



DELIVERING BLUE FOR LIFE

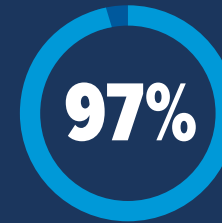


2018 Annual Report





5,700+
EMPLOYER
GROUPS



of claims
**ELECTRONICALLY
PROCESSED ONLINE**



**OVER
1.7
MILLION**
*Albertans
covered*



Committed to
**HEALTH AND
WELLNESS**



>50
**CHARITABLE
PROGRAMS**
supported yearly

**HUNDREDS
OF THOUSANDS**
*of individual health
plan members*



A VALUES-DRIVEN ORGANIZATION



Programs administered for
**PROVINCIAL, TERRITORIAL
AND FEDERAL GOVERNMENTS**



CONTINUOUS REINVESTMENT
*in our customers,
products and technology*



TABLE OF CONTENTS

<i>Corporate address: Delivering Blue For Life</i>	<i>1</i>
<i>Progressing with wellness in mind</i>	<i>5</i>
<i>Enhancing our customers' experience</i>	<i>9</i>
<i>Supporting the Government of Alberta</i>	<i>13</i>
<i>Evolving our outlook</i>	<i>17</i>

WHO WE ARE

Alberta Blue Cross is the largest benefits provider in Alberta and one of the largest in Western Canada. We serve more than 1.7 million individuals with coverage through more than 5,700 small and large employer group plans, individual plans and government-sponsored programs. In 2018, Alberta Blue Cross processed more than 64 million claim lines with a value exceeding \$2.98 billion.

Alberta-based and Alberta-grown, we are an independent, not-for-profit organization. We provide health and wellness plans, programs and services on a viable, not-for-profit basis for the financial protection and well-being of our communities.



CORPORATE ADDRESS

DELIVERING BLUE FOR LIFE



*Four years ago, Alberta Blue Cross embarked
on a significant new strategic direction for our
organization—a vision we call “Blue For Life.”*



DELIVERING BLUE FOR LIFE

Four years ago, Alberta Blue Cross embarked on a significant new strategic direction for our organization—a vision we call “Blue For Life.” Blue For Life reflects our aspirations and commitment as an organization to have a greater presence in supporting and promoting the health and wellness of Albertans through all ages and stages of life.

2018 was a year of substantial progress toward fulfilling our Blue For Life vision and provides a timely checkpoint to assess how well we are delivering on the commitment we have made.

One of the focal points of our Blue For Life vision is our emphasis on wellness. We believe we have the potential and responsibility to impact lives for the better, moving beyond benefits in our belief that all communities deserve to be and live well. To this end, we are committed to empowering healthy vibrant individuals, workplaces and communities. We are committed to serving as a champion for wellness and as Albertans’ partner in wellness.

Another key focus of Blue For Life is a strategic direction to put our customers at the centre of our business and make their experiences our number one priority. While we have long differentiated Alberta Blue Cross through the provision of excellent customer service, our focus on end-to-end customer experience is a critical enabler to fulfilling our Blue For Life vision.

At the same time, drawing upon our Blue For Life vision, we have continued to grow our business. Over the past year, we continued to see growth in the number of plan members we serve across all areas

of our organization, we added new products and services to serve our markets and we successfully implemented a number of new initiatives on behalf of government program sponsors. We also saw corresponding growth in the volume of our business, ending 2018 just \$20 million shy of breaking through the \$3 billion mark in annual revenue. While we grow our business, we are equally committed to organizational transformation in the interest of driving greater operational efficiencies and reducing costs. We continued to focus on building, enhancing, upgrading and renewing our systems and our technical infrastructure, while also making strides toward greater digitization, from claims to our internal paper flow.

Recognizing the increasingly important role we play in the communities we serve, we continued to grow our profile and our brand in 2018 through an expanded community presence, as well as an expanded presence in the business community with activities including our Leaders Reception event in Grande Prairie. Reflecting the evolution of our organization, we are pleased to have created a separate Community Accountability report for the first time which accompanies this year’s Annual Report.

Continued on following page ...

As a private, not-for-profit organization with a unique legislative mandate to support the health and wellness of Albertans, Alberta Blue Cross is fully committed and engaged as an active partner in our health care system and in the lives of those we serve. While Blue For Life is a vision, it is also a journey—which we continue in the ultimate interest of embracing the entirety of our mandate.



RAY PISANI
President and Chief Executive Officer
Alberta Blue Cross



SCOTT THON
Chair, Board of Directors
ABC Benefits Corporation

A photograph of two women of African descent smiling and holding hands. The woman on the left has dark curly hair and is wearing a grey hoodie over a blue long-sleeved shirt. The woman on the right has short white hair, wears a purple headband, a pink scarf, and a black athletic jacket with white stripes. They are standing outdoors with a blurred background of what appears to be a waterfront or park area.

PROGRESSING WITH WELLNESS IN MIND

DELIVERING BLUE FOR LIFE



*You don't have to know the whole journey,
you just have to take the first step.*



We believe we have the potential and responsibility to impact people's lives for the better. That's why wellness is a significant part of Blue For Life. A meaningful pursuit of health and wellness allows Albertans to go further—to enhance their capacity to live, work, travel and play.

A STRATEGY FOR WELLNESS

These days we're inundated with quick fixes that promise wellness but deliver short-term, hollow results. Chronic diseases are on the rise—contributing to two-thirds of deaths in Canada—yet they can largely be prevented by adopting better health and wellness behaviours.

In developing our wellness strategy, we started by asking ourselves a few basic questions:

- What really matters to people regarding their own wellness?
- How do we inspire and sustain positive behaviour change?
- How do you make wellness simple, attainable and accessible to everyone?

Our wellness strategy was built around three pillars: our people, our customers and our community. It guides our commitment to wellness and aims to empower Albertans to take the next step, improving their wellness long-term and enabling them to live their best life. We're reinventing benefits to focus on wellness, creating wellness solutions that shift thinking from treatment to prevention and supporting a shift to healthy behaviours that bolster an active lifestyle. We know that real change happens one step at a time and this strategy will help us to support Albertans in making and sustaining positive changes.

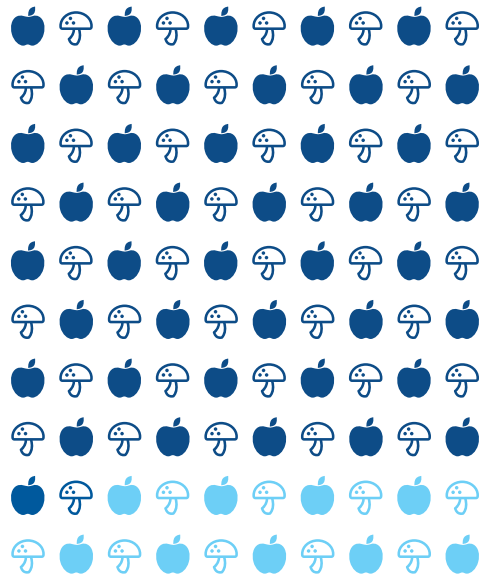
MAKING A CHANGE

Alberta Blue Cross has partnered with CHANGE Alberta to take part in a pilot study assessing the impact of targeted health and lifestyle changes on chronic diseases in workplaces and the broader community. The project tracks participants over the course of a year and examines the results of dietary, activity and medication changes and how, together, these impact each participant.

As we move forward in the battle against chronic disease, we must acknowledge that we're up against more today than we have been in the past. The lifestyle factors that lead to chronic disease affect a large part of the population. However, we can tackle this challenge with proactive and innovative solutions. By taking a harder look at the root causes of chronic disease, we can help Albertans make changes that will ultimately decrease their risk.

PROGRESSING WITH BALANCE

A few years ago, Alberta Blue Cross introduced Balance to our plan members—an online wellness program that uses health risk assessment data and creates small-step action plans to encourage positive behaviour change. Since its introduction, Balance is showing great results. Data has demonstrated significant improvements to plan members' wellness over a 12-month period. It has shown a reduction in key risk factors that are important to overall wellness. As of 2018, more than 200,000 Albertans have enrolled in Balance.



18% INCREASE

*in the number of
participants who eat*

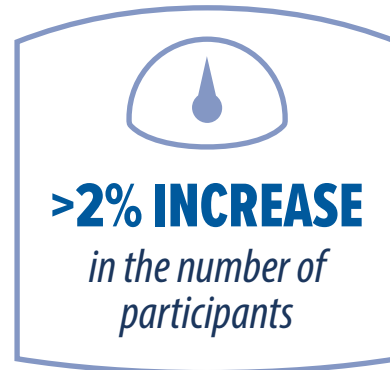
**MORE THAN 5 SERVINGS OF
FRUITS AND VEGETABLES/DAY**



>6% INCREASE

*in the number of participants
who get enough*

PHYSICAL ACTIVITY



>2% INCREASE

*in the number of
participants*

**WHO MAINTAIN A
HEALTHY BODY WEIGHT**



19%

DECREASE

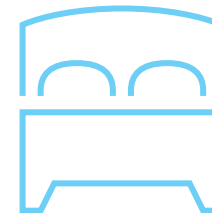
in stress levels

**>25% OF PARTICIPANTS
WHO SMOKED HAVE QUIT**

>5% INCREASE


*in the number of participants
who report getting*

ENOUGH SLEEP






ENHANCING OUR CUSTOMERS' EXPERIENCE



Delivering our Blue For Life vision means that our products, services and personal interactions are all inspired by a common goal: to adapt to our customers' needs and elevate their experiences along the way.



Blue For Life is about providing our customers with a lifetime of benefits, supporting them at every age and stage.

It's a journey, and journeys are characterized by changing circumstances, new opportunities and unique challenges. Delivering our Blue For Life vision means that our products, services and personal interactions are all inspired by a common goal—to exceed our customers' needs and elevate their experiences along the way.

In 2018, we launched our Customer Experience strategy, an initiative that renews our focus on our customers' needs and compels us to improve each of their experiences with us. Whether it's their interaction with a representative over the phone, the ease with which they can access their plan information or how intuitively they can navigate our website, we first consider the quality of their experience and then ask, 'how can we make it better, easier or more meaningful?' The customer experience initiative prompted us to ask this question and make several important strides.

AN ENHANCED ONLINE EXPERIENCE

Purchasing individual health and travel benefits from Alberta Blue Cross is now easier than ever before, giving customers the option to purchase plans wherever they are, whenever they want. With the introduction of our new digital experience, we saw an opportunity to elevate the way individual customers navigate and purchase coverage online by providing a platform that is intuitive and more simple to use. This enhanced experience allows individual customers to purchase coverage directly and helps alleviate some of the time constraints and stress that often comes from purchasing health benefits. It is just one of the many steps we are taking to lay the foundation of our future products and experiences.

72%

of Canadians say that Customer Experience helps them decide between buying options.

—PWC SURVEY

71%

of respondents say that employees have a significant impact on experience.

—PWC SURVEY

65%

of respondents say that a positive experience is more influential than advertising.

—PWC SURVEY

Source: PwC. "Experience is everything: here's how to get it right"

STARTING CONVERSATIONS WITH OUR GROUP CUSTOMERS

We know that relationships evolve and needs change over time. That's why in 2018 we had conversations with our group customers; we wanted to learn more about the challenges they face, how their needs are evolving and what they feel holds value when it comes to their employees' health benefits. The goal of these conversations was to discover how we, as their partner, can proactively respond to their needs and further improve their experiences in their access and administration of health and wellness benefits.

We developed the benefits presentation series to create new opportunities and stronger partnerships with our group customers. These sessions help demonstrate our distinct value and robust benefit plan management offerings. They illustrate our commitment to playing an active role as a trusted partner who gives insights and recommendations that address the significant challenges of today and emerging pressures of the future.

FLEXIBLE ADMINISTRATION

Flex is an application that allows our group plan members to navigate key components of their benefit plan. In 2018, we made significant progress in the enhancement of this platform and its core functionality. For members, and administrators alike, the changes to Flex will mean increased ease-of-use, a streamlined online experience and the ability to see their benefits take shape.

NEW TRAVEL COVERAGE OPTIONS

In response to customer demand, we developed Trip Cancellation, Trip Interruption and Baggage Coverage—options which are now available to any Albertan seeking travel coverage. These options provide our customers with a full suite of protection against the unexpected before and after they leave home. Our goal in providing this new coverage option is to simplify the process of finding comprehensive coverage for any individual embarking on their next voyage.

LIFE AND DISABILITY


Employees gain important peace of mind despite challenging times from the stability provided by Life and Disability coverage. That's a big reason why, in 2018, so many groups opted to include life and disability benefits in their plans. These, together with our health, prescription drugs, travel and dental products, provide a full range of coverage and service.

A MAKEOVER FOR OUR ID CARDS


We're continuously looking for ways to improve our customers' experience and another way we've done so was by streamlining the information on our ID cards and updating its design. Along with a refreshed layout, the new cards are now printed on durable plastic to ensure card longevity. Additionally, we've removed benefit listings from the cards as plan members can easily access this information on the plan member site.



SUPPORTING THE GOVERNMENT OF ALBERTA



*We have an unwavering focus on delivering
efficient and cost-effective program management
for the Government of Alberta.*



Delivering our Blue For Life vision means we are present in the lives of the communities we serve and we support and promote their health and wellness across them. As a strategic partner to Alberta Health and primary supplier of health care management, expertise and administrative services, we support the sustainability of health care in our province. We have an unwavering focus on delivering efficient and cost-effective program management for the Government of Alberta.

ALBERTA AIDS TO DAILY LIVING PROGRAM

In October 2018, Alberta Blue Cross began administering the Alberta Aids to Daily Living (AADL) program, starting with the Respiratory Benefits Program. Moving the administration of this program from Alberta Health to Alberta Blue Cross provides the government with access to our specialized expertise, modern technology platform and claims adjudication systems, and provides the opportunity for a coordinated approach for payment and processes to deliver more efficient service to providers and clients.

Alberta Blue Cross applies existing technology with enhanced functionality and best practices in supplementary health benefits administration to support this program. This includes a provider website to handle authorization requests, claims and payment processing. Providers also have access to our provider contact centre for assistance as they transition to the new system.

CONNECTING WITH ALBERTANS IN 2018

1 million

impressions on Twitter for the first time in a single month

589,662

calls handled by Customer Services

70,258

emails handled by Customer Services

“WORLD CLASS”

call centre scores as indicated through our 2018 SQM survey results

CENTRAL PATIENT ATTACHMENT REGISTRY

The Central Patient Attachment Registry (CPAR) is a centralized database that stores information and attaches a primary care physician or nurse practitioner with patients. In 2017, in collaboration with the government, Alberta Health Services and the Alberta Medical Association, we completed the successful build of the CPAR system. In 2018, CPAR was successfully operationalized by Alberta Blue Cross. This initiative will enable better continuity of care for Albertans.

SENIORS WELLNESS CONNECTION

Alberta Blue Cross plays an important role in the health and wellness of Alberta's seniors. In addition to regularly promoting seniors-focused wellness initiatives across the province, we administer Alberta Health's Coverage for Seniors, a program which provides premium-free coverage to Albertans age 65 and older.

In 2018, we began work on a new newsletter specifically for members of the Coverage for Seniors program called *Seniors Wellness Connection*. Intended to promote seniors wellness and support their physical, social and mental health, *Seniors Wellness Connection* offers a wide range of informative and practical content, which seniors can use to enhance their quality of life and promote their independence.

NEW PHARMACY FUNDING FRAMEWORK

In 2018, the Government of Alberta and the Alberta Pharmacists' Association established a new funding framework aimed at reducing the rate of growth on pharmacy spending and helping ensure the continued sustainability of Alberta government-sponsored drug programs. This framework is the first of its kind for pharmacy funding in Alberta and Alberta Blue Cross played an important role in these discussions as the funding framework impacts the Alberta Blue Cross Pharmaceutical Services Provider Agreement.

The change provides savings on out-of-pocket costs for Albertans in some instances, by reducing dispensing fees and by limiting recurring dispensing fees. The framework recognizes the critical role that pharmacists play in keeping Alberta's health care system financially sustainable and is part of the ongoing collaborative efforts between the Government of Alberta and other health professions including doctors, nurses and dentists to control costs.



EVOLVING OUR OUTLOOK



'It all starts with a good idea.'
Simple and refreshingly concise, this is the sentiment
that's guided our culture of innovation in 2018.



Delivering our Blue For Life vision means constantly evolving the way we think about our challenges, opportunities and the ideas that guide us. In 2018, we continued to evolve our outlook by building a culture of innovation and reflecting on our values.

AN INNOVATIVE APPROACH

'It all starts with a good idea.' Simple and refreshingly concise, this is the sentiment that guided our culture of innovation in 2018.

While innovation is often thought of in terms of game-changing discoveries, we know it begins with open-mindedness, collaboration and the willingness to reward new ideas. Supporting a culture of innovation is fundamental to achieving our Blue For Life vision because it allows us to respond creatively to customers' needs and adapt to their life changes with new solutions.

In 2018, we championed new employee initiatives and saw great outcomes. Our Innovation Hub is an online resource that offers employees information, practical resources and team challenges aimed at sparking innovation. It invites everyone in our organization to be part of a larger conversation about creativity and the value of new ideas. Through the Innovation Hub, employees can connect to resources, such as Alberta Blue Cross's internal innovation blog, which allows leaders within the company to share their most inspiring stories of creativity. It also connects to our new online employee forum, Planbox, which encourages staff to share their ideas about our current business challenges and potential opportunities.

REFRESHED VALUES

In 2018, we started a company-wide conversation about our values, asking employees to give us their opinion on who we are and what beliefs should guide us. The responses we received demonstrated that while our core beliefs remain unchanged, there was an opportunity to refresh our values to reflect how the organization and industry have progressed. Alberta Blue Cross's refreshed values represent who we are, what we stand for and the culture that's guiding our Blue For Life vision.

OUR VALUES

In 2018, we had a company-wide conversation about our values. Our refreshed values represent who we are, what we stand for and the culture that's guiding Blue For Life.



A VALUES-DRIVEN ORGANIZATION



INTEGRITY AND TRUST

We are respectful, ethical, honest and inclusive in all that we do.

WELLNESS AND FLEXIBILITY



We promote and inspire a healthy culture of support, adaptability and compassion across our workplace and our communities.

CUSTOMER COMMITTED

We are accountable and committed to our customers and passionate in the delivery of an exceptional customer experience.



EMPOWERING POTENTIAL

We support learning and growth while fostering a diverse environment that cultivates collaboration and innovation.



EXECUTIVE MANAGEMENT TEAM

Alberta Blue Cross 2018

RAY PISANI

President and Chief Executive Officer

DIANNE BALON

Vice-President, Government

LARAINÉ BARBY

Vice-President and Chief Administrative Officer

BRIAN GEISLINGER

Vice-President, Corporate Relations

DOMINIQUE GRÉGOIRE

Vice-President and Chief Financial Officer

MARK KOMLENIC

Vice-President and Chief Operating Officer

MARK RAZZOLINI

Vice-President, People, Wellness and Innovation

JERRY RUDELIC

Vice-President, Group

NIRMAL SINGH

Vice-President, Individual Products

HOA QUACH

Chief Audit Executive

BOARD OF DIRECTORS

ABC Benefits Corporation 2018

SCOTT THON (BOARD CHAIR)

President and CEO, Altalink

MARGARET BATEMAN

Partner, Calder Bateman

DONALD CHYNOWETH

President, StratPlan Management and Associates Inc.

ANNAMARIE FUCHS

Health Care Consultant

YASMIN JIVRAJ

Director, Dexcent Inc.

CHRISTINE MCGINLEY

Chartered Professional Accountant

DAVE MOWAT

Businessman

LORNE TAYLOR

Businessman, Consultant

VINCENT VAVREK

Chartered Professional Accountant



Alberta Blue Cross is the largest benefits provider in Alberta and one of the largest in Western Canada. We serve more than 1.7 million individuals with coverage through more than 5,700 small and large employer group plans, individual plans and government-sponsored programs. In 2018, Alberta Blue Cross processed more than 64 million claim lines with a value exceeding \$2.98 billion.

Alberta-based and Alberta-grown, we are an independent, not-for-profit organization. We provide health and wellness plans, programs and services on a viable, not-for-profit basis for the financial protection and well-being of our communities.



©**The Blue Cross symbol and name are registered marks of the Canadian Association of Blue Cross Plans, an association of independent Blue Cross plans. Licensed to ABC Benefits Corporation for use in operating the Alberta Blue Cross Plan. ©!Blue Shield is a registered trade-mark of the Blue Cross Blue Shield Association. ABC19-002 2019/04