

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 private foundations)

Do not enter social security numbers on this form as it may be made public

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No 1545-0047
2018
Open to Public Inspection

A For the 2019 calendar year, or tax year beginning 01-01-2018, and ending 12-31-2018

- B** Check if applicable
- Address change
 - Name change
 - Initial return
 - Final return/terminated
 - Amended return
 - Application pending

C Name of organization
BLUE CROSS BLUE SHIELD ASSOCIATION

% ROBERT J KOLODGY
Doing business as

Number and street (or P O box if mail is not delivered to street address) Room/suite
225 NORTH MICHIGAN AVENUE

City or town, state or province, country, and ZIP or foreign postal code
CHICAGO, IL 60601

D Employer identification number
13-5656874

E Telephone number
(312) 297-6000

G Gross receipts \$ 740,180,490

F Name and address of principal officer
SCOTT SEROTA
225 NORTH MICHIGAN AVENUE
CHICAGO, IL 60601

H(a) Is this a group return for subordinates? Yes No

H(b) Are all subordinates included? Yes No
If "No," attach a list (see instructions)

I Tax-exempt status 501(c)(3) 501(c) (4) ◀ (insert no) 4947(a)(1) or 527

J Website: WWW BCBS COM

H(c) Group exemption number ▶

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
SEE SCHEDULE O

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)	37
4 Number of independent voting members of the governing body (Part VI, line 1b)	36
5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	1,608
6 Total number of volunteers (estimate if necessary)	
7a Total unrelated business revenue from Part VIII, column (C), line 12	13,338,128
7b Net unrelated business taxable income from Form 990-T, line 34	

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	580,392,385	602,323,467
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	8,208,551	2,383,589
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,390,438	1,461,163
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	591,991,374	606,168,219
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)	227,680,113	227,692,132
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)	365,743,613	374,948,891
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	593,423,726	602,641,023
19 Revenue less expenses Subtract line 18 from line 12	-1,432,352	3,527,196
	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	727,717,175	795,746,293
21 Total liabilities (Part X, line 26)	628,999,945	699,522,048
22 Net assets or fund balances Subtract line 21 from line 20	98,717,230	96,224,245

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: _____ Date: 2019-11-11

ROBERT J KOLODGY EVP & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____

Check if self-employed PTIN P00977806

Firm's name ▶ PRICEWATERHOUSECOOPERS LLP Firm's EIN ▶ _____

Firm's address ▶ 2001 MARKET ST SUITE 1800 Phone no (267) 330-3000
PHILADELPHIA, PA 19103

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission

SEE SCHEDULE O

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 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 \$	219,458,440	including grants of \$	(Revenue \$	219,630,194)
	See Additional Data					

4b	(Code)	(Expenses \$	168,139,555	including grants of \$	(Revenue \$	174,982,093)
	See Additional Data					

4c	(Code)	(Expenses \$	115,053,501	including grants of \$	(Revenue \$	101,571,778)
	See Additional Data					

	(Code)	(Expenses \$	76,079,830	including grants of \$	(Revenue \$	94,262,437)
	Fee for services activities					

4d	Other program services (Describe in Schedule O)	(Expenses \$	76,079,830	including grants of \$	(Revenue \$	94,262,437)
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4e	Total program service expenses ▶		578,731,326			
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Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1 through 22 regarding organizational requirements, such as political campaign activities, lobbying, and financial reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 23 through 38 regarding compensation, bond issues, escrow accounts, 501(c)(3) organizations, and other IRS requirements.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V []

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1a, 1b, and 1c regarding Form 1096, Forms W-2G, and backup withholding rules.

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		2a	1,608		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		2b	Yes		
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? <i>If "No" to line 3b, provide an explanation in Schedule O</i>		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, securities account, or other financial account)?		4a		No	
b If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)					
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?		5c			
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 as charitable contributions?		6a		No	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b			
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. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		8			
9a Did the sponsoring organization make any taxable distributions under section 4966?		9a			
b Did the sponsoring 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. See the instructions for additional information the organization must report on Schedule O		13a			
b Enter the 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 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? <i>If "No," provide an explanation in Schedule O</i>		14b			
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N		15	Yes		
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O		16		No	

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 or note to any line in this Part VI



Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (37); 1b Enter the number of voting members included in line 1a, above, who are independent (36); 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? (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? (No); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (No); 6 Did the organization have members or stockholders? (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? (Yes); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (Yes); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? (Yes); 8b Each committee with authority to act on behalf of the governing body? (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 (No).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (Yes); 10b 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? (Yes); 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? (Yes); 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (Yes); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done (Yes); 13 Did the organization have a written whistleblower policy? (Yes); 14 Did the organization have a written document retention and destruction policy? (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? 15a The organization's CEO, Executive Director, or top management official (Yes); 15b Other officers or key employees of the organization (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? (Yes); 16b 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? (Yes).

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 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-A 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 (checked), Other (explain in Schedule O); 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 during the tax year; 20 State the name, address, and telephone number of the person who possesses the organization's books and records: ROBERT J KOLODGY 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601 (312) 297-6462.

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	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 FEDERAL EMPLOYEE PROGRAM		900099	219,630,194	219,630,194	
b BLUECARD		900099	174,982,093	174,982,093		
c OTHER SERVICES		900099	113,448,743	101,571,778	11,876,965	
d FEE FOR SERVICES		900099	54,904,738	54,904,738		
e BLUESNET		900099	20,366,720	20,366,720		
f All other program service revenue			18,990,979	18,990,979		
g Total. Add lines 2a-2f			602,323,467			

Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			3,460,884			3,460,884	
	4 Income from investment of tax-exempt bond proceeds			0				
	5 Royalties			0				
	6a Gross rents	(i) Real	(ii) Personal					
		b Less rental expenses						
		c Rental income or (loss)	0	0				
		d Net rental income or (loss)			0			
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		b Less cost or other basis and sales expenses						
		c Gain or (loss)	-969,185	-108,109				
		d Net gain or (loss)			-1,077,295			-1,077,295
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a						
		b Less direct expenses		0				
		c Net income or (loss) from fundraising events			0			
	9a Gross income from gaming activities See Part IV, line 19	a						
b Less direct expenses			0					
c Net income or (loss) from gaming activities				0				
10a Gross sales of inventory, less returns and allowances	a							
	b Less cost of goods sold		0					
	c Net income or (loss) from sales of inventory			0				
Miscellaneous Revenue		Business Code						
11a K-1 INCOME		900001	1,461,163		1,461,163			
b								
c								
d All other revenue								
e Total. Add lines 11a-11d			1,461,163					
12 Total revenue. See Instructions			606,168,219	590,446,502	13,338,128		2,383,589	

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).

Check if Schedule O contains a response or note to any line 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 domestic organizations and domestic governments. See Part IV, line 21.	0			
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	0			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.	0			
4 Benefits paid to or for members.	0			
5 Compensation of current officers, directors, trustees, and key employees.	29,971,299	19,650,925	10,320,374	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			
7 Other salaries and wages.	152,610,133	150,755,932	1,854,201	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	14,317,397	10,185,228	4,132,169	
9 Other employee benefits.	19,047,683	18,339,814	707,869	
10 Payroll taxes.	11,745,620	11,403,849	341,771	
11 Fees for services (non-employees)				
a Management.	0			
b Legal.	24,801,107	24,129,755	671,352	
c Accounting.	1,422,084	1,422,084		
d Lobbying.	4,812,808	4,812,808		
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees.	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	204,812,856	203,764,578	1,048,278	
12 Advertising and promotion.	10,220,388	10,220,388		
13 Office expenses.	10,901,458	10,755,965	145,493	
14 Information technology.	59,534,943	59,000,265	534,678	
15 Royalties.	0			
16 Occupancy.	12,640,169	11,934,261	705,908	
17 Travel.	6,936,662	6,494,599	442,063	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19 Conferences, conventions, and meetings.	6,145,248	5,335,392	809,856	
20 Interest.	0			
21 Payments to affiliates.	0			
22 Depreciation, depletion, and amortization.	19,040,835	18,766,526	274,309	
23 Insurance.	6,754,669	6,665,450	89,219	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a MEMBERSHIP & SPONSORSHIP	1,979,235	1,838,574	140,661	
b CONTRIBUTIONS - GENERAL	2,402,437	2,182,678	219,759	
c BOOKS & PERIODICALS	1,608,320	1,476,069	132,251	
d MISCELLANEOUS	935,672	-403,814	1,339,486	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e.	602,641,023	578,731,326	23,909,697	0
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part IX

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	1,553,513	1	1,302,014
	2 Savings and temporary cash investments	485,181,159	2	504,222,247
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	39,445,250	4	36,834,280
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	0	8	0
	9 Prepaid expenses and deferred charges	13,424,929	9	15,249,607
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 90,772,034		
	b Less accumulated depreciation	10b 67,706,523	26,328,116	10c 23,065,511
	11 Investments—publicly traded securities	15,000	11	5,121
	12 Investments—other securities See Part IV, line 11	141,931,768	12	182,737,158
	13 Investments—program-related See Part IV, line 11	0	13	0
	14 Intangible assets	4,793,929	14	7,401,742
	15 Other assets See Part IV, line 11	15,043,511	15	24,928,612
16 Total assets. Add lines 1 through 15 (must equal line 34)	727,717,175	16	795,746,293	
Liabilities	17 Accounts payable and accrued expenses	167,168,875	17	113,218,586
	18 Grants payable	0	18	0
	19 Deferred revenue	4,477,061	19	6,334,391
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability Complete Part IV of Schedule D	376,543,915	21	498,119,809
	22 Loans and other 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	80,810,094	25	81,849,262
	26 Total liabilities. Add lines 17 through 25	628,999,945	26	699,522,048
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	98,717,230	27	96,224,245
	28 Temporarily restricted net assets	0	28	0
	29 Permanently restricted net assets	0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), 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	98,717,230	33	96,224,245	
34 Total liabilities and net assets/fund balances	727,717,175	34	795,746,293	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	606,168,219
2	Total expenses (must equal Part IX, column (A), line 25)	2	602,641,023
3	Revenue less expenses Subtract line 2 from line 1	3	3,527,196
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	98,717,230
5	Net unrealized gains (losses) on investments	5	-5,063,816
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-956,365
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	96,224,245

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

- 1** Accounting method used to prepare the Form 990 Cash Accrual 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?
 If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
 If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes," to line 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
- 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?
- b** 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

	Yes	No
2a		No
2b	Yes	
2c	Yes	
3a		No
3b		

Additional Data

Software ID:

Software Version:

EIN: 13-5656874

Name: BLUE CROSS BLUE SHIELD ASSOCIATION

Form 990 (2018)

Form 990, Part III, Line 4a:

SEE SCHEDULE O

Form 990, Part III, Line 4b:

SEE SCHEDULE O

Form 990, Part III, Line 4c:

SEE SCHEDULE O

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Officer	Key employee	Highest compensated employee	Former			
Matthew D All Board Member	4 0 0 0	X						0	0	0
David W Anderson Board Member	4 0 0 0	X						0	0	0
Curtis Barnett Board Member	4 0 0 0	X						0	0	0
Christopher Booth Board Member	4 0 0 0	X						0	0	0
Gail K Bourdreaux Board Member	4 0 0 0	X						0	0	0
Chester Burrell Board Member	4 0 0 0	X						0	0	0
Kevin P Conlin Board Member	4 0 0 0	X						0	0	0
Patrick Conway Board Member	4 0 0 0	X						0	0	0
Andrew Dreyfus Board Member	4 0 0 0	X						0	0	0
John D Forsyth Board Member	4 0 0 0	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Officer	Key employee	Highest compensated employee	Former			
Mark B Ganz Board Member	4 0 0 0	X						0	0	0
Roberto Garcia-Rodriguez Board Member	4 0 0 0	X						0	0	0
Don C George Board Member	4 0 0 0	X						0	0	0
Patrick J Geraghty Board Member	4 0 0 0	X						0	0	0
Steve Grandfield Board Member	4 0 0 0	X						0	0	0
Michael Guyette Board Member	4 0 0 0	X						0	0	0
JD Hickey Board Member	4 0 0 0	X						0	0	0
Daniel J Hilferty Board Member	4 0 0 0	X						0	0	0
David Holmberg Board Member	4 0 0 0	X						0	0	0
Tim Huckle Board Member	4 0 0 0	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Officer	Key employee	Highest compensated employee	Former			
Kim Keck Board Member	4 0 0 0	X						0	0	0
Pam Kehaly Board Member	4 0 0 0	X						0	0	0
Terry Kellogg Board Member	4 0 0 0	X						0	0	0
Scott D Kreiling Board Member	4 0 0 0	X						0	0	0
Daniel J Loepp Board Member	4 0 0 0	X						0	0	0
Charlene Maher Board Member	4 0 0 0	X						0	0	0
Paul Markovich Board Member	4 0 0 0	X						0	0	0
David S Pankau Board Member	4 0 0 0	X						0	0	0
Brian Pieninck Board Member	4 0 0 0	X						0	0	0
Carol Pigott Board Member	4 0 0 0	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Officer	Key employee	Highest compensated employee	Former			
Sean M Robbins Board Member	4 0 0 0	X						0	0	0
Jeff Roe Board Member	4 0 0 0	X						0	0	0
Craig Samitt Board Member	4 0 0 0	X						0	0	0
Rick Schum Board Member	4 0 0 0	X						0	0	0
Gary D St Hilaire Board Member	4 0 0 0	X						0	0	0
Paula A Steiner Board Member	4 0 0 0	X						0	0	0
Michael B Stollar Board Member	4 0 0 0	X						0	0	0
Steven Udvarhelyi Board Member	4 0 0 0	X						0	0	0
Timothy Vines Board Member	4 0 0 0	X						0	0	0
Danette K Wilson Board Member	4 0 0 0	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Officer	Key employee	Highest compensated employee	Former			
Scott P Serota President and CEO	40 00	X		X				7,238,158	0	3,426,939
Kathleen Blatz Board Member	40 00	X						0	0	0
Andrew Corbin Board Member	20 00	X						0	0	0
Steven Martin Board Member	40 00	X						0	0	0
Jennifer Atkins VP, Network Solutions	40 00			X				365,873	0	55,246
William A Breskin Sr , VP, Government Programs	40 00			X				756,551	0	116,303
Maureen Cahill SVP & Chief Human Res Officer	40 00			X				390,031	0	33,410
John Cerisano VP, Federal Relations	40 00			X				578,958	0	132,029
Teresa Clark VP, Office of Clinical Affairs	40 00			X				323,582	0	35,917
Terry Cooney VP, Investments and National E	40 00			X				607,984	0	156,402

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Officer	Key employee	Highest compensated employee	Former			
Kathy Didawick VP, Congressional Communicatio	40 0 0 0			X				575,314	0	125,185
Robert Drelick Sr , VP, Chief Information Off	40 0 0 0			X				254,401	0	15,144
Paul Gerrard VP, Strategic Communications	40 0 0 0			X				407,892	0	57,029
Kris Haltmeyer VP, Health Policy and Analysis	40 0 0 0			X				549,391	0	122,896
Justine Handelman SVP Legislative and Regulatory	40 0 0 0			X				722,425	0	126,151
Trent T Haywood Sr VP, Chief Medical Officer	40 0 0 0			X				682,584	0	54,707
Kari Hedges Sr VP, Commercial Markets	40 0 0 0			X				695,962	0	96,301
Mitchell J Helfand VP, Finance Operations	40 0 0 0			X				383,458	0	27,505
Kim D Holland VP, State Affairs	40 0 0 0			X				451,723	0	57,611
Mike Joyce VP, Chief Auditor and Complian	40 0 0 0			X				422,022	0	112,976

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Officer	Key employee	Highest compensated employee	Former			
Nasir Khan VP, Chief Technology Officer	40 0 0 0			X				621,925	0	10,060
Julie Koewler VP, Brand Strategy	40 0 0 0			X				385,845	0	51,080
Robert Kolodgy Executive VP and Chief Financi	40 0 0 0			X				1,052,713	0	50,419
Brad Lubrant VP, Finance	40 0 0 0			X				284,895	0	138,596
Nisha Lulla VP, Chief of Staff , Office of	40 0 0 0			X				259,465	0	52,539
Ngan MacDonald VP, Enterprise Data Solutions	40 0 0 0			X				232,502	0	57,111
Peter Naumovski VP and Chief Information Secur	40 0 0 0			X				658,106	0	50,635
W Scott Nehs Sr VP, General Counsel and Co	40 0 0 0			X				704,758	0	56,194
William O'Loughlin VP, Chief Information Officer,	40 0 0 0			X				912,313	0	1,253
Patrick Pope VP, Deputy General Counsel ? S	40 0 0 0			X				427,653	0	55,877

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Officer	Key employee	Highest compensated employee	Former			
Melissa Rotunno VP, Deputy General Counsel - B	40 0 0 0			X				335,408	0	121,194
Maureen E Sullivan SVP Chief Strategy Innovation	40 0 0 0			X				767,775	0	79,657
Mark Talluto VP, Strategy and Analytics	40 0 0 0			X				412,822	0	48,671
Jennifer Vachon Executive VP and Chief of Sta	40 0 0 0			X				1,027,559	0	168,199
Jody A Voss VP, Development, Innovation an	40 0 0 0			X				524,553	0	12,824
Kelly Williams VP, Human Resources	40 0 0 0			X				231,435	0	19,207
Naomi Aronson ED, Clinical Evaluation Innova	40 0 0 0					X		347,544	0	93,627
John Banta ED, Venture Funds	40 0 0 0					X		569,277	0	233,800
Jeffrey Berta ED EIT Business Partner	40 0 0 0					X		360,100	0	99,694
Denise Schofield ED Clinical Operations	40 0 0 0					X		375,565	0	68,030

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

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		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
David Yoder ED, Integrative Care Managemen	40 0 0 0					X		394,386	0	49,771
Frank E Coyne Jr Former Vice President	0 0 0 0						X	136,897	0	0
John T Ericksen Former Vice President	0 0 0 0						X	170,987	0	0
Alissa T Fox Former Sr Vice President	0 0 0 0						X	104,800	0	0
Shirley S Lady Former Vice President	0 0 0 0						X	144,850	0	0
Roger G Wilson Former Sr VP,General Counsel	0 0 0 0						X	153,019	0	0
Daniel Engel FORMER SR ASSOC GEN COUNSEL	0 0 0 0						X	127,235	0	0

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities
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.
▶Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No 1545-0047

2018

Open to Public Inspection

If the organization answered "Yes" on 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" on 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" on Form 990, Part IV, Line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then
 ● Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization BLUE CROSS 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 in Part IV (see instructions for definition of "political campaign activities")	▶
2 Political campaign activity expenditures (see instructions)	▶ \$ 942,131
3 Volunteer hours for political campaign activities (see instructions)	▶

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	▶ \$
2 Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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	▶ \$
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$ 545,000
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ 545,000
4 Did the filing organization file Form 1120-POL for this year?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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) DEMOCRATIC GOVERNORS ASSOCIATION	1401 K STREET NW STE 200 WASHINGTON, DC 20005	52-1304889	250,000	
(2) REPUBLICAN GOVERNORS ASSOCIATION	1747 PENNSYLVANIA AVE NW STE 250 WASHINGTON, DC 20006	11-3655877	250,000	
(3) DEMOCRATIC ATTORNEY GENERAL ASSOCIATION	1580 LINCOLN ST STE 1125 DENVER, CO 80203	05-0532524	15,000	
(4) REPUBLICAN ATTORNEY GENERAL ASSOCIATION	1747 PENNSYLVANIA AVE NW WASHINGTON, DC 20006	46-4501717	25,000	
(5) DEMOCRATIC LEGISLATIVE CAMPAIGN	1225 I ST NW 1250 WASHINGTON, DC 20005	52-1870839	5,000	
6				

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)).

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity

	(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?			
j Total Add 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?		No
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?		No
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?		No

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

1 Dues, assessments and similar amounts from members	1	87,000,000
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	10,526,904
b Carryover from last year	2b	0
c Total	2c	10,526,904
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	10,526,904
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?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, lines 1 and 2 (see instructions), and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
SCHEDULE C, PART I-A, LINE 1	THE FILING ORGANIZATION MADE CONTRIBUTIONS FROM THE GENERAL TREASURY TO FIVE SECTION 527 POLITICAL ORGANIZATIONS AND SPONSORED A SEPARATE FUND DESIGNATED FOR EXEMPT PURPOSES

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements
► Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990.
► Go to www.irs.gov/Form990 for the latest information.

OMB No 1545-0047
2018
Open to Public Inspection

Name of the organization
BLUE CROSS 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" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of 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 can 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" on 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 education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 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	
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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, handling of violations, and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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 section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, 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" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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) Revenue included on 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 (ASC 958) relating to these items

a Revenue included on 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 acquisition, 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
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 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" on 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 XIII and complete the following table
- | | Amount |
|--|--------|
| c Beginning balance | |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? . . . Yes No
- b** If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on 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 Net investment earnings, gains, and 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 current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶
 - b** Permanent endowment ▶
 - c** Temporarily restricted endowment ▶
- The percentages on lines 2a, 2b, and 2c should equal 100%

- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- | | | |
|--|-----|----|
| (i) unrelated organizations | Yes | No |
| (ii) related organizations | | |
| b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? | | |

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. 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				
b Buildings				
c Leasehold improvements		28,680,555	17,614,563	11,065,992
d Equipment		62,091,479	50,091,960	11,999,519
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				23,065,511

Part VII Investments—Other Securities. Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. 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		
(2) Closely-held equity interests		
(3) Other _____		
(A) NON-PUBLIC MUTUAL FUNDS	89,995,713	C
(B) WELLS FARGO MUTUAL FUNDS	25,364,283	F
(C) EXCHANGE TRADED FUNDS	59,815,066	C
(D) INVEST IN AFFILIATES >5%	7,352,096	C
(E) 206,839 COMMON, BCS INSR CORP	210,000	C
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12.)	182,737,158	

Part VIII Investments—Program Related. Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.)		

Part IX Other Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.)	

Part X Other Liabilities. Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	0
PENSION LIABILITES	48,575,991
LONG-TERM DEFERRED REVENUE	6,734,772
LEASE LIABILITY	13,499,403
OTHER BENEFITS	6,015,876
POST-RETIREMENT LIABILITY	7,023,220
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	81,849,262

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII

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

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

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 (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	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 XIII)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

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 XIII)	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 XIII)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	

Part XIII Supplemental Information

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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
See Additional Data Table	

Additional Data

Software ID:

Software Version:

EIN: 13-5656874

Name: BLUE CROSS BLUE SHIELD ASSOCIATION

Supplemental Information

Return Reference	Explanation
FORM 990, SCHEDULE D, PART IV, LINE 2B	ESCROW & CUSTODIAL ARRANGEMENTS THE ASSOCIATION HOLDS FUNDS AS AGENT FOR ITS MEMBER PLANS UNDER ARRANGEMENTS COVERING ITS BLUE CARD AND FEDERAL EMPLOYEE PROGRAM

Supplemental Information

Return Reference	Explanation
FORM 990, SCHEDULE D, PART X, LINE 2	<p>FIN 48 (ASC 740) FOOTNOTE THE ASSOCIATION FOLLOWS THE REQUIREMENT OF ASC 740-10-25 "ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES," WHICH CLARIFIES THE ACCOUNTING AND DISCLOSURES 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, 2018 AND 2017 THE ASSOCIATION IS OPEN TO EXAMINATION BY TAXING AUTHORITIES FROM FISCAL YEAR 2015 FORWARD</p>

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**
▶ **Attach to Form 990.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No 1545-0047

2018

Open to Public Inspection

Name of the organization
BLUE CROSS BLUE SHIELD ASSOCIATION

Employer identification number
13-5656874

Part I Questions Regarding Compensation

		Yes	No		
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input checked="" type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input checked="" type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) </td> </tr> </table>	<input checked="" type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input checked="" type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input checked="" type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)			
<input checked="" type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input checked="" type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input checked="" type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)				
<p>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 of the expenses described above? If "No," complete Part III to explain</p>	1b	Yes			
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</p>	2	Yes			
<p>3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations </td> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee </td> </tr> </table>	<input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee			
<input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee				
<p>4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	4a	Yes			
	4b	Yes			
	4c		No		
<p>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</p>					
<p>5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 5a or 5b, describe in Part III.</p>	5a		No		
	5b		No		
<p>6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 6a or 6b, describe in Part III.</p>	6a		No		
	6b		No		
<p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</p>	7	Yes			
<p>8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.</p>	8		No		
<p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9				

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
FORM 990, 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. 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 the CEO's travel commitments, including travel to underserved regional destinations. These policies include the use of charter aircraft and first class travel on scheduled commercial flights under certain limited circumstances. The Association has designed a comprehensive financial and service relocation program to assist relocating employees and new hires with the relocation process. The Association may provide a tax gross up on all or part of a relocating employee's taxable relocation expenses in order to assist the relocating employee or new hire for negative tax consequences due to taxation of relocation expense reimbursements. The expenses are reimbursed and included in taxable compensation, if applicable, in accordance with the Association's policy. To facilitate business meetings with visiting Plan officials and others and to foster social interaction serving the interests of the Association and to foster their good health, the Association reimburses a luncheon club membership for officers. The expenses are reimbursed and included in taxable compensation, if applicable, in accordance with the Association's policy.

Return Reference	Explanation
FORM 990, SCHEDULE J, PART I, LINE 3	<p>The compensation of the CEO and the continued retention of his services are approved each year by a committee of the Associations Board comprised of independent Plan executives. That committee acts after deliberations based upon advice from a qualified independent compensation consulting firm. The consultants advice and those deliberations include a review of the results of the independent consultants research regarding compensation paid by other organizations for officers serving in capacities comparable to that of the Associations CEO. Each year this committees decisions are reported to the full Board during a regularly scheduled meeting. The Board deliberates on both matters. Extension of the period of the CEOs 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 committees compensation decisions. The same committee of independent Plan executives annually receives the CEOs recommendations regarding the compensation to be paid to the officers. As with the CEOs compensation, the deliberations of this committee and its decisions to approve or modify the CEO's compensation are based upon the results of an independent consultants market research regarding comparable officer pay and the independent consultants advice.</p>

Return Reference	Explanation
FORM 990, SCHEDULE J, PART I, LINE 4	<p>Question 4a Two officers received severance pay during 2018 Nasir Khan \$ 386,425 William O'Loughlin \$ 541,809 Question - 4b 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 Scott P Serota - 492,352 William A Breskin - 11,283 John Cerisano - 31,396 Terry Cooney - 23,103 KATHY RIPLEY DIDAWICK - 26,207 KRIS O HALTMEYER - 31,121 JUSTINE HANDELMAN - 59,244 KARI J HEDGES - 5,160 MIKE JOYCE - 6,996 Brad Lubrant - 14,064 Melissa Rotunno - 19,688 Maureen Sullivan - 15,823 JENNIFER VACHON - 75,326 Naomi Aronson - 48,816 Jeffrey Berta - 14,724 Denise Schofield 15,085 The combined total of imputed SERP included in column C \$890,388 The combined total of imputed SERP included in column C \$1,639,219</p>

Return Reference	Explanation
FORM 990, SCHEDULE J, PART I, LINE 7	<p>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 employees 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 Associations 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 and an Executive Director participate in separate Long Term Incentive Bonus programs. As with the regular performance bonus programs, payouts under these Long Term Incentive Programs reflect the extent to which pre-established performance goals are reached. However, unlike the annual performance bonus program, the Long Term Incentive programs operate on a multi-year cycle to assure that the CEO and an Executive Director have incentives that look beyond the immediate year. Under the CEO's 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. Under the Executive Director's program, the performance measurement is based on the performance of specified investments.</p>



Schedule J (Form 990) 2018

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

▶ **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, line 38a or 40b.**
 ▶ **Attach to Form 990 or Form 990-EZ.**
 ▶ **Go to www.irs.gov/Form990 for the latest information.**

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
BLUE CROSS BLUE SHIELD ASSOCIATION

Employer identification number
13-5656874

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) 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

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 ▶ \$ _____
 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.
 Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
Total						▶	\$					

Part III Grants or Assistance Benefiting Interested Persons.
 Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

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
(1) N PARKER	OFFICER'S FAMILY MEMBER	134,479	EMPLOYEE SALARY		No

Part V Supplemental Information

Provide additional information for responses to questions on Schedule L (see instructions)

Return Reference	Explanation

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

2018

Open to Public Inspection

Department of the Treasury

Name of the organization

BLUE CROSS BLUE SHIELD ASSOCIATION

Employer identification number

13-5656874

990 Schedule O, Supplemental Information

Return Reference	Explanation
<p>FORM 990, PART I, LINE 1</p>	<p>THE ORGANIZATION'S TAX EXEMPT PURPOSE IS PROMOTING THROUGH INDEPENDENT BLUE CROSS AND BLUE SHIELD MEMBER PLANS, THE COMMON GOOD AND GENERAL WELFARE OF THE COMMUNITY BY FOSTERING BROAD-BASED HEALTH INSURANCE COVERAGE FORM 990, PART III, LINE 1 THE ASSOCIATION SERVES ITS MEMBERSHIP CONSISTING OF INDEPENDENT BLUE CROSS AND BLUE SHIELD MEMBER PLANS THAT OPERATE WITHIN SPECIFIC GEOGRAPHIC SERVICE AREAS THE ASSOCIATION PROVIDES A VARIETY OF SERVICES TO MEMBER PLANS AND COORDINATES GOVERNMENT SERVICES, SUCH AS THE CONTRACT UNDER THE FEDERAL EMPLOYEE HEALTH BENEFIT PROGRAM (FEP), WHICH IS 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 FORM 990, PART III, LINE 4A THE BLUE CROSS AND BLUE SHIELD ASSOCIATION'S FEDERAL EMPLOYEE PROGRAM (FEP) ADMINISTERS THE BLUE CROSS AND BLUE SHIELD SERVICE BENEFIT PLAN APPROXIMATELY 64 PERCENT OF ALL FEDERAL EMPLOYEES AND RETIREES WHO RECEIVED THEIR HEALTH CARE BENEFITS THROUGH THE GOVERNMENT'S FEDERAL EMPLOYEES 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 ACCOMPLISHMENTS IN 2018 INCLUDED THE INTRODUCTION OF A NEW HEALTH INSURANCE PRODUCT CALLED FEP BLUE FOCUS ALSO IN 2018, A CONTINUED MODERNIZATION OF FEP'S CENTRAL CLAIMS SYSTEM, FURTHER ENHANCEMENTS TO MEMBER HEALTH TOOLS AND MEMBER'S DIGITAL EXPERIENCE, AS WELL AS THE CONTINUED DEVELOPMENT OF INTEGRATED CARE MANAGEMENT PROGRAMS ACROSS THE ENTIRE SPECTRUM TO SERVE MEMBERS AND IMPROVE MEMBER'S EXPERIENCE RETENTION RATE WAS 99.1% FORM 990, PART III, LINE 4B THE BLUECARD PROGRAM ENABLES BLUE PLAN MEMBERS TO RECEIVE THE BENEFITS OF THEIR INSURANCE CONTRACTS WHILE TRAVELING OR LIVING IN ANOTHER MEMBER PLAN'S GEOGRAPHIC SERVICE AREA THROUGH BLUECARD, BLUE PLAN MEMBERS ARE GIVEN SEAMLESS NATIONAL ACCESS TO PHYSICIANS AND HOSPITALS THAT PARTICIPATE IN BLUE NETWORKS ADDITIONALLY, THE PROGRAM LINKS PARTICIPATING HEALTHCARE PROVIDERS WITH THE INDEPENDENT BLUE CROSS AND BLUE SHIELD PLANS THROUGH A SINGLE ELECTRONIC NETWORK FOR CLAIMS PROCESSING AND REIMBURSEMENT FORM 990, PART III, LINE 4C AS THE UMBRELLA ORGANIZATION FOR THE MEMBER PLANS, THE ASSOCIATION COORDINATES ADVERTISING AND COMMUNICATION 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 FORM 990, PART III, LINE 4D OTHER PROGRAM SERVICE ACCOMPLISHMENTS THE ASSOCIATION PROVIDES OPTIONAL CONSULTING SERVICES AND OTHER MISCELLANEOUS PROJECTS, OPERATION OF THE NATIONAL EMPLOYEE BENEFITS ADMINISTRATION PROGRAM THAT PROVIDES A COMPREHENSIVE GROUP PACKAGE OF EMPLOYEE BENEFITS PROGRAMS TO THE PLANS, A CLOSED P</p>

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART I, LINE 1	PRIVATE, WIDE AREA NETWORK THAT LINKS THE COMPUTER AND INFORMATION RESOURCES OF THE PLANS EXPENSE 76,079,829 GRANTS NONE NONREVENUE 94,262,437

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2	VARIOUS ASSOCIATION BOARD MEMBERS (DIRECTORS) ALSO SIT ON THE BOARD OF BLUE CROSS BLUE SHIELD ASSOCIATION AFFILIATES

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	BCBSA HAS THIRTY-SIX (36) INDEPENDENT HEALTH CARE PLAN LICENSEES OPERATING IN SPECIFIED DOMESTIC SERVICE AREAS ALL HEATH CARE PLAN LICENSEES ARE ASSOCIATION MEMBERS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	EACH PRIMARY LICENSEE MEMBER PLAN, BY THE AUTHORITY OF THEIR INDIVIDUAL GOVERNING DOCUMENTS, SELECT THE CEO OF THEIR RESPECTIVE COMPANIES TO SERVE AS A MEMBER OF THE ASSOCIATION'S BOARD

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	CERTAIN GOVERNING DECISIONS, SUCH AS BY-LAW AMENDMENTS, REQUIRE ACTION BY BOTH THE ASSOCIATION'S BOARD AND ITS MEMBER PLANS

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	IN GENERAL, FORM 990 CONTENT AND SOURCES OF INFORMATION ARE REVIEWED BY SUBJECT MATTER EXPERTS INCLUDING, BUT NOT LIMITED TO, INTERNAL AND EXTERNAL TAX (PWC) AND ACCOUNTING PROFESSIONALS AND INTERNAL LEGAL PERSONNEL FINALIZING THE RETURN DRAFT CONSISTS OF DISCUSSIONS BETWEEN FINANCE OFFICERS AND FINANCE MANAGERS REGARDING THE NUMERIC RESULTS AND WRITTEN RESPONSES TO SELECT RETURN QUESTIONS UPON INTERNAL AGREEMENT AS TO THE FORM AND CONTENT, AN ELECTRONIC DRAFT 990 IS SENT TO THE ASSOCIATIONS BOARD PRIOR TO FILING

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	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 HOTLINE MAINTAINED THROUGH AN INDEPENDENT ORGANIZATION THE RESULTS OF THE COMPLIANCE PROGRAMS EFFECTIVENESS ARE REPORTED TO THE FINANCIAL AND 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

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINES 15A & 15B	THE COMPENSATION OF THE CEO AND THE CONTINUED RETENTION OF HIS SERVICES ARE APPROVED EACH YEAR BY A COMMITTEE OF THE ASSOCIATIONS 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 COMMITTEES DECISIONS ARE REPORTED TO THE FULL BOARD DURING A REGULARLY SCHEDULED MEETING THE BOARD DELIBERATES ON BOTH MATTERS EXTENSION OF THE PERIOD OF THE CEOS 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 COMMITTEES COMPENSATION DECISIONS THE SAME COMMITTEE OF INDEPENDENT PLAN EXECUTIVES ANNUALLY RECEIVES THE CEOS RECOMMENDATIONS REGARDING THE COMPENSATION TO BE PAID TO THE OFFICERS AS WITH THE CEOS COMPENSATION, THE DELIBERATIONS OF THIS COMMITTEE AND ITS DECISIONS TO APPROVE OR MODIFY THE CEOS RECOMMENDATION ARE BASED UPON THE RESULTS OF AN INDEPENDENT CONSULTANTS MARKET RESEARCH REGARDING COMPARABLE OFFICER PAY AND THE INDEPENDENT CONSULTANTS ADVICE

990 Schedule O, Supplemental Information

Return Reference	Explanation
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 ASSOCIATIONS FORM 990 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 ASSOCIATIONS FAVORABLE DETERMINATION LETTER REGARDING ITS TAX EXEMPT STATUS AND MATERIALS COMPRISING ITS EXEMPTION APPLICATION ARE ALSO AVAILABLE IN THIS MANNER. IF THE ASSOCIATIONS 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 ASSOCIATIONS MANAGEMENT.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART XI, LINE 9	OTHER CHANGES IN NET ASSETS OTHER COMPREHENSIVE INCOME-ASC 715 606,780 LOSS ON SETTLEMENT OF RETIREMENT OBLIGATION (968,993) ADDITIONAL K-1 REVENUE (594,152) ----- TOTAL (956,365) TOTAL (956,365)

990 Schedule O, Supplemental Information

Return Reference	Explanation
Part IX Line 24b	IN FURTHERANCE OF ITS TAX EXEMPT PURPOSE TO PROMOTE THE COMMON GOOD AND GENERAL WELFARE OF THE COMMUNITY AND TO IMPROVE THE NATION'S HEALTH, AND THE ACCESSIBILITY AND AFFORDABILITY OF HEALTHCARE FOR ALL AMERICANS, BCBSA INCURRED EXPENSES TO ORGANIZATIONS THAT SUPPORT AND ADVOCATE BCBSA'S VIEWS ON ISSUES FACING THE HEALTH INSURANCE INDUSTRY INCURRED EXPENSES INCLUDE BUILDING OF COALITIONS, GRASSROOTS OUTREACH AND EDUCATION, BCBSA DID NOT CONTROL OR DIRECT THESE ACTIVITIES BCBSA HAS DISCLOSED THESE EXPENSES ON PART IX, LINE 24B, CONTRIBUTIONS - GENERAL

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION VARIOUS CONSULTING FEES TOTAL FEES 195123129

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION TEMPORARY HELP TOTAL FEES 6078498

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION PRINTING & GRAPHICS TOTAL FEES 3154795

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990 PART IX LINE 11G	DESCRIPTION RECRUITING TOTAL FEES 456434

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2018

**Open to Public
Inspection**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**
▶ **Attach to Form 990.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Department of the Treasury
Internal Revenue Service

Name of the organization
BLUE CROSS 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 (if applicable) 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 entity?	
						Yes	No
(1) HEALTH SERVICES FOUNDATION 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601 23-7011867	EDUC , RSRCH	IL	501(C)(3)	10	NA		No
(2) BC AND BS FOUNDATION ON HEALTH CARE 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601 23-7164980	EDUC , RSRCH	IL	501(C)(3)	10	NA		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.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512(b) (13) controlled entity?	
								Yes	No
(1) BLUE CROSS BLUE SHIELD INSTITUTE INC 225 NORTH MICHIGAN AVENUE CHICAGO, IL 60601 36-4176277	COMMUNITY HEA	IL	NA	C CORP				Yes	

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

	Yes	No
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, or (iv) rent from a controlled entity	Yes	
b Gift, grant, or capital contribution to related organization(s)		No
c Gift, grant, or capital contribution from related organization(s)		No
d Loans or loan guarantees to or for related organization(s)		No
e Loans or loan guarantees by related organization(s)		No
f Dividends from related organization(s)		
g Sale of assets to related organization(s)		No
h Purchase of assets from related organization(s)		No
i Exchange of assets with related organization(s)		No
j Lease of facilities, equipment, or other assets to related organization(s)		No
k Lease of facilities, equipment, or other assets from related organization(s)		No
l Performance of services or membership or fundraising solicitations for related organization(s)		No
m Performance of services or membership or fundraising solicitations by related organization(s)		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		No
o Sharing of paid employees with related organization(s)		No
p Reimbursement paid to related organization(s) for expenses	Yes	
q Reimbursement paid by related organization(s) for expenses	Yes	
r Other transfer of cash or property to related organization(s)		No
s Other transfer of cash or property from related organization(s)		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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) BLUE CROSS BLUE SHIELD INSTITUTE INC	A	48,616	ACTUAL COST
(2) BLUE CROSS BLUE SHIELD INSTITUTE INC	P	85,131	ACTUAL COST
(3) BLUE CROSS BLUE SHIELD INSTITUTE INC	Q	6,075,664	ACTUAL COST

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation