cross

Independence Blue Cross and its affiliated companies deliver innovative health and wellness solutions — in southeastern Pennsylvania and throughout the nation — by offering a wide range of market-leading health plans and health specialty services.

QCC Insurance Company, a wholly owned subsidiary, offers quality, cost-effective preferred provider plans — including Personal Choice® PPO and Personal Choice 65SM PPO — and a Medicare Part D Plan called Select Option® PDP.

Keystone Health Plan East, a health maintenance organization and a wholly owned subsidiary, offers a flexible suite of products that includes Keystone Health Plan East, Keystone Point of Service, and Keystone 65.

Independence Administrators, a third-party administrator and a wholly owned subsidiary, serves self-funded health plans in the five-county southeastern Pennsylvania region for groups of 100 or more employees. The company offers tailored, cost-effective benefits management services, including claims payment, health management, and consumer-directed health plan options.

AmeriHealth health insurance companies provide HMO, POS, PPO, traditional coverage, and AmeriHealth 65® products in Pennsylvania (outside the five-county southeastern region), New Jersey, and Delaware.
AmeriHealth Administrators, a national third-party administrator and a wholly owned subsidiary, serves self-funded health plans outside the five-county southeastern Pennsylvania region for groups of 100 or more employees. The company provides comprehensive benefits management services, such as claims payment, health management, and consumer-directed health plan options.

AmeriHealth Casualty Services, a wholly owned insurance agency, offers workers’ compensation insurance, life and disability insurance, third-party claims administration, and integrated disability management in Pennsylvania, New Jersey, Delaware, and Maryland.

AmeriHealth Caritas — owned by Independence Blue Cross (majority shareholder) and Blue Cross Blue Shield of Michigan (minority shareholder) — is an experienced leader in government-funded health insurance programs, serving more than 1.7 million members in eight states through Medicaid managed care plans and administrative services. The company also offers pharmacy benefits management, behavioral health care, and other services to nearly 2.9 million additional Medicaid, Medicare, and State Children’s Health Insurance Program beneficiaries in 13 states.

CompServices, Inc., a wholly owned subsidiary, offers administrative services for self-insured workers’ compensation programs, such as case management and claims administration. The company operates in Pennsylvania, New Jersey, and Delaware.

NaviNet, Inc. — owned by Independence Blue Cross; Highmark Inc.; Horizon Blue Cross Blue Shield of New Jersey; and Lumeris, Inc. — speeds and simplifies more than 50 kinds of administrative, financial, and clinical transactions among three-quarters of America’s physicians, 3,800 hospitals, and dozens of the nation’s largest health insurers. The company also offers software and guidance to support hospitals shifting to accountable, value-based health care.
Independence Blue Cross leadership team*

The Board of Directors
M. Walter D’Alessio
Chairman
Joseph A. Frick
Vice Chairman
Charles P. Pizzi
Vice Chairman
Daniel J. Hilferty
President and Chief Executive Officer
Joseph A. Barilotti
Robert W. Bogle
Debra L. Brady
Christopher D. Butler
Edward S. Cooper, M.D.
Edward Coryell
A. Bruce Crawley
Nicholas DeBenedictis
Patrick J. Eiding
Patrick D. Finley
Dr. Vail P. Garvin, FACHE
Patrick B. Gillespie
Nicholas A. Giordano
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Anne Kelly King
Thomas A. Leonard, Esq.
Andrew L. Lewis, IV
Michael D. Marino, Esq.
J. William Mills, III
Alan Paul Novak, Esq.
Denis P. O’Brien
Thomas G. Paese, Esq.
Michael V. Puppio, Jr., Esq.
William R. Sautter
James C. Schwartzman, Esq.
Robert W. Sorrell
Daniel L. Woodall, Jr.

The Senior Team
Daniel J. Hilferty
President and Chief Executive Officer
Yvette D. Bright
Executive Vice President and Chief Transformation Officer
Christopher Cashman
Executive Vice President and President of Commercial Markets
Alan Krigstein
Executive Vice President, Chief Financial Officer, and Treasurer
Richard J. Neeson
Executive Vice President and President, Expanding Markets
Paul A. Tufano, Esq.
Executive Vice President, General Counsel, and President of Government Markets
I. Steven Udvarhelyi, M.D.
Executive Vice President, Health Services, and Chief Strategy Officer
Douglas L. Chaet
Senior Vice President, Contracting and Provider Networks
Stephen P. Fera
Senior Vice President, Public Affairs
Kathryn A. Galanneau, F.S.A.
Senior Vice President, Actuarial and Underwriting
Regina Heffernan
Senior Vice President, Human Resources
John R. Janney, Jr.
Senior Vice President, Health Care Reform Implementation and Transformation
Susan S. Kozik
Senior Vice President and Chief Information Officer
Donald J. Liskay
President, CompServices, Inc.
Brian Lobley
Senior Vice President, Marketing and Consumer Business
Somesh Nigam, Ph.D.
Senior Vice President and Chief Informatics Officer
Lauren C. O’Brien, CPA, CIA
Senior Vice President and Chief Accounting Officer
Stephan R. Roker
Senior Vice President, Service Operations and Enterprise Optimization
Judith L. Roman
President and CEO, AmeriHealth New Jersey
Richard L. Snyder, M.D.
Senior Vice President and Chief Medical Officer
Linda M. Taylor
Senior Vice President and Chief Sales Executive
Elizabeth A. Williams
Senior Vice President and Chief Communications Officer

*As of March 1, 2013*
Independence Blue Cross offers products directly, through its subsidiaries Keystone Health Plan East and QCC Insurance Company, and with Highmark Blue Shield. Independence Blue Cross is an independent licensee of the Blue Cross and Blue Shield Association.

Highmark Inc., Horizon Blue Cross Blue Shield of New Jersey, and Blue Cross Blue Shield of Michigan, with which Independence Blue Cross has vendor relations and business partnerships, are independent licensees of the Blue Cross and Blue Shield Association.