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Form **990-PF**

Department of the Treasury
Internal Revenue Service (77)

Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning , and ending

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation
Blue Cross and Blue Shield of Massachusetts Foundation for Expanding Healthcare Access

Number and street (or P O box number if mail is not delivered to street address) Room/suite
401 Park Drive, Landmark Center

City or town, state, and ZIP code
Boston MA 02215-3326

A Employer identification number
04-3148824

B Telephone number (see page 10 of the instructions)
617-246-5000

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 86,882,205

J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify)
(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	1,710,958			
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	19	19		
	4 Dividends and interest from securities	2,332,182	2,332,182		
	5 a Gross rents		0		
	b Net rental income or (loss) 0				
	6 a Net gain or (loss) from sale of assets not on line 10	-70,537			
	b Gross sales price for all assets on line 6a 2,539,711				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10 a Gross sales less returns and allowances 0				
	b Less. Cost of goods sold 0				
	c Gross profit or (loss) (attach schedule)	0			
	11 Other income (attach schedule)	16,324,905	0	0	
	12 **Total.** Add lines 1 through 11	20,297,527	2,332,201	0	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)	0	0	0	0
	b Accounting fees (attach schedule)	0	0	0	0
	c Other professional fees (attach schedule)	0	0	0	0
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	46,665	0	0	0
	19 Depreciation (attach schedule) and depletion	0	0	0	
	20 Occupancy	126,017			126,017
	21 Travel, conferences, and meetings	212,909			212,909
	22 Printing and publications	76,641			76,641
	23 Other expenses (attach schedule)	3,839,742	0	0	3,839,742
	24 **Total operating and administrative expenses.** Add lines 13 through 23	4,301,974	0	0	4,255,309
	25 Contributions, gifts, grants paid	4,063,655			4,095,585
	26 **Total expenses and disbursements.** Add lines 24 and 25	8,365,629	0	0	8,350,894
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	11,931,898			
	b **Net investment income** (if negative, enter -0-)		2,332,201		
	c **Adjusted net income** (if negative, enter -0-)			0	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	9,051,197	813,962	813,962
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ 30,198			
		Less allowance for doubtful accounts ▶ 0	34,943	30,198	30,198
	4	Pledges receivable ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	0
	5	Grants receivable	181,637	68,437	68,437
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule) ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	0
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments—U S and state government obligations (attach schedule)	0	0	0
	b	Investments—corporate stock (attach schedule)	0	0	0
	c	Investments—corporate bonds (attach schedule)	0	0	0
	11	Investments—land, buildings, and equipment basis ▶ 0			
		Less accumulated depreciation (attach schedule) ▶ 0	0	0	0
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	66,527,718	85,969,608	85,969,608
	14	Land, buildings, and equipment basis ▶ 0			
		Less accumulated depreciation (attach schedule) ▶ 0	0	0	0
	15	Other assets (describe ▶ Due from Blue Cross and Blue Shield of Massachusetts, Inc)	2,092,568	0	0
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	77,888,063	86,882,205	86,882,205
Liabilities	17	Accounts payable and accrued expenses	570,094	299,973	
	18	Grants payable	2,666,330	44,140	
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe ▶ See Attached Statement)	345,388	299,943	
	23	**Total liabilities** (add lines 17 through 22)	3,581,812	644,056	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	74,306,251	86,238,149	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see page 17 of the instructions)	74,306,251	86,238,149	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	77,888,063	86,882,205	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	74,306,251
2	Enter amount from Part I, line 27a	2	11,931,898
3	Other increases not included in line 2 (itemize) ▶	3	0
4	Add lines 1, 2, and 3	4	86,238,149
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	86,238,149

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a Acadia International Equity	P	Various	2/13/2009
b Acadia International Equity	P	Various	5/20/2009
c Acadia International Equity	P	Various	8/31/2009
d Acadia International Equity	P	Various	11/30/2009
e Mellon Global Alpha	P	Various	12/24/2009

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	9,851	0	17,757	-7,906
b	8,795	0	14,125	-5,330
c	9,771	0	13,966	-4,195
d	11,294	0	14,805	-3,511
e	2,500,000	0	2,549,595	-49,595

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a	0	0	0	-7,906
b	0	0	0	-5,330
c	0	0	0	-4,195
d	0	0	0	-3,511
e	0	0	0	-49,595

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	-70,537
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	0

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	9,006,694	82,000,706	0 109837
2007			0 000000
2006			0 000000
2005			0 000000
2004			0 000000

2	**Total** of line 1, column (d)	2	0 109837
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 109837
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	0
5	Multiply line 4 by line 3	5	0
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	0
7	Add lines 5 and 6	7	0
8	Enter qualifying distributions from Part XII, line 4	8	0

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1 a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		1	46,644
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0
3	Add lines 1 and 2		3	46,644
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	46,644
6	Credits/Payments			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a 38,829		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c 30,000		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d		7	68,829
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	698
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	21,487
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 21,487 **Refunded** ▶		11	0

Part VII-A Statements Regarding Activities

			Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ _____ (2) On foundation managers ▶ $ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ MA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ bcbsmafoundation.org

14 The books are in care of ▶ Michael Carder Telephone no ▶ 617-246-5000

Located at ▶ 401 Park Drive Boston MA ZIP+4 ▶ 02215-3326

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b		X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☐ No			
	If "Yes," list the years ▶ 20_____, 20_____, 20_____, 20_____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20_____, 20_____, 20_____, 20_____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)*	3b	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a	During the year did the foundation pay or incur any amount to				
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No		
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	☐ Yes	☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?			5b	N/A
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes	☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945–5(d)				
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes	☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			6b	
	If "Yes" to 6b, file Form 8870				
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes	☒ No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?			7b	

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE	.00	0	0	0
	00	0	0	0
	00	0	0	0
	00	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over $50,000 . . . . . ▶

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
AUS Marketing Research Systems, Inc 5581 Route 42, Blackwood, NJ 08012	Professional Consulting Services	456,814
Lewin Group, Inc 3130 Fairview Park Drive Suite 800, Falls Church, VA 22042	Professional Consulting Services	175,210
Lawrence S Tye 26 Grant Street, Lexington, MA 02420	Professional Consulting Services	108,006
University of Massachusetts Medical School 55 Lake Avenue North, Worcester, MA 01655	Professional Consulting Services	68,683
Jean Rose Weinberg 124 Stanford Street, Auburndale, MA 02466	Professional Consulting Services	63,000
Total number of others receiving over $50,000 for professional services	▶	2

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 The mission (purpose) of the Blue Cross and Blue Shield of Massachusetts Foundation, Inc is to expand access to health care through grants and policy initiatives, the Foundation works with public and private organizations to broaden health coverage and reduce barriers to care The Foundation will focus on developing solutions that benefit uninsured,	
2 vulnerable and low income individuals and families in the Commonwealth	
3 Catalyst Fund Grants The Foundation through the Catalyst Fund is a resource for mini grants of up to $3,500 to organizations serving the health needs of low income and uninsured residents of Massachusetts	
4	

Part IX-B **Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions 3	0
Total. Add lines 1 through 3 ▶	0

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes			
a	Average monthly fair market value of securities		1a	76,248,663
b	Average of monthly cash balances		1b	
c	Fair market value of all other assets (see page 24 of the instructions)		1c	
d	**Total** (add lines 1a, b, and c)		1d	76,248,663
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e		
2	Acquisition indebtedness applicable to line 1 assets		2	
3	Subtract line 2 from line 1d		3	76,248,663
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)		4	1,143,730
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	75,104,933
6	**Minimum investment return.** Enter 5% of line 5		6	3,755,247

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	3,755,247
2a	Tax on investment income for 2009 from Part VI, line 5	2a	46,644		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	46,644
3	Distributable amount before adjustments Subtract line 2c from line 1			3	3,708,603
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	3,708,603
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	3,708,603

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	8,350,894
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the.		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	8,350,894
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	8,350,894

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1	Distributable amount for 2009 from Part XI, line 7				3,708,603
2	Undistributed income, if any, as of the end of 2009				
a	Enter amount for 2008 only			0	
b	Total for prior years. 20 ____, 20 ____, 20 ___		0		
3	Excess distributions carryover, if any, to 2009				
a	From 2004 0				
b	From 2005 0				
c	From 2006 4,810,140				
d	From 2007 3,236,374				
e	From 2008 4,965,830				
f	**Total** of lines 3a through e	13,012,344			
4	Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 8,350,894				
a	Applied to 2008, but not more than line 2a			0	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d	Applied to 2009 distributable amount				3,708,603
e	Remaining amount distributed out of corpus	4,642,291			
5	Excess distributions carryover applied to 2009 *(If an amount appears in column (d), the same amount must be shown in column (a))*	0			0
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	17,654,635			
b	Prior years' undistributed income Subtract line 4b from line 2b		0		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions		0		
e	Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f	Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8	Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9	**Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	17,654,635			
10	Analysis of line 9				
a	Excess from 2005 0				
b	Excess from 2006 4,810,140				
c	Excess from 2007 3,236,374				
d	Excess from 2008 4,965,830				
e	Excess from 2009 4,642,291				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) **N/A**

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	0	0			0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed	0	0			0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				Not Applicable	0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	0	0			0
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see page 28 of the instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

Not Applicable

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

Not Applicable

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed

Anya Rader Wallack 401 Park Drive Boston MA Massachusetts 02215 617-246-5000

b The form in which applications should be submitted and information and materials they should include

2 Page Letter of Inquiry

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
Total			▶ **3a**	0
b *Approved for future payment*				
Total			▶ **3b**	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 28 of the instructions)
1 Program service revenue					
a Contributions, gifts and grants		0		1,710,958	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
f		0		0	0
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	19	
4 Dividends and interest from securities			14	2,332,182	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory				-70,537	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a Unrealized gains on investments		0	14	16,324,905	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
12 Subtotal Add columns (b), (d), and (e)		0		20,297,527	0
13 Total. Add line 12, columns (b), (d), and (e)				13	20,297,527

(See worksheet in line 13 instructions on page 28 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)
3	Interest provides income for future grant making and mission activities
4	Dividends provide income for future grant making and mission activities
11	The unrealized gain/(loss) reflects the annual increase or decrease in the Foundation's invested assets which are
11	utilized to provide for future grant making and mission activities

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of.			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X	

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of nonchantable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
	0		See Attachment
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		
	0		

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [X] Yes [ ] No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

Signature of officer or trustee: Keith F. Kendall Date: 11/8/10 Title: TREASURER

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ▶ [ ]	Preparer's identifying number (see **Signature** on page 30 of the instructions)
Firm's name (or yours if self-employed), address, and ZIP code		EIN ▶	
		Phone no	

Schedule B (Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2009

Name of the organization	Employer identification number
Blue Cross and Blue Shield of Massachusetts Foundation for Expanding Healthcare Access	04-3148824

Organization type (check one)

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization	Employer identification number
Blue Cross and Blue Shield of Massachusetts Foundation for Expanding Healthcare Access	04-3148824

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Blue Cross and Blue Shield of Massachusetts, Inc 401 Park Drive Boston MA 02215 Foreign State or Province Foreign Country	$ 2,092,568	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
2	Robert Wood Johnson Foundation Route 1& College Road East Princeton NJ 08543-2316 Foreign State or Province Foreign Country	$ 293,750	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
3	Employees of Blue Cross and Blue Shield Of Massac 401 Park Drive Boston MA 02215 Foreign State or Province Foreign Country	$ 99,713	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
4	W. K. Kellogg Foundation One Michigan Avenue East Battle Creek MI 49017 Foreign State or Province Foreign Country	$ 40,000	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
5	Northwest Health Foundation 221 Northwest 2nd Avenue Ste 300 Portland OR 97209 Foreign State or Province Foreign Country	$ 15,000	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
6	 Foreign State or Province Foreign Country	$ 0	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
Blue Cross and Blue Shield of Massachusetts Foundation for Expanding Healthcare Access	04-3148824

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	Maine Health Access Foundation , Inc. 150 Capitol Street Augusta ME 04330 Foreign State or Province Foreign Country	$ 9,000	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
8	Tufts Medical Center 750 Washington Street Boston MA 02111 Foreign State or Province Foreign Country	$ 6,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
9		$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
10		$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
11		$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
12		$ 0	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

	Amount
Long Term CG Distributions	
Short Term CG Distributions	

	Totals	Gross Sales	Cost, Other Basis and Expenses	Net Gain or Loss
Securities		2,539,711	2,610,248	-70,537
Other sales		0	0	0

Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis	Valuation Method	Expense of Sale and Cost of Improve-ments	Depreciation
1	X	Acadia International Equity		Acadia	X	Various	P	2/13/2009	9,851	17,757			
2	X	Acadia International Equity		Acadia	X	Various	P	5/20/2009	8,795	14,125			
3	X	Acadia International Equity		Acadia	X	Various	P	8/31/2009	9,771	13,966			
4	X	Acadia International Equity		Acadia	X	Various	P	11/30/2009	11,294	14,805			
5	X	Mellon Global Alpha		Mellon	X	Various	P	12/24/2009	2,500,000	2,549,595			
6													
7													
8													
9													
10													

Line 11 (990-PF) - Other Income

		16,324,905	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	Unrealized gains on investments	16,324,905	0	
2			0	
3			0	
4			0	
5			0	
6			0	
7			0	
8			0	
9			0	
10			0	

Line 18 (990-PF) - Taxes

		46,665	0	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Tax on investment income	46,665			
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 23 (990-PF) - Other Expenses

		3,839,742	0	0	3,839,742
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Amortization See attached statement	0	0	0	0
2	Postage and telephone	16,941			16,941
3	External professional services	2,265,839			2,265,839
4	Purchased services from Blue Cross and Blue Shield of Massachusetts, Inc	1,644,984			1,644,984
5	Miscellaneous expenses	-88,022			-88,022
6					
7					
8					
9					
10					

Part II, Line 13 (990-PF) - Investments - Other

			66,527,718	85,969,608	85,969,608
	Item or Category	Basis of Valuation	Book Value Beg. of Year	Book Value End of Year	FMV End of Year
1	Wellington CTF Value Yield Fund		15,436,837	20,187,074	20,187,074
2	Western Assets Fund Core Plus Fund		14,797,290	16,129,670	16,129,670
3	Morgan Stanley Inst Fund Int'l Equity		5,263,453	6,398,491	6,398,491
4	CFROI Small Cap Life Cycle Fund		7,089,549	8,752,246	8,752,246
5	Credos High Yield Bond Fund		4,245,152	5,672,202	5,672,202
6	Putnam Total Return		8,327,000	10,967,000	10,967,000
7	Pimco All Asset fund		0	4,334,866	4,334,866
8	Acadian International All Cap Fund		5,284,062	6,488,850	6,488,850
9	Mellon Global Alpha Fund		6,084,375	7,039,209	7,039,209
10					

Part II, Line 15 (990-PF) - Other Assets

		2,092,568	0	0
	Description	Beginning Balance	Ending Balance	Fair Market Value
1	Due from Blue Cross and Blue Shield of Massachusetts, Inc	2,092,568		
2				
3				
4				
5				
6				
7				
8				
9				
10				

Part II, Line 22 (990-PF) - Other Liabilities

		345,388	299,943
	Description	Beginning Balance	Ending Balance
1	Due to affiliate Blue Cross and Blue Shield of Massachusetts, Inc	286,238	292,128
2	Federal income taxes on investment income	59,150	7,815
3			
4			
5			
6			
7			
8			
9			
10			

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Amount
Long Term CG Distributions	0
Short Term CG Distributions	0

	Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	F M V as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
					Totals	2,539,711	0	2,610,248	-70,537	0	0	0	-70,537
1	Acadia International Equity		P	Various	2/13/2009	9,851	0	17,757	-7,906			0	-7,906
2	Acadia International Equity		P	Various	5/20/2009	8,795	0	14,125	-5,330			0	-5,330
3	Acadia International Equity		P	Various	8/31/2009	9,771	0	13,966	-4,195			0	-4,195
4	Acadia International Equity		P	Various	11/30/2009	11,294	0	14,805	-3,511			0	-3,511
5	Mellon Global Alpha		P	Various	12/24/2009	2,500,000	0	2,549,595	-49,595			0	-49,595
6						0	0	0	0			0	0
7						0	0	0	0			0	0
8						0	0	0	0			0	0
9						0	0	0	0			0	0
10						0	0	0	0			0	0

Part XVI-A, Lines 11a-11e (990-PF) - Other Revenue

		Unrelated Business Income		Excluded by Section 512, 513, or 514		
	Program Service Revenue	Business Code	Amount	Exclusion Code	Amount	Related or Exempt Function Income
1	Unrealized gains on investments			14	16,324,905	
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Part XVI-B (990-PF) - Relationship of Activities

Line Number	Explanation
3	Interest provides income for future grant making and mission activities
4	Dividends provide income for future grant making and mission activities
11	The unrealized gain/(loss) reflects the annual increase or decrease in the Foundation's invested assets which are
11	utilized to provide for future grant making and mission activities

Recipient	Individual or Organization	Program Area	Amount
Beaverbrook STEP	Organization	Catalyst Fund	$3,500
Birth to Three Family Center	Organization	Catalyst Fund	$3,500
Boston Health Care for the Homeless Program	Organization	Catalyst Fund	$3,000
Boys & Girls Club of Marshfield	Organization	Catalyst Fund	$2,250
Brookline Community Mental Health Center	Organization	Catalyst Fund	$3,200
Community Care Services, Inc	Organization	Catalyst Fund	$3,500
Community Connections, Inc	Organization	Catalyst Fund	$2,830
Comprehensive School-Age Parenting Program, Inc	Organization	Catalyst Fund	$3,500
Cooperative for Human Services	Organization	Catalyst Fund	$3,500
Eastern Massachusetts Abortion Fund	Organization	Catalyst Fund	$3,500
Father Bill's & MainSpring	Organization	Catalyst Fund	$3,500
Food for the World	Organization	Catalyst Fund	$3,500
Gavin Foundation	Organization	Catalyst Fund	$3,500
Gay Men's Domestic Violence Project	Organization	Catalyst Fund	$2,500
Geiger Gibson Community Health Center	Organization	Catalyst Fund	$1,700
HealthFirst Family Care Center	Organization	Catalyst Fund	$2,890
Hearth	Organization	Catalyst Fund	$2,740
Helping Communities in Crisis	Organization	Catalyst Fund	$3,500
Inflammatory Breast Cancer New England Region	Organization	Catalyst Fund	$3,500
Interfaith Social Services, Inc	Organization	Catalyst Fund	$2,250
Joint Committee for Children's Health Care in Everett	Organization	Catalyst Fund	$3,500
Jordan Boys & Girls Club	Organization	Catalyst Fund	$2,250
Manet Community Health Center	Organization	Catalyst Fund	$3,500
Massachusetts Association for Mental Health, Inc	Organization	Catalyst Fund	$1,500
Massachusetts Immigrant and Refugee Advocacy Coalition	Organization	Catalyst Fund	$3,500
Open Door Free Medical Program	Organization	Catalyst Fund	$3,500
People Acting in Community Endeavors	Organization	Catalyst Fund	$2,620
RESPOND	Organization	Catalyst Fund	$3,500
Samaritans	Organization	Catalyst Fund	$3,500
South Shore Mental Health	Organization	Catalyst Fund	$3,500
Spina Bifida Association of Massachusetts	Organization	Catalyst Fund	$1,750
Steppingstone	Organization	Catalyst Fund	$3,500
The Arc of Northern Bristol County	Organization	Catalyst Fund	$3,500
Urban Medical Group	Organization	Catalyst Fund	$3,330
VNA Care Network & Hospice	Organization	Catalyst Fund	$2,275
Volunteers in Medicine Berkshires	Organization	Catalyst Fund	$3,500
WEATOC	Organization	Catalyst Fund	$3,500
Youth and Family Enrichment Services	Organization	Catalyst Fund	$3,500
African Community Health Initiatives	Organization	Connecting Consumers with Care	$25,000
Berkshire Health Systems	Organization	Connecting Consumers with Care	$20,000
Boston Public Health Commission	Organization	Connecting Consumers with Care	$25,000
Brockton Neighborhood Health Center	Organization	Connecting Consumers with Care	$25,000
Child Care Resource Center	Organization	Connecting Consumers with Care	$20,000
Community Action Committee of Cape Cod & Islands	Organization	Connecting Consumers with Care	$25,000
Community Action of Franklin, Hampshire and North Quabbin Regions	Organization	Connecting Consumers with Care	$20,000
Community Health Center of Franklin County	Organization	Connecting Consumers with Care	$20,000
Community Health Programs	Organization	Connecting Consumers with Care	$20,000
Cooley Dickinson Hospital	Organization	Connecting Consumers with Care	$20,000
County of Dukes County	Organization	Connecting Consumers with Care	$20,000
Ecu-Health Care	Organization	Connecting Consumers with Care	$25,000
Joint Committee for Children's Health Care in Everett	Organization	Connecting Consumers with Care	$25,000
Latin American Health Institute	Organization	Connecting Consumers with Care	$20,000
Manet Community Health Center	Organization	Connecting Consumers with Care	$20,000
Massachusetts Alliance of Portuguese Speakers	Organization	Connecting Consumers with Care	$20,000
Mercy Hospital	Organization	Connecting Consumers with Care	$20,000
MetroWest Legal Services	Organization	Connecting Consumers with Care	$25,000
Outer Cape Health Services	Organization	Connecting Consumers with Care	$20,000
People Acting in Community Endeavors	Organization	Connecting Consumers with Care	$20,000
Roxbury Comprehensive Community Health Center	Organization	Connecting Consumers with Care	$20,000
Stanley Street Treatment & Resource	Organization	Connecting Consumers with Care	$25,000
Tapestry Health	Organization	Connecting Consumers with Care	$20,000

AIDS Action Committee of Massachusetts	Organization	Health Care Disparities	$113,636
Cambridge Cares About AIDS	Organization	Health Care Disparities	$113,636
Casa Latina	Organization	Health Care Disparities	$113,636
Central Massachusetts AHEC	Organization	Health Care Disparities	$113,636
Community Health Center of Cape Cod	Organization	Health Care Disparities	$113,636
Lowell Community Health Center	Organization	Health Care Disparities	$113,636
Mount Auburn Hospital	Organization	Health Care Disparities	$113,636
Partners for a Healthier Community	Organization	Health Care Disparities	$113,636
ServiceNet	Organization	Health Care Disparities	$113,640
Tapestry Health	Organization	Health Care Disparities	$113,636
YWCA of Central Massachusetts	Organization	Health Care Disparities	$113,636
Behavioral Health Network	Organization	Innovation Fund for the Uninsured	$75,000
Boston Health Care for the Homeless Program	Organization	Innovation Fund for the Uninsured	$65,000
Brookline Community Mental Health Center	Organization	Innovation Fund for the Uninsured	$70,000
Dimock Community Health Center	Organization	Innovation Fund for the Uninsured	$65,000
Family Health Center of Worcester	Organization	Innovation Fund for the Uninsured	$75,000
Great Brook Valley Health Center	Organization	Innovation Fund for the Uninsured	$72,500
Greater New Bedford Community Health Center	Organization	Innovation Fund for the Uninsured	$65,000
HealthFirst Family Care Center	Organization	Innovation Fund for the Uninsured	$65,000
Hilltown Community Health Centers	Organization	Innovation Fund for the Uninsured	$65,000
Holyoke Health Center	Organization	Innovation Fund for the Uninsured	$72,500
Joseph M. Smith Community Health Center	Organization	Innovation Fund for the Uninsured	$70,000
Justice Resource Institute	Organization	Innovation Fund for the Uninsured	$60,000
Lowell Community Health Center	Organization	Innovation Fund for the Uninsured	$75,000
Shattuck Partners	Organization	Innovation Fund for the Uninsured	$65,000
South End Community Health Center	Organization	Innovation Fund for the Uninsured	$55,000
Volunteers in Medicine Berkshires	Organization	Innovation Fund for the Uninsured	$60,000
Women of Means	Organization	Innovation Fund for the Uninsured	$50,000
Children's Hospital Boston	Organization	Policy	$75,000
Greater Boston Legal Services	Organization	Policy	$18,000
Massachusetts Department of Public Health	Organization	Policy	$50,000
Massachusetts Law Reform Institute	Organization	Policy	$50,000
Boston Foundation for Sight	Organization	Responsive	$25,000
Center for Community Health Education Research & Service	Organization	Responsive	$10,000
Health Care For All	Organization	Responsive	$25,000
Massachusetts Advocates for Children	Organization	Responsive	$30,000
Massachusetts Breast Cancer Coalition	Organization	Responsive	$25,000
Massachusetts Department of Public Health	Organization	Responsive	$25,000
Massachusetts Immigrant and Refugee Advocacy Coalition	Organization	Responsive	$25,000
Massachusetts League of Community Health Centers	Organization	Responsive	$25,000
Massachusetts Office of Dispute Resolution	Organization	Responsive	$25,000
Massachusetts Public Health Association	Organization	Responsive	$25,000
Mount Auburn Hospital	Organization	Responsive	$20,000
National Alliance on Mental Illness of Berkshire County	Organization	Responsive	$25,000
The Boston Foundation	Organization	Responsive	$25,000
Disability Policy Consortium	Organization	Strengthening the Voice for Access	$30,000
Greater Boston Interfaith Organization	Organization	Strengthening the Voice for Access	$50,000
Health Care For All	Organization	Strengthening the Voice for Access	$50,000
Health Law Advocates	Organization	Strengthening the Voice for Access	$40,000
Massachusetts Association of Community Health Workers	Organization	Strengthening the Voice for Access	$40,000
Massachusetts Budget and Policy Center	Organization	Strengthening the Voice for Access	$25,000
Massachusetts Coalition of School-Based Health Centers	Organization	Strengthening the Voice for Access	$25,000
Massachusetts Correctional Legal Services	Organization	Strengthening the Voice for Access	$35,000
Massachusetts Housing and Shelter Alliance	Organization	Strengthening the Voice for Access	$30,000
Massachusetts Immigrant and Refugee Advocacy Coalition	Organization	Strengthening the Voice for Access	$50,000
Massachusetts Law Reform Institute	Organization	Strengthening the Voice for Access	$45,000
Massachusetts League of Community Health Centers	Organization	Strengthening the Voice for Access	$45,000
Massachusetts Senior Action Council	Organization	Strengthening the Voice for Access	$40,000
Neighbor to Neighbor Massachusetts Education Fund	Organization	Strengthening the Voice for Access	$35,000
Pro-Choice Massachusetts Foundation	Organization	Strengthening the Voice for Access	$25,000
Voice and Future Fund	Organization	Strengthening the Voice for Access	$35,000
TOTAL			$4,095,585

Blue Cross and Blue Shield of Massachusetts Foundation, Inc. for Expanding Healthcare Access

04-3148824

Page 13, Part XVII, 1(b)(6) and (c)

The Foundation received in-kind contributions in the amount of $1,399,000 from related organizations, Blue Cross and Blue Shield of Massachusetts, Inc. and Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc. The in-kind contributions represent a significant amount of the Foundation's operating costs and include salaries and benefits, facility costs and other operating expenses. Salaries and benefits are related to financial support services provided by Blue Cross and Blue Shield of Massachusetts, Inc. employees. The total operating costs charged by Blue Cross and Blue Shield of Massachusetts, Inc. to the Foundation were $3,317,000 for the year ended December 31, 2009, and included salaries and leased employees.

12/31/2009

Blue Cross Blue Shield of Massachusetts Foundation for Expanding Healthcare Access

EIN
04-3148824

Attachment Form 990-PF, Part VIII (List of Officers and Directors

Names, titles and addresses of officers and directors

Philip W Johnston	Board Chairman	Address & telephone
Robert Meenan, M D.	Vice-Chair	For all Officers and Directors
Anya Rader Wallack	President - Interim	401 Park Drive Boston, MA 02215-3326 617 246-5000
Keith Renaldi	Treasurer	
Fredi Shonkoff	Clerk	The Officers and Directors listed on this attachment are not compensated by Blue Cross and Blue Shield Foundation, Inc for Expanding Healthcare Access
Angela Shennette	Assistant Clerk	
Cleve Killingsworth	Director	
Helen Caulton-Harris	Director	
Matt Fishman	Director	
Milton L Glass	Director	
James W Hunt, Jr	Director	
Barbara Ferrer	Director	
Nick Littlefield	Director	
Richard C Lord	Director	
John G O'Brien	Director	
Rob Restuccia	Director	
Regina Villa	Director	
Randy Wertheimer, M D	Director	
Charlotte S Yeh, M D	Director	
Rachel Kaprielian	Director	

Form **8868**
(Rev April 2009)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . ► ☐
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I **Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . . ► ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits*

Type or print File by the due date for filing your return See instructions	Name of Exempt Organization Blue Cross Blue Shield of Massachusetts Foundation, Inc for Expanding Healthcare Access	Employer identification number 04 : 3148824
	Number, street, and room or suite no If a P O box, see instructions **401 Park Drive, Landmark Center MS 01/07**	
	City, town or post office, state, and ZIP code For a foreign address, see instructions **Boston, MA 02215**	

Check type of return to be filed (file a separate application for each return):

☐ Form 990	☐ Form 990-T (corporation)	☐ Form 4720
☐ Form 990-BL	☐ Form 990-T (sec. 401(a) or 408(a) trust)	☐ Form 5227
☐ Form 990-EZ	☐ Form 990-T (trust other than above)	☐ Form 6069
☑ Form 990-PF	☐ Form 1041-A	☐ Form 8870

- The books are in the care of ► **Michael D. Carder**

Telephone No ► (**617**) **246-5313** FAX No. ► (**617**) **246-7806**

- If the organization does not have an office or place of business in the United States, check this box . . . ► ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)_____. If this is for the whole group, check this box . . . . . ► ☐. If it is for part of the group, check this box . . . . ► ☐ and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **August 16**, 20**10**, to file the exempt organization return for the organization named above The extension is for the organization's return for:
► ☑ calendar year 20**09** or
► ☐ tax year beginning _____, 20____, and ending _____, 20____

2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions.	**3a**	$
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	**3b**	$
c	**Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	**3c**	$ **None**

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . ▶ ☑
  Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print	Name of Exempt Organization		Employer identification number
	Blue Cross and Blue Shield of Massachusetts Foundation for Expa		04 3148824
File by the extended due date for filing the return See instructions	Number, street, and room or suite no If a P O box, see instructions. 401 Park Drive, Landmark Center		For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions Boston, MA 02215-3326		

Check type of return to be filed (File a separate application for each return):

☐ Form 990	☑ Form 990-PF	☐ Form 1041-A	☐ Form 6069
☐ Form 990-BL	☐ Form 990-T (sec. 401(a) or 408(a) trust)	☐ Form 4720	☐ Form 8870
☐ Form 990-EZ	☐ Form 990-T (trust other than above)	☐ Form 5227	

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ Michael Carder, 401 Park Drive, Boston, MA 02215-3326
  Telephone No ▶ (617) 246-5000 FAX No ▶ (617) 246-7806
- If the organization does not have an office or place of business in the United States, check this box . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box . . . ▶ ☐ . If it is for part of the group, check this box. . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until November 15, 20 10.

5 For calendar year 2009, or other tax year beginning ..... , 20 .... , and ending ..... , 20 ....

6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension **Additional time is requested to acquire all of the information needed to complete and file an accurate return.**

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$ 68,000
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$ 38,000
c	**Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	8c	$ 30,000

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ [signature] Title ▶ Treasurer Date ▶ 8/11/2010

AUDITED COMBINED FINANCIAL STATEMENTS

Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access
Years Ended December 31, 2009 and 2008
With Report of Independent Auditors

Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access

Audited Combined Financial Statements

Years Ended December 31, 2009 and 2008

Contents

Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116
Tel +1 617 266 2000
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www ey com

Report of Independent Auditors

The Board of Directors
Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access

We have audited the accompanying combined statements of financial position of Blue Cross Blue Shield of Massachusetts Foundation, Inc. for Expanding Healthcare Access (the Foundation) as of December 31, 2009 and 2008, and the related combined statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Foundation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Blue Cross Blue Shield of Massachusetts Foundation, Inc. for Expanding Healthcare Access at December 31, 2009 and 2008, and its combined activities and changes in its net assets, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

March 19, 2010

Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access

Combined Statements of Financial Position

(Dollars in thousands)

	December 31	
	2009	**2008**
Assets		
Cash, cash equivalents and investments	**$ 87,295**	$ 76,225
Pledges and investments receivable	**98**	216
Contributions due from affiliates	**–**	2,093
Total assets	**$ 87,393**	$ 78,534
Liabilities and net assets		
Grants payable	**$ 44**	$ 2,666
Accounts payable and accrued expenses	**327**	594
Due to Blue Cross and Blue Shield of Massachusetts, Inc.	**319**	304
Federal excise tax liability	**8**	59
Total liabilities	**698**	3,623
Net assets – unrestricted	**86,695**	74,911
Total liabilities and net assets	**$ 87,393**	$ 78,534

See accompanying notes.

Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access

Combined Statements of Activities and Changes in Net Assets

(Dollars in thousands)

	Years Ended December 31	
	2009	**2008**
Revenues and other support:		
Contributions	**$ 437**	$ 2,433
Contributions in-kind	**1,399**	1,438
Contract service fee	**50**	–
Investment income	**2,333**	2,959
Net unrealized and realized gains (losses) on investments	**16,254**	(31,454)
Total revenues (losses) and other support	**20,473**	(24,624)
Expenses:		
Grants	**4,064**	4,615
Professional services	**2,398**	2,233
Salaries and benefits	**1,778**	1,553
Conferences, conventions, and meetings	**220**	271
Occupancy and equipment maintenance	**163**	132
Federal excise tax expense	**46**	59
Other administrative expenses	**20**	8
Total expenses	**8,689**	8,871
Excess (deficiency) of revenues and other support over expenses and change in net assets	**11,784**	(33,495)
Net assets at the beginning of year	**74,911**	108,406
Net assets at the end of year	**$ 86,695**	$ 74,911

See accompanying notes.

Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access

Combined Statements of Cash Flows

(Dollars in thousands)

	Years Ended December 31	
	2009	**2008**
Operating activity		
Excess (deficiency) of revenues and other support over expenses and change in net assets	**$ 11,784**	$ (33,495)
Changes in net assets and liabilities:		
Pledges and investments receivable	**118**	(152)
Contributions due from affiliates	**2,093**	8,343
Due to Blue Cross and Blue Shield of Massachusetts, Inc.	**15**	(314)
Grants payable	**(2,622)**	137
Accounts payable	**(267)**	219
Federal excise tax liability	**(51)**	(58)
Net unrealized and realized (gains) losses on investments	**(16,254)**	31,454
Net cash (used in) provided by operating activities	**(5,184)**	6,134
Investing activities		
Proceeds from sales of long-term investment securities	**2,540**	15,812
Purchases of long-term investment securities	**(5,728)**	(13,823)
Net cash (used in) provided by investing activities	**(3,188)**	1,989
Net change in cash and cash equivalents	**(8,372)**	8,123
Cash and cash equivalents at the beginning of year	**9,697**	1,574
Cash and cash equivalents at the end of year	**$ 1,325**	$ 9,697

See accompanying notes.

Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access

Notes to Combined Financial Statements

December 31, 2009

(Dollars in thousands)

1. Organization

The accompanying combined financial statements of Blue Cross Blue Shield of Massachusetts Foundation, Inc. for Expanding Healthcare Access (BCBSF) and Massachusetts Medicaid Policy Institute, Inc. (MMPI) present the combined financial position and results of activities and changes in net assets and cash flows of BCBSF and MMPI (collectively referred to as the Foundation).

BCBSF was incorporated in March 1992, and is a not-for-profit, charitable organization. BCBSF's mission is to provide and support education and research, foster health care innovation and reform, and develop, promote, and support programs to improve the quality of health care access.

Blue Cross and Blue Shield of Massachusetts, Inc. (BCBSMA) is the sole member of BCBSF. Several board members of BCBSMA are board members of BCBSF. BCBSF will achieve its goals through support for a combination of grants, social research, demonstration projects, and advocacy, rather than financing the direct purchase of coverage.

In July 2003, BCBSF formed MMPI to provide and support education and research, to promote programs to improve the quality of health care access and delivery, and to foster health care innovation reform and development including, but not limited to, research and distribution of information seeking to enhance the development of effective Medicaid policy approaches and solutions. BCBSF is the sole corporate member of MMPI, and as such, has a variety of powers, including appointment and approval of board members.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

Cash and Investments

The Foundation considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Included in the financial statements are certain financial instruments carried at fair value. Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated by incorporating current market inputs for similar financial instruments. In instances where there is little or no market activity for the same or similar instruments, BCBSF estimates fair value using methods, models and assumptions that management believes market participants would use to determine a current transaction price.

BCBSF's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by Financial Accounting Standard Board (FASB) Accounting Standards Codification No. 820, *Fair Value Measurements*, (ASC 820, formerly FAS 157). The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect BCBSF's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

(Dollars in thousands)

2. Summary of Significant Accounting Policies (continued)

Investments in partnerships and similar investments are recorded using the equity method of accounting and are recorded in the statements of financial position with the changes in the fair value of the investments included in net unrealized and realized (losses) gains on investments. These investments are not included under the scope for presentation required under ASC 820.

Investments in mutual funds are carried at estimated fair value based on quoted market prices and are recorded in the statements of financial position as common stocks with unrealized gains or losses included in net unrealized and realized (losses) gains on investments. These investments are included within the scope of ASC 820 and a summary is included below:

Level 1 financial assets – $26,863 and $20,061 as of December 31, 2009 and 2008, respectively. These assets include actively-traded exchange-listed mutual funds identified as common stocks. Unadjusted quoted prices for these securities are provided to BCBSF by independent pricing services.

Level 2 financial assets – None.

Level 3 financial assets – None.

The amortized cost, gross unrealized gains (losses), and estimated fair value of cash, cash equivalents and investments as of December 31, 2009 and 2008 are as follows:

	December 31, 2009			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash and cash equivalents	$ 1,325	$ –	$ –	$ 1,325
Other invested assets	60,187	3,021	(4,101)	59,107
Common stocks	29,175	794	(3,106)	26,863
Total cash, cash equivalents and investments	$ 90,687	$ 3,815	$ (7,207)	$ 87,295

(Dollars in thousands)

2. Summary of Significant Accounting Policies (continued)

	December 31, 2008			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash and cash equivalents	$ 9,697	$ –	$ –	$ 9,697
Other invested assets	59,818	156	(13,507)	46,467
Common stocks	26,428	28	(6,395)	20,061
Total cash, cash equivalents and investments	$ 95,943	$ 184	$ (19,902)	$ 76,225

Realized gains or losses on dispositions on investments are determined on the basis of specific identification of the investment sold. Investment income is recognized as revenue when earned.

Gross realized losses included in net unrealized and realized gains (losses) on investments for 2009 and 2008 are as follows:

	2009	2008
Gross gains	$ –	$ –
Gross losses	(72)	(1,783)
Net realized investment losses	$ (72)	$ (1,783)

Income Taxes

BCBSF and MMPI are not-for-profit organizations established under Internal Revenue Code Section 501(c)(3). BCBSF is classified as a private foundation under Section 509(a) of the Internal Revenue Code and is subject to federal excise taxes. BCBSF files as a private foundation subject to a 2% tax on net investment income.

MMPI is exempt on related income from both federal and state income taxes.

2. Summary of Significant Accounting Policies (continued)

In June 2006, the FASB issued ASC 740 (formerly FIN 48), *Accounting for Uncertainty in Income Taxes*, which is effective, for nonpublic entities, for fiscal years beginning after December 15, 2008. ASC 740 provides guidance to all enterprises for how uncertain tax provisions should be recognized, measured, presented and disclosed in the financial statements. The adoption of ASC 740 did not materially impact the organization's financial statements.

As of December 31, 2009, there were no positions for which management believes it is reasonably possible that the total amounts of tax contingencies will significantly increase or decrease within 12 months of the reporting date.

As of December 31, 2009, the Foundation's filings with the Internal Revenue Service for the calendar tax years of 2006, 2007 and 2008 remain subject to examination.

Contributions In-Kind

The Foundation recognizes contribution revenue and related expenses for certain services received at the fair value of those services.

Contributions

A contribution in the form of an unconditional promise to give is recognized as revenue by the Foundation in the period in which the promise is received. Contributions are comprised of cash received from various sources, including affiliates (BCBSMA and Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc.), individuals, businesses, and civic and service organizations.

Grants Payable

The grants payable amount represents approved community grants which were awaiting final grant agreements from recipients.

Contract Service Fees

Contract service revenues are exchanges between the Foundation and another party, in which the nonprofit provides a service in exchange for a transfer of cash or another asset.

(Dollars in thousands)

2. Summary of Significant Accounting Policies (continued)

In 2009, MMPI recognized contract service fee revenue of $50 for services requested and paid for by BCBSMA. The contract services MMPI performed included a proposal for implementing BCBSMA's Alternative Quality Contract (AQC) model within the Massachusetts Medicaid program.

3. Related-Party Transactions

In 2009, BCBSMA provided the Foundation funding of $1,399 in form of contributions in-kind. In 2008, this Foundation funding was $3,531, comprised of $2,093 of contributions in-cash and $1,438 of contributions in-kind. BCBSMA contributions in-kind represent salaries and benefits, facility costs, and other operating expenses. Total operating costs charged by BCBSMA to the Foundation were $3,317 and $2,884 for the years ended December 31, 2009 and 2008, respectively.

BCBSF did not make any donations to MMPI in 2009 and donated $300 in cash in 2008.

4. Functional Expenses

Expenses were incurred for the following in the years ended December 31:

	2009	2008
Program services	$ 8,439	$ 8,653
General and administrative	250	218
Total Expenses	$ 8,689	$ 8,871

Other Financial Information

Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116
Tel +1 617 266 2000
Fax +1 617 266 5843
www ey com

Report of Independent Auditors on Other Financial Information

The Board of Directors
Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The details of combination appearing in conjunction with the combined financial statements are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Ernst + Young LLP

March 19, 2010

Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access

Combining Statement of Financial Position

December 31, 2009

(Dollars in thousands)

	BCBSF	MMPI	Total
Assets			
Cash, cash equivalents and investments	$ 86,784	$ 511	$ 87,295
Pledges and investments receivable	98	–	98
Contributions due from affiliates	–	–	–
Total assets	**$ 86,882**	**$ 511**	**$ 87,393**
Liabilities and net assets			
Grants payable	$ 44	$ –	$ 44
Accounts payable and accrued expenses	300	27	327
Due to Blue Cross Blue Shield of Massachusetts, Inc.	292	27	319
Federal excise tax liability	8	–	8
Total liabilities	**644**	**54**	**698**
Total net assets – unrestricted	**86,238**	**457**	**86,695**
Total liabilities and net assets	**$ 86,882**	**$ 511**	**$ 87,393**

Blue Cross Blue Shield of Massachusetts Foundation, Inc.
for Expanding Healthcare Access

Combining Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2009

(Dollars in thousands)

	BCBSF	MMPI	Total
Revenues and other support			
Contributions	$ 362	$ 75	$ 437
Contributions in-kind	1,349	50	1,399
Contract service fee	–	50	50
Investment income	2,332	1	2,333
Net unrealized and realized gains on investments	16,254	–	16,254
Total revenues and other support	**20,297**	**176**	**20,473**
Expenses			
Grants	4,064	–	4,064
Professional services	2,233	165	2,398
Salaries and benefits	1,645	133	1,778
Conferences, conventions, and meetings	213	7	220
Occupancy and equipment maintenance	158	5	163
Federal excise tax expense	46	–	46
Other administrative expenses	6	14	20
Total expenses	**8,365**	**324**	**8,689**
Excess (deficiency) of revenues and other support over expenses and change in net assets	11,932	(148)	11,784
Net assets at the beginning of year	74,306	605	74,911
Net assets at the end of year	**$ 86,238**	**$ 457**	**$ 86,695**