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2011

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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable

Address change

Name change

Initial return

Terminated

Amended return

Application pending

C Name of organization
Blue Cross and Blue Shield Association

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
225 North Michigan AvenueCity or town, state or country, and ZIP + 4
Chicago, IL 60601F Name and address of principal officer
Scott Serota
225 North Michigan Avenue
Chicago, IL 60601

D Employer identification number

13-5656874

E Telephone number

(312) 297-6000

G Gross receipts \$ 398,191,646

I Tax-exempt status 501(c)(3) 501(c) (4) (insert no) 4947(a)(1) or 527H(a) Is this a group return for
affiliates? Yes NoH(b) Are all affiliates included? Yes No

If "No," attach a list (see instructions)

H(c) Group exemption number ►

J Website: ► www.bcbs.com

K Form of organization Corporation Trust Association Other ►

L Year of formation 1948

M State of legal domicile IL

Part I Summary

1 Briefly describe the organization's mission or most significant activities

The organization's tax exempt purpose is promoting through independent BCBS member (Plans), the common good and general welfare of the community by fostering broad-based health insurance coverage

2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)

3 40

4 Number of independent voting members of the governing body (Part VI, line 1b)

4 39

5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)

5 1,341

6 Total number of volunteers (estimate if necessary)

6 0

7a Total unrelated business revenue from Part VIII, column (C), line 12

7a 17,626,331

b Net unrelated business taxable income from Form 990-T, line 34

7b -17,958,375

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	406,793,706	391,099,815
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,885,339	1,308,731
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	262,544	-183,692
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	408,941,589	392,224,854

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	406,793,706	391,099,815
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,885,339	1,308,731
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	262,544	-183,692
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	408,941,589	392,224,854
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	163,963,466	168,864,772
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ► 0		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	234,305,476	236,658,500
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	398,268,942	405,523,272
19	Revenue less expenses Subtract line 18 from line 12	10,672,647	-13,298,418

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	500,973,450	477,055,743
21	Total liabilities (Part X, line 26)	376,806,279	372,770,195
22	Net assets or fund balances Subtract line 21 from line 20	124,167,171	104,285,548

Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	2012-11-08	
	Robert Kolodgy Sr VP & Chief Financial Officer	Date	

Paid Preparer's Use Only	Preparer's signature	Date	Check if self- employed ►	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4		►	EIN ►

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III **1 Briefly describe the organization's mission**

The Association serves its membership consisting of independent Blue Cross and Blue Shield Plans (Plans) which operates within specified geographic service areas. The Association provides a variety of services to member Plans and coordinates government services such as the Medicare Part A prime contract and the contract under the Federal Employee Health Benefit Program (FEHP), all of which are the core of the organization's exempt purpose of promoting the common good and general welfare of the community by fostering broad-based health insurance coverage

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 106,247,755 including grants of \$ 0) (Revenue \$ 117,596,141)

The BlueCard program is a clearinghouse service provided when a member Plan participant receives healthcare in another member Plan geographic service area. In 2011, national and local presence in Fortune 100 companies and extended Fortune 500 companies were maintained from the levels achieved in 2010. Total membership within Blue System's Fortune 500 companies at year end is 11.3m. The average number of Blue Members in the 379 national and local accounts is 38.9k. Twenty eight (28) of thirty nine (39) Association licensees serve fortune 500 companies nationally. The program continued to support cost savings and claim cycle time reductions, thus, increasing the potential for increased member and provider satisfaction

4b (Code) (Expenses \$ 101,562,090 including grants of \$ 0) (Revenue \$ 101,670,618)

The Blue Cross and Blue Shield Associations' Federal Employee Program (FEP) administers the Blue Cross and Blue Shield Service Benefit Plan. Approximately 61 percent of all federal employees and retirees who receive their health care benefits through the government's Federal Employee Health Benefits Program (FEHBP) are members of the Service Benefit Plan receiving health coverage through member Plans. Service Benefit Plan has been part of the FEHBP since its inception in 1960 and is the largest plan in the program. The FEP program provided service to more than 5.2 million members and maintained a retention rate of 99.2 percent. During 2011, the program introduced valuable engagement tools and programs to FEP members. An increased focus on generic drugs, care management programs and online tools led to lower Standard Option premiums for millions of members covered under the Program

4c (Code) (Expenses \$ 47,522,429 including grants of \$ 0) (Revenue \$ 53,612,216)

As the umbrella organization for the member Plans, the Association coordinates advertising and communications programs, providing policy and representation of member interests, monitors and fosters the financial stability of all the Plans and supports the ability of the Plans to operate efficiently by providing conferences, consulting and miscellaneous services to the Plans

(Code) (Expenses \$ 35,296,168 including grants of \$ 0) (Revenue \$ 17,423,030)

National Data Warehouse (NDW) is a central data warehouse composed of aggregate standardized and de-identified data (such as medical and drug claims, membership and other provider information) obtained from participating member plans for use in complementing the analytical systems within each of the Plans to improve business intelligence and for the benefit of understanding and managing health care costs and quality via benchmarking and trend analysis

(Code) (Expenses \$ 34,830,631 including grants of \$ 0) (Revenue \$ 35,660,619)

The Association develops, enhances and protects the value of the Blue Cross and Blue Shield brand names and symbols and supports the oversight and management of member Plan license agreements

(Code) (Expenses \$ 29,628,420 including grants of \$ 0) (Revenue \$ 27,840,336)

The Association provides optional consulting services and other miscellaneous services

(Code) (Expenses \$ 11,822,923 including grants of \$ 0) (Revenue \$ 11,816,769)

Operation of the National Employee Benefits Administration Program which provides a comprehensive group package of employee benefits programs to the Plans

(Code) (Expenses \$ 11,539,486 including grants of \$ 0) (Revenue \$ 17,126,330)

Operation of the telecommunications network which facilitates inter-plan communication

(Code) (Expenses \$ 8,658,006 including grants of \$ 0) (Revenue \$ 8,353,756)

BCBSA performs services for the Medicare A program and other services agreements with the Secretary of the United States Department of Health and Human Services (DHHS). BCBSA acts in a coordinating role for all Blue Cross and Blue Shield Plans to perform certain aspects of the Medicare A intermediary functions and other government business services provided to Plans. The Association provides additional services to DHHS through contracts with the Agency for Healthcare Research and Quality (AHRQ) utilizing funds from the American Recovery and Reinvestment Act (ARRA)

4d Other program services (Describe in Schedule O)

(Expenses \$ 131,775,634 including grants of \$ 0) (Revenue \$ 118,220,840)

4e Total program service expenses \$ 387,107,908

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A		No
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?		No
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	Yes	
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	Yes	
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	Yes	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		No
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII		No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I		No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Part II and IV		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Part III and IV		No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H		No
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements		
20b		

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)	28a		No
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV	29		No
30	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30		No
31	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	31		No
32	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	32		No
33	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	33		No
34	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	34	Yes	
35a	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	35a	Yes	
b	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)? Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	296
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	1,341
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a	No
b	If "Yes," enter the name of the foreign country ► See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	13a	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the aggregate amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a	40
b Enter the number of voting members included in line 1a, above, who are independent	1b	39
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6 Did the organization have members or stockholders?	6	Yes
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a The governing body?	8a	Yes
b Each committee with authority to act on behalf of the governing body?	8b	Yes
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a	Yes
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	Yes
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
b Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13 Did the organization have a written whistleblower policy?	13	Yes
14 Did the organization have a written document retention and destruction policy?	14	Yes
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	Yes
b Other officers or key employees of the organization	15b	Yes
If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed IL

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply
 Own website Another's website Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 Robert J Kolodgy
 225 North Michigan Avenue
 Chicago, IL 60601
 (312) 297-6462

Part VII: Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VI

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons.

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **479**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
World Access Service Corp		
2805 N Parham Rd		
Richmond, VA 23294	InterPlan Support	10,257,694
Hewlett-Packard Company		
PO Box 281935		
Atlanta, GA 303841935	Systems Consulting	5,100,469
Synovate Inc		
3040 W Salt Creek LN		
Arlington Heights, IL 60005	Health Care Surveys	4,434,631
Prophet Brand Strategy		
150 Spear St		
San Francisco, CA 94105	Brand Positioning	3,601,451
Blue Health Intelligence		
225 North Michigan Avenue		
Chicago, IL 60601	Data Access Fees	3,108,526

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►104

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
1a Federated campaigns	1a				
b Membership dues	1b				
c Fundraising events	1c				
d Related organizations	1d				
e Government grants (contributions)	1e				
f All other contributions, gifts, grants, and similar amounts not included above	1f				
g Noncash contributions included in lines 1a-1f \$					
h Total. Add lines 1a-1f		0			
Program Service Revenue	Business Code				
2a BlueCard	900099	117,596,141	117,596,141	0	0
b Federal Employee Program	900099	101,670,618	101,670,618	0	0
c Other Services	900099	53,612,216	53,612,216	0	0
d Brand Enhance & Protection	900099	35,660,619	35,660,619	0	0
e Consulting & Misc Services	900099	27,840,336	27,840,336	0	0
f All other program service revenue		54,719,885	37,296,855	17,423,030	0
g Total. Add lines 2a-2f		391,099,815			
3 Investment income (including dividends, interest and other similar amounts)		1,180,499	0	0	1,180,499
4 Income from investment of tax-exempt bond proceeds		0	0	0	0
5 Royalties		0	0	0	0
6a Gross rents	(I) Real	0			
b Less rental expenses	(II) Personal	0			
c Rental income or (loss)		0			
d Net rental income or (loss)			0	0	0
7a Gross amount from sales of assets other than inventory	(I) Securities	6,095,024	0		
b Less cost or other basis and sales expenses	(II) Other	5,874,465	92,327		
c Gain or (loss)		220,559	-92,327		
d Net gain or (loss)			128,232	0	128,232
8a Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c) See Part IV, line 18					
b Less direct expenses	a	0			
c Net income or (loss) from fundraising events	b	0		0	0
9a Gross income from gaming activities See Part IV, line 19					
b Less direct expenses	a	0			
c Net income or (loss) from gaming activities	b	0		0	0
10a Gross sales of inventory, less returns and allowances					
b Less cost of goods sold	a	0			
c Net income or (loss) from sales of inventory	b	0		0	0
Miscellaneous Revenue	Business Code				
11a Service Fee Revenue	525990	210,125	0	210,125	0
b Partnership Pass Through Loss	900001	-393,817	-386,993	-6,824	0
c					
d All other revenue		0	0	0	0
e Total. Add lines 11a-11d		-183,692			
12 Total revenue. See Instructions		392,224,854	373,289,792	17,626,331	1,308,731

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0	0		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	13,663,939	9,975,567	3,688,372	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	112,562,413	109,464,189	3,098,224	0
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	14,878,305	8,584,488	6,293,817	0
9 Other employee benefits	19,519,074	19,043,721	475,353	0
10 Payroll taxes	8,241,041	8,018,840	222,201	0
11 Fees for services (non-employees)				
a Management	0	0	0	0
b Legal	9,611,659	8,503,209	1,108,450	0
c Accounting	1,002,439	1,002,439	0	0
d Lobbying	5,223,114	5,223,114	0	0
e Professional fundraising See Part IV, line 17 . . .	0			0
f Investment management fees	0	0	0	0
g Other	111,616,477	111,123,029	493,448	0
12 Advertising and promotion	7,779,490	7,771,290	8,200	0
13 Office expenses	9,217,254	9,045,719	171,535	0
14 Information technology	31,116,128	30,784,123	332,005	0
15 Royalties	0	0	0	0
16 Occupancy	11,594,706	11,193,347	401,359	0
17 Travel	5,016,862	4,420,553	596,309	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	4,773,003	4,307,349	465,654	0
20 Interest	269,456	244,109	25,347	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	30,098,383	29,887,859	210,524	0
23 Insurance	3,347,979	3,319,852	28,127	0
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a Membership, Sponsorship, Gen'l Contributions	4,447,663	3,717,587	730,076	0
b Books & Periodicals	2,038,438	1,973,986	64,452	
c Reduce Reserve for Gov't Audits	-494,551	-496,462	1,911	0
d				
e				
f All other expenses	0			0
25 Total functional expenses. Add lines 1 through 24f	405,523,272	387,107,908	18,415,364	0
26 Joint costs. Check here <input type="checkbox"/> <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	1,867,596	1 544,058
	2 Savings and temporary cash investments	297,410,774	2 270,161,510
	3 Pledges and grants receivable, net	0	3 0
	4 Accounts receivable, net	23,836,123	4 25,371,551
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5 0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L	0	6 0
	7 Notes and loans receivable, net	0	7 9,696,675
	8 Inventories for sale or use	0	8 0
	9 Prepaid expenses and deferred charges	9,029,184	9 8,783,774
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	86,071,388 10a	
	b Less accumulated depreciation	58,352,725 10b	30,622,673 10c 27,718,663
	11 Investments—publicly traded securities	8,286	11 15,000
	12 Investments—other securities See Part IV, line 11	105,715,026	12 106,021,820
	13 Investments—program-related See Part IV, line 11	0	13 0
	14 Intangible assets	23,669,244	14 12,275,987
	15 Other assets See Part IV, line 11	8,814,544	15 16,466,705
	16 Total assets. Add lines 1 through 15 (must equal line 34)	500,973,450	16 477,055,743
Liabilities	17 Accounts payable and accrued expenses	75,839,180	17 78,921,901
	18 Grants payable	0	18 0
	19 Deferred revenue	1,651,172	19 1,447,273
	20 Tax-exempt bond liabilities	0	20 0
	21 Escrow or custodial account liability Complete Part IV of Schedule D	241,931,895	21 229,822,490
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22 0
	23 Secured mortgages and notes payable to unrelated third parties	0	23 0
	24 Unsecured notes and loans payable to unrelated third parties	0	24 0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	57,384,032	25 62,578,531
	26 Total liabilities. Add lines 17 through 25	376,806,279	26 372,770,195
	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	124,167,171	27 104,285,548
	28 Temporarily restricted net assets	0	28 0
	29 Permanently restricted net assets	0	29 0
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds	30	
	31 Paid-in or capital surplus, or land, building or equipment fund	31	
	32 Retained earnings, endowment, accumulated income, or other funds	32	
	33 Total net assets or fund balances	124,167,171	33 104,285,548
	34 Total liabilities and net assets/fund balances	500,973,450	34 477,055,743

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

1 Total revenue (must equal Part VIII, column (A), line 12)	1	392,224,854
2 Total expenses (must equal Part IX, column (A), line 25)	2	405,523,272
3 Revenue less expenses Subtract line 2 from line 1	3	-13,298,418
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	124,167,171
5 Other changes in net assets or fund balances (explain in Schedule O)	5	-6,583,205
6 Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	104,285,548

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? <input type="checkbox"/>	2a	No
2b Were the organization's financial statements audited by an independent accountant? <input type="checkbox"/>	2b	Yes
2c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O <input type="checkbox"/>	2c	Yes
2d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? <input type="checkbox"/>	3a	No
3b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits <input type="checkbox"/>	3b	

SCHEDULE C
(Form 990 or 990-EZ)**Political Campaign and Lobbying Activities****2011****For Organizations Exempt From Income Tax Under section 501(c) and section 527**

► Complete if the organization is described below.
► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

**Open to Public
Inspection**

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization

Blue Cross and Blue Shield Association

Employer identification number

13-5656874

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ► \$ 241,351

3 Volunteer hours 0

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ► \$ 0

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ► \$ 0

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No

4a Was a correction made? Yes No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ► \$ 0

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► \$ 50,000

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ► \$ 50,000

4 Did the filing organization file **Form 1120-POL** for this year? Yes No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-
(1) Republican Governors Association	1747 Pennsylvania Ave NW Suite 250 Washington, DC 20006	11-3655877	25,000	0
(2) Democratic Governor's Association	1401 K Street NW Ste 200 Washington, DC 20005	52-1304889	25,000	0

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)			
b Total lobbying expenditures to influence a legislative body (direct lobbying)			
c Total lobbying expenditures (add lines 1a and 1b)			
d Other exempt purpose expenditures			
e Total exempt purpose expenditures (add lines 1c and 1d)			
f Lobbying nontaxable amount Enter the amount from the following table in both columns			
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:		
Not over \$500,000	20% of the amount on line 1e		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
g Grassroots nontaxable amount (enter 25% of line 1f)			
h Subtract line 1g from line 1a If zero or less, enter -0-			
i Subtract line 1f from line 1c If zero or less, enter -0-			
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)	
	Yes	No	Amount	
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
a Volunteers?				
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?				
c Media advertisements?				
d Mailings to members, legislators, or the public?				
e Publications, or published or broadcast statements?				
f Grants to other organizations for lobbying purposes?				
g Direct contact with legislators, their staffs, government officials, or a legislative body?				
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?				
i Other activities? If "Yes," describe in Part IV				
j Total lines 1c through 1i				
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?				
b If "Yes," enter the amount of any tax incurred under section 4912				
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	No
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	No
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	No

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1 Dues, assessments and similar amounts from members	1	83,200,000
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	12,211,810
a Current year	2b	0
b Carryover from last year	2c	12,211,810
c Total	3	12,211,810
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	0
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	5	0
5 Taxable amount of lobbying and political expenditures (see instructions)		

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
SchC_P1A_S00_L01	Schedule C, Part I-A, Line 1	The filing organization made contributions from the general treasury to three Section 527 political organizations and sponsored a separate segregated fund designated for exempt purposes

SCHEDULE D
(Form 990)**Supplemental Financial Statements****2011****Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
 ► Attach to Form 990. ► See separate instructions.

Name of the organization

Blue Cross and Blue Shield Association

Employer identification number

13-5656874

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically importantly land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year

► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a Public exhibition d Loan or exchange programs
 b Scholarly research e Other
 c Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ►
 b Permanent endowment ►
 c Term endowment ►

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
3a(i) unrelated organizations		
3a(ii) related organizations		
3b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		0	0		0
b Buildings		0	0	0	0
c Leasehold improvements		0	27,700,558	12,144,904	15,555,654
d Equipment		0	58,370,830	46,207,821	12,163,009
e Other		0	0	0	0
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)					27,718,663

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives	0	
(2) Closely-held equity interests	0	
(3) Other		
(A) Non Public Mutual Funds	61,576,269	C
(B) Wells Fargo Mutual Funds (MNSGX)	30,442,474	F
(C) 1 share common, BSBSA Services, Inc	13,248,382	C
(D) 6,993 Common, Health Intelligence Co, LLC	6,993	C
(E) 206,889 Common, BCS Insurance Corp	210,000	C
(F) Invest in Affiliates <5%	537,702	C
Total. (Column (b) should equal Form 990, Part X, col (B) line 12.) ►	106,021,820	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1 Total revenue (Form 990, Part VIII, column (A), line 12)	1
2 Total expenses (Form 990, Part IX, column (A), line 25)	2
3 Excess or (deficit) for the year Subtract line 2 from line 1	3
4 Net unrealized gains (losses) on investments	4
5 Donated services and use of facilities	5
6 Investment expenses	6
7 Prior period adjustments	7
8 Other (Describe in Part XIV)	8
9 Total adjustments (net) Add lines 4 - 8	9
10 Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1 Total revenue, gains, and other support per audited financial statements	1
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a Net unrealized gains on investments	2a
b Donated services and use of facilities	2b
c Recoveries of prior year grants	2c
d Other (Describe in Part XIV)	2d
e Add lines 2a through 2d	2e
3 Subtract line 2e from line 1	3
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a Investment expenses not included on Form 990, Part VIII, line 7b	4a
b Other (Describe in Part XIV)	4b
c Add lines 4a and 4b	4c
5 Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1 Total expenses and losses per audited financial statements	1
2 Amounts included on line 1 but not on Form 990, Part IX, line 25	
a Donated services and use of facilities	2a
b Prior year adjustments	2b
c Other losses	2c
d Other (Describe in Part XIV)	2d
e Add lines 2a through 2d	2e
3 Subtract line 2e from line 1	3
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a Investment expenses not included on Form 990, Part VIII, line 7b	4a
b Other (Describe in Part XIV)	4b
c Add lines 4a and 4b	4c
5 Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SchD_P04_S00_L02b	Schedule D, Part IV, Line 2b	The Association holds funds as agent for its member Plans under arrangements covering its Blue Card and Federal Employee Programs
SchD_P10_S00_L02	Schedule D, Part X, Line 2	In July 2006, the Financial Accounting Standards Board (FASB) issued ASC 740-10-25 "Accounting for Uncertainty in Income Taxes," which clarifies the accounting and disclosure for uncertainty in tax positions, as defined. ASC 740-10-25 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. Under ASC 740-10-25, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Association does not believe that there are any uncertain tax positions that should be recorded. No interest or penalties were recorded or included in the consolidated statement of activities for the years ended December 31, 2011 and 2010. The Association is open to examination by taxing authorities from fiscal year 2008 forward.

Schedule J
(Form 990)**Compensation Information**

OMB No 1545-0047

2011Department of the Treasury
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
► Attach to Form 990. ► See separate instructions.

Open to Public Inspection**Name of the organization**

Blue Cross and Blue Shield Association

Employer identification number

13-5656874

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input checked="" type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	Yes	
2	Yes	
4a		No
4b	Yes	
4c		No
5a		No
5b		No
6a		No
6b		No
7	Yes	
8		No
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(III) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	As an organization serving a system of locally based independent Plans offering health insurance in all 50 States, DC and Puerto Rico, the Association's officers are expected to maintain an unusually demanding travel schedule. Accordingly, a committee of the Association's Board comprised of independent Plan executives has established CEO travel policies designed to assure the organization is able to meet his travel commitments, including travel to underserved regional destinations. These policies include the use of first class travel on scheduled commercial flights under certain limited circumstances.
SchJ_P01_S00_L03	Schedule J, Part I, Line 3	The compensation of the CEO and the continued retention of his services are approved each year by a committee of the Association's Board comprised of independent Plan executives. That committee acts after deliberations based upon advice from a qualified independent compensation consulting firm. The consultant's advice and those deliberations include a review of the results of the independent consultant's research regarding compensation paid by other organizations for officers serving in capacities comparable to that of the Association's CEO. Each year this committee's decisions are reported to the full Board during a regularly scheduled meeting. The Board deliberates on both matters. Extension of the period of the CEO's service requires action by the full Board. The compensation determinations of the committee stand approved unless the Board exercises its inherent prerogative to modify the committee's compensation decisions. The same committee of independent Plan executives annually receives the CEO's recommendations regarding the compensation to be paid to the officers. As with the CEO's compensation, the deliberations of this committee and its decisions to approve or modify the CEO's recommendation are based upon the results of an independent consultant's market research regarding comparable officer pay and the independent consultant's advice.
SchJ_P01_S00_L04	Schedule J, Part I, Line 4	As required by the instructions to Form 990, Schedule J, Part II, a hypothetical SERP accrual was calculated for each reportable person who was eligible to participate in that program. The accrual amounts were determined using the Association's best estimate of the accrual using the methodology specified in the instructions to Schedule J. Because vested accruals under the SERP are currently taxed based on a different methodology and the instructions to Schedule J specify that amounts reported in columns B(i) through B(iii) should not be reported again in column C or D, the amount of imputed SERP income reported in column B(iii) was subtracted in each case and the balance of the hypothetical accrual was included in column C for the applicable reportable persons as follows: William A Breskin - 32,680.32, Paul F Brown - 6,473.19, William J Colbourne - 42,939.57, Frank E Coyne Jr - 11,153.59, Kathy Didawick - 11,431.38, John T Erickson - 7,970.57, Jena Estes - 12,544.95, Alissa T Fox - 67,421.34, Justine Handleman - 10,937.75, Allan M Korn, MD - 30,950.13, Shirley S Lady - 9,937.23, William B O'Loughlin - 38,428.91, Doug Porter - 109,852.95, Maureen E Sullivan - 56,625.45, Jennifer Vachon - 6,887.54, Jody A Voss - 36,659.16, Roger G Wilson - 63,345.60, John Cerisano - 7,962.58, Steven D Putziger - 30,106.22 and Scott Serota - 269,035.87. The combined total of imputed SERP included in column C = \$863,344.30.
SchJ_P01_S00_L07	Schedule J, Part I, Line 7	The Association maintains an Association wide annual performance bonus program that assures a portion of employees' annual compensation is contingent upon the attainment of pre-approved organizational performance goals, as weighted by the performance measurement process that evaluates each individual employee's efforts. Officers, like all employees, are eligible to participate in this program. The performance goals and the budget for this bonus program are approved each year by the Association's Board based upon recommendations from a Board committee consisting of independent Plan executives. Moreover, the performance assessment judgments and the approval of actual payouts require approval by that committee. The CEO also participates in a Long Term Incentive Bonus program. As with the regular performance bonus program, payouts under the Long Term Incentive Program reflect the extent to which preestablished performance goals are reached. However, unlike the annual performance bonus program, the Long Term Incentive program operates on a multi-year cycle to assure that the CEO has incentives that look beyond the immediate year. This program, the performance measurements and the assessment of the achievement of those goals and the resulting payout amounts are all approved by the same Board committee described above and reported to the full Board. The committee's deliberations regarding the establishment of the program, the selection of the performance factors and assessment of performance all include consultation and recommendation from a qualified independent compensation consultant based upon a market study of comparable programs for comparable executives.

Software ID: 11000129
Software Version: v1.00
EIN: 13-5656874
Name: Blue Cross and Blue Shield Association

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Scott P Serota	(i) 925,271 (ii) 0	2,518,223 0	738,737 0	1,266,611 0	33,235 0	5,482,077 0	1,412,105 0
William A Breskin	(i) 230,547 (ii) 0	66,700 0	13,506 0	92,281 0	22,293 0	425,327 0	0 0
Paul F Brown	(i) 75,855 (ii) 0	75,000 0	10,361 0	36,465 0	7,114 0	204,795 0	0 0
William J Colbourne	(i) 291,592 (ii) 0	135,000 0	68,313 0	133,971 0	18,735 0	647,611 0	0 0
Frank E Coyne Jr	(i) 244,472 (ii) 0	88,000 0	55,683 0	107,267 0	26,133 0	521,555 0	0 0
Kathy Didawick	(i) 217,003 (ii) 0	73,500 0	6,422 0	69,024 0	15,173 0	381,122 0	0 0
John T Ericksen	(i) 254,750 (ii) 0	97,000 0	70,382 0	98,211 0	21,737 0	542,080 0	0 0
Jena Estes	(i) 233,028 (ii) 0	65,000 0	38,246 0	91,040 0	20,646 0	447,960 0	0 0
Alissa T Fox	(i) 359,912 (ii) 0	160,000 0	135,432 0	153,773 0	30,817 0	839,934 0	0 0
Stephen Gammarino	(i) 332,440 (ii) 0	140,000 0	50,598 0	170,097 0	18,126 0	711,261 0	0 0
Paul Gerrard	(i) 127,456 (ii) 0	0 0	33,093 0	1,385 0	8,270 0	170,204 0	0 0
Justine Handelman	(i) 235,121 (ii) 0	73,500 0	5,719 0	52,145 0	21,992 0	388,477 0	0 0
Robert J Kolodgy	(i) 366,360 (ii) 0	150,000 0	5,646 0	31,200 0	23,712 0	576,918 0	0 0
Allan M Korn MD	(i) 341,287 (ii) 0	130,000 0	56,983 0	122,305 0	18,583 0	669,158 0	0 0
Shirley S Lady	(i) 209,330 (ii) 0	81,400 0	21,546 0	95,231 0	12,991 0	420,498 0	0 0
William B O'Loughlin	(i) 257,980 (ii) 0	101,000 0	5,132 0	124,346 0	28,553 0	517,011 0	0 0
Doug Porter	(i) 347,359 (ii) 0	170,000 0	2,814 0	172,321 0	17,850 0	710,344 0	0 0
Cynthia Rolfe	(i) 142,524 (ii) 0	0 0	873 0	3,231 0	7,601 0	154,229 0	0 0

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Maureen E Sullivan	(i) 342,337 (ii) 0	160,000 0	56,423 0	135,702 0	26,218 0	720,680 0	0 0
Jennifer Vachon	(i) 215,145 (ii) 0	87,100 0	17,957 0	59,063 0	21,159 0	400,424 0	0 0
Jody A Voss	(i) 210,393 (ii) 0	78,900 0	3,126 0	97,089 0	22,945 0	412,453 0	0 0
Roger G Wilson	(i) 380,325 (ii) 0	160,000 0	43,244 0	160,640 0	24,252 0	768,461 0	0 0
John Cerisano	(i) 206,840 (ii) 0	60,000 0	4,562 0	47,072 0	23,480 0	341,954 0	0 0
Carole R Flamm	(i) 243,148 (ii) 0	51,000 0	20,410 0	42,860 0	13,519 0	370,937 0	0 0
Steven D Putziger	(i) 201,409 (ii) 0	62,000 0	1,240 0	83,410 0	25,204 0	373,263 0	0 0
Mark A Talluto	(i) 204,936 (ii) 0	65,500 0	2,083 0	18,216 0	15,408 0	306,143 0	0 0
David Yoder	(i) 187,329 (ii) 0	62,400 0	995 0	28,327 0	19,423 0	298,474 0	0 0

Schedule L

Transactions with Interested Persons

OMB No 1545-0047

2011

Department of the Treasury
Internal Revenue Service

► Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions

Open to Public
Inspection

Name of the organization

Blue Cross and Blue Shield Association

Employer identification number

13-5656874

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only)

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
SchL_P04_S00_L00	Schedule L, Part IV	Contracting with vendors, of which officers or board members listed in Part VII are also officers or board members of the vendor, are subject to an independent competitive bidding process

Additional Data

Software ID: 11000129
Software Version: v1.00
EIN: 13-5656874
Name: Blue Cross and Blue Shield Association

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction \$	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
F Ruiz	Directors Family Member	71,594	Employee Salary		No
Health Intelligence Co LLC	Officer - Vendors Officer	14,682,564	Receipts - Contract Fees		No
Health Intelligence Co LLC	Officer - Vendors Officer	3,388,189	Payment for Services		No
Consortium Health Plans Inc	Director-Vendors Director	2,432,106	Payment for Services		No
BCS Insurance Company	Officer-Vendors Director	671,720	Payment for Insurance		No
BCBS Venture Partners II LP	Officer - Vendors Director	430,039	Receipts for Services		No
BCS Life Insurance Co	Officer-Vendors Director	357,849	Receipts for Services		No
NASCO LLC	Officer-Vendors Director	320,492	Receipts for Services		No
BCBS Venture Partners LP	Officer - Vendors Director	314,373	Receipts for Services		No

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
► Attach to Form 990 or 990-EZ.

2011**Open to Public
Inspection**

Name of the organization

Blue Cross and Blue Shield Association

Employer identification number

13-5656874

Identifier	Return Reference	Explanation
F990_P03_S00_L03	Form 990, Part III, Line 3	The nature of the National Data Warehouse (NDW) product and services defined in prior reporting periods did not significantly change, however, the manner in which products and services are delivered to the end user has changed. Effective January 1, 2011, products and services previously provided directly to participating members of the association are now provided to an independent for profit company who in turn resells these products and services to both association members and non-association members

Identifier	Return Reference	Explanation
F990_P06_S0A_L02	Form 990, Part VI, Section A, Line 2	Various BCBSA Board members (directors) also sit on the board of Blue Cross and Blue Shield Association affiliates

Identifier	Return Reference	Explanation
F990_P06_S0A_L06	Form 990, Part VI, Section A, Line 6	Blue Cross Blue Shield Association has thirty nine (39) independent member health care plan licensees operating in specified domestic service areas

Identifier	Return Reference	Explanation
F990_P06_S0A_L07a	Form 990, Part VI, Section A, Line 7a	The governing body approves a nominating committee to oversee governing body elections

Identifier	Return Reference	Explanation
F990_P06_S0A_L07b	Form 990, Part VI, Section A, Line 7b	Governing body decisions are approved according to the by-laws of the corporation

Identifier	Return Reference	Explanation
F990_P06_S0B_L11b	Form 990, Part VI, Section B, Line 11b	Form 990's content and sources of information are reviewed by subject matter experts including, but not limited to, internal and external tax and accounting professionals and internal legal personnel. A copy of form 990 is presented to the board prior to filing.

Identifier	Return Reference	Explanation
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	<p>BCBSA maintains a comprehensive code of conduct and compliance program applicable to all employees and officers. In addition, all employees, officers, and board members are required to complete an annual conflict of interest form. The BCBSA Chief Auditor and Compliance Officer is charged with investigating any allegations of non-compliance with the code of conduct, including any complaints reported through the anonymous hot-line maintained through an independent organization. The results of the compliance program's effectiveness are reported to the audit committee of the Board of Directors on an annual basis. Failure to adhere to the code of conduct may result in disciplinary action, up to and including termination of employment.</p>

Identifier	Return Reference	Explanation
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	<p>The compensation of the CEO and the continued retention of his services are approved each year by a committee of the Association's Board comprised of independent Plan executives. That committee acts after deliberations based upon advice from a qualified independent compensation consulting firm. The consultant's advice and those deliberations include a review of the results of the independent consultant's research regarding compensation paid by other organizations for officers serving in capacities comparable to that of the Association's CEO. Each year this committee's decisions are reported to the full Board during a regularly scheduled meeting. The Board deliberates on both matters. Extension of the period of the CEO's service requires action by the full Board. The compensation determinations of the committee stand approved unless the Board exercises its inherent prerogative to modify the committee's compensation decisions. The same committee of independent Plan executives annually receives the CEO's recommendations regarding the compensation to be paid to the officers. As with the CEO's compensation, the deliberations of this committee and its decisions to approve or modify the CEO's recommendation are based upon the results of an independent consultant's market research regarding comparable officer pay and the independent consultant's advice.</p>

Identifier	Return Reference	Explanation
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	The Association complies with all applicable public disclosure requirements. Thus, for example, members of the public may request an opportunity to review the Association's Form 990 for the past three years or to make a copy by sending a written request or appearing in person at its principal office or any of its other locations. The Association's favorable determination letter regarding its tax exempt status and materials comprising its exemption application are also available in this manner. If the Association's governing documents (articles of incorporation and bylaws) and conflict of interest policy are subject to applicable federal or state public disclosure requirements, those documents will be made publicly available as applicable law may require. For example, Form 990 filings may include bylaw amendments and those amendments will be made available as noted above. Otherwise, the governing documents and conflict of interest policy will be provided to the public at the discretion of the Association's management.

Identifier	Return Reference	Explanation
F990_P11_S00_L05	Form 990, Part XI, Line 5	ASC 715, Other Comprehensive Income from Pension Plan Obligation = (\$7,163,487) + \$149,995 unrealized gain + \$146,667 subsidiary gross receipts -(\$393,817) 2011 Pass Through Loss -\$210,124 Service Fee Revenue -(\$139) Sub Loss on Sale of Assets + \$99,788 Prior Period Misclassifications = \$6,583,205

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Department of the Treasury
Internal Revenue ServiceOpen to Public
Inspection

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
 ► Attach to Form 990. ► See separate instructions.

Name of the organization
 Blue Cross and Blue Shield Association
Employer identification number

13-5656874

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) Health Services Foundation 225 North Michigan Avenue Chicago, IL 60601 23-7011867	Education, Research	IL	501(c)(3)	9	N/A		No
(2) BC and BS Foundation on Health Care 225 North Michigan Avenue Chicago, IL 60601 23-7164980	Education, Research	IL	501(c)(3)	9	N/A		No

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)
- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses
- q** Other transfer of cash or property to related organization(s)
- r** Other transfer of cash or property from related organization(s)

	Yes	No
1a	Yes	
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o		No
1p		No
1q		No
1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	BCBSA Services Inc	a-iv	210,125	Actual cost plus markup
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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Additional Data

Software ID: 11000129
Software Version: v1.00
EIN: 13-5656874
Name: Blue Cross and Blue Shield Association

Form 990, Special Condition Description:

Special Condition Description

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code	(Expenses \$	35,296,168	including grants of \$	0) (Revenue \$	17,423,030)
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National Data Warehouse (NDW) is a central data warehouse composed of aggregate standardized and de-identified data (such as medical and drug claims, membership and other provider information) obtained from participating member plans for use in complementing the analytical systems within each of the Plans to improve business intelligence and for the benefit of understanding and managing health care costs and quality via benchmarking and trend analysis

(Code	(Expenses \$	34,830,631	including grants of \$	0) (Revenue \$	35,660,619)
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The Association develops, enhances and protects the value of the Blue Cross and Blue Shield brand names and symbols and supports the oversight and management of member Plan license agreements

(Code	(Expenses \$	29,628,420	including grants of \$	0) (Revenue \$	27,840,336)
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The Association provides optional consulting services and other miscellaneous services

(Code	(Expenses \$	11,822,923	including grants of \$	0) (Revenue \$	11,816,769)
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Operation of the National Employee Benefits Administration Program which provides a comprehensive group package of employee benefits programs to the Plans

(Code	(Expenses \$	11,539,486	including grants of \$	0) (Revenue \$	17,126,330)
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Operation of the telecommunications network which facilitates inter-plan communication

(Code	(Expenses \$	8,658,006	including grants of \$	0) (Revenue \$	8,353,756)
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BCBSA performs services for the Medicare A program and other services agreements with the Secretary of the United States Department of Health and Human Services (DHHS). BCBSA acts in a coordinating role for all Blue Cross and Blue Shield Plans to perform certain aspects of the Medicare A intermediary functions and other government business services provided to Plans. The Association provides additional services to DHHS through contracts with the Agency for Healthcare Research and Quality (AHRQ) utilizing funds from the American Recovery and Reinvestment Act (ARRA).

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee Or director	Institutional Trustee	Office	Key employee	Highest compensated employee			
Scott P Serota President & CEO	40	X		X			4,182,231	0	1,299,845
Peter Andruszkiewiez BoardMember	17	X					0	0	0
Richard L Boals BoardMember	17	X					0	0	0
Bruce G Bodaken BoardMember	17	X					0	0	0
Angela Braly BoardMember	17	X					0	0	0
HR Brereton Barlow BoardMember	17	X					0	0	0
Chester Burrell BoardMember	17	X					0	0	0
Denise S Cesare BoardMember	17	X					0	0	0
Timothy J Constantine BoardMember	17	X					0	0	0
Andrew C Corbin BoardMember	17	X					0	0	0
Tim J Crilly BoardMember	17	X					0	0	0
Andrew Dreyfus BoardMember	17	X					0	0	0
Paul von Ebers BoardMember	17	X					0	0	0
Ray Flachbart BoardMember	17	X					0	0	0
John D Forsyth BoardMember	17	X					0	0	0
Mike Frank BoardMember	17	X					0	0	0
Mark B Ganz BoardMember	17	X					0	0	0
David R Gentile BoardMember	17	X					0	0	0
Don George BoardMember	17	X					0	0	0
Patrick J Geraghty BoardMember	17	X					0	0	0
Vicky B Gregg BoardMember	17	X					0	0	0
Richard J Hale BoardMember	17	X					0	0	0
Patricia A Hemingway Hall BoardMember	17	X					0	0	0
Robert P Hiam BoardMember	17	X					0	0	0
Daniel J Hiltferty BoardMember	17	X					0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee Or director	Institutional Trustee	Office	Highest compensated employee	Former			
Terry D Kellogg BoardMember	17	X					0	0	0
David H Klein BoardMember	17	X					0	0	0
Scott D Kreiling BoardMember	17	X					0	0	0
William Lehr Jr BoardMember	17	X					0	0	0
Daniel J Loepp BoardMember	17	X					0	0	0
Robert Lufrano MD BoardMember	17	X					0	0	0
William J Marino BoardMember	17	X					0	0	0
Robert A Marino BoardMember	17	X					0	0	0
Steven S Martin BoardMember	17	X					0	0	0
Kenneth R Melani MD BoardMember	17	X					0	0	0
Alphonso O'Neil-White BoardMember	17	X					0	0	0
David S Pankau BoardMember	17	X					0	0	0
M Carol Pigott BoardMember	17	X					0	0	0
James E Purcell BoardMember	17	X					0	0	0
Michael Reitz BoardMember	17	X					0	0	0
Ramon M Ruiz-Comas BoardMember	17	X					0	0	0
Rick Schum Boardmember	17	X					0	0	0
Pamela Wheelock BoardMember	17	X					0	0	0
Mark White BoardMember	17	X					0	0	0
J Bradley Wilson BoardMember	17	X					0	0	0
William A Breskin VP, Government Programs	40		X				310,754	0	114,574
Paul F Brown VP, Venturing	40		X				161,216	0	43,579
William J Colbourne SR VP, HR and Administration	40		X				494,905	0	152,706
Frank E Coyne Jr VP, Operations & Ntl Programs	40		X				388,154	0	133,400
Kathy Didawick VP, Political Affairs	40		X				296,925	0	84,197

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Or director	Individual trustee	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	
John T Erickson VP, Federal Relations	40			X				422,132	0 119,948
Jena Estes VP, Federal Employee Program	40			X				336,274	0 111,686
Alissa T Fox SR VP, Policy & Representation	40			X				655,344	0 184,590
Stephen Gammie SR VP, National Programs	40			X				523,038	0 188,222
Paul Gerrard VP, Strategic Communications	40			X				160,549	0 9,655
Justine Handelman VP, Legislative & Regulatory Policy	40			X				314,340	0 74,137
Robert J Kolodgy SR VP, Finance and CFO	40			X				522,006	0 54,912
Allan M Korn MD SR VP, Chief Medical Officer	40			X				528,270	0 140,888
Shirley S Lady VP, Enterprise Informatics/NDW	40			X				312,276	0 108,221
Scott Nehs VP, Dep Gen Counsel Asst Sec	40			X				71,786	0 6,417
William B O'Loughlin VP, Chief Technology Officer	40			X				364,112	0 152,899
Doug Porter SR VP, Chief Information Officer	40			X				520,173	0 190,171
Cynthia Rolfe VP, Consumer Brand Strategy	40			X				143,397	0 10,832
Maureen E Sullivan SR VP, Strategic Services	40			X				558,760	0 161,920
Jennifer Vachon VP, Brand Strategy & Marketing	40			X				320,202	0 80,222
Jody A Voss VP, Strategic Business Services	40			X				292,419	0 120,033
Roger G Wilson SR VP, Gen Counsel & Secretary	40			X				583,569	0 184,892
John Cerisano Exec Dir, Policy & Representation	45				X			271,402	0 70,552
Carole R Flamm Exec Med Dir, National Programs	40				X			314,558	0 56,378
Steven D Putziger Exec Dir, Brand Protect & Finance	45				X			264,650	0 108,614
Mark A Talluto Exec Dir, Strategic Services	45				X			272,519	0 33,624
David Yoder Exec Dir, Int Care Mgmt	49				X			250,724	0 47,750