



2010 Annual Report

Part of *your* healthy future:

**Evolving to meet the
needs of Albertans**





Our mission is to provide supplementary health care and related benefit programs and services, on a viable, not-for-profit basis, for the financial protection and well-being of our publics.



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Part of *your* healthy future: Evolving to meet the needs of Albertans

Alberta Blue Cross has been meeting the supplementary health needs of Albertans for over 60 years. But the face of our organization today is significantly different than it was in our early days as a payer of hospital bills. Throughout this time, we've evolved considerably to keep pace with the changing health needs of Albertans—and 2010 was no exception.

As the pace of change has increased in the world of health care and the supplementary benefits sector, we've worked diligently to ensure we keep pace with the needs and interests of our customers.

Today both consumers and plan sponsors have higher expectations of the speed at which claims are processed. Alberta Blue Cross is at the forefront of developing and applying technology in support of health benefit program administration. Nearly 90 per cent of all claims submitted to Alberta Blue Cross—including claims from pharmacies, dental offices, vision care providers, physiotherapists, chiropractors and ambulance service operators—are adjudicated electronically at the time of service. This reduces out-of-pocket costs for plan members, and provides a level of convenience unparalleled in the benefits industry.

Instant online access to claims and benefit information has become a key expectation of many of our customers. In 2010, we continued to substantially expand our secure online self-service options for plan members and plan administrators. Alberta Blue Cross continues to make major investments in technology to further enhance the service we deliver and to gain business efficiencies.

Alberta Blue Cross is fully committed to supporting the Government of Alberta in its goal to improve the efficiency and effectiveness of health care service delivery in Alberta. Through 2010, we facilitated implementation of a number of new initiatives related to the government's Alberta Pharmaceutical Strategy, including measures to reduce generic drug prices for all Albertans.

With the rising utilization of prescription drugs and new extremely expensive drug products coming onto the market, the need for effective benefit plan management reached a new level of importance in 2010. Alberta Blue Cross provides industry-leading plan management, pursuing new and innovative ways to ensure our plans remain viable on a long-term basis. This approach is one of the reasons that thousands of individuals,



Ray R. Pisani, President and CEO

businesses and organizations—including the Alberta Health Services group benefit plan—selected Alberta Blue Cross as their benefit carrier over the past year.

As Albertans began to see our provincial economy recover in 2010 from two years of economic uncertainty, they also expressed a newfound appreciation for the value that Alberta Blue Cross plans deliver. Our commitment to cost effectiveness ensures Albertans get maximum value for their benefit dollars, including best price agreements and billing arrangements with service providers, fixed bases of payment for claims, and a stringent system of checks and balances to deliver proven claim and benefit management. The value we deliver is underscored by our not-for-profit orientation, which means no profit margins are built into plan rates. This value is also reinforced by plan features such as the Alberta Blue Cross Health and Wellness Companion online resource which includes health risk assessment tools—and even a secure electronic personal health record available to Alberta Blue Cross plan members.

While the world around us continued to evolve through 2010 and Alberta Blue Cross responded to our customers' evolving needs, some things have *not* changed. As always, Alberta Blue Cross delivers unparalleled real customer service in person at our six offices across the province, by phone and online. We provide fast and efficient claim processing and payment with all claims processed in Alberta, not Eastern Canada. We are an Alberta organization—employing over 900 Albertans and playing a substantial role in both our provincial economy and in communities across the province. And we continue to honour the legislative mandate that provides us a unique focus on the health of the Albertans we serve.

On a personal note, we were very pleased to have Ray Pisani assume the position of President and Chief Executive Officer of Alberta Blue Cross in late 2010. Our organization's strong positioning is a real credit to Ray's predecessor in this role, Ron Malin, and we are excited to have Ray lead the continued evolution of Alberta Blue Cross.

Ray R. Pisani
President and
Chief Executive Officer

L.G. Young
Chair,
Board of Directors



Supporting measures to rein in rising pharmaceutical costs

According to surveys of Canadian health care trends, overall health benefit costs were expected to rise 15 per cent in 2010—the highest growth rate in five years. Growing use of prescription drug products combined with the expanded availability of new and expensive biologic drug products represents the fastest growing cost component of Alberta's health care system.

As the cost of prescription drugs has been rising at a much higher rate than the cost of other components of the health system, the Government of Alberta announced the Alberta Pharmaceutical Strategy in 2008—a two-phase strategy to help make drug coverage more accessible, sustainable and affordable for all Albertans. Phase two of this strategy, announced in late 2009, was designed to reduce prescription drug costs; save money for Albertans, employers and government; improve prescription drug use and provide better care to Albertans.

Throughout 2010, Alberta Blue Cross worked closely with Alberta Health and Wellness to implement initiatives outlined in phase two of the Alberta Pharmaceutical Strategy. These initiatives included lowering the cost of generic prescription drugs and introducing a “transitional allowance.”

The initiative to reduce the cost of generic prescription drugs in Alberta took effect April 1, 2010. The cost of existing listed generic drug products was lowered to a maximum of 56 per cent of the brand name price, and the cost of new generic drug products entering the market was reduced to 45 per cent of the brand name price. Also on April 1—for an interim period while initiatives to deliver long-term drug pricing savings are being implemented—a transitional allowance for pharmacies was added to prescriptions with a drug cost of less than \$75.

To enable pharmacies to claim for the transitional allowance, Alberta Blue Cross—with the support of Alberta Health and Wellness, Alberta Seniors and Community Supports, Alberta Employment and Immigration, and the Alberta Pharmacists Association—amended the Alberta Blue Cross Schedule of Prices to include the transitional allowance. This allowance was incorporated into the Alberta Blue Cross Pharmacy Agreement, signed by virtually all pharmacies in Alberta, and has been adjudicated according to plan rules with respect to co-pays and dispensing fees.

Discussions related to further changes associated with the Alberta Pharmaceutical Strategy, including a new pharmacy compensation model that recognizes professional services, continue and we anticipate more changes to the Alberta Blue Cross Pharmacy Agreement in the future.

Least Cost Alternative drug pricing ensures our customers get the best value

Most Alberta Blue Cross drug benefit plans provide coverage in accordance with the Least Cost Alternative price policy to ensure our plan members receive the best value. We encourage our customers to ask for the Least Cost Alternative whenever they have a prescription filled.

First phase of Alberta Price Confirmation process fulfilled

Following the announcement of the second phase of the Alberta Pharmaceutical Strategy, which included a new pricing policy for generic drug products, Alberta Blue Cross worked with Alberta Health and Wellness throughout 2010 to support implementation of the new pricing policy through development and implementation of the Alberta Price Confirmation process.

The Alberta Price Confirmation process required extensive updating to our real-time pharmacy claims adjudication system, the interactive *Alberta Health and Wellness Drug Benefit List* and the Pharmaceutical Manufacturer/Vendor Online Services web site. Within a challenging timeframe, we were able to make the necessary changes to our business processes and system applications in order to support implementation of the new pricing policy on behalf of Alberta Health and Wellness.

Alberta Blue Cross administers the Alberta Price Confirmation process for all products listed in the *Alberta Health and Wellness Drug Benefit List*. This process supports the ongoing establishment of Least Cost Alternative pricing for all Albertans.

Under this process, drug manufacturers must submit price quotations for their products to be listed as eligible benefits, agree to hold their prices and maintain adequate supplies for the period specified. This competitive quotation system becomes the basis for what programs will pay and ensures that Alberta Health and Wellness receives the best value for drug pricing. This drug management feature is administered through the Alberta Blue Cross claims adjudication system on a daily basis, and it results in significant annual savings.



Public Health Activities Program administered

In conjunction with provincial pandemic preparedness planning, Alberta Health and Wellness launched the Alberta Public Health Activities Program in fall 2009 and asked Alberta Blue Cross to assist in the administration of this new program.

Pharmacists with authorization to administer drugs by injection were invited to participate in the provincially funded Influenza Immunization Program. Based on strict eligibility criteria, they were able to dispense select antiviral products to patients then submit transactions to us for these dispensing services.

In October 2010, we began administering the 2010-11 iteration of the Public Health Activities Program. Under an agreement with Alberta Health and Wellness, we provided support for processing claims for both antiviral medications and immunization injections, and also generated detailed reporting about claiming activity.

Handling claims for the Pharmacy Practice Model Initiative

The Alberta Pharmacists' Association contracted Alberta Blue Cross to administer payments to pharmacies under the Pharmacy Practice Model Initiative, which ran from March 2009 to June 2010. This initiative was funded by Alberta Health and Wellness through a grant provided to the Alberta Pharmacists' Association. It provided an incentive for pharmacists to more fully make use of their professional knowledge, training and skill—and to spend more time advising patients and other health professionals about effective prescription drug use.





Assuming administration of billing for Non-Group Coverage program participants

With the elimination of Alberta Health Care Insurance Plan premiums, Alberta Health and Wellness made a decision to move administration of the billing function for the Non-Group Coverage program to Alberta Blue Cross. Over the past year, we worked closely with the department to transition administration of the Non-Group billing process.

This transition included the following activities:

- providing support by generating premium statements and payment reminders;
- receiving payments made by cheque, telephone or internet banking and preauthorized payment;
- processing refunds and adjustments;
- answering inquiries through a new toll-free inquiry line; and
- generating detailed monthly and quarterly reports.

In conjunction with the billing process transition, we have undertaken an initiative to significantly increase the number of monthly preauthorized payment accounts by sending out an information package and a preauthorized payment application form to every Non-Group Coverage plan participant.

In 2009-2010, more than 165,000 Albertans were covered through this plan. The vast majority of Non-Group Coverage program participants currently pay their bills on a quarterly basis using a cheque or making quarterly payments through their bank. Preauthorized payment offers several advantages including easier budgeting through regular monthly withdrawals, greater convenience associated with electronic banking, and a reduced environmental impact.

Prevention of fraud and plan abuse is always top of mind

At Alberta Blue Cross, we believe that one dollar of health care fraud is one dollar too much. That's why we have a policy of zero tolerance toward any fraudulent abuse of the benefit plans we administer on behalf of our customers. We actively encourage plan participants, plan sponsors and health providers to report any concerns about potential or suspected fraudulent activity.

Alberta Blue Cross investigates and pursues all suspected fraudulent activities and has extensive measures in place to detect and combat fraud. These measures include monitoring of claim patterns, auditing to ensure compliance with plan contracts and agreements, seeking civil and criminal prosecution where evidence indicates fraudulent activity and pursuing restitution where warranted.

To educate both providers and customers about their role in the detection and prevention of health care fraud and plan abuse, we have established a section about this topic on our web site and regularly distribute information to raise awareness about health care fraud and plan abuse.

Taking on group benefits for the largest employer in Western Canada

Alberta Blue Cross has always had strong ties to the province's hospital sector, so it was especially gratifying when following a competitive quotation process, in the fall of 2009, Alberta Health Services selected us as the group benefit carrier for all 90,000 of its employees.

"We wanted a financially competitive and administratively strong provider with the flexibility and teams in place to hit the ground running the moment a decision was made," says Darren Sander, Director, Employee Benefits and Retirement Programs, Alberta Health Services. "Alberta Blue Cross had these qualities."

Moving from 12 formerly separate health entities into one required Alberta Health Services to look for a service provider that could handle its health, dental and vision benefits and various flex benefits programs. Being chosen to provide group benefits to the largest single health care entity in Canada was a great achievement—but also posed many challenges including the sheer volume of transactions involved, the complexity of the Alberta Health Services benefit plan and the short time frame for implementation. "We knew we might face a few challenges along the way with the complexities and the tight timelines," says Ray Pisani, Alberta Blue Cross President and CEO. "But we also knew we could quickly assemble a hard-working team with the talent and commitment to get the job done."

On July 1, 2010, we started administering prescription drug, dental and extended health benefits as well as spending account claims for all Alberta Health Services employees and their dependents. "A somewhat seamless transition of nearly 90,000 employees with over 400 benefit plan design variations, within less than six months, would not have been possible without a strong and immediate partnership between Alberta Blue Cross and Alberta Health Services," says Darren. "The scope and size of this project are unprecedented and we've passed some important milestones. I cannot emphasize enough how important the partnership between Alberta Health Services and the dedicated and knowledgeable staff at Alberta Blue Cross has been to our success."

To support a smooth implementation, Alberta Blue Cross also provided communications support to Alberta Health Services by releasing timely information to Alberta Health Services employees about their group plans and claiming processes.



Our roots—the Alberta hospital sector

In 1948, the Alberta Blue Cross Plan was established by the newly incorporated Associated Hospitals of Alberta. It was a voluntary, pre-paid, not-for-profit plan that essentially served as an extension of Alberta's hospital sector, offering a province-wide hospital care plan for working Albertans.

Beginning with this simple objective, Alberta Blue Cross has continuously adapted to Albertans' changing needs. Today we deliver a broad range of supplementary health benefit programs and services.



Online services available for plan members and administrators

In 2010, Alberta Blue Cross continued to expand its online service capabilities by making more claim and benefit information available through its secure web site designed specifically for plan members.

Each week, more than 1,000 plan members register for access to this site and an average of 7,000 plan members use these secure services to perform a wide variety of tasks including:

- checking their coverage levels and when they are next eligible for vision and dental services;
- checking on the status of claims they have submitted;
- updating their contact information;
- arranging to have their claim payments deposited directly into their bank account;
- printing or ordering ID cards; and
- printing copies of claim summaries and claim statements for their files or income tax purposes.

Meanwhile, the number of plan administrators who rely on our web-based services to administer their group benefit plans also continued to grow during 2010. Through our secure web site, plan administrators can conveniently submit employees' eligibility information, check the status of recent updates to employees' files, order new Alberta Blue Cross ID cards, view their plan's statements of accounts—and more.

All Alberta Blue Cross online services are designed to balance the need for convenience and ease of use with the necessity of maintaining the security and confidentiality of plan member and administrator information. Every day, more and more Alberta Blue Cross customers are discovering the convenience of accessing online services.

We strive to deliver the best customer service

Even though our secure member services web site provides answers to plan members' most frequently asked questions, our customers are also welcome to contact our Customer Services department for assistance. In 2010, our Customer Services call centre responded to 554,000 phone calls—with 96 per cent of those calls being answered within one minute. We also responded to 21,000 e-mails and 6,800 letters.

Our sales and service representatives are also available to assist plan administrators, who are welcome to contact us with inquiries about benefit plan details and claiming processes, or for support with any aspect of their group benefits.



Rhonda administers benefits for her fellow co-workers at Scott Builders in Red Deer, Alberta.

Benefit plans to support flexibility— and service to support easy plan administration

When Red Deer-based Scott Builders took its group benefits to market in 2008, its intent was to support its positioning in the upper quartile of companies that offer great benefit programs to their employees. This employee-owned company is a leader in commercial, industrial and institutional low-rise construction markets and has always had a benefit plan. Upon becoming an Alberta Blue Cross customer, however, Scott Builders was also able to introduce a “flex arrangement” with three different benefit modules to meet the differing interests and priorities of its employees.

“Our employees make Scott Builders what it is,” says Rhonda Hall, controller and accounting manager at Scott Builders, “so it is important for us to have a good benefit plan that they can tailor to their family needs and their life situation.”

Formed in 1971, Scott Builders currently operates out of six full-service branches across Alberta and Ontario—and keeps more than 100 employees busy. In 2010, thanks to providing an outstanding place to work and its great support of many local charities, Scott Builders was named Red Deer Business of the Year.

In addition to helping Scott Builders design and implement a flexible benefit plan that includes drug, health, dental, life and disability coverage and a health spending account, Alberta Blue Cross supports Rhonda as she administers these benefits for her company’s employees. She has seven-day-a-week access to web-based services that allow her to submit employee eligibility information, check the status of recent updates to employee files, order new Alberta Blue Cross identification cards, view her plan’s invoices and more. At the same time, our secure online services for plan members allow Scott Builders’ employees to find quick answers to their questions about their coverage or claims.

“Alberta Blue Cross provides excellent service to Scott Builders,” states Rhonda. “I use the plan administrators’ web site a lot because it is very easy to use and provides all the information I need. On top of that, I always know if I encounter a problem, the team at the Alberta Blue Cross Red Deer office is there to help me.”



Direct billing expanded to include chiropractic and physiotherapy benefits

Alberta Blue Cross now offers direct billing for chiropractic and physiotherapy claims. Through an easy-to-use web site created and maintained by Alberta Blue Cross, chiropractors and physiotherapists are able to submit claims directly to us at the time of service.

Many chiropractors and physiotherapists eagerly awaited the launch of this service. As soon as this new functionality was announced, we received registration inquiries. By the end of 2010, well over 600 chiropractic and physiotherapy offices across Alberta had registered for this online claim submission capability.

This service is available at no cost to all chiropractors and physiotherapists across Alberta. Names and locations of providers participating in electronic claims submission are listed on our web site, and our plan members are also welcome to obtain them through our Customer Services department.

Delivering unparalleled convenience

Alberta Blue Cross is at the forefront of developing and applying technology in support of health benefit program administration. Today nearly 90 per cent of all claims submitted to Alberta Blue Cross—including claims from pharmacies, dental offices, vision care providers, physiotherapists, chiropractors and ambulance service operators—are adjudicated electronically in just seconds at the time of service. This service provides a level of convenience unparalleled in the benefits industry.



Lise and her son Daniel are ready to face future medical expenses thanks to their Alberta Blue Cross coverage.

Individual health plans continue to be popular

In 2010, trying economic times contributed to the growth in the number of Albertans who turned to Alberta Blue Cross individual health plans when they became self-employed, started working part time or on a contract basis, or simply recognized the value an individual plan provides in helping to manage health care expenses.

This was the case with Lise Soucie and her son Daniel. As owners of Dan-Mar Equipment, a heavy equipment business in the pipeline industry, they were looking for additional coverage to help them maintain their health. “I wanted to take extra precautions because of the difficult economic situation we’ve experienced during the last two years,” says Lise. “I expected my son Daniel to face significant medical expenses because he had recently been diagnosed with Crohn’s Disease, so I wanted to make sure we managed these expenses well.”

After contacting Alberta Blue Cross in September 2010 and speaking with Karen Misura, one of our representatives in the Individual Products Sales department, Lise learned about the wide range of individual health and dental plans Alberta Blue Cross offers. “I was especially thrilled to discover that Alberta Blue Cross has coverage even for those who already have medical conditions,” she says.

After that conversation, Lise and her daughter Elise-Marie enrolled on a medically reviewed Personal Choice plan to protect themselves from unexpected expenses in the future. To help offset his own upcoming medical expenses, Daniel enrolled on both the Health Plus plan and Non-Group Coverage program.

“On top of being satisfied with the fact that Daniel could receive additional coverage, I was completely blown away with the customer service I got,” says Lise. “Every time I made a call, Karen was there to answer every one of my questions—and believe me I had a lot of questions.”

By offering a wide range of individual health and dental plans, Alberta Blue Cross ensures all Albertans have the option of having supplementary health benefit coverage—for themselves and their children—regardless of their health or age.

We serve more than 1.5 million Albertans with coverage through over 5,000 small and large employer group plans, individual health plans and government-sponsored programs.



Alberta Blue Cross offers a variety of rewarding career opportunities for young Albertans.

One of Alberta's top employers and Canada's leading employers for young people

In 2010, Alberta Blue Cross was pleased to be recognized as one of Alberta's Top Employers for the fourth consecutive year. This special designation recognizes employers that lead our province in offering exceptional places to work. The selection process begins with a review of more than 75,000 employers across Canada. From this initial group, employers are then short-listed and invited to apply. More than 3,000 employers across Canada participated in the application process last year, which included hundreds of Alberta employers.

As well, Alberta Blue Cross was selected as one of Canada's Top Employers for Young People. The winners of this national competition offer exceptional workplaces for young people and succeed in attracting and retaining young employees.

At Alberta Blue Cross, we know it is important to develop programs and practices that attract employees of all ages. "We are honoured to receive this award as it recognizes our efforts in attracting and keeping young, talented employees who will ensure our continued success well into the future," says Vice-President of Human Resources Susan Adam.



At Alberta Blue Cross, the average age of employees is 39, and more than 20 per cent of our employees are 30 years old or younger. To help young employees develop their careers with us, we offer extensive opportunities starting with temporary employment during summer months, on-the-job training and educational assistance as well as access to training and professional development programs.

Enjoyable work, a meaningful job and valuable benefits

Even though he started working with Alberta Blue Cross less than a year ago after graduating from the University of Alberta, 25-year-old research analyst Daniel Kormos has already discovered why his friends speak highly of our organization. "Many of my friends are also starting careers with new employers, and when we compare experiences, I have a chance to really think about what appeals to me about Alberta Blue Cross," says Daniel.

One of the most valuable benefits he has received since he started working is the realization that he works for a company that affects almost everyone he meets. "I never thought that the kind of company I worked for would matter so much, but I've learned over the last year that it really does," he says. "It's rewarding to know I am part of something that makes a difference and matters to so many people."



Daniel enjoys his job at Alberta Blue Cross.

"I catch the bus in the morning using a transit pass which is partially paid for by our transportation allowance. My first stop is the gym where my monthly membership has been paid for through my Wellness Spending Account. Then, I get to work where I head off to the employee shower and change room and get ready for my day. On the way to my department, where I have several interesting projects on the go, I usually run into someone I played Corporate Challenge basketball with, or someone I met on the shuttle for blood donors, or someone from one of our rooftop barbecues."

Alberta Blue Cross ranks among Alberta's top 50 corporations

Alberta Blue Cross plays a significant role in our province's economy. As an Alberta-based not-for-profit organization, we process all claims locally and any surplus we generate is reinvested into products and services for the Albertans we serve. Alberta Blue Cross also purchases millions of dollars worth of goods and services locally on an annual basis and provides quality employment for over 900 Albertans who in turn support many local businesses.

In 2010, our significant economic presence in Alberta was recognized by *Alberta Venture* magazine in its annual listing of the Top 100 corporations in Alberta. Alberta Blue Cross ranked at number 34 overall, up from 43rd place in 2009.

The listing was compiled by PricewaterhouseCoopers based on 2009 total gross revenue. It also included a "largest private performers by revenue" category, in which Alberta Blue Cross ranked sixth. Although we operate as a not-for-profit organization, we are independent and do not receive direct government funding; therefore, we were not included in a listing of the top not-for-profit organizations in the province.

In 2010, Alberta Blue Cross processed 40 million claim lines with a value of \$1.9 billion.

Recognized for our initiatives in communications

In 2010, we received six awards from the International Association of Business Communicators (IABC) for communications initiatives undertaken in support of our operations. These awards reflect the ongoing emphasis that Alberta Blue Cross places on communication with plan sponsors, plan members and its own employees.



Reducing our corporate footprint

In 2010, Alberta Blue Cross continued to work on initiatives to reduce its corporate environmental footprint. Such initiatives included programs to reduce paper and energy consumption not only internally but also externally.

...outside


By moving more of our claims to electronic submission and more of our business practices into electronic environments, not only do we speed up our ability to process claims for our customers and providers, but we also save enormous amounts of paper.

For printed items such as marketing brochures and newsletters, most of the paper we use today is partly recycled paper stock, Forest Stewardship Council (FSC) Canada-certified stocks or both.

To ensure our recruiting efforts are as environmentally friendly as possible, we utilize a variety of online recruiting mediums and post all vacant positions on our web site. When print advertising is used, we are reducing the size of our ads by providing position titles in print and referring applicants to our web site for more details.

In 2010, we also upgraded our external signs on Blue Cross Place. When compared to old neon signs, our new LED signs consume 84 per cent less energy. Plus, the intensity and life expectancy of LED lights are more than twice as long as those of neon lights.

...and inside

In late 2010, we transitioned several internal processes that had previously involved thousands of pieces of paper and manual handling to paperless processes. Just with a click of a button, our employees were able to accept a work agreement for the following year, re-enrol in their health and dental benefit plans and allocate funds toward health and wellness spending accounts. 

In addition to evolving our internal business practices into electronic environments, we encourage our staff to print documents only if they absolutely must have hard copies, print double sided and print in black and white whenever possible.

We also changed the way we distribute monthly transit passes to our staff. Those employees who participate in our Employee Transit Program now receive their passes together with their pay statements—not in the mail.

Meanwhile, new workstation power management software installed on all Alberta Blue Cross computers has proven successful in reducing our carbon footprint. This software allowed our Technical Services department to perform updates even if computers were powered off. Since this implementation and communication to employees, we have seen steady declines in power usage. In 2010, our corporate workstations consumed an estimated 46 per cent less energy than in 2009. Now every month we save enough power to supply 14 average homes with electricity for one month. Along with these power savings, each month we are preventing the equivalent of 10,000 kilograms of carbon dioxide emissions from being released into the atmosphere. This compares to the emissions released by an average vehicle which has been driven 60,000 kilometres. As we conduct renovations, we are also moving to more energy-efficient lighting in our buildings. The new fluorescent lighting we are installing is more expensive to purchase, but it consumes 40 per cent less power.



Administration system enhancements underway

Driven by the commitment to provide the best customer service and maintain our position as the supplementary health benefits provider of choice for Albertans, we have been working on a project to replace our existing administration systems with a series of new applications to meet the evolving needs of our government, group and individual business areas.

In 2010, the first application in our Administration Systems Replacement project reached the user acceptance testing phase. In the future, this application will support the creation and maintenance of standard, flexible and custom benefit plans.

At the same time, to allow our business-critical production databases and systems to operate more efficiently, we replaced the servers that use a central processing unit architecture with servers that use a new architecture. These servers also handle a larger transactional workload while consuming far less energy.

Also in 2010, we set a plan in place to undertake two major construction projects to significantly enhance our data centre facilities. These facilities will be designed to address the computer processing requirements of Alberta Blue Cross for the next decade and beyond.



Positive impact of paper recycling

The positive impact of our paper recycling efforts is nothing short of amazing. In 2010, we recycled 106,136 kilograms of material. The shredding and recycling of this material resulted in the following equivalent environmental benefits:

- 1,985 trees saved.
- 54,130 kilograms of pollutants filtered from the air by the trees we saved.
- 167,940 litres of oil and 467,000 kilowatts of energy conserved.
- 268 cubic metres of landfill space saved.

Thanks to our recycling efforts, we saved enough energy to heat 29 homes for a year. Examples of materials produced from our waste paper include roofing products, liner board and office paper.

Involved in your community

As an Alberta-based and community-minded organization, Alberta Blue Cross is passionate about making a genuine difference in the communities in which its employees live. This dedication continued through 2010 as we provided support for a wide variety of organizations and initiatives across Alberta. Our commitment to community involvement is a credit to the spirit of giving, generosity and voluntarism of our employees. Our community involvement consists of three key aspects.

We play an active role in leading and supporting province-wide health and wellness campaigns and initiatives. This is facilitated through both our contributions of time and expertise to these initiatives, and through financial support provided through the ABC Benefits Corporation Foundation.

This foundation was established by Alberta Blue Cross in 1998 with a \$1 million endowment to administer our 50th anniversary scholarship fund, and it was later expanded with an additional \$3 million endowment from Alberta Blue Cross to provide support for health-related community activities across the province. Using the interest from this endowment, each year we sponsor more than 60 post-secondary scholarships and provide up to an additional \$150,000 for health-focused community-based projects and campaigns.

Our scholarship program provides extensive support to young Albertans—with scholarships available at every accredited post-secondary institution across the province. Since its inception, this program has provided more than \$1 million to Alberta students.



Stephanie Gouda, recipient of one of the three scholarships for Aboriginal students awarded annually by Alberta Blue Cross.

We support community activities across the province at a grassroots level through both our charitable foundation and our employee-led Hearts of Blue charity. While our approach doesn't get Alberta Blue Cross the level of recognition that paying to have our name put on a building or banner would bring, we ensure that funding is spread across a wide range of organizations throughout the province and is put to use for the good of Albertans.

Organizations we supported in 2010 included...

ABC Head Start, the Canadian Liver Foundation, CURE Foundation, food banks across the province, Edmonton School Lunch Program, Grande Prairie Hospital Neonatal Unit, Heart and Stroke Foundation, Kids Kottage, Lethbridge Rehabilitation Society, Meals on Wheels, MS Society of Canada, Operation Friendship Society, Calgary Health Trust, Red Deer Women's Outreach Society, Ronald McDonald House, Santas Anonymous, Juvenile Diabetes Research Foundation, Canadian Blood Services, Youth Emergency Shelter Society and Wings of Providence.



Supporting community health initiatives

For the second year in a row, Alberta Blue Cross has been a sponsor of the Alberta **Finding Balance** campaign. Created by the Alberta Centre for Injury Control and Research and the Alberta Medical Association, this initiative is an education program designed to raise awareness about seniors' falls in Alberta and to provide seniors with tips for fall prevention.

We also continued to support the **Coalition for Cellphone-Free Driving** that leads Alberta's initiative to eliminate cellphone use while driving. In 2010, we provided funds for educational activities associated with raising awareness about this serious issue.

In late 2010, we entered a three-year sponsorship agreement with Alberta Health Services for its **new provincial health and wellness magazine, *Apple***. This initiative supports the dissemination of information that encourages Albertans to lead healthy lifestyles. *Apple* is accessible online and 120,000 copies of this magazine are distributed across the province.

The **Children's Wish Foundation** of Canada arranged 64 wish trips for Alberta families in 2010. The wish destinations ranged widely, but the most popular choices were Disney World in Orlando and the Disney Cruise. During these wish trips, we provided premium-free travel coverage for terminally ill children and their families thanks to an initiative shared by all the Blue Cross plans across Canada.

Together with our counterpart Blue Cross Plans across Canada, we also continued our national premier sponsorship of Ovarian Cancer Canada's annual **Walk of Hope** event.



Hearts of Blue volunteer Melissa Koster (right) delivers food items to Edmonton's E4C summer snack program.

Making personal contributions

Our employee-led charity, **Hearts of Blue**, is funded by employee donations as well as by corporate funding and resources. Through Hearts of Blue, our employees donate not only money but also their time to assist dozens of lower-profile community-based charitable organizations across the province. In 2010, Hearts of Blue worked with numerous local organizations to provide food, clothing and other valuable necessities to those in need.

Alberta Blue Cross has been organizing **Casual for a Cause** days on a regular basis since 1999. In exchange for an opportunity to dress casual once a month, our employees have raised thousands of dollars. In 2010 alone, we donated more than \$40,000 to help various causes here in Alberta and to assist relief efforts all over the world.

We are an active supporter of the **United Way** annual fundraising campaign through employee involvement, gifts in kind and participation in the loaned representative program. During the 2010 campaign, we tried a greener approach to fundraising by replacing pledge envelopes and information handouts with an online pledging system. This step and numerous fundraising efforts resulted in a contribution exceeding \$140,000 to United Ways across Alberta.

In November 2010, the Heart and Stroke Foundation announced that the Alberta Blue Cross **Big Bike** team took first place in the Edmonton area fundraising teams division. Through fundraising, our "bikers" contributed \$11,393.32 to the foundation's total fundraising amount.

For five years in a row, the Alberta Blue Cross Iron Oar crew has taken to the water for a race at Telford Lake in Leduc to support **Row for Kids**—an annual fundraising event for the Stollery Children's Hospital Foundation. In 2010, Iron Oar set a fundraising record, raising a whopping \$10,260 toward the overall amount raised by the event.



Row for Kids

Hearts of Blue

Hearts of Blue

United Way

Santas Anonymous



Back row: Richard Martin and Nicholas Arscott. Middle row: Ray Pisani, Laraine Barby, Jerry Rudelic, Dianne Balon and Brian Geislinger. Front row: Susan Adam and David Miller.

ABC Benefits Corporation Board of Directors

L.G. Young

Chair, Economist

G.R. Bardell

Professional Engineer, Consultant

G.J. Clanachan

Chartered Accountant

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Part of *your* healthy future: **Evolving to meet the needs of Albertans**

Alberta Blue Cross is the largest supplementary health benefits provider in Alberta and one of the largest in Western Canada. Alberta based and Alberta grown, we serve more than 1.5 million Albertans with coverage through employer group benefit plans, individual health plans and government-sponsored programs.

In 2010, Alberta Blue Cross processed 40 million claim lines with a value of \$1.9 billion. Our Customer Services department received 554,000 calls, and 96 per cent of those calls were answered within one minute.

We maintain a high-tech yet high-touch approach—aggressively adopting technology to deliver highly efficient service, but still maintaining a strong commitment to personalized and excellent customer service.

