

OPENING THE DOOR...MAKING A DIFFERENCE
2002 REPORT TO THE COMMUNITY



**BlueCross BlueShield
of Florida**

An Independent Licensee of the
Blue Cross and Blue Shield Association



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Blue Cross and Blue Shield of Florida

2002 REPORT TO THE COMMUNITY

Blue Cross and Blue Shield of Florida has cultivated the values of corporate responsibility and charitable giving for more than six decades. As Florida's health industry leader, serving six million people, we are dedicated to providing caring solutions. That promise reaches far beyond our customers to the economic and social needs of the communities and neighborhoods in which we live, work and serve. We take seriously our unique role in advancing the health and well-being of the people in the communities we serve. Our community relations program serves as a key to open the door to needed economic, social and cultural services that make a positive difference in the lives of our friends, our families, our neighbors and ourselves.

“Enter, I have turned the key.”

— Harriet McEwen Kimball, American poet

**Message from the
Chairman and CEO**



Michael Cascone, Jr.
Chairman and Chief Executive Officer
Blue Cross and Blue Shield of Florida, Inc.

M Cascone Jr



A door can be seen as a barrier that keeps one in or locks one out. It also can be the entrance to a safe haven where one is protected from the elements.

Blue Cross and Blue Shield of Florida has the privilege of opening doors to the safe haven of health care coverage. For millions of customers, our health plans and other services provide security. Our customers know their health care needs will be met.

We are proud of the role we play in keeping our families, friends and neighbors healthy and improving the quality of their lives. We also believe a corporation must have a social conscience that extends beyond its doors to the communities it serves. A community is like a house. One that is built without strong support cannot stand the test of time. And what is a corporation if not a member of a community with a responsibility to support it?

Every day through community relations programs Blue Cross and Blue Shield of Florida and its employees donate significant time and

financial resources to help make our state a better place to live and work. Our corporate charitable giving program helps to ensure kids have a safe place to play, homebound seniors get fed, and the homeless have shelter for the night. Whether providing for the needs of the poor, sick or elderly, or supporting cultural enrichment programs and the arts, we are fortifying the structure of our communities.

In 2002, Blue Cross and Blue Shield of Florida and its employees contributed time and money to charitable organizations throughout the state. Our employees volunteered more than 30,000 hours in community service to 150 agencies statewide through our Blue Community Champions program, which mobilizes teams of volunteers and recognizes employees' individual and team volunteer efforts.

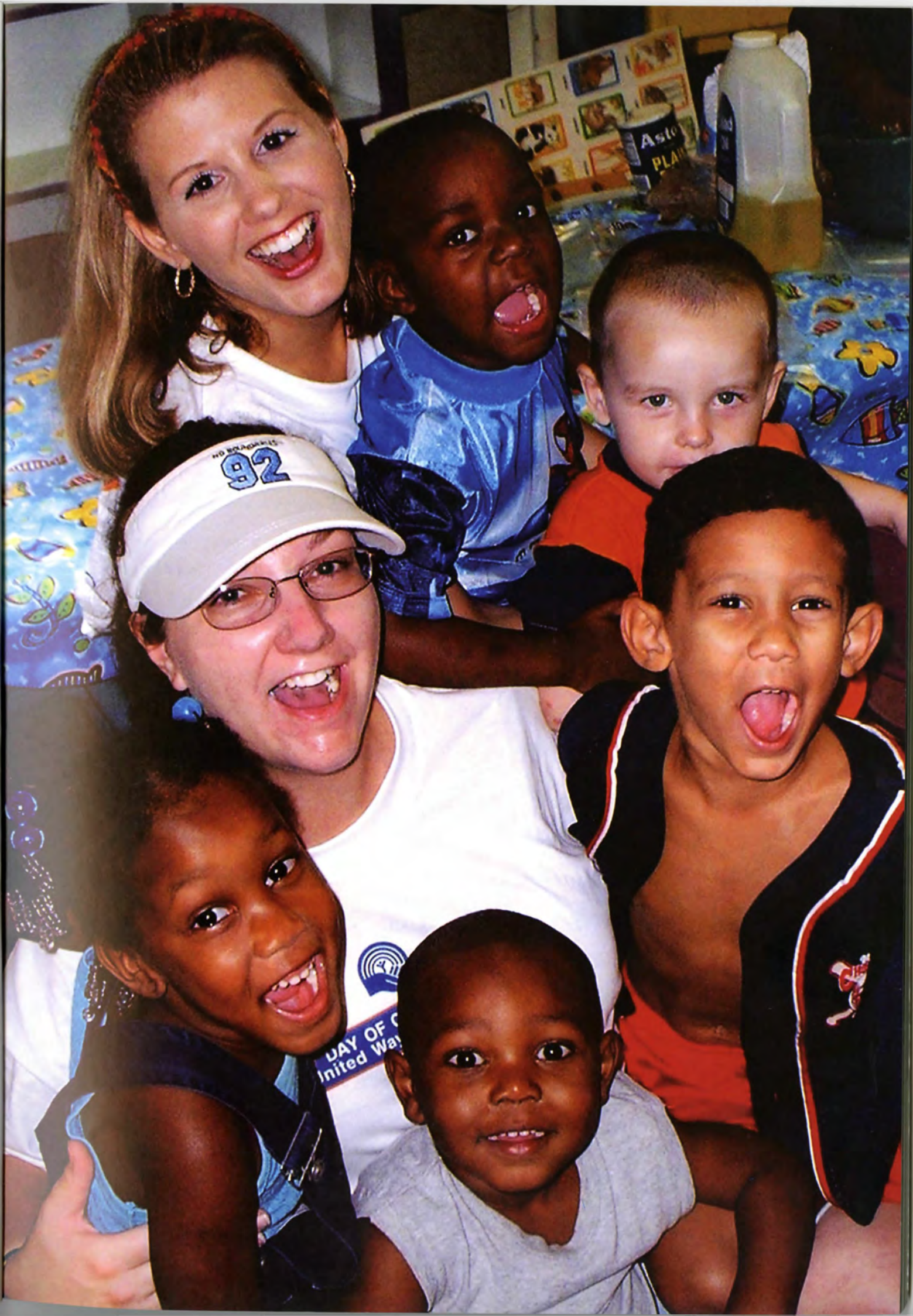
The pages that follow illustrate the depth of our commitment to community involvement. We hope they inspire others to help strengthen our communities and open doors to a better quality of life for all our citizens.

Community Relations

Blue Cross and Blue Shield of Florida has structured its community relations program to fight disease and chronic illness, promote health awareness and education, help provide human services to the needy and support community development programs. Together, they help build a strong community structure that better meets the needs of its citizens.

The community relations program takes a three-pronged approach. It includes the Blue Community Champions employee volunteer program, our annual United Way campaign, and our Community Giving program, which makes numerous charitable contributions, both cash and in-kind, to nonprofit organizations around the state.

During Day of Caring activities, 44 Tampa Bay employees painted, landscaped and cleaned a Child Abuse Council daycare center, 78th Street Station, and spent time with the children. Several employees have since returned to remodel individual rooms.



BLUE COMMUNITY CHAMPIONS Blue Community Champions are employee volunteers who tackle community issues through individual effort and teambuilding activities. They serve on boards and committees for statewide and community nonprofit groups and civic associations. Team leaders guide corporate-sponsored or teambuilding projects around the state where need is identified. They coordinate collection drives, fund-raising walks and other activities to fight hunger, breast cancer and birth defects, among others. In 2002, employees volunteered more than 30,000 hours of service to these efforts—12,000 hours performed through community service team building projects. Requests for volunteers can be emailed to BlueCommunityChampions@bcbsfl.com.



UNITED WAY Every year our employees generously support the United Way, not only through their donations but through volunteer efforts. The Blue Community Champions intranet site provides employees with information on more than 1,000 United Way affiliates around

the state. In 2002, 250 Blue Cross and Blue Shield of Florida volunteers provided leadership for the annual giving campaign and support for Days of Caring activities and United Way boards and committees.

Blue Cross and Blue Shield of Florida contributed \$600,000 to United Way of Miami-Dade to help fund the United Way Early Childhood

Development Center, which will be a world-class, state-of-the-art model of best practices for the early care and education of young children. It will offer opportunities for learning, training and research to educators, parents and childcare professionals. Blue Cross and Blue Shield of Florida has agreed to lead a team to develop a comprehensive health care assessment tool that will be used by caregivers. The center also will offer a pre-K program for 140 children.

In 2003, Blue Cross and Blue Shield of Florida will match new leadership gift amounts for its employees statewide, with funds going to their local United Way organizations in their names.





We were number one in employee giving in Northeast Florida for the fourth year in a row.

Combined, employee pledges and the corporate match totaled \$1.6 million for the 2002 campaign.

For 2003, the company has committed \$500,000 to the United Way of Northeast Florida to establish the Blue Cross and Blue Shield of Florida Community Care Challenge. The program will match first-time and increased leadership gifts and increased corporate donations to the United Way. In addition, the company will match new leadership gift amounts for its employees statewide, with funds going to their local United Way organizations in their names.

COMMUNITY GIVING Community Giving is tied to the markets we serve, reflecting our company's community-driven customer focus. Charitable cash and in-kind contributions are concentrated in those areas that can improve the quality of life for most of our customers and employees. Our donations of funds, time and talent can help prevent disease, improve the health of our neediest residents and help high-need areas get necessary medical resources. By channeling funds to nonprofit organizations, they can be used for innovative programs focused on the uninsured and underserved and aimed at health awareness and training, health education and workforce preparation.

In 2002, Blue Cross and Blue Shield of Florida made substantial charitable donations through our Community Giving program. Many of the gifts grew out of the volunteer support given by Blue Community Champions.

Fighting Disease and Chronic Illnesses

Through Community Giving and United Way, Blue Cross and Blue Shield of Florida supports research and treatment for many diseases and chronic illnesses. They include Alzheimer's, asthma, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, mental health, multiple sclerosis, muscular dystrophy, sickle cell anemia and spina bifida.

Through our Blue Community Champions program, employee volunteers devote their time and money to help fight disease. In 2002, 823 employees statewide walked thousands of miles, raising contributions or corporate funds totaling \$113,000 for the March of Dimes Walk America, American Heart Association Heart Walk, American Diabetes Association Diabetes Walk, Susan G. Komen Foundation Race for the Cure and the American Cancer Society Making Strides Against Breast Cancer.



Breast cancer survivor Bobbie Huffman (right) and 823 employees statewide walked thousands of miles, raising contributions or corporate funds totaling \$113,000.

Cancer continues to be one of the most feared of illnesses. Among women in America, one in eight will develop breast cancer in her lifetime. But the death rate from the disease has greatly improved with early detection and treatment. Blue Cross and Blue Shield of Florida is

proud to celebrate three of our own survivors who have used their experience to rally support for breast cancer research to eradicate this disease. Blue Community Champions Joan Alewine, Tampa, Bobbie Huffman, Miami, and Ellie Rimar Yawn, Jacksonville, led hundreds of volunteers to raise funds for their local affiliates of the American Cancer Society and the Susan G. Komen Foundation, respectively. Blue Cross and Blue Shield of Florida was the presenting sponsor of the Miami-Dade County Komen Race for the Cure, which attracted 6,000 runners to help raise funds for breast cancer research.

“I love seeing that sea of pink ribbons celebrating all the women who have faced their fear and won.”

Ellie Yawn, Blue Community Champion and 2002 project leader, Foundation Race for the Cure, North Florida affiliate



Breast cancer survivors Ellie Rimar Yawn (left) and Joan Alewine led Blue Community Champions activities.

A mammogram continues to be a life-saving tool that, according to the American Cancer Society, can detect breast cancer several years before a lump is felt. That's why we continue to support programs like St. Vincent's Breast Health Center mobile mammography unit. The Jacksonville hospital's program brings this important screening out into the community to increase accessibility. Our \$50,000 donation helped to expand screening services in rural communities around the greater Jacksonville area.



For those suffering from cancer, daily or weekly treatments typically last several weeks or longer, followed by checkups over months. Getting to and from treatment can be a major struggle and a costly one. Blue Cross and Blue Shield of Florida proudly donated \$1 million to the American Cancer Society to establish a LifeLine Transport Coordination Center in Florida. The funds also help to cover costs for the uninsured and to leverage federal funding.

Supporting Health Awareness and Education

Behavioral and lifestyle factors affect health. Together, obesity and tobacco use cause almost half of premature deaths in America. They represent two of 10 leading health indicators identified in Healthy People 2010, a set of national objectives advanced by the U.S. Surgeon General to help all Americans live longer, healthier lives and to reduce health disparities. Blue Cross and Blue Shield of Florida is working with physicians and other community leaders in support of the initiative.

Seven Blue Community Champions are involved in efforts focused on some of the 28 health areas cited for priority, such as environmental health, immunizations and tobacco use. Through Healthy Jacksonville, a local Healthy People 2010 initiative, the volunteers have galvanized community support, collaborating on projects with other employees and various governmental, provider and nonprofit groups. They serve on health association boards, community coalitions and state advisory boards, influencing health policy and developing action plans.



“...support of this program will help make it possible to develop a talented pool of accredited nurses who will be able to address some of the critical health care needs of the South Florida community.”

—Albert E. Smith, Ph.D., President, Florida Memorial College

Blue Cross and Blue Shield of Florida also supports numerous educational institutions. Our goal is to help prepare a diverse workforce of highly skilled professionals entering the health care industry. In 2002, we provided funds for student scholarships, professorships, research grants and facility expansion. Our \$1 million gift to the University of North Florida for the Blue Cross and Blue Shield of Florida Center for Ethics, Public Policy and the Professions was the largest ever made to an academic program at the university.

An issue of grave concern is the nursing shortage facing Florida. The vacancy rate in Florida hospitals for registered nurses (RNs) was nearly 16 percent in 2001, compared with 9.7 percent nationally. It is estimated Florida will need 34,000 additional RNs by 2006, as our population continues to age, stressing available health resources. Shortages also extend to licensed practical nurses and nursing assistants. In the fall of 2001, national hospital vacancy



It is estimated Florida will need 34,000 additional RNs by 2006.

rates reported for those job categories were 12.9 percent and 12.0 percent, respectively.

One innovative program that addresses the nursing shortage, particularly in minority communities, is a collaborative effort among Florida Memorial College, St. Thomas University and the University of Miami. Blue Cross and Blue Shield of Florida

contributed \$500,000 to the coalition, supporting the Jessie Trice Community Nursing Program at Florida Memorial College and establishing the Blue Cross and Blue Shield of Florida Nursing Scholarship Endowment at St. Thomas University and the University of Miami. Students admitted to the programs take their academic courses at Florida Memorial College and St. Thomas University. They go on to complete their training, education and clinical experience at the University of Miami. The program captures a strong applicant pool, contributes to the development of a diverse nursing workforce and brings needed clinical care to the South Florida community.

Providing Human and Health Services for the Hungry and the Homeless

Whether young, old, hungry or homeless, people in need must be provided services to help them through a crisis and improve the quality of their daily existence. Blue Cross and Blue Shield of Florida's community relations programs open doors to a place to sleep, a hearty meal and medical help when needed.

Our support of United Way helps provide funding to more than 1,000 human service agencies in Florida. Our Blue Community Champions volunteer their time to many of these agencies, run food and clothing drives and donate money to these efforts, while the company provides support through company-sponsored community service teambuilding and its Community Giving program.

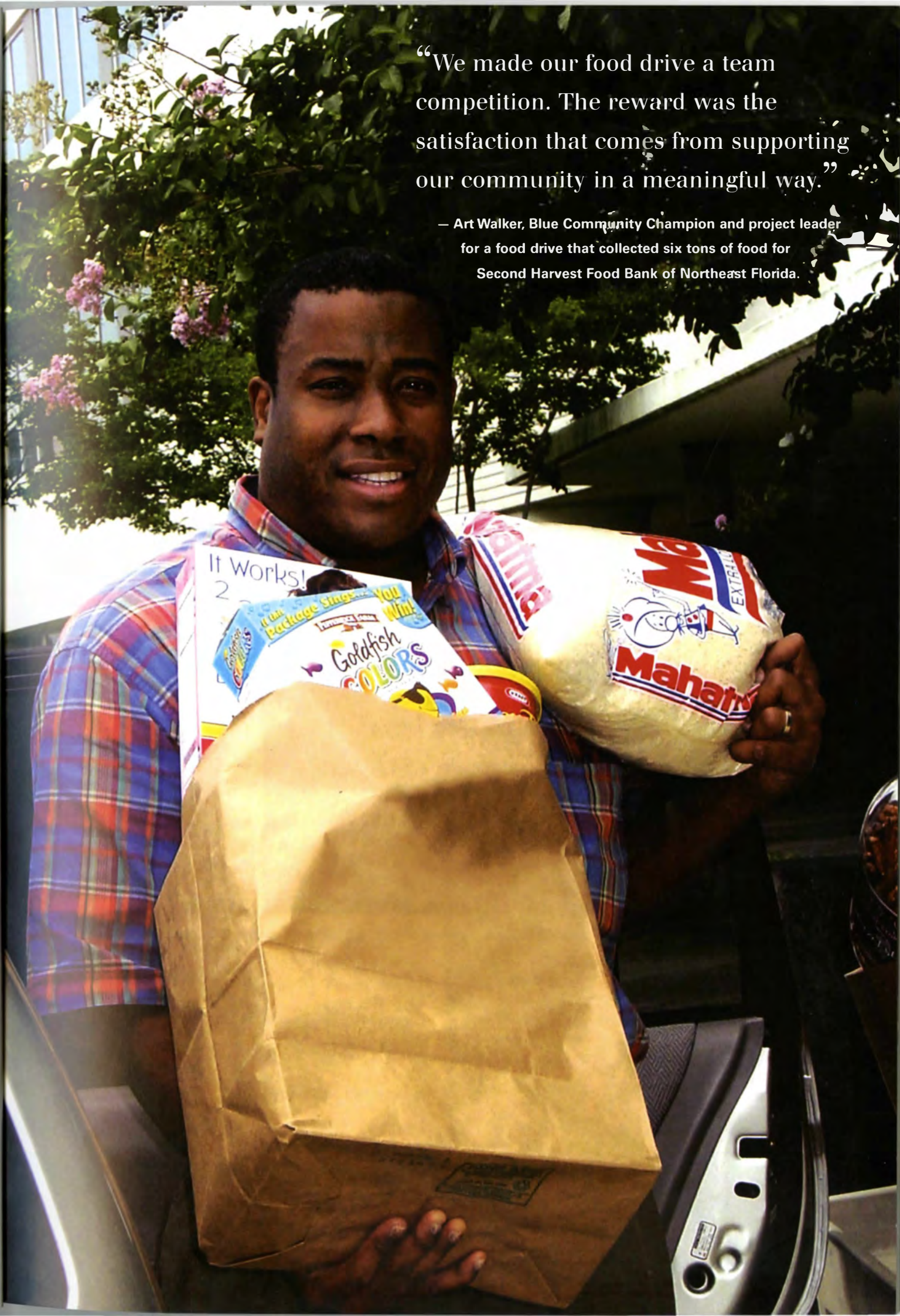
Feeding the Hungry According to the USDA, 12.2 percent of households in Florida lack the money or resources to access enough food for the nutritional needs of all household members. One-third of them go to sleep hungry.

In 2002, our Blue Community Champions made a phenomenal effort to address the issue of hunger. Food is especially needed during the summer months, when children cannot participate in school breakfast and lunch programs and collection efforts drop off significantly. Art Walker and a seven-member team from our marketing and sales department led 250 employees in a 30-day, mid-year teambuilding effort that raised six tons of food for the Second Harvest Food Bank of Northeast Florida. That incredible 48-pound average donation per person was matched in Panama City, where Sheri DuBois led a team of four who collected 241 pounds of food for the Family Service Agency during the annual food drive in November.

In total, Blue Community Champions collected 25 tons of food in 2002, donating to 10 organizations around the state of Florida and in Connecticut, where an office of our subsidiary, First Coast Service Options, is located. The amount of food collected is enough for 33,000 meals.

“We made our food drive a team competition. The reward was the satisfaction that comes from supporting our community in a meaningful way.”

— Art Walker, Blue Community Champion and project leader for a food drive that collected six tons of food for Second Harvest Food Bank of Northeast Florida.



Caring for the Homeless and Uninsured

The June 2002 annual report of Florida's Office on Homelessness estimates 68,000 men, women and children are homeless on any given day in this state. Families with children now make up one-third of our homeless population. Meeting their health care needs is an increasing challenge for community and faith-based organizations.

Blue Cross and Blue Shield of Florida gave the University of Florida's College of Health Professions \$1.2 million to create a professorship focused on the growing problem of health access for the

uninsured. The Blue Cross and Blue Shield of Florida Professorship in Health Services Administration research program will study health insurance coverage, affordability, access to care and related health policy issues.

Pregnant women with chronic gum disease during the second trimester are up to seven times more likely to give birth prematurely.

— Journal of the American Dental Association, 2001



BCBSF employees volunteer at Dignity U Wear.

In addition to meeting the health care needs of the uninsured, the need to remove barriers to dental care for the homeless is acute. Dental care is the most frequently unmet health need of children. Chronic oral infections in adults are associated with diabetes, heart disease, and premature and low-birth weight babies.

To address the problem in Martin County, Blue Cross and Blue Shield of Florida gave \$75,000 in startup funds to The d.e.n.t.a.l. Clinic in Stuart. The funds are to equip a two-chair dental facility, providing access to

dental care for the county's homeless population. The groundbreaking ceremony is planned for the third quarter of 2003; the facility is expected to be completed at year-end.



Helping Children and Families

If, as the proverb goes, “Children are what we make them,” then society has a responsibility to do whatever it can to lift vulnerable youth from the trap doors of poverty and abuse. We can give at-risk children a chance to grow into productive members of our communities by providing a safe haven and nurturing their minds and bodies.

Blue Cross and Blue Shield of Florida supports organizations that protect children; the Florida Department of Children & Families is one such group. With Blue Community Champion Judy Ellis at the helm, Blue Cross and Blue Shield of Florida employees donated 400 springtime baskets and stuffed nearly 300 backpacks with school supplies for foster children. For the year-end holidays, she organized many teams of generous volunteers who adopted 98 disabled or elderly individuals and 54 families. The Florida Department of Children & Families honored Ellis with a Corporate/Group Volunteer of the Year Award in recognition of her tireless efforts on behalf of foster children, the elderly and disabled.

Judy Ellis spends time with two kids enjoying the Back-to-School Drive party.



“Judy Ellis has probably enhanced the lives of more than 1,500 children...as well as hundreds of adults. We are so lucky she has helped us access your generous employees and so proud to have her in our family.”

—Gail Killeen, Community Resources Manager, Florida
Department of Children & Families, District 4

Blue Cross and Blue Shield of Florida also supports organizations that help children develop strong character and skills for future success, such as Miami Bridge Youth and Family Services, Inc. The not-for-profit organization provides emergency shelter and family crisis intervention services designed to avert youth homelessness, reunite families, and promote personal growth and

development. Each year, 1,100 children – the homeless, runaways, abused and abandoned – cross the threshold of Miami Bridge’s shelter. Our \$25,000 gift will enable Miami Bridge to restore, renovate and refurbish those facilities.

Another way we help give kids a chance is by supporting the Boys and Girls Club of Broward County. Help is given through board membership, as well as funding for a fitness center at the Davie, Fla., club, providing a safe place for kids to grow.



Blue Community Champions help foster children stuff backpacks with school supplies.

We also sponsored the Healthy Choices Mentor Toolkit with a \$100,000 gift to Take Stock in Children, a program that provides volunteer mentors, scholarships, early intervention and long-term support to low-income children at risk. Distributed to 6,000 mentors statewide, the Healthy Choices Mentor Toolkit includes a cutting-edge curriculum, tools and resources tailored to middle- and high-school students. Activities and information geared toward nutrition, exercise, safety and substance abuse help students learn to make healthy choices in their lifestyles.



Developing Strong Communities

The strength of a community lies in a foundation that can support its economic, social and cultural needs. From on-the-job training to senior citizen programs to support for the arts and diversity, when we enrich our community, we enrich ourselves.

Restoring and Rebuilding Blue Cross and Blue Shield of Florida supports many organizations that are working to combat crime, drugs and poverty in our inner cities, such as Operation New Hope. They assist homeless and needy individuals from the urban core with chemical dependency treatment, clothing, shelter, job training and employment restoring run-down homes purchased by the nonprofit organization. Restored homes are then offered to families of low-to-moderate

income. The program restores not only buildings and lives but also a sense of pride and ownership in Jacksonville's once-vibrant, historic Springfield community.

Creating Elder-friendly Environments Florida has more residents over the age of 60 than any other state. Seniors represent 23 percent of the state's population, and more than 50,000 retirees move to Florida every year. Governor Jeb Bush's Communities for a Lifetime initiative calls on cities to focus on improving seven main areas to create an elder-friendly environment — access to affordable housing, transportation, land use, volunteerism and business partnerships, medical services, senior education, and cultural and social events and programs. Blue Community

Blue Cross and Blue Shield of Florida funded the building of five HabiJax homes, the Jacksonville Habitat for Humanity affiliate. In 2002, 530 Blue Community Champions volunteered their labor for the effort in Jacksonville and the Beaches Habitat for Humanity in Jacksonville Beach.





“It’s through service that we grow individually, as teams and as a company. Community service opportunities offer something that’s hard to find – meaningful service and an immediate reward in exchange for sweat equity.”

— Doug Porter, Blue Community Champion and supporter of community service and teambuilding

Champion Janet Crozier chairs the Duval County initiative. Blue Cross and Blue Shield of Florida provides funds or volunteer support to agencies and councils on aging in Baker, Bay and St. Lucie counties, and the Meals on Wheels program in Leon County.

Supporting the Arts Culture and art can lift our spirits and enable us to see the human condition more clearly. New York Governor Nelson A. Rockefeller once said, “A civilization without culture and art is no civilization.” Blue Cross and Blue Shield of Florida helps subsidize the arts statewide through volunteer and in-kind support and cash for various types of artistic endeavors

— from the Jacksonville Symphony Orchestra to the Coconut Grove Playhouse to Leon County’s Mary Brogan Museum of Art and Science.

Encouraging Diversity At Blue Cross and Blue Shield of Florida diversity is about valuing, celebrating and leveraging the richness of our members and employees. Our Diversity Council reaches out to Florida communities by sponsoring diversity-related events, organizing volunteer opportunities for employees through Blue Community Champions, recruiting the brightest talent to reflect our changing marketplace and developing relationships with other business partners.



Blue Cross and Blue Shield of Florida co-founded and actively participates on the First Coast Diversity Council, which consists of 25 companies from the First Coast and Northeast Florida regions to discuss best practices and opportunities in the community around diversity. The Diversity Council supports a number of community events, including Jacksonville's World of Nations Festival, Tu Salud (Hispanic Health and Fitness Expo), Black Pages USA's Black Expo 2002 for African-American businesses and entrepreneurs, Martin Luther King, Jr. Breakfast, Character Counts, Hispanics Achieving Community Excellence (HACE), Florida A&M's Business Cluster and the Florida Classic.

2002 Special Recognitions

- One of *Diversity Inc.'s* Top 50 Companies in Diversity in the nation.
- Equal Opportunity Award for commitment to the overall wellness of the Jacksonville community by recruiting a highly-trained and diverse workforce.
- Identified by *Diversity/Careers* magazine for aligning diversity with corporate recruitment strategies.



Diversity Council members attend the National Black MBA Conference and Career Fair in Nashville, Tennessee.

Community Partnership

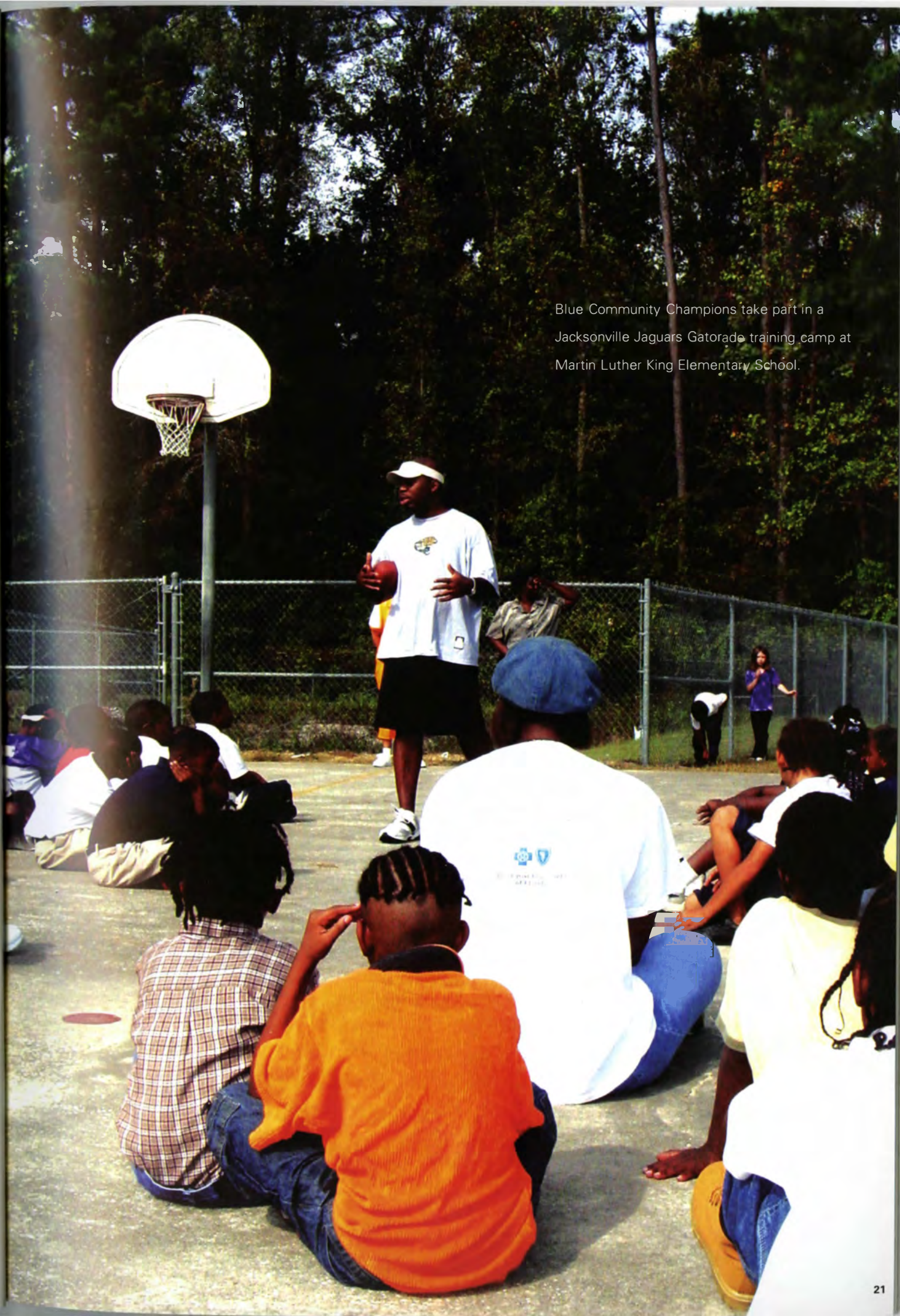
Blue Cross and Blue Shield of Florida is the official health plan and community relations partner for the Jacksonville Jaguars. Together, we work to provide community solutions for youth and health issues.

In 2002, Blue Cross and Blue Shield of Florida sponsored the Jacksonville Jaguars Foundation's *Straight Talk* program, which is designed to reduce the incidence of teen pregnancy and the spread of AIDS and other sexually transmitted infections. A major feature of the program is a televised town hall forum, "Teens & Sex...the Real Truth," broadcast on Jacksonville television stations.



The 2002 BCBSF Community Champion Awards were presented at a ceremony at ALLTEL Stadium to Vena Patton and Jacksonville Jaguars strong safety Donovan Darius.

Blue Community Champions take part in a Jacksonville Jaguars Gatorade training camp at Martin Luther King Elementary School.





Community Champion Awards

Each year, the Blue Cross and Blue Shield of Florida Community Champion Awards are presented to a Jacksonville-based employee and a Jacksonville Jaguars player who have demonstrated leadership in service to the community and sought solutions for youth and health issues. This is the third year the awards were presented.

The 2002 awards were presented at a ceremony at ALLTEL Stadium to Vena Patton and Jacksonville Jaguars strong safety Donovan Darius. The recipients each named a charity of their choice to receive \$2,500 from Blue Cross and Blue Shield of Florida in honor of their volunteer efforts.

Patton, a product and rate administration analyst, is an advocate against domestic violence. She was chosen for her extensive work with United Way of Northeast Florida, Hubbard House and River Region Human Services, teaching women who have left abusive relationships how to reclaim their

lives. Patton has spread her message of survival of domestic violence to thousands of people through more than 40 United Way rallies at various area companies and through participation in United Way of Northeast Florida campaign material. She is a facilitator for recovery groups at Hubbard House and River Region, and also serves as a River Region Community Review Board member. More than 6,500 people have benefited from her service at these two organizations. Patton presented a check for \$2,500 to the Hubbard House shelter.

Darius was nominated for his work as a Jacksonville Jaguars 2002 NFL United Way spokesman and his establishment of the Donovan Darius Youth Foundation, which works with at-risk Jacksonville area youth. Darius also supports the Jacksonville Jaguars Foundation *Straight Talk*, *Honor Rows* and *Playbooks* programs and serves as the spokesman for the team's annual Gift of Life holiday blood drive. He designated the \$2,500 award to his foundation.



Blue Community Champions

2002 Community Service Results



- Employees volunteered more than 30,000 hours in community service to 150 agencies statewide.
- More than 12,000 of the total hours were provided by 115 teams to 40 agencies in Florida and Connecticut in community service team building activities.
- More than 823 volunteers took part in walks and raised contributions or corporate funds totaling \$113,000 for March of Dimes, American Heart Association, Susan G. Komen Foundation, American Diabetes Association, and American Cancer Society.
- 530 volunteers helped build homes for Habitat for Humanity affiliates, in Jacksonville and Jacksonville Beach. Many volunteers worked on the five homes sponsored by BCBSF.
- Jacksonville Jaguars game-day tickets were given to 53 agencies in Northeast Florida to reward 2,000 agency volunteers, staff or clients; 55 volunteers joined with our NFL partner, the Jacksonville Jaguars, on five community events benefiting area youth.
- Addressing hunger in Florida and Connecticut, BCBSF employees collected 25 tons of food goods for 10 organizations. A five-member team contributed an average of 48 pounds per person in Panama City.
- Employees collected more than 5,300 school supply items for the back-to-school efforts of the Florida Department of Children & Families and The Salvation Army. From Pensacola to Sarasota, teams collected goods for: Children's Home Society, the American Red Cross, Dignity U Wear, Ronald McDonald House and United Way Bay County, Florida.
- Answering the call for corporate support, 13 employees volunteered to help at Florida voter sites in Duval County.
- BCBSF held an onsite community service teambuilding activity for Junior Achievement's Job Shadow Program for 22 Jacksonville high school students.
- Holiday adoption efforts supported 469 children, families, disabled and elderly adults around the state for the Florida Department of Children & Families. Employees from Miami to Meriden, Connecticut collected more than 2,000 toys, games and crafts for needy children and the elderly.

Guidelines for Contributions

Blue Cross and Blue Shield of Florida's contribution activities are primarily local in scope and targeted to those organizations and endeavors that increase our community's appeal as a desirable place to live and address the health-related concerns of our communities. Charitable contributions are made in two broad categories, social impact and business relations:

Social Impact

Programs and/or organizations that positively impact the quality of life of our policyholders and employees are worthy of support. Our contributions and community programming emphasize controlling health care costs through health education.

Business Relations

Organizations and activities that enhance our business relationships and have high community visibility are worthy of support.

In all categories, funding decisions take into account the incidence and severity of a problem, the leveraging potential of an opportunity, the level of funding available through other services and the likelihood that Blue Cross and Blue Shield of Florida support will bring about the desired solution.

Types of support

Qualified charitable organizations may receive financial and non-financial (in-kind) assistance and loaned employees as follows:

Cash

- Special project support
- General operating support
- Special event support (dinners, luncheons, etc.), although the company prefers to support specific programs rather than a fundraising event so that the contribution is not diluted

In-kind/non-cash

- Printing
- Technical assistance, including public relations consulting
- Surplus materials (paper, office furnishings, promotional items, etc.)
- Volunteers, board and committee memberships, consulting services, and fundraising

Loaned employees

On a limited basis, the company loans employees to qualified nonprofit organizations that support community outreach objectives and address the needs of target groups.

Guidelines for Contributions

Qualified organizations

The company may support charitable organizations that meet all the following criteria. The organizations must:

- be located in Florida and serve Floridians;
- possess exemption by the Internal Revenue Service (IRS) under section 501(c)(3) of the tax code;
- address the company's community outreach goals and targets;
- not duplicate the work of other organizations already supported by the company within the same geographic or program area;
- have a current, satisfactory audit conducted by a certified professional accountant; and
- have a long-standing reputation for credibility and integrity.

Excluded organizations

The company does not make charitable contributions to:

- organizations without the IRS 501(c)(3) status;
- profit making organizations;
- individuals;
- religious organizations if funds are used to benefit a specific denomination or congregation (however, programs sponsored by religious groups but nonsectarian in nature may be eligible for company support);
- political groups or individuals running for elected office (political contributions are budgeted and allocated through Governmental and Legislative Relations and Florida Health PAC);
- any organization that poses a legal or business conflict of interest to Blue Cross and Blue Shield of Florida or is thought not to be in the best interest of the company;
- discriminatory organizations;
- parent-teacher organizations; and
- civic and fraternal groups such as Rotary, Masons, Elks, etc., for their operating expenses.

Procedures

All contribution requests will be received and screened by Blue Cross and Blue Shield of Florida Public Affairs. Staff will recommend approval or declination of the request based on prior planning, available funds, consistency with business objectives, and management and employees' involvement.

Organizations seeking funding should send a written request to one of the following team members:

North Florida, West Coast, Panhandle, Southwest Florida:

Susan F. Wildes
Community Relations
Blue Cross and Blue Shield of Florida
4800 Deerwood Campus Parkway, Building 300
Jacksonville, FL 32246
susan.wildes@bcbsfl.com

South Florida, Space Coast, Central Florida:

Shelly Spivack
Community Relations
Blue Cross and Blue Shield of Florida
Westside Corporate Center
8400 N.W. 33rd Street, Suite 100
Miami, FL 33122
shelly.spivack@bcbsfl.com

For requests of marketing or advertising sponsorships:

Jeff Warnock
Brand and Market Communication Management
Blue Cross and Blue Shield of Florida
4800 Deerwood Campus Parkway, Building 300
Jacksonville, FL 32246
jeff.warnock@bcbsfl.com

Contribution criteria

The written request must also meet these requirements:

- describe history of organization;
- state purpose of contribution and how the company will be recognized for its support;
- include list of other corporate supporters;
- provide latest financial statements (audited, preferably);
- include list of board of directors (names and business affiliations);
and
- include copy of IRS 501(c)(3) certificate.

Blue Cross and Blue Shield of Florida Charitable Contributions, Volunteer and Community Relations Support 2002

ORGANIZATION	COUNTY/REGION	CASH	VOLUNTEER	IN-KIND
African-American Research Library and Cultural Center	Broward	•		
All Children's Hospital Foundation	Pinellas	•		
All Faiths Food Bank	Hillsborough		•	
Alliance for World Class Education	Duval	•	•	
Alzheimer's Community Care, Inc.	Palm Beach	•		
Amelia Island Chamber Music Festival, Inc.	Duval			•
American Cancer Society	Connecticut, Florida	•	•	
American Diabetes Association	Connecticut, Duval, Escambia	•	•	
American Heart Association	Dade, Duval, Escambia, Hillsborough	•	•	•
American Legion Post 316	Duval		•	
American Lung Association of Florida, Inc.	Duval, Hillsborough, Pinellas	•	•	•
American Red Cross	Alachua, Duval, Orange	•	•	
American Society for Training and Development	Dade		•	
Angel Flight Southeast, Inc.	Lake, Sumter	•		
Angelwood, Inc.	North Florida		•	
Animal Welfare Society of South Florida	Dade	•		
Another Way	Columbia, Dixie, Duval, Gilchrist, Hamilton, Lafayette, Levy, Suwannee	•		•
ARC Duval, The	Duval	•	•	•
Area Agency on Aging	Broward	•		
Avon Breast Cancer Crusade	Broward, Dade, Palm Beach	•		•
Baptist Health Care Foundation	Escambia	•	•	•
Baptist Health Foundation	Duval	•		
Barry University	Dade	•		
Be A Friend, Inc.	Duval		•	
Beaches Fine Arts Series	Duval		•	
Belafonte Tacolcy Center, Inc.	Dade	•		
Bethune-Cookman College	Volusia	•		
Big Brothers Big Sisters	Duval	•	•	
Bishop John J. Snyder High School	Duval			•
Black Archives, History and Research Foundation of South Florida	Dade	•		
Blue Foundation for a Healthy Florida, The	Florida	•	•	
Boggy Creek Gang Camp	Orange	•	•	•
Boselli Foundation	Duval		•	
Boy Scouts of America	Alachua, Duval	•	•	
Boys & Girls Clubs	Broward, Duval	•	•	
Bridge of Northeast Florida, The	Duval	•	•	
Bridge the Gap	Duval		•	
Broward County AFL-CIO	Broward	•		
Cathedral Foundation	Duval		•	
Catholic Charities Bureau	Duval	•	•	
Catty Shack Ranch Wildlife	Duval		•	
Center for Applications of Psychological Type	Dade	•		

Blue Cross and Blue Shield of Florida Charitable Contributions, Volunteer and Community Relations Support 2002

ORGANIZATION	COUNTY/REGION	CASH	VOLUNTEER	IN-KIND
Central Florida Community College Foundation	Alachua	•		
Central Florida Health Care Coalition	Orange	•		
Central Riverside Elementary School	Duval	•	•	
Centro Campesino Farmworker Center	Dade		•	
Character Counts-Jacksonville	Duval	•		
Child Abuse Council	Hillsborough	•	•	
Child Guidance Center	Duval		•	
Children's Home Society of Florida	Duval	•	•	•
Children's Home, The	Hillsborough		•	•
Children's Place at Home Safe	Palm Beach	•		
Children's Resources	Dade	•	•	
Church of the Resurrection, The	Hillsborough			•
City of Jacksonville, Volunteer Services	Duval		•	
City Rescue Mission	Duval		•	
Civil Air Patrol	Duval		•	•
Clara White Mission	Duval	•	•	
Coconut Grove Playhouse	Dade	•	•	
COMACOL - Latin American Chamber of Commerce	Dade	•	•	•
Communities in Charge	Duval	•	•	
Community Asthma Partnership	Duval		•	
Community Connections of Jacksonville, Inc.	Duval	•	•	•
Community Partnership for the Homeless	Dade	•		
Concert Association of Florida	Dade	•		
Council for Educational Change	Florida	•		
Council on Aging	Baker, Bay	•	•	
Crohn's and Colitis Foundation of America	Connecticut	•		
Cultural Council of Greater Jacksonville	Duval	•		•
Cummer Museum of Art and Gardens	Duval	•	•	•
Cystic Fibrosis Foundation	Dade, Duval	•	•	•
d.e.n.t.a.l. Clinic, The	Martin	•		
daniel	Duval	•	•	
David Posnick Hebrew School	Davie	•		
Dignity U Wear	Duval	•	•	
Diocese of St. Augustine	Duval	•	•	
Divine Providence Food Bank	Hillsborough		•	
Donovin Darius Youth Foundation	Duval	•	•	
Downtown Ecumenical Services Council	Duval		•	•
Dreams Come True	Duval		•	
Dress for Success	Duval		•	
Duval County Health Department	Duval	•	•	
Duval County Medical Society	Duval	•	•	•
Duval County Supervisor of Elections	Duval		•	
Eckerd College	Pinellas	•		
Edward Waters College	Duval	•	•	

ORGANIZATION	COUNTY/REGION	CASH	VOLUNTEER	IN-KIND
Employee Health Care Conference	Broward	•		
Enterprise Florida, Inc.	Orange	•		
Exxon Mobile Retirees of Sarasota-Manatee	Manatee, Sarasota			•
Family Care Connections	Duval	•		
Family Central, Inc.	Broward	•	•	
Family Christian Association	Dade	•		
First Baptist Church of Jacksonville	Duval		•	
First Coast Women's Services	North Florida		•	
Florida 4H Foundation	Alachua	•		
Florida A&M University Foundation	Duval	•		
Florida Community College at Jacksonville Foundation	Duval	•		
Florida Council on Economic Education	Duval	•		
Florida Department of Children & Families	Duval		•	•
Florida Education Fund	Hillsborough	•		
Florida Georgia Blood Alliance	Duval		•	
Florida Hospital Foundation	Orange	•		
Florida House Washington, DC	Washington, DC	•	•	
Florida International University Foundation	Dade	•		
Florida Legislative Leadership Foundation	Leon	•		
Florida Memorial College	Dade	•	•	
Florida State University Foundation	Leon	•		
FloridaChild	Dade	•		
Food Source - Hogan Baptist Church	Duval		•	
Foster Care Review, Inc.	Dade		•	
Foundation for Rural Excellence in Education	Putnam	•	•	
Fresh Ministries	Duval	•		
Gator Bowl Association	Duval	•	•	
Girl Scouts	Dade, Duval, Monroe	•	•	
Goldhead State Park	Duval		•	
Greater Miami Chamber of Commerce	Dade	•	•	
Greater Miami Society for Human Resources	Dade	•		
Grove House of Jacksonville	Duval	•	•	•
Guardian Ad Litem - Jacksonville	Duval		•	
Habitat for Humanity	Clay, Duval	•	•	
Head Start	Duval		•	
Healthy Florida Foundation	Orange	•		
Healthy Start Coalition	Duval		•	
HEROES	Duval	•		
Hispanics Achieving Community Excellence	Duval	•		
Hospice of Northeast Florida	Duval	•	•	
Hubbard House	Duval	•	•	
I.M. Sulzbacher Center for the Homeless	Duval	•	•	
Indian River County Farm Bureau	Indian River	•		
International Resource Center	Duval		•	

Blue Cross and Blue Shield of Florida Charitable Contributions, Volunteer and Community Relations Support 2002

ORGANIZATION	COUNTY/REGION	CASH	VOLUNTEER	IN-KIND
International Society on Hypertension in Blacks	Dade	•		
Jacksonville Black Expo	Duval	•		
Jacksonville Chamber of Commerce	Duval	•	•	
Jacksonville Community Council, Inc.	Duval	•	•	
Jacksonville Electric Authority Dispatchers	Duval			•
Jacksonville Humane Society	Duval		•	
Jacksonville Jaguars Foundation	Duval	•	•	
Jacksonville Public Library Foundation	Duval	•	•	•
Jacksonville Symphony Association	Duval	•	•	
Jacksonville University	Duval	•	•	
Jacksonville Urban League, Inc.	Duval	•	•	•
Jacksonville Zoological Society	Duval	•		
Jewish Community Alliance	Duval	•	•	•
Jewish Family & Community Services	Duval		•	
Junior Achievement	Duval, Escambia	•	•	
Junior League	Duval		•	
Junior Women's Club	Duval		•	
Justice Coalition	Duval	•		
Juvenile Diabetes Foundation	Duval	•	•	
Kesler Mentoring Connection	Duval	•	•	
Kids for Life	Hillsborough	•		
Kiwanis Club of Little Havana	Dade	•		
Lake County Public Schools	Lake	•		
LaVilla School for the Arts	Duval			•
Leadership Jacksonville	Duval	•	•	
Learn to Read, Inc.	Duval, St. Johns	•	•	
Leukemia & Lymphoma Society	Duval		•	
Life Quest Organ Recovery Service	Duval		•	
Links Foundation, The	Dade	•		
Little Havana Activities and Nutrition Centers of Dade County	Dade	•		
Local Initiatives Support Corporation Jacksonville	Duval	•		
Lutheran Social Services - Second Harvest Food Bank	Duval	•	•	
Manna Food Bank, Inc.	Escambia		•	
March of Dimes	Florida	•	•	
Mary Brogan Museum of Art and Science	Leon	•		
Mayor's Economic Summit	Dade	•		
Meals on Wheels	Leon		•	
Metropolitan Ministries	Hillsborough		•	
Miami Art Museum	Dade	•		
Miami Bridge Youth and Family Services	Dade	•		
Miami Children's Hospital Foundation	Dade	•		
Miami Coalition for a Safe and Drug Free Community	Dade	•		

ORGANIZATION	COUNTY/REGION	CASH	VOLUNTEER	IN-KIND
Miami Dade Community College Foundation	Dade	•		
Miami Jewish Home and Hospital for the Aged	Dade	•		
Miami Museum of Science and Space Transit Planetarium	Dade	•		
Middleburg High School	Clay			•
Mission House	Duval		•	
Multiple Sclerosis Society	Duval		•	
Muscular Dystrophy Association	Duval		•	
National Coalition of 100 Black Women, Inc.	Duval			•
National Conference for Community and Justice	Dade, Duval	•	•	•
National Conference of Metropolitan Courts	Duval	•		•
National Parkinson Foundation	Dade	•		
National Sheriff's Association	Alachua	•		
NOAH, Inc.	Dade		•	
Northeast Florida Regional Planning Council	Duval	•		
Orange Park Athletic Association	Clay		•	
Orange ParkYMCA	Clay		•	
Orlando Regional Chamber of Commerce	Orange	•		
Otis Smith Foundation	Duval		•	
PACE Center for Girls	Duval		•	
Palmetto Youth Center	Manatee	•	•	
Players By The Sea	Duval		•	
Police Athletic League	Duval	•		
Redlands Christian Migrant Association	Collier, Hillsborough	•		
Regional Urban League	Duval	•		
Ritz Chamber Music Society, Inc.	Duval	•	•	
River Garden Foundation	Duval	•	•	•
River Region Human Services	Duval	•	•	
Riverside Fine Arts Association	Duval	•		
Rodeheaver Boy's Ranch	Putnam	•	•	
Rollins College	Orange	•		
Ronald McDonald House	Alachua, Dade, Duval, Escambia	•	•	
Rushford Children's Services	Connecticut		•	
Sailability, Inc.	Duval	•	•	•
Saint Andrew's Lighthouse	Duval	•	•	•
Salvation Army, The	Duval		•	•
Sant La	Dade	•		
Santa Rosa County School Board	Santa Rosa	•		
Shands Jacksonville	Duval		•	
Sharing Success	Dade	•		
Sickle Cell Disease Association of America	Duval		•	
Soref Jewish Community Center	Broward	•		
Southside United Methodist Church	Duval		•	
Speaking of Women's Health Foundation	Duval, Dade	•	•	•
Special Olympics	Duval		•	

Blue Cross and Blue Shield of Florida Charitable Contributions, Volunteer and Community Relations Support 2002

ORGANIZATION	COUNTY/REGION	CASH	VOLUNTEER	IN-KIND
Spina Bifida Association	Duval		•	
Spring at Tampa Bay, The	Hillsborough	•	•	
St. Agnes Rainbow Village	Dade	•		
St. Francis Soup Kitchen	Duval	•	•	
St. John's County Welfare Federation	St. Johns		•	
St. Petersburg Chamber of Commerce	Pinellas	•		
St. Thomas University	Dade	•		
St. Vincent's Hospital Foundation	Northeast Florida	•		
Sunrise Community Promotions	Dade	•		
Susan G. Komen Breast Cancer Foundation	Dade, Duval	•	•	
Switchboard of Miami	Dade	•		
Take Stock in Children	Florida	•	•	
Teacher Supply Depot	Duval		•	•
Theatre Jacksonville	Duval		•	
Thelma Gibson Health Initiative	Dade	•		
Tournament Players Championship	Duval		•	
Toys for Tots Foundation	Duval, Escambia	•	•	•
Treasure Coast Area Agency on Aging	Brevard	•		
Treasure Coast Sports Commission	St. Lucie	•		
Tree Hill Nature Center	Duval		•	
Tu Salud Health Fair	Duval	•		
U.S. Chamber of Commerce	Washington, DC	•		
United Cerebral Palsy	Escambia	•	•	
United Way	Connecticut, Florida	•	•	•
University of Central Florida Foundation	Orange	•		
University of Florida Foundation	Alachua	•		
University of Miami	Dade	•		
University of North Florida Foundation	Duval	•	•	
University of South Florida Foundation	Hillsborough	•		
USO of Greater Jacksonville	Duval	•	•	
Village Oaks at Orange Park	Clay		•	
Volunteer Jacksonville	Duval	•	•	
We Care Jacksonville	Duval	•	•	
Webb Center for Independent Living	Duval		•	•
Wellness Community, The	Boca Raton	•	•	
Wellness Council of Florida	Duval	•	•	
WJCT, Inc.	Duval	•	•	
Wolfson Children's Hospital	Duval	•	•	•
World of Nations Festival - City of Jacksonville	Duval	•	•	
YMCA of Florida's First Coast	Duval	•	•	

Board of Directors

Blue Cross and Blue Shield of Florida

DuBose Ausley

Attorney at Law
Ausley & McMullen
Tallahassee, FL

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Chairman & Chief Executive
Officer
Beall's, Inc.
Bradenton, FL

Henry H. Beckwith

Senior Vice President
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Contractors, Inc.
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Corporate Marketing Officer
& President North Carolina
Bank of America Corporation
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Tampa, FL

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Executive Officer
BAMSI, Inc.
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Blue Cross and Blue Shield of Florida
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Blue Cross and Blue Shield of Florida
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Coral Gables, FL

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Attorney at Law
Greenberg Traurig
Fort Lauderdale, FL

Gonzalo F. Valdes-Fauli

Vice Chairman Emeritus
Barclays Capital Latin America
Miami, FL

Environmentally Friendly

Blue Cross and Blue Shield of Florida not only cares about its community, it cares about the environment. Throughout 2002, the company and its employees recycled 3,209,437 pounds of paper and cardboard as well as glass, tin, aluminum and plastic, helping to save:

11,235,000 gallons of water

6,741,000 kilowatt hours of electricity

and 27,280 trees



**BlueCross BlueShield
of Florida**

An Independent Licensee of the
Blue Cross and Blue Shield Association



Contact Us

For more information on The Blue Foundation
for a Healthy Florida, visit our website at:

www.bluefoundationfl.org

Or contact Susan B. Towler at:

(800) 477-3436, ext. 63215, or
by e-mail at Susan.Towler@bcbsfl.com

Our mailing address is:

The Blue Foundation for a Healthy Florida
4800 Deerwood Campus Parkway, Building 300
Jacksonville, FL 32246

The Blue Foundation
FOR A HEALTHY FLORIDA



The Blue Foundation for a Healthy Florida and its Parent,
Blue Cross and Blue Shield of Florida, are Independent Licensees
of the Blue Cross and Blue Shield Association.



Employee Review Team

As of July 1, 2003

Team member

Joan Alewine
 Johanna Armendariz
 Susan D. Brandenburg
 Mary Ann Caruso
 Patricia Colvin
 Evelyn Colón
 Vic Ephrem
 Adrian Freeman
 Eric Glasnapp
 Maxine Haynes
 Charles Joseph
 Rona Levitt
 Jan MacLean
 William M. O'Brien
 Larry Phillips
 Robert Wall

Department

North Geographic Business Unit Quality, Strategy and Compliance
 Membership and Billing
 Health Care Services
 North Geographic Business Unit Care Department
 Corporate Compliance
 National Business Unit
 Finance
 South Geographic Business Unit Sales
 South Geographic Business Unit Medical Cost Analysis
 North Geographic Business Unit Business Operations
 Legal Affairs
 South Geographic Business Unit Quality Management
 Human Services Group
 Enterprise Program Management and Integration
 Enterprise Deployment, Information Technology
 E-Business Sector

The Blue Foundation Employee Review Team plays a critical role in the grantmaking process of The Blue Foundation. The 16-member volunteer team reviews grant proposals, conducts site visits and makes funding recommendations to the foundation board of directors. Team members are employees of Blue Cross and Blue Shield of Florida or one of its subsidiary organizations. They represent various occupations within the company and are located across the state in BCBSF offices. Involving a diverse group of employees from across the state assures that The Blue Foundation is funding organizations with the greatest need and a strong connection to the foundation's purpose.

The Blue Foundation's Board of Directors

Bruce Bagni, President

Patrick McCabe, Vice President

Deanna McDonald, Treasurer

Randy Kammer, Secretary

Tony Jenkins

Cyrus Jollivette

Susan Wildes

From left to right: Susan Wildes, Tony Jenkins, Cyrus Jollivette, Deanna McDonald, Randy Kammer, Patrick McCabe (not pictured: Bruce Bagni).



2. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The fair value of contributed investments from BCBSF and subsidiaries totaled \$13,486,327 and \$4,474,326 for 2002 and 2001, respectively. Of this amount, \$12,000,000 in 2002 and \$2,000,000 in 2001 was permanently restricted in accordance with donor stipulations. The Foundation also received a cash contribution in the amount of \$25,674 from BCBSF during 2001.

3. Investments

Cost and approximate fair values of investments at December 31, 2002 and 2001 were:

	2002		2001	
	Cost	Fair Value	Cost	Fair Value
Equity Securities	\$ 3,660,012	\$ 3,707,390	\$2,995,071	\$ 2,980,567

4. Related Party Transactions

Contributions and Donated Services

All contributions and donated services for the period were received from BCBSF and subsidiaries. Contributed services consist primary of specialized legal, accounting, and tax services.

Board of Directors

The Foundation's seven-member Board of Directors is comprised entirely of BCBSF employees.

Foundation Grants

Grants are recognized as expenses in the period made and as decreases of assets or increases of liabilities depending on the form of the benefits given. Grants are measured at the fair values of the assets given.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks, money market deposits and overnight repurchase agreements with an original maturity of less than ninety days when purchased. These investments are carried at amortized cost. Cash restricted as to use by donor stipulations is not included in cash and cash equivalents.

Investments

The Foundation records investments at their fair value based on available quoted market prices. Increases or decreases in fair value are recognized in the period in which they occur. Net realized investment gains and losses are calculated on a first in, first out basis of identification.

Donated Goods and Services

Donated services are reflected in the financial statements at the fair value of the services received. The donations of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Use of Estimates

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal Income Taxes

The Foundation is recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code).

Excise Taxes

The Internal Revenue Code imposes an excise tax on private foundations equal to 2% of net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income). This tax is reduced to 1% (in years following the initial year of operation) for foundations that meet certain distribution requirements. In 2002, the Foundation satisfied these requirements and is, therefore, eligible for the reduced rate. In 2001, excise tax was assessed at the 2% rate as was required for its initial year.

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization

The Blue Foundation for a Healthy Florida, Inc. (the Foundation), a philanthropic affiliate of Blue Cross and Blue Shield of Florida (BCBSF) incorporated on March 12, 2001, is a private, charitable foundation operated exclusively to fund and support 501(c)(3) organizations and programs that positively impact the health and well being of uninsured and underserved Floridians.

Basis of Presentation

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting.

Classification of Net Assets

Net assets are classified into three classes – permanently restricted, temporarily restricted or unrestricted as follows:

Permanently restricted net assets

Net assets subject to donor-imposed stipulations that are required to be maintained permanently by the Foundation. All income earned on related investments is permitted to be used for general support of the Foundation.

Temporarily restricted net assets

Net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time. There were no temporarily restricted net assets at December 31, 2002 and 2001.

Unrestricted net assets

Net assets which represent resources generated from operations that are not subject to donor-imposed stipulations.

Contributions

Contributions received are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Contributions received are measured at their fair value.

The Blue Foundation for a Healthy Florida

Statements of Cash Flows

For the Year Ended December 31, 2002 and the Period from March 12, 2001 (inception) to December 31, 2001

	2002	2001
Cash flows from operating activities		
Change in unrestricted net assets	\$ 167,722	\$ 1,556,431
Adjustments to reconcile change in unrestricted net assets to net cash (used in) provided by operating activities		
Value of contributed investments	(1,486,327)	(2,474,326)
Net realized and unrealized (gains) losses on investments	(92,309)	44,122
Increase in accounts payable	83,457	1,543
Increase in grants payable	604,440	925,000
Net cash (used in) provided by operating activities	(723,017)	52,770
Cash flows from investing activities		
Purchases of investments	(12,664,940)	(4,995,071)
Proceeds from sales of investments	13,516,753	4,444,708
Net cash provided by (used in) investing activities	851,813	(550,363)
Cash flows from financing activities		
Permanently restricted donor endowments	12,000,000	2,000,000
Net cash provided by financing activities	12,000,000	2,000,000
Net increase in cash and cash equivalents	12,128,796	1,502,407
Cash and cash equivalents		
Beginning of year	1,502,407	
End of year	\$ 13,631,203	\$ 1,502,407

The accompanying notes are an integral part of these financial statements.

The Blue Foundation for a Healthy Florida

Statements of Changes in Net Assets

For the Year Ended December 31, 2002 and the Period from March 12, 2001 (inception) to December 31, 2001

	Unrestricted	Permanently Restricted	2002 Total	2001 Total
Operating support and revenue				
Contributions	\$ 1,486,327	\$ 12,000,000	\$ 13,486,327	\$ 4,500,000
Investment income	169,284	-	169,284	7,294
Less: Investment expenses	2,214	-	2,214	5,507
Net investment income	167,070	-	167,070	1,787
Net realized and unrealized gains (losses) on investments	92,309	-	92,309	(44,122)
Capital distributions	6,494	-	6,494	20,017
Donated services	184,785	-	184,785	154,721
Total operating support and revenue	1,936,985	12,000,000	13,936,985	4,632,403
Expenses				
Program grants	1,283,442	-	1,283,442	925,000
Management and general	485,821	-	485,821	150,972
Total expenses	1,769,263	-	1,769,263	1,075,972
Change in net assets	167,722	12,000,000	12,167,722	3,556,431
Net Assets				
Beginning of year	1,556,431	2,000,000	3,556,431	-
End of year	\$ 1,724,153	\$ 14,000,000	\$ 15,724,153	\$ 3,556,431

The accompanying notes are an integral part of these financial statements.

The Blue Foundation for a Healthy Florida

Statements of Financial Position

December 31, 2002 and 2001

	2002	2001
Assets		
Cash and cash equivalents	\$ 13,631,203	\$ 1,502,407
Investments	3,707,390	2,980,567
Total assets	\$ 17,338,593	\$ 4,482,974
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 85,000	\$ 1,543
Grants payable	1,529,440	925,000
Total liabilities	1,614,440	926,543
Net Assets		
Unrestricted	1,724,153	1,556,431
Permanently restricted	14,000,000	2,000,000
Total net assets	15,724,153	3,556,431
Total liabilities and net assets	\$ 17,338,593	\$ 4,482,974

The accompanying notes are an integral part of these financial statements.

Report of Independent Certified Public Accountants

To the Board of Directors of
The Blue Foundation for a Healthy Florida, Inc.:

In our opinion, the accompanying statements of financial position and the related statements of activities and cash flows present fairly, in all material respects, the financial position of The Blue Foundation for a Healthy Florida, Inc. at December 31, 2002 and 2001 and the changes in its net assets and its cash flows for the year ended December 31, 2002 and the period from March 12, 2001 (inception) to December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

May 23, 2003

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December 31, 2002 and 2001

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The Blue Foundation for a Healthy Florida, Inc.

Financial Statements

December 31, 2002 and 2001

Grant Guidelines*

The Blue Foundation for a Healthy Florida supports community-based solutions that address the many different health care challenges facing Florida both today and in the future. It focuses grant allocations toward philanthropic, community-based solutions to improve health care program capacity and reduce barriers to access; nurtures community health leadership to reinforce local solutions, foster innovation and sustain quality; and leverages financial, human and other resources to maximize measurable impact.

In 2003, the foundation will focus a significant portion of its resources to maximize impact in the area of community-based health clinics and outreach services. This focus will help to realistically address the vast challenges associated with providing access to and lasting outcomes connected with populations presently not receiving effective health-related prevention or treatment services. The greatest percentage of The Blue Foundation funding will be to identify, nurture and sustain such activities to benefit underserved and uninsured populations.

The Blue Foundation for a Healthy Florida awards up to \$1 million annually in grants during two proposal cycles in the summer and winter. Requests will generally be considered for proposals of all sizes from \$10,000 up to \$100,000. Multi-year commitments may be made, depending upon the request, the need and the funds available, but the total dollar request should not exceed \$100,000.

Eligible recipients must have tax-exempt status as a 501(c)(3) organization with the Internal Revenue Service and be located in Florida. The Blue Foundation will not award grants to individuals; fundraising events or celebrations; political or lobbying organizations; fraternal, athletic or social organizations; religious organizations for religious purposes; or to organizations that do not directly serve Floridians. We also take great care to assure that The Blue Foundation does not directly finance health care services through insurance or other coverage mechanisms through its grants.

In an effort to assure fairness among the range of proposal applicants, The Blue Foundation will not accept more than one proposal from a single organization within a 12-month calendar year, unless the organization has received specific approval from The Blue Foundation to do so.

A Request for Proposal (RFP) may be downloaded by visiting The Blue Foundation website at www.bluefoundationfl.org. You do not need to complete the original application to be considered, but all components requested on the RFP must be included in the same order.

Organizations seeking program funding can contact The Blue Foundation for a Healthy Florida office at 800-477-3736, ext. 63215, for questions about the proposal request. For more information about The Blue Foundation's grant guidelines, please refer to the "RFP Technical Assistance" document found on our website. We strongly encourage you to review this document before contacting our offices for information.

*The Blue Foundation grant guidelines for each grant cycle are subject to change. Please refer to the website or contact The Blue Foundation for the most recent guidelines.



[Jeppesen VisionQuest, Inc., Collier and Okeechobee Counties, \\$25,000](#)

Expand the "Reach Out" program that provides free vision exams and corrective eyeglasses for elementary and middle school children who have failed vision screenings.

[Elderly Interest Fund, Fort Lauderdale, \\$25,000](#)

Expand the MediVan project, a program that delivers health education and preventative medical supplies to more than 140 elderly uninsured and underserved senior residents in Broward County per month.

[Foundation for Rural Education Excellence \(FREE\), Palatka, \\$24,000](#)

Support the "Youth for a Healthier Lifestyle" conference empowering 250 high school students from 13 school districts with education and training about key health issues that affect young people today that enable them to create an action plan and carry out that action in their own schools.

[Neighborhood Health Clinic, Naples, \\$23,700](#)

Enhance on-site diagnostic capabilities with the purchase of specialized equipment, including a surgical microscope, a Midmark Biltmore chair, a mobile ENT power cabinet and an intubating fiberoptic.

[Hillsborough Community College, Tampa, \\$17,500](#)

Develop and present an Oral Health Care Awareness curriculum that will assist uninsured and underserved Tampa Bay families with oral care education and help prepare students becoming certified dental assistants.

[Mission House, Inc., Jacksonville Beach, \\$14,513](#)

Improve equipment and reload prescription fund for a program providing medical care for the indigent living in Jacksonville Beaches.

[We Care Network, Capital Medical Society Foundation, Tallahassee, \\$10,000 over two years](#)

Pay for prescription medication for uninsured residents below the Federal Poverty Guidelines in the Tallahassee area.



[The Migrant Association of South Florida, Boynton Beach, \\$49,128](#)

Provide free diabetes screening, treatment, monitoring and prevention services at the Caridad Health Clinic to low-income, uninsured migrant adults and children who would otherwise go untreated.

[Senior Friendship Centers, Inc., Sarasota, \\$47,100 over two years](#)

Hire a nurse to provide nutrition counseling and diabetes education for medically needy seniors who are newly diagnosed or have never had the opportunity to afford nutrition and diabetes education.

[Hep-C Alert, Inc., North Miami, \\$44,560](#)

Help establish the Coinfection Connection to provide education, testing and integrated care for low-income and uninsured people in Dade and Broward Counties who have been diagnosed with or are at-risk of getting Hepatitis C, HIV, or both.

[Florida Hospital Foundation, Orlando, \\$43,653](#)

Establish a non-urgent After Hours Clinic to provide consistent, appropriate care for uninsured families with non-emergency conditions and chronic diseases.

[Leesburg Regional Medical Center Chronic Disease Management, Leesburg, \\$41,580](#)

Develop a diabetes outreach and education program to serve the uninsured and underserved minority population in the Leesburg area.

[The St. Petersburg Free Clinic, St. Petersburg, \\$40,000](#)

Provide diabetic and other health education, awareness, self-monitoring, counseling and assistance with medication, for the low-income uninsured.

[Lee Memorial Health System, Fort Myers, \\$40,000 over two years](#)

Expand Lee Memorial Health System's Parish Nurse Outreach Effort, enabling two registered nurses to provide health screenings, education, monitoring and referral services to impoverished Lee County communities.

[The Good Samaritan Health Clinic of Pasco, Inc., New Port Richey, \\$39,800](#)

Continue operation of the only free hepatitis C clinic in Florida by offsetting expensive hepatitis C laboratory fees and payroll expenses of two vital clinic employees.

Hispanic Health Initiatives, Casselberry, \$57,000

Develop and implement an outreach, awareness and education campaign against type-2 diabetes, specifically targeting Hispanics in Orange, Osceola, Seminole and Volusia counties.

Pleasant Place, Gainesville, \$56,004 over two years

Develop and implement a health education and training program for pregnant or parenting homeless adolescents living in Pleasant Place, the only residential home for pregnant and parenting adolescents in North Central Florida.

Family Central, Inc., Ft. Lauderdale, \$55,000

Maintain the Healthy Directions program that enables an advanced registered nurse practitioner to visit nine subsidized childcare facilities and provide personalized health care to low-income children.

Alachua County Organization for Rural Needs, Inc. (ACORN), Brooker, \$52,350

Enhance the new "Better Babies and Birth Outcomes Program" by hiring a health educator specializing in obstetrics and gynecology to improve access to prenatal care for the low income and uninsured women in Alachua, Bradford, Columbia and Union counties.

Clearwater Free Clinic, Clearwater, \$50,000

Continue the services of a full-time family practice advanced registered nurse practitioner to expand access to pediatric care for the low-income, uninsured residents of Clearwater.

JaxCare, Jacksonville, \$50,000

Conduct four statewide health policy forums to identify new ways to expand access to health care for uninsured and underserved Floridians.

Sacred Heart Health System, Pensacola, \$50,000

Expand the Medication Education Delivery System (MEDS) program targeting elderly and African-American underserved in Pensacola into surrounding rural areas, providing them one-on-one assistance with their medication needs along with education about their medication options, disease prevention and overall wellness.





2002 Grants

Grants are for one year, unless otherwise specified.

Orlando Regional Healthcare Foundation, Orlando, \$87,580 over three years

Expand the Teen Xpress mobile health care program by funding two nurses to provide triage and health screenings at two high schools in low-income, at-risk neighborhoods in Orange County.

Northeast Florida Pediatric Society, Jacksonville, \$72,077 over three years

Hire a program coordinator for the Healthy Child Care Jacksonville program, which enlists volunteer pediatricians to work with childcare providers promoting health, well-being and school readiness of children in their care.

Alzheimer's Community Care, Inc., West Palm Beach, \$71,400 over two years

Expand the Family Consultant Program by hiring a bilingual Spanish/English registered nurse with dementia-specific experience to provide Hispanic families caring for Alzheimer's-inflicted loved ones with necessary education and support.

Columbia County Senior Services, Inc., Lake City, \$70,128 over two years

Implement a program designed to teach family members and community volunteers how to care for memory-impaired elderly, extending the time dementia patients can stay in the home and helping caregivers maintain their own health.

Nemours, Pensacola, \$64,261

Fund home telemedicine units that provide audio/video connections to health care providers to improve health care for children newly diagnosed with critical illnesses.

Experience Works, Inc., Ocala, \$62,108

Pay for a registered nurse to train 40 low-income seniors in Ocala as home health aides, increasing the program's ability to serve an average of 120 homebound customers a year.





Educating Students The Blue Foundation awarded a \$17,500 grant to Hillsborough Community College in Tampa to develop and present an Oral Health Care Awareness curriculum. The program will educate the uninsured and underserved about oral care, while helping prepare students to become certified dental assistants.

Training Home Health Aides ExperienceWorks, Inc., in Ocala, received \$62,108 to fund the cost of a Registered Nurse who will train 40 low-income seniors in Ocala as home health aides. Providing mature workers with a career opportunity helps them maintain their financial independence and self-esteem. At the same time, they provide high quality, caring service to the elderly who are sick and frail. This "senior serving senior" initiative enables Experience Works to provide services to an average of 120 homebound seniors a year.

Teaching Caregivers In Lake City, a \$70,128 grant to be provided over two years is helping Columbia County Senior Services, Inc. implement a caregiver education program. The program is designed to teach family members and community volunteers how to care for memory-impaired elderly. The care these dementia patients receive enables them to remain at home longer. Simultaneously, the caregivers are able to provide needed services without destroying their own health and well-being.




Experience Works, Inc.



Supporting Health Education and Training

The dedicated health care professionals who serve those in need have the power to influence outcomes and make a difference in the lives of their patients. Ensuring that they get the education and training they need to succeed helps us all. At the same time, teaching lay caregivers how to deal with related health care issues empowers them with knowledge, bolsters their ability to live up to the task and improves the care they provide.



“Peer-to-peer caring services help to alleviate the critical shortage of certified health care workers in Florida and maintain the independence of seniors.”

— Madaline Simpson, director of Experience Works, Inc.



Lifestyle Changes The Migrant Association of South Florida, headquartered in Palm Beach County, received a \$49,128 grant to fund free diabetes screening, treatment, monitoring and prevention services to low-income, uninsured migrant adults and children who would otherwise go untreated. The Migrant Diabetes Project provides primary care services at the Caridad Health Clinic, including lab work, vision screening and medications. Nutrition education and meal planning are incorporated to prevent complications in those identified at risk. Special attention is paid to the increasing number of children presenting risk factors for diabetes.

Type-2 diabetes usually strikes in later life. Needy seniors in Sarasota who have the disease are getting nutrition counseling and diabetes education through a

\$47,100 grant to Senior Friendship Centers, Inc. To be funded over two years, the grant will pay for a nurse to provide the counseling service to newly diagnosed seniors and those who have been unable to afford such counseling.

Managing Critical Illnesses Parents of newly diagnosed children with asthma and diabetes can work more closely with their health care providers using home telemedicine units funded by The Blue Foundation. The \$64,261 grant to Nemours for the Pensacola pilot program pays for specialized audio and video connections between patient and health care provider. The unit enables parents to more accurately monitor their children's conditions and better understand medication usage. Improved management advances the children's overall health and can potentially decrease the need for emergency room visits.

Expanding Health Care Understanding and Awareness

Information is power. Providing health information to at-risk groups gives them a window through which they can see a path to healthier lives. Lifestyle behavior can prevent or postpone onset of some diseases. Early detection enables the afflicted to get timely treatment. Managing a critical illness can improve quality of life.



“We are often the only source of care these people receive. Your support enables us to improve access to healthcare for the uninsured indigent, migrant and agricultural farm workers and their families.”

— Carol Clinton, executive director, Migrant Association of South Florida

Among the problems in rural areas is lack of prenatal care, which produces a higher risk of adverse birth outcomes. In fact, insurance coverage plays a role in neonatal mortality, a 1998 study published in the *American Journal of Public Health* found. The study, conducted by Dr. Karen P. Carver, of Penn State University's Population Research Institute, and Dr. Nancy E. Moss, of the Pacific Institute for Women's Health, showed that the death rate for uninsured babies was 1.4 to 1.8 times higher than for those who were privately insured.

In 2002, low income and uninsured pregnant women and their babies in Alachua, Bradford, Columbia and Union counties benefited from a \$52,350 foundation grant to expand prenatal education in these rural counties. The grant enabled the "Better Babies and Birth Outcomes Program" of the Alachua County Organization for Rural Needs, Inc. (ACORN), to hire a health educator specializing in obstetrics and gynecology. The educator develops prenatal programs, conducts home visits and provides critically needed outreach programs. Coordination with other health care services is improved as well.

Mobile Units In Collier and Okeechobee counties, the gift of clear sight is being given to approximately 250 children through a \$25,000 grant to expand the Jeppesen VisionQuest's "Reach Out" program. Using a mobile van, volunteer optometrists and staff provide free vision exams and corrective eyeglasses on the spot for elementary and middle school children whose parents cannot afford needed eyeglasses for them. For many kids, this is the first time they are able to see clearly, a critical factor for school success.





The Blue Foundation Employee Review Team member Maxine Haynes, right, congratulates Jane Egbert and Chris Almvig of the St. Petersburg Free Clinic.

Community Health Clinics The value of community health clinics in the battle to provide care to the uninsured and underserved cannot be overestimated. They are down in the trenches, bringing care to the people where they need it most. Community clinics also help to relieve the burden on hospital emergency rooms, which treat patients regardless of their ability to pay. The uninsured are four times more likely to use the ER for care than those who are insured. The Florida Hospital Association places uncompensated care for the state's community hospitals at \$1.3 billion in 2001. These costs are

indirectly passed on to all Floridians through taxes and increased health insurance premiums.

A prime example of community-based solutions is Mission House, Inc., in Jacksonville Beach. The clinic provides medical care for the indigent living in the Beaches area. Doctors, nurses and other medical personnel contribute the manpower, volunteering their services and time. However, medical equipment and supplies must be purchased. The Blue Foundation granted \$14,513 to Mission House for improved equipment and to fund prescription services.

In Tallahassee, 315 specialty physicians who constitute the We Care Network established by the Capital Medical Society Foundation provide free medical care to low-income residents in four surrounding counties. The Blue Foundation is helping to ensure patients treated get the medications they need. A two-year grant totaling \$10,000 will cover the cost of prescription medications for uninsured residents below Federal Poverty Guidelines.

Rural Communities People living in less populated rural areas are more likely to be uninsured than urban citizens and often have limited services available to them. A study by Florida's Agency for Health Care Administration showed that the uninsured rate in Central Florida's rural counties averages 25.5 percent.



“After I got my glasses I was able to see the food on my plate. It was so wonderful. I could tell right away what I was eating.”

— Christy, 5 years old, recipient of eyeglasses from Jeppesen VisionQuest, Inc.



The Teen Xpress Mobile Healthcare Unit works with Orlando area high schools to bring accessible, quality and teen-friendly primary healthcare to approximately 1,500 students annually. Above, the mobile clinic made a stop to Jones High School in Orlando to celebrate the three-year, \$87,580 grant from The Blue Foundation.



Helping Uninsured and Underserved Floridians

We have a growing health care crisis in Florida. The number of uninsured and underserved people in our state continues to rise. In 2001, 2.85 million Floridians had no health insurance, according to the U.S. Census Bureau. Almost one out of six were children under 18. Among the uninsured are the working poor, 89 percent of whom do not have insurance because their employers do not offer health benefits, they are ineligible for coverage or they cannot afford it.

The issue must be addressed at the state and local levels, and in 2002 The Blue Foundation supported statewide policy forums that seek to identify ways to expand health care access, develop collaborative statewide strategies and effect change. We also allocated grants to a number of nonprofit programs and organizations whose work with the uninsured and underserved warrant recognition.



Young and old benefited through special care, services and health care awareness programs like the following:

The Blue Foundation's \$138,577 grant to Family Central enabled its Healthy Directions program to bring preventive and primary health care to 625 young children from at-risk families receiving subsidized childcare in southern Broward County. The grant funded weekly visits to 14 childcare centers by a nurse and health care technician, who provided on-site physicals, referrals for identified health issues and follow up examinations. They administered needed vaccinations for 78 children and 395 developmental screenings.

The Diabetes Coalition of St. Lucie County took a non-traditional approach to address disparities in awareness of diabetes and access to care among underserved African-American and non-Hispanic black residents. During the first year of its two-year grant of \$123,673, the Coalition recruited and trained 40 health promoters from area churches and beauty salons to deliver information on diabetes prevention, screening, early detection, self-management and the importance of follow-up care. Activities included a Diabetes Awareness Sunday, reaching more than 5,000 individuals in 46 churches. Data collection thus far shows a positive behavior change among those targeted.

In Baker County, our \$32,076 grant to the Council on Aging in Macclenny restored lost funding and expanded food delivery service to 25 homebound seniors. The Council on Aging was able to meet all their demands for meals; there is no longer a waiting list.

Gulf Coast Community Care's expansion of its Elder Ed program into Hillsborough and Manatee counties has exceeded its goal to educate 3,000 elders about medication management and the dangers of substance abuse. Through December 31, 2002, 4,275 participants attended the presentations, received literature and had an opportunity to speak directly with a health care professional about their concerns. The \$67,110 grant also funded a targeted media campaign.

The Blue Foundation made 28 grants statewide in 2002 targeting diverse groups, treatment and health education programs, professional training and medical equipment needs. The grants funded:

- Programs that serve children, adolescents, pregnant teens and women, minorities, seniors, migrant families, caregivers, the indigent, urban populations and rural communities.
- Treatment and education programs covering diabetes, prenatal care, HIV, hepatitis C, dental health, vision care and prescription drugs.
- Home health aide training, mentoring needs, health educators and clinic personnel.
- Medical equipment and expansion of clinics and outreach programs.



Letter from the Executive Director

2002 marked The Blue Foundation for a Healthy Florida's second year as a philanthropic force in Florida and our first full year of operation. As the year progressed, we witnessed firsthand how grants made in December 2001 positively affected the lives of those in need. Each grant recipient became a building block. When stacked together, they sheltered those in need against the social and economic forces buffeting them.

Seeing these results has strengthened our resolve to provide innovative health care programs with the necessary funds to break new ground in serving the state's uninsured and underserved areas. During 2002, we awarded 28 grants amounting to \$1,283,442, bringing The Blue Foundation's total contributions to almost \$2.2 million since its inception in March 2001.

The Blue Foundation awards its grants semiannually, selecting from hundreds of applicants representing a diverse group of nonprofit organizations from the Panhandle to the Keys. The recipients reflect the foundation's dual priorities of improving access to quality health-related services and fostering innovative health care program development. Funded programs serve an array of needs, from providing on-the-spot eyeglasses to poor children — to training Hispanic families caring for Alzheimer-inflicted loved ones — to providing diabetes prevention education for seniors.

The Blue Foundation received a \$12 million contribution from Blue Cross and Blue Shield of Florida in 2002. As a community-driven organization dedicated to serving the public good, the company shares a common goal with The Blue Foundation —

to serve the critical need of providing solutions to Florida's uninsured and underserved. This additional funding is a framework from which The Blue Foundation can build, accelerating its development and planning for the health issues that will face Florida in the future. We greatly appreciate Blue Cross and Blue Shield of Florida's support in this endeavor.

We also thank Blue Cross and Blue Shield of Florida employees who are actively involved with the foundation — from those serving on the foundation board to the volunteers who evaluate proposals and make funding recommendations. They are the keys that unlock the door for all those who receive invaluable funded services.

The Blue Foundation's priority for 2003 focuses on community-based health clinics and outreach services. These programs address the vast challenges associated with access to health care prevention and treatment services. And their impact on health outcomes has an immediate effect that can ripple through a community.

Our mission is clear; our vision is focused; our commitment is strong. Just as Blue Cross and Blue Shield of Florida is a leader in the state's health industry, so, too, will The Blue Foundation be a leading philanthropic force to make health care accessible to Floridians in need.

Susan B. Towler, APR
Executive Director
The Blue Foundation for a Healthy Florida

There's an old adage that says 'when one door closes, another opens.' The Blue Foundation for a Healthy Florida is an open door to better health and wellness for thousands of fellow citizens who have been shut out of the system — their health care needs unmet.

The Blue Foundation grew out of Blue Cross and Blue Shield of Florida's fundamental belief that it has a responsibility to help improve the communities in which we live and work. Our welcome mat is out for community-based programs that hold the keys to breaking down health care barriers — be they financial, cultural or geographic. The foundation's support extends to health care education, awareness and training programs that address Florida's health care challenges. And there are many.

Approximately 17.5 percent of the state's population was without health insurance in 2001. Cultural and social factors play a role as well, keeping many minorities from seeking preventive health screenings and services even when they are available. Many rural areas lack adequate services, and we face a serious shortage of nurses. As a result, the uninsured and underserved usually are more severely ill when first diagnosed, generally receive fewer medical services and have poorer outcomes than the insured.

The challenges will only grow in the future. The number of Floridians lacking health insurance, including school-age children, is expected to increase. An exploding senior population beginning in 2010 led by retiring Baby Boomers

and seniors living well into their 80s and 90s will strain health care resources. Physician shortages could become increasingly problematic, reaching an annual shortage of 12,000 by 2020, according to a 1999 study.

The Blue Foundation believes that the door should never close on those in need of health services. We must step up our efforts to build a strong health care service structure so that we can meet the challenges Floridians will face in the future. It is no easy task. And it takes more than one beam to support a house. The public and private sectors must work together to find the best solutions.

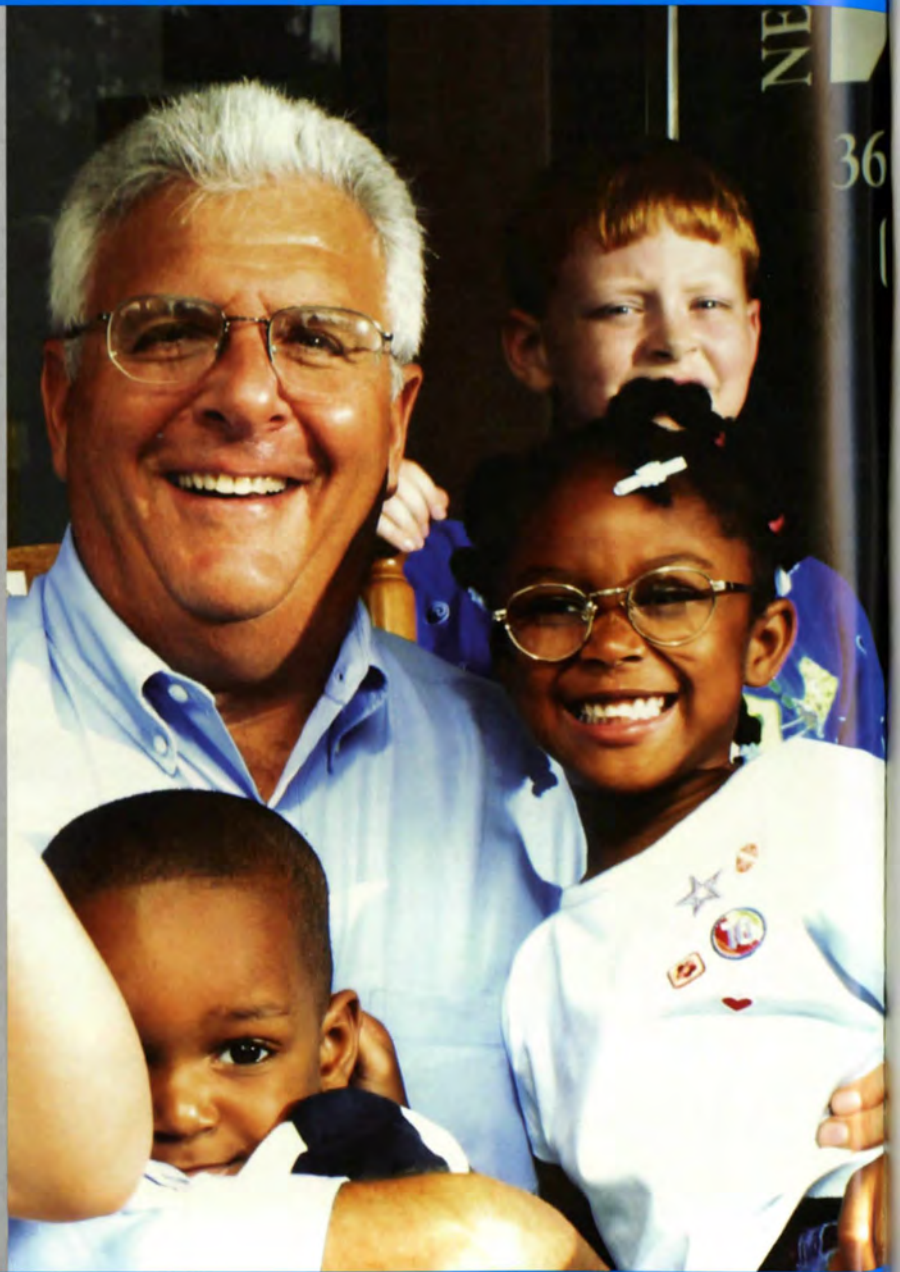
Recent economic uncertainty has reduced corporate giving, affecting foundations' and nonprofits' ability to serve the growing needs of our society. We are, therefore, deeply indebted to Blue Cross and Blue Shield of Florida for providing an additional \$12 million endowment to The Blue Foundation in 2002. This donation significantly increases our ability to further the philanthropic work begun in 2001. It also ensures that we have a permanent and sustainable source of funding for the future.

We firmly believe in the worthiness of this endeavor. On the following pages we feature some of the well-deserving nonprofit organizations that received grants from The Blue Foundation during 2002. These programs owe their success to the volunteers, educators and health care workers who strive every day to make a difference in our communities. They are inspiring heroes in the work against illness, cultural disparities and lack of access.



Message from the President

Bruce N. Bagni
President of the Board of Directors
The Blue Foundation for a Healthy Florida



Bruce N. Bagni

The Blue Foundation for a Healthy Florida

2002 ANNUAL REPORT



THE FOUNDATION The Blue Foundation for a Healthy Florida is a philanthropic foundation established in 2001 by Blue Cross and Blue Shield of Florida to promote better health in the state. With the creation of this 501 (c)(3) organization, Blue Cross and Blue Shield of Florida has opened a door for many needy individuals and families who otherwise might not have access to quality health care. Further, the foundation effectively broadens the company's promise to provide caring solutions to Floridians and bolsters its commitment to the public good. Building on an initial investment of \$5 million and subsequent donation of \$12 million from Blue Cross and Blue Shield of Florida, The Blue Foundation's total assets grew to \$173 million in 2002.

OUR MISSION To enhance access to quality health-related services for Floridians, with a particular focus on the uninsured and underserved.

**“There is always one moment in childhood
when the door opens and lets the future in.”**

— Graham Greene, *The Power and the Glory*



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OPENING THE DOOR...MAKING A DIFFERENCE

2002 ANNUAL REPORT



The Blue Foundation
FOR A HEALTHY FLORIDA

