



2012 annual report  
**ALBERTA**  
**BLUE CROSS®**

Your partner in a healthy future





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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# Corporate address

## Your partner in a healthy future

2012 was an extremely successful year for Alberta Blue Cross—not only in terms of our organization's continued growth, but from the perspective of reinforcing partnerships with our valued stakeholders as we work together toward a healthy future for Albertans.

Through 2012, Alberta Blue Cross welcomed the opportunity to expand our role supporting the Government of Alberta in its provision of a sustainable health care system for Albertans. This support included the introduction of a new program to facilitate payments to pharmacists for patient assessment services, and the extension of coverage for chiropractic service and diabetes supplies through Alberta Health sponsored benefit plans. We are pleased to serve as a trusted partner to the government—a role that is reinforced by our unique Legislative mandate, not-for-profit orientation and exclusive focus on the health of Albertans.

Over the last year, we have also continued to work closely and collaboratively with employer group plan sponsors and plan advisors to ensure our products and services continue to meet the evolving needs and interests of their employees. This includes a commitment to providing our customers with unparalleled products, value and service—which we are demonstrating through a growing range of convenient online self-service functions and features.

In 2012, we expanded our partnerships within the benefits industry in the recognition that benefits trends and challenges have no borders. Alberta Blue Cross became a full member of the Canadian Life and Health Insurance Association (CLHIA), where we are sharing our insights and expertise and playing an active role in national benefits initiatives such as large-amount drug pooling.

One thing that did not change in 2012 was our dedication to maintaining excellent working relationships with health service providers, in the mutual interest of meeting the needs of our shared customers. We are committed to providing a high level of support and convenience to providers and are recognized for our best-in-industry service. In 2012 we undertook surveys of providers to assess their satisfaction with Alberta Blue Cross. We found that three-quarters of providers rate our overall service as better than other benefit carriers, and over 80 per cent of providers rate our online claim submission services as better than others.

Last but not least, through 2012 we expanded our partnerships with the communities we serve. This saw us work more closely with Alberta's business community—including organizations such as the Calgary Chamber of Commerce and Human Resources Institute of Alberta; with other stakeholders in our provincial health care system such as the Arthritis Society, MS Society, CNIB, Mental Health Foundation and Canadian Obesity Network; and with grassroots community organizations across Alberta ranging from food banks and homeless shelters to seniors' organizations and school lunch programs.

Alberta Blue Cross is truly committed to being a key "partner in your healthy future"—for all Albertans.



Ray R. Pisani  
President and Chief  
Executive Officer



Kevin J. Gregor  
Chair, Board of  
Directors



Ray R. Pisani, President and CEO





**Committed** to all Albertans



## Evolving a partnership to meet the needs of Albertans

Alberta Blue Cross administers a number of benefit programs on behalf of provincial, federal and territorial government program sponsors. The needs of Albertans are always changing, so in July 2012 Alberta Blue Cross supported new and expanded government-sponsored programs for eligible Albertans. These programs include a change in the compensation model for Alberta pharmacies, and coverage for chiropractic and diabetic supplies for eligible Albertans.

Alberta Blue Cross now administers payments on behalf of the Government of Alberta to pharmacists for conducting a number of specific patient assessment services. This change reflects an evolution in the compensation model for Alberta pharmacies under the government's Pharmacy Services Framework, which aims to recognize the expanded role of pharmacists.

Expansion of government-sponsored programs took the form of introducing coverage for chiropractic services and diabetic supplies to Alberta Health sponsored benefit plans. Chiropractic services were added to the Coverage for Seniors and Widow's pension plans and coverage of diabetic supplies was added to the Coverage for Seniors, Widow's Pension, Non-Group Coverage and Palliative Care Drug Coverage plans.

## Offering a second opinion

To meet the diverse needs of our group plan members, in 2012 we introduced a new benefit to our Alberta Blue Cross employer-sponsored health benefit plans called Second Opinion. To ensure our group plan members receive the right care, for the right condition, at the right time, we now offer a confidential service that allows plan participants (plan members and their eligible dependents) with a serious medical condition access to independent medical reviews, diagnoses and treatment recommendations by medical specialists.

Second Opinion offers peace of mind for patients through validation of the original diagnosis or offering differing diagnosis. This service provides treatment options and may prevent unnecessary surgery or invasive treatment. This is a Canadian-based service with doctors familiar with the Canadian health care system.

## Taking a proactive approach to high drug costs



As part of our commitment to ensure the continued viability of employer group benefit plans in the face of increasing drug costs, in 2012 Alberta Blue Cross announced our participation in a new national pooling initiative sponsored by the Canadian Life and Health Insurance Association (CLHIA) to ease the impact of high drug costs on employer group plans. This initiative will ensure that our plan members with fully insured employer drug benefit plans continue to have access to the drugs they need, while preserving long-term plan viability for Alberta Blue Cross drug plan sponsors.

The main feature of this initiative is the establishment of a national pooling framework based on a shared approach to managing the costs of highly expensive and recurring drug treatments. Through this approach, we are able to set premiums for fully insured employer drug plans without reference to any pooled high cost drug claims, which will shelter group plan sponsors from unmanageable future increases linked to catastrophic claims, while insulating plan members from the full financial impact of high drug costs.

Alberta Blue Cross remains committed to safeguarding the continued viability of our customers' drug plans in the interest of supporting and maintaining the health of plan members.





**Exceptional** service

## Ensuring a high level of satisfaction

Part of what makes Alberta Blue Cross unique is our focus on providing a high level of service to our customers and stakeholders. We maintain a high-tech yet high-touch approach—meaning that we aggressively adopt technology to provide efficient service delivery, while maintaining a strong commitment to personalized and excellent customer service.

In the interest of ensuring we are meeting the needs and expectations of our customers and stakeholders, through 2012 we undertook a number of surveys to assess satisfaction with Alberta Blue Cross. The results came as a bit of surprise—even by our high standards—but also came as a confirmation that we're definitely on the right track when it comes to meeting the needs of Albertans.

One of the key measures of how well we are fulfilling our customer expectations is through the eyes of the health service providers who interact with our 1.6 million plan members on a daily basis. In 2012 we engaged in surveys of optical and pharmacy service providers as well as physiotherapists and chiropractors. Alberta Blue Cross rated consistently between 'above average' and 'excellent' among all these provider groups in terms of overall satisfaction—with over 80 per cent of providers rating our online claim submission services as better than other benefit carriers, and three-quarters of providers rating our overall service as better than others.

Similarly, employer group plan administrators and group plan advisors (brokers and consultants) often serve as the gateway between Alberta Blue Cross and plan members. Both plan advisors and plan administrators consistently rated Alberta Blue Cross above average in terms of overall satisfaction, with 95 per cent of plan administrators ranking Alberta Blue Cross as equal to or better than other benefit carriers in overall service and 92 per cent considering us easy to deal with.

Working with leading market research firm Leger Marketing, in fall 2012 we undertook a survey of "Corporate Alberta" to gauge perception of Alberta Blue Cross among key corporate decision makers across the province. We were very pleased to find that in comparison to our competitors, which include a number of multi-national insurance companies, Alberta Blue Cross ranks in the top two for reputation with a highly favourable impression of both our organization and the products and services we deliver.

Over the next year, we are committed to continuing these surveys as well as expanding them to plan members and additional service providers.



## Recognized as a top corporation

Because of our significant economic presence in Alberta, and the key role Alberta Blue Cross plays in our provincial economy, in 2012 *Alberta Venture* magazine ranked Alberta Blue Cross among Alberta's top 40 largest corporations in its annual listing of the 250 largest corporations in Alberta.

This ranking reflects the significant economic contributions that Alberta Blue Cross makes to our province—providing quality employment to 1,000 Albertans across the province, and flowing more than \$2 billion through the provincial economy each year.

In 2012, Alberta Blue Cross processed over 43 million claim lines with a value exceeding \$2 billion.

## Award winning

In recognition of our outstanding achievement and leadership in Alberta, as well as our passion for making a genuine difference in communities across the province, Alberta Blue Cross received the prestigious Premier's Award of Distinction from the Alberta Chamber of Commerce at the 2012 Alberta Business Awards of Distinction.

Each summer, Alberta Blue Cross hires forty summer students who are exposed to a variety of training and career development opportunities. This program was also recognized by the Alberta Chamber of Commerce, earning us the Employer of Youth Award of Distinction. We received this award as a result of our outstanding achievement in hiring youth and providing them with career-oriented opportunities.

In addition to these awards, Alberta Blue Cross was also acknowledged as one of Alberta's top employers for the sixth consecutive year, and recognized among Canada's Top Employers for Young People for the third year in a row.






**Sustainable** future

## Supporting environmental sustainability

Alberta Blue Cross recognizes that environmental sustainability is critical to our overall well-being, and is continually looking for ways to reduce our environmental footprint. Through a number of environmentally-friendly initiatives and practices ranging from paperless claims statements to direct deposits, we continue to cut down on our energy consumption.

In 2012, Alberta Blue Cross recycled 126,152 kilograms of recyclable material. The shredding and recycling of this material resulted in the following environmental benefits:



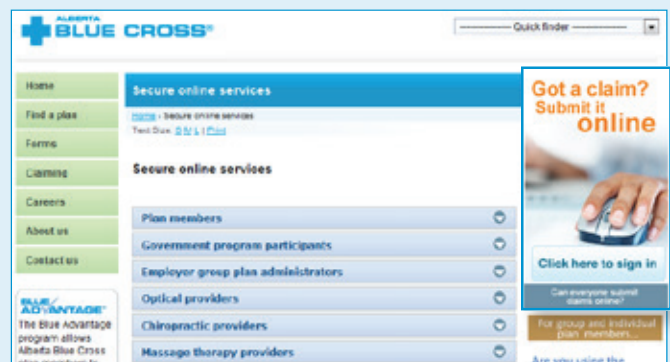
- 2,364 trees saved
- 3,785 kilograms of pollutants filtered from the air by the trees we saved
- 200,029 litres of oil and 556,234 kilowatts of energy conserved
- 3,684,754 litres of water saved
- 11,259 cubic feet of landfill space saved

## Delivering an unparalleled plan member experience

In our continued commitment to deliver an unparalleled member experience, in 2012 we launched an online claim submission option for our plan members.

Alberta Blue Cross leads the benefits industry in the provision of direct billing. Over 90 per cent of all claims submitted to Alberta Blue Cross, including claims from pharmacies, dental offices, ambulance providers, vision care providers, chiropractors and physiotherapists, are sent directly to Alberta Blue Cross and adjudicated electronically in just seconds at the time of service. However, in instances where plan members might still need to submit claim forms to Alberta Blue Cross for reimbursement, plan members can now submit eligible drug, vision and health benefit claims for reimbursement online via our secure member services web site.

The online claim submission feature has proven to be a great success among plan members. Since July 2012, we've seen 15,000 members take advantage of this feature, submitting almost 47,000 claim documents.



## Upgrades to data network and contact centre systems

Driven by our commitment to maintain our position as the supplementary health benefits provider of choice for Albertans, Alberta Blue Cross implemented an initiative in 2012 to upgrade our entire data network, telephone and contact centre technology. Aspects of this project included replacing data network hardware and software, enhancing our contact centre functionality, introducing a new corporate wireless network and increasing our audio, video and web collaboration capabilities.

## Enhancing our administration system

We continue to move forward with a major initiative to enhance our administration system in the interest of positioning Alberta Blue Cross to manage the increasing complexity of the benefit plans we administer for our customers. Our new system will deliver many unified features and will improve efficiency for various administrative tasks from enrolling participants to handling customer payments.





**Expanding** our positive impact





While Alberta Blue Cross has long supported Canadian Blood Services and our employees have been avid blood donors for many years, in 2012 we formalized our commitment and joined Canadian Blood Services' corporate giving program: Partners for Life. This nationwide program is designed for corporate and community organizations to make a commitment to save lives by donating blood as a team. Alberta Blue Cross arranged with Canadian Blood Services to have shuttles scheduled throughout the year to transport interested donors to and from the blood donor clinic on a monthly basis. Once employees register with our Partners for Life team, all their future donations count towards our team's total.

In 2012, 119 employees signed up for Partners for Life and 204 units of blood, plasma and platelet donations were collected—more than doubling our original goal of 100 donations. One blood donation can improve or save the lives of three people, which means our Partners for Life team has improved or saved the lives of over 600 people.

## Committed to saving lives



## Encouraging active living

In the interest of supporting health and promoting active living, in July 2012 Alberta Blue Cross was a proud sponsor of the 2012 Alberta Summer Games, which attracted thousands of athletes and spectators to Lethbridge from across the province.

Alberta Blue Cross was also pleased to sponsor and participate in Alberta Winter Walk Day—a province-wide initiative to get Albertans up and moving during the winter months, while promoting the health benefits of walking. Over 150 Alberta Blue Cross employees were among the 100,000 Albertans who participated in Alberta Winter Walk Day 2012.





## Giving back

Alberta Blue Cross has a genuine commitment to give back to the community. We accomplish this through a number of campaigns and fundraisers throughout the year.

Our scholarship program provides extensive support to assist young Albertans pursuing post-secondary education—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.

In May, Alberta Blue Cross employees pedaled a huge 30-seat bike around downtown Edmonton to support the Heart and Stroke Foundation. Our Big Bike team raised \$12,300 for the Heart and Stroke Foundation.

Each September, the Alberta Blue Cross Iron Oar team hits the water for the annual Row for Kids Festival—a joint fundraiser for the Stollery Children's Hospital Foundation and the Edmonton Rowing Club. This year, we raised over \$14,500, which went towards the overall \$132,000 raised by the event. For the second year in a row, the Iron Oar team received the "oar of honour" for most funds raised.

We also continue to be an active supporter of the United Way, through employee fundraising efforts. The Alberta Blue Cross United Way workplace campaign raised \$126,000 in 2012.



## Fulfilling the entirety of our purpose

Since our employee-led charity Hearts of Blue was formed in 1998 to commemorate the 50<sup>th</sup> anniversary of Alberta Blue Cross, Hearts of Blue has supported dozens of community-based organizations across the province and has made a positive difference in the lives of tens of thousands of Albertans.

A key aspect of our Hearts of Blue charity has been coordinating opportunities for employees to give the gift of their time outside office hours to support a wide range of worthy causes. In 2012, we recognized the important contributions of Hearts of Blue and its capacity to make an even more positive impact across the province by broadening the mandate of Hearts of Blue to include a "Days of Giving" component. This new program features corporately-sponsored and sanctioned employee volunteering opportunities during the workday, which allow employees to make a more positive impact in our community.



## Partnering to support the health of Albertans

As an Alberta-based and community-minded organization, Alberta Blue Cross is passionate about making a genuine difference in communities across the province. One key element of our community involvement is supporting province-wide health and wellness projects to promote and support the health of Albertans.

In 2012, Alberta Blue Cross sponsored a campaign with CNIB Alberta to raise awareness and provide information about age-related macular degeneration, which is the leading cause of vision loss among Albertans. This campaign included public information sessions held in Edmonton and Red Deer, with additional sessions in Calgary and Lethbridge later on in the year.

We also partnered with the Arthritis Society Alberta division to sponsor community education forums that were held in Edmonton and Calgary to coincide with Arthritis month in September; additional forums were also held in Red Deer and Grande Prairie.

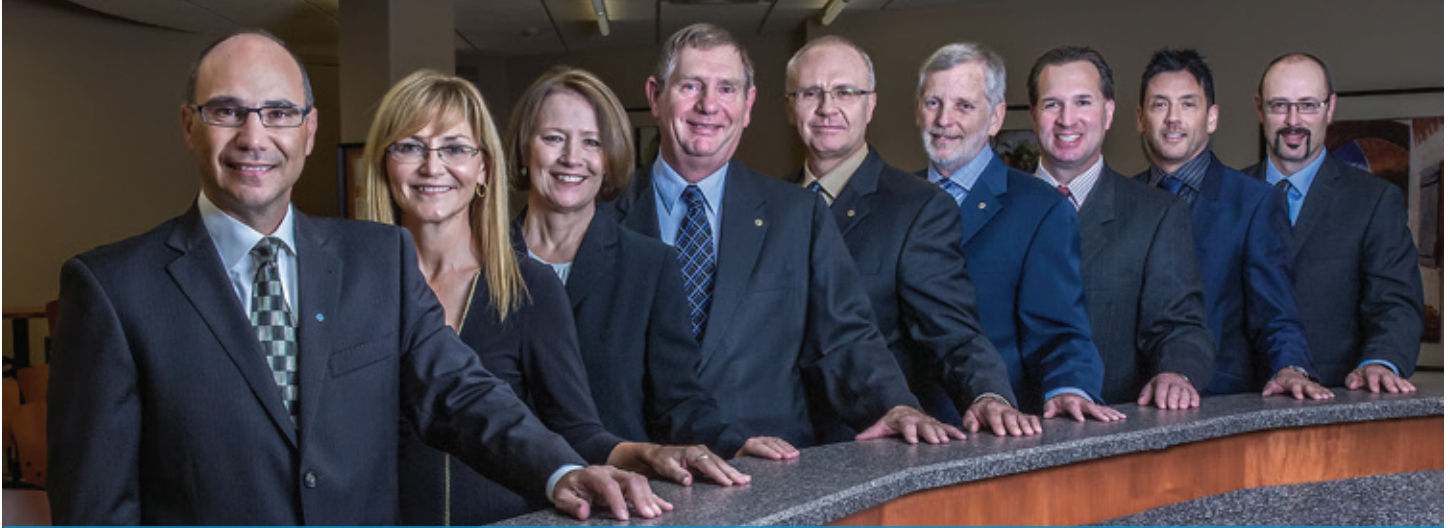
Alberta Blue Cross was a proud sponsor of the MS Connections Conference. This annual conference was held in Calgary and provided information about a wide variety of MS-related topics.

Recognizing that obesity is a key health issue facing Albertans, in spring 2012 Alberta Blue Cross entered a partnership with the Canadian Obesity Network to work together to address this important health concern. We are the first benefit carrier in Canada to join this network.

We continued to support a number of provincial health initiatives in 2012 including sponsoring the Finding Balance campaign—an education program designed to raise awareness about seniors' falls in Alberta and provide tips for fall prevention. We also continued our sponsorship of Alberta Health Services' provincial health and wellness magazine, *Apple*, which includes information and tips to help Albertans lead healthy lifestyles.







## 2012 Executive Management Team

Left to right: Ray Pisani, Dianne Balon, Laraine Barby, Richard Martin, Nick Arscott, David Miller, Brian Geislinger, Mark Razzolini and Jerry Rudelic

### Executive Management Team

#### Alberta Blue Cross 2012

- Ray R. Pisani**  
President and Chief Executive Officer
- Nicholas O. Arscott**  
Vice-President, Benefit Services and Administration
- Dianne O. Balon**  
Vice-President, Government and Pharmaceutical Services
- Laraine T. Barby**  
Vice-President, Application and Information Systems
- Brian J. Geislinger**  
Vice-President, Corporate Relations
- Richard L. Martin**  
Vice-President and Chief Financial Officer
- David W. Miller**  
Vice-President and Chief Information Officer
- Mark L. Razzolini**  
Vice-President, Human Resources
- Jerry Rudelic**  
Vice-President, Group and Individual

### Board of Directors

#### ABC Benefits Corporation 2012

- K.J. Gregor** **Board Chair**  
Partner, Odgers Berndtson
- G.R. Bardell**  
Professional Engineer, Consultant
- M.M. Bateman**  
Partner, Calder Bateman
- R.J. Carwell**  
Chartered Accountant/Businessman
- G.J. Clanachan**  
Chartered Accountant
- M.J. Graham**  
Not-for-Profit Governance Consultant
- P.L. Merlo**  
Professional Engineer
- L.J. Taylor**  
Businessman, Consultant
- S.W. Thon**  
President and CEO, AltaLink



[www.ab.bluecross.ca](http://www.ab.bluecross.ca)

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715 5th Avenue SW  
T2P 2X6  
403-234-9666

#### Grande Prairie

Suite 108  
10126 120 Avenue  
T8V 8H9  
780-532-3505

#### Lethbridge

470 Chancery Court  
220 4th Street S  
T1J 4J7  
403-328-1785

#### Medicine Hat

95 Carry Drive Plaza  
105 Carry Drive SE  
T1B 3M6  
403-529-5553

#### Red Deer

152 Riverside Office Plaza  
4919 59th Street  
T4N 6C9  
403-343-7009

## Your partner in a healthy future

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 1.6 million Albertans with coverage through over 5,000 small and large employer group plans, individual plans and government-sponsored plans.

In 2012, Alberta Blue Cross processed over 43 million claim lines with a value exceeding \$2 billion.

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.



[www.ab.bluecross.ca](http://www.ab.bluecross.ca)

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