

Form **990****Return of Organization Exempt From Income Tax**

OMB No 1545-0047

2016Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

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

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.**A For the 2016 calendar year, or tax year beginning , 2016, and ending , 20****B** Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization **BLUE CROSS BLUE SHIELD OF MASSACHUSETTS HMO**
BLUE, INC.

Doing business as

Number and street (or P O box if mail is not delivered to street address)

Room/suite

101 HUNTINGTON AVE. SUITE 1300

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

BOSTON, MA 02199

F Name and address of principal officer **ANDREW DREYFUS**

101 HUNTINGTON AVE. SUITE 1300 BOSTON, MA 02199-7611

D Employer identification number

04-3362283

E Telephone number

(617) 246-5313

G Gross receipts \$ 4,635,592,561.**H(a)** Is this a group return for subordinates? ☒ Yes ☐ No**H(b)** Are all subordinates included? ☒ Yes ☐ No

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

I Tax-exempt status ☐ 501(c)(3) ☒ 501(c)(4) (insert no) 4947(a)(1) or 527**J** Website **WWW.BLUECROSSMA.COM****H(c)** Group exemption number**K** Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other **L** Year of formation 2005 **M** State of legal domicile MA**Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities <u>IT IS A HEALTH MAINTENANCE ORGANIZATION THAT PROVIDES MEDICAL AND OTHER HEALTH BENEFITS TO MEMBERS THROUGH CONTRACTS WITH HOSPITALS, PHYSICIANS, NURSING HOMES, ETC.</u>				
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets				
	3	Number of voting members of the governing body (Part VI, line 1a) 5.			
	4	Number of independent voting members of the governing body (Part VI, line 1b)			
	5	Total number of individuals employed in calendar year 2016 (Part V, line 2a) 0.			
	6	Total number of volunteers (estimate if necessary)			
	Revenue	7a	Total unrelated business revenue from Part VIII, column (C), line 12 0.		
7b		Net unrelated business taxable income from Form 990-T, line 34 -106,141.			
		Prior Year	Current Year		
8		Contributions and grants (Part VIII, line 1h)	0.	0.	
9		Program service revenue (Part VIII, line 2g)	4,358,120,582.	4,596,511,339.	
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	25,061,942.	39,081,222.	
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.	
12		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,383,182,524.	4,635,592,561.	
Expenses		13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
		14	Benefits paid to or for members (Part IX, column (A), line 4)	3,875,757,946.	4,055,254,714.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	156,729,355.	164,319,179.	
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.	
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.			
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	348,271,289.	341,843,286.	
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	4,380,758,590.	4,561,417,179.	
	19	Revenue less expenses Subtract line 18 from line 12	2,423,934.	74,175,382.	
	Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
21		Total liabilities (Part X, line 26)	1,908,111,585.	2,098,186,224.	
22		Net assets or fund balances Subtract line 21 from line 20	818,528,895.	890,502,219.	

Part II Signature Block

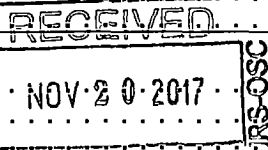
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer <u>ANDREANA SANTANGELO</u>		Date <u>11/8/17</u>
	Type or print name and title		
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature
	Firm's name ▶		
	Firm's address ▶		

May the IRS discuss this return with the preparer shown above? (see instructions)

For Paperwork Reduction Act Notice, see the separate instructions.

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

ATTACHMENT 1

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported**4a** (Code _____) (Expenses \$ 4,055,254,714 including grants of \$ _____) (Revenue \$ _____)**4b** (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)**4c** (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)**4d** Other program services (Describe in Schedule O)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)**4e** Total program service expenses ► 4,055,254,714.

Part IV Checklist of Required Schedules

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

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Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H.		X
20b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II.		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III.		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J.	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a.		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I.		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I.		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If "Yes," complete Schedule L, Part II.		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III.		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV.		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV.		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M.		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M.		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I.		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II.		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I.		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2.		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2.		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI.		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

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Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a 0.		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b 0.		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a 0.		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country <input type="text"/>			
See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders.	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		

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

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► MA,

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

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, address, and telephone number of the person who possesses the organization's books and records ►
 MICHAEL CARDER 101 HUNTINGTON AVENUE SUITE 1300 BOSTON, MA 02199 (617) 246-5313

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII. ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ANDREW DREYFUS DIRECTOR, PRESIDENT & CEO	0.	X		X				0.	2,456,887.	1,165,313.
(2) ALLEN MALTZ DIRECTOR, EVP & CFO	0.	X		X				0.	1,273,380.	192,584.
(3) STEPHANIE LOVELL DIRECTOR, EVP, CHIEF LEGAL OFF	0.	X		X				0.	1,100,143.	525,792.
(4) ANDREANA SANTANGELO DIRECTOR, EVP & CFO	0.	X		X				0.	816,137.	322,100.
(5) PHYLLIS YALE CHAIR	0.	X		X				0.	120,000.	0.
(6) DEBORAH DEVAUX DIRECTOR, EVP, & COO	0.	X		X				0.	1,054,499.	595,158.
(7) KEITH RENALDI TREASURER	0.			X				0.	542,349.	146,430.
(8) ALONA ABALOS VICE PRESIDENT & ASST. CLERK	0.			X				0.	358,389.	83,179.
(9) ENRICO GIAMMARCO ASSISTANT TREASURER	0.			X				96,122.	78,645.	40,970.
(10) MARK COLLURA ASSISTANT TREASURER	0.			X				96,772.	79,177.	41,755.
(11) RICHARD LEWIS PHYSICIAN REVIEWER	0.					X		95,846.	201,812.	44,361.
(12) JOSEPH SCHWARTZ PHYSICIAN REVIEWER	0.					X		88,112.	185,527.	44,840.
(13) KERIM MUNIR MD PSYCHIATRIST	0.					X		91,178.	169,330.	27,837.
(14) PAUL MEDREK MD PHYSICIAN REVIEWER	0.					X		80,480.	169,459.	44,161.

[illegible]

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 43

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3	X	
4	X	
5		X

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 2		

2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization	38
---	--	----

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII. ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d			
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		0		
Program Service Revenue	2a	PREMIUMS EARNED	Business Code 524114	4,596,511,339	4,596,511,339	
	b					
	c					
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		4,596,511,339		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 3		28,704,877	28,704,877
4		Income from investment of tax-exempt bond proceeds		0		
5		Royalties		0		
		(i) Real	(ii) Personal			
6a		Gross rents				
b		Less rental expenses				
c		Rental income or (loss)				
d		Net rental income or (loss)		0		
7a		Gross amount from sales of assets other than inventory	(i) Securities 1,244,835,798	(ii) Other		
b		Less cost or other basis and sales expenses	1,234,459,453			
c		Gain or (loss)	10,376,345			
d		Net gain or (loss)		10,376,345		
8a		Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a	0		
b		Less direct expenses	b	0		
c		Net income or (loss) from fundraising events		0		
9a		Gross income from gaming activities See Part IV, line 19	a	0		
b		Less direct expenses	b	0		
c		Net income or (loss) from gaming activities		0		
10a	Gross sales of inventory, less returns and allowances	a	0			
b	Less cost of goods sold	b	0			
c	Net income or (loss) from sales of inventory		0			
Miscellaneous Revenue			Business Code			
11a						
b						
c						
d	All other revenue					
e	Total. Add lines 11a-11d		0			
12	Total revenue. See instructions		4,635,592,561	4,625,216,216		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	0.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members. ATCH. 4.	4,055,254,714.	4,055,254,714.		
5 Compensation of current officers, directors, trustees, and key employees	0.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	127,720,271.		127,720,271.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	9,481,391.		9,481,391.	
9 Other employee benefits	19,246,340.		19,246,340.	
10 Payroll taxes	7,871,177.		7,871,177.	
11 Fees for services (non-employees)				
a Management	1,219,294.		1,219,294.	
b Legal	2,500,854.		2,500,854.	
c Accounting	18,057,965.		18,057,965.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees	0.			
9 Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	69,211,290.		69,211,290.	
12 Advertising and promotion	2,348,401.		2,348,401.	
13 Office expenses	6,745,103.		6,745,103.	
14 Information technology	28,896,774.		28,896,774.	
15 Royalties	0.			
16 Occupancy	12,314,618.		12,314,618.	
17 Travel	1,911,548.		1,911,548.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	0.			
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	22,183,643.		22,183,643.	
23 Insurance	0.			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a OTHER - BROKER FEES	97,934,705.		97,934,705.	
b OTHER - DUES AND ASSESSMENTS	76,028,908.		76,028,908.	
c OTHER - OUT OF AREA PROGRAM	2,490,183.		2,490,183.	
d OTHER - PERFORMANCE GUARANTEE				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	4,561,417,179.	4,055,254,714.	506,162,465.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0.			

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	7,380,562.	1	7,335,065.
	2 Savings and temporary cash investments	40,281,318.	2	38,675,270.
	3 Pledges and grants receivable, net	0.	3	0.
	4 Accounts receivable, net	116,812,885.	4	76,499,282.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0.	5	0.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0.	6	0.
	7 Notes and loans receivable, net	0.	7	0.
	8 Inventories for sale or use	0.	8	0.
	9 Prepaid expenses and deferred charges	0.	9	0.
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	10a 139,222,827.		
	b Less accumulated depreciation	10b 41,826,551.	101,204,683.	10c 97,396,276.
	11 Investments - publicly traded securities	ATCH 5 1,069,012,877.	11	1,085,697,003.
	12 Investments - other securities. See Part IV, line 11	445,866,627.	12	685,567,053.
	13 Investments - program-related. See Part IV, line 11	0.	13	0.
	14 Intangible assets	0.	14	0.
	15 Other assets. See Part IV, line 11	127,552,633.	15	107,016,275.
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,908,111,585.	16	2,098,186,224.	
Liabilities	17 Accounts payable and accrued expenses	179,843,972.	17	259,886,465.
	18 Grants payable	0.	18	0.
	19 Deferred revenue	0.	19	0.
	20 Tax-exempt bond liabilities	0.	20	0.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0.	21	0.
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0.	22	0.
	23 Secured mortgages and notes payable to unrelated third parties	0.	23	0.
	24 Unsecured notes and loans payable to unrelated third parties	0.	24	0.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	638,684,923.	25	630,615,754.
	26 Total liabilities. Add lines 17 through 25	818,528,895.	26	890,502,219.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	0.	30	0.
	31 Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32 Retained earnings, endowment, accumulated income, or other funds	1,089,582,690.	32	1,207,684,005.
	33 Total net assets or fund balances	1,089,582,690.	33	1,207,684,005.
34 Total liabilities and net assets/fund balances	1,908,111,585.	34	2,098,186,224.	

Form **990** (2016)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI. ☒ X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,635,592,561.
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,561,417,179.
3	Revenue less expenses Subtract line 2 from line 1	3	74,175,382.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,089,582,690.
5	Net unrealized gains (losses) on investments	5	35,946,642.
6	Donated services and use of facilities	6	0.
7	Investment expenses	7	0.
8	Prior period adjustments	8	0.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	7,979,291.
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,207,684,005.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII. ☐ ☒ X

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

Form **990** (2016)

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public
Inspection

Name of the organization

BLUE CROSS BLUE SHIELD OF MASSACHUSETTS HMO

Employer identification number

BLUE, INC.

04-3362283

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year) . .		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

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

<input type="checkbox"/> Preservation of land for public use (e g , recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

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

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenue included in Form 990, Part VIII, line 1 ▶ \$ _____

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenue included in Form 990, Part VIII, line 1 ▶ \$ _____

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2016

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

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a** ☐ Public exhibition **d** ☐ Loan or exchange programs
- b** ☐ Scholarly research **e** ☐ Other _____
- c** ☐ Preservation for future generations
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table
- | | Amount |
|--|-----------------|
| c Beginning balance | 1c _____ |
| d Additions during the year | 1d _____ |
| e Distributions during the year | 1e _____ |
| f Ending balance | 1f _____ |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☒ No
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

- | | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |
- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶ _____ %
- b** Permanent endowment ▶ _____ %
- c** Temporarily restricted endowment ▶ _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- | | Yes | No |
|---|--|--------------------------|
| (i) unrelated organizations | 3a(i) <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) related organizations | 3a(ii) <input type="checkbox"/> | <input type="checkbox"/> |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b <input type="checkbox"/> | <input type="checkbox"/> |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

- | Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 7,546,776. | | 7,546,776. |
| b Buildings | | 96,580,145. | 11,289,214. | 85,290,931. |
| c Leasehold improvements | | | | |
| d Equipment | | 35,095,906. | 30,537,337. | 4,558,569. |
| e Other | | | | |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10c) | | | | 97,396,276. |

Schedule D (Form 990) 2016

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) JOINT VENTURE- FIXED INCOME	122,479,791.	
(B) JOINT VENTURE - COMMON STOCK	167,404,528.	
(C) JOINT VENTURE - REAL ESTATE	33,436,606.	
(D) JOINT VENTURE - OTHER UNAFFIL	249,707,685.	
(E) JOINT VENTURE OTHER AFFILIATE	12,538,443.	
(F) SURPLUS DEBENTURES-UNAFFIL.	100,000,000.	
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ►	685,567,053.	

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) INVESTMENT INCOME DUE	4,382,670.
(2) RECEIVABLE FROM PARENT AND SUB	
(3) RECEIVABLE FOR SECURITIES	2,683,918.
(4) MISCELLANEOUS	350,274.
(5) RISK ADJUSTMENT RECEIVABLE	99,599,413.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ►	107,016,275.

Part X Other Liabilities.

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

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) CLAIMS UNPAID	455,121,381.
(3) AGGREGATE POLICY RESERVES	20,681,549.
(4) PREMIUMS RECEIVED IN ADVANCE	104,474,736.
(5) OTHER LIABILITIES	39,383,554.
(6) UNPAID CLAIMS ADJUSTMENT EXPEN	4,655,953.
(7) PAYABLE FOR SECURITIES	6,298,581.
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ►	630,615,754.

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

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

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

1	Total revenue, gains, and other support per audited financial statements		1	4635592561.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	4635592561.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	4635592561.

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

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

1	Total expenses and losses per audited financial statements		1	4561417179.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	4561417179.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	4561417179.

Part XIII Supplemental Information.

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

[illegible]

Part XIII Supplemental Information *(continued)*

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization
BLUE, INC.

Compensation Information

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

► Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

► Attach to Form 990.

► Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

**Open to Public
Inspection**

Employer identification number
04-3362283

Part I Questions Regarding Compensation

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

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

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

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

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

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

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

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

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

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

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

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

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

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

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016

Schedule J (Form 990) 2016

Page 2

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
ANDREW DREYFUS	(i)	0.	0.	0.				
1 DIRECTOR, PRESIDENT & CEO	(ii)	1,009,296.	1,154,499.	293,092.	1,144,911.	20,402.	3,622,200.	639,403.
ALLEN MALTZ	(i)	0.	0.	0.				
2 DIRECTOR, EVP & CFO	(ii)	643,403.	544,442.	85,535.	179,127.	13,457.	1,465,964.	207,381.
BRUCE BULLEN	(i)	0.	0.	0.				
3 FORMER DIRECTOR, EVP & COO	(ii)	0.	700,542.	193,447.	84,770.		978,759.	809,467.
KEITH RENALDI	(i)	0.	0.	0.				
4 TREASURER	(ii)	300,757.	211,652.	29,940.	125,671.	20,759.	688,779.	77,749.
STEPHANIE LOVELL	(i)	0.	0.	0.				
5 DIRECTOR, EVP, CHIEF LEGAL OFF	(ii)	532,789.	421,397.	145,957.	518,695.	7,097.	1,625,935.	220,269.
ALONA ABALOS	(i)	0.	0.	0.				
6 VICE PRESIDENT & ASST CLERK	(ii)	232,970.	111,780.	13,639.	69,020.	14,159.	441,568.	37,213.
ENRICO GIAMMARCO	(i)	78,378.	16,824.	920.	11,116.	11,417.	118,655.	
7 ASSISTANT TREASURER	(ii)	64,127.	13,765.	753.	9,095.	9,342.	97,082.	
ANDREANA SANTANGELO	(i)	0.	0.	0.				
8 DIRECTOR, EVP & CFO	(ii)	444,256.	336,816.	35,065.	301,341.	20,759.	1,138,237.	107,401.
MARK COLLURA	(i)	78,464.	17,394.	914.	11,548.	11,417.	119,737.	
9 ASSISTANT TREASURER	(ii)	64,198.	14,231.	748.	9,448.	9,342.	97,967.	
DEBORAH DEVAUX	(i)	0.	0.	0.				
10 DIRECTOR, EVP, & COO	(ii)	625,000.	347,013.	82,486.	581,242.	13,916.	1,649,657.	118,627.
RICHARD LEWIS	(i)	77,083.	17,146.	1,617.	9,725.	4,559.	110,130.	
11 PHYSICIAN REVIEWER	(ii)	162,305.	36,102.	3,405.	20,477.	9,600.	231,889.	
JOSEPH SCHWARTZ	(i)	72,332.	14,648.	1,132.	9,879.	4,559.	102,550.	
12 PHYSICIAN REVIEWER	(ii)	152,301.	30,842.	2,384.	20,802.	9,600.	215,929.	
KERIM MUNIR MD	(i)	75,418.	15,363.	397.	9,743.		100,921.	
13 PSYCHIATRIST	(ii)	140,061.	28,531.	738.	18,094.		187,424.	
PAUL MEDREK MD	(i)	66,641.	13,120.	719.	7,801.	6,419.	94,700.	
14 PHYSICIAN REVIEWER	(ii)	140,319.	27,625.	1,515.	16,425.	13,516.	199,400.	
WILLIAM LESNER MD	(i)	66,606.	16,836.	1,156.	10,007.	245.	94,850.	
15 PSYCHIATRIST	(ii)	125,897.	31,822.	2,185.	18,916.	464.	179,284.	
WILLIAM VAN FAASEN	(i)	0.	0.	0.				
16 FORMER DIRECTOR	(ii)	0.	0.	21,176.			21,176.	

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Part III Supplemental Information

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

PART I, LINE 1A:

THE ORGANIZATION'S SENIOR MANAGEMENT IS EXPECTED TO MAINTAIN A DEMANDING TRAVEL SCHEDULE. THE ORGANIZATION'S BOARD OF DIRECTORS HAS APPROVED AN ACCOUNTABLE PLAN FOR PAYMENT AND REIMBURSEMENT FOR TRAVEL POLICIES DESIGNED TO ASSURE THAT THE ORGANIZATION IS ABLE TO MEET SENIOR MANAGEMENT'S TRAVEL COMMITMENTS. THE ORGANIZATION PERMITS APPROPRIATE TRAVEL AND AMENITIES FOR SENIOR LEVEL MANAGEMENT. BUSINESS TRAVEL IS NOT TAXABLE TO THOSE EMPLOYEES OF THE ORGANIZATION AS COMPENSATION.

PART 1 LINE 6A AND LINE 6B:

THE EMPLOYEES OF THE ORGANIZATION LISTED PARTICIPATED IN AN INCENTIVE PAY PLAN FOR LEADERS DESIGNED TO RECOGNIZE AND REWARD SIGNIFICANT ACCOMPLISHMENTS THAT HAVE CONTRIBUTED TO THE OVERALL SUCCESS OF THE ORGANIZATION IN THE FULFILLMENT OF ITS ORGANIZATIONAL MISSION. THE ORGANIZATION'S GOALS ARE ESTABLISHED AT THE BEGINNING OF THE CALENDAR YEAR BY THE INDEPENDENT BOARD OF DIRECTORS OF BLUE CROSS AND BLUE SHIELD OF MASSACHUSETTS, INC. ("BCBSMA") A RELATED PARTY. THESE GOALS COVER IMPORTANT MEASURES OF THE ORGANIZATION'S SUCCESS, SUCH AS NET FINANCIAL RESULTS, MEMBER SATISFACTION, AND NET MEMBERSHIP GROWTH. AT THE END OF

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Part III Supplemental Information

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

THE YEAR, RESULTS AGAINST THOSE GOALS ARE REVIEWED BY THE BCBSMA BOARD OF DIRECTORS UNDER WHOSE SOLE DISCRETION THE DETERMINATION OF ANY PAYOUT LEVEL IS MADE. THERE IS NO GUARANTEE THAT AMOUNTS WILL BE PAID FOR ANY CALENDAR YEAR.

PART I LINE 4B

THE ORGANIZATION'S OFFICERS PARTICIPATED IN A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN SPONSORED BY THEIR EMPLOYER, BLUE CROSS BLUE SHIELD OF MASSACHUSETTS, INC. PAYMENTS WERE MADE TO BRUCE BULLEN LISTED ON FORM 990 PART VII IN 2016 IN THE AMOUNT OF \$217,630. THE ACTUARIALLY DETERMINED PRESENT VALUE OF THE BENEFITS ACCRUED UNDER THIS PLAN ARE INCLUDED IN EACH APPLICABLE INDIVIDUAL'S DEFERRED COMPENSATION AMOUNT ON THIS FORM.

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**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

**Open to Public
Inspection**

Name of the organization

BLUE CROSS BLUE SHIELD OF MASSACHUSETTS HMO

Employer identification number

BLUE, INC.

04-3362283

FORM 990 PART VI

LINE 1B: THE ORGANIZATION'S BOARD OF DIRECTORS ARE APPOINTED BY, AND ACCOUNTABLE TO, THE BOARD OF DIRECTORS OF BLUE CROSS AND BLUE SHIELD OF MASSACHUSETTS, INC., THE ORGANIZATION'S PARENT COMPANY, WHICH IS COMPRISED OF A MAJORITY OF INDEPENDENT VOTING MEMBERS AND WHICH RESERVES THE RIGHT TO ACT AS THE BOARD COMMITTEES OF THE ORGANIZATION.

LINE 11A: THE ORGANIZATION'S FORM 990 WAS PREPARED AND REVIEWED BY THE ORGANIZATION'S FINANCE DEPARTMENT WITH RELEVANT INPUT AND REVIEW BY SUBJECT MATTER PERSONNEL FROM THROUGHOUT THE ORGANIZATION. THE COMPLETED FORM 990 WAS PROVIDED TO BOTH THE VOTING MEMBERS OF THE GOVERNING BOARD OF THE ORGANIZATION AND DESIGNATED REPRESENTATIVES OF THE INDEPENDENT GOVERNING BOARD OF BLUE CROSS BLUE SHIELD OF MASSACHUSETTS, INC. AT THE DIRECTION OF THE FULL BOARD OF DIRECTORS.

LINE 12A,B,&C: THE AVOIDANCE OF ACTUAL OR PERCEIVED CONFLICTS OF INTEREST IS IMPORTANT TO BLUE CROSS BLUE SHIELD OF MASSACHUSETTS AND ITS RELATED ORGANIZATIONS. AS A MATTER OF CORPORATE RESPONSIBILITY THE BOARD ENSURES THAT THE COMPANY MAINTAINS A THOROUGH AND ROBUST DISCLOSURE PROCESS. MEMBERS OF THE BOARD OF DIRECTORS OF THE ORGANIZATION, ITS CORPORATE OFFICERS, SENIOR LEADERS, AND SELECT OTHER ASSOCIATES PARTICIPATE IN AN ANNUAL CONFLICT OF INTEREST DISCLOSURE PROCESS. THE CONFLICT PROCESS IS MANAGED BY THE BLUE CROSS BLUE SHIELD OF MASSACHUSETTS LEGAL DEPARTMENT AND IS DESIGNED TO IDENTIFY, AMONG OTHER

Name of the organization	BLUE CROSS BLUE SHIELD OF MASSACHUSETTS HMO BLUE, INC.	Employer identification number	04-3362283
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MATTERS, SELF-REPORTED FINANCIAL RELATIONSHIPS BETWEEN THE ORGANIZATION, ITS DIRECTORS, AND SENIOR MANAGEMENT (INCLUDING FAMILY MEMBERS) AND OTHER ORGANIZATIONS. THE CONFLICT PROCESS PROVIDES AN OPPORTUNITY TO EVALUATE AND ADDRESS AS NECESSARY ACTUAL OR PERCEIVED CONFLICTS OF INTEREST. THE CONFLICT OF INTEREST POLICY, A CONFIDENTIALITY STATEMENT AND A DISCLOSURE QUESTIONNAIRE ARE DISTRIBUTED ANNUALLY TO DIRECTORS, OFFICERS, AND MEMBERS OF SENIOR MANAGEMENT. RESPONSES ARE SUBJECT TO EXTENSIVE EVALUATION BY THE LEGAL DEPARTMENT AND GOVERNANCE COMMITTEE. RECOMMENDATIONS AND SUMMARY REPORTS ARE PROVIDED TO AND EVALUATED ANNUALLY BY THE GOVERNANCE COMMITTEE.

LINE 15A-15B: THE ORGANIZATION'S SENIOR LEVEL MANAGEMENT SERVICES ARE PROVIDED BY BLUE CROSS AND BLUE SHIELD OF MASSACHUSETTS, INC. A RELATED ORGANIZATION, UNDER AN ARM'S LENGTH SERVICES AGREEMENT. THE ORGANIZATION'S CEO IS COMPENSATED SOLELY BY BLUE CROSS BLUE SHIELD OF MASSACHUSETTS INC. THE ORGANIZATION'S CEO COMPENSATION IS DETERMINED UNDER THE DIRECTION OF HUMAN RESOURCES COMMITTEE OF THE BLUE CROSS BLUE SHIELD OF MASSACHUSETTS, INC. BOARD OF DIRECTORS USING MARKET ASSESSMENT INFORMATION PROVIDED BY INDEPENDENT COMPENSATION CONSULTANTS. FINAL APPROVAL OF THE ORGANIZATION'S CEO COMPENSATION IS PERFORMED BY THE FULL BOARD OF DIRECTORS OF BLUE CROSS BLUE SHIELD OF MASSACHUSETTS, INC.

LINE 19: THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE AT THE COMPANY'S HEADQUARTERS AT 101 HUNTINGTON AVENUE SUITE 1300 BOSTON, MA 02199-7611.

Name of the organization	BLUE CROSS BLUE SHIELD OF MASSACHUSETTS HMO BLUE, INC.	Employer identification number 04-3362283
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FORM 990 PART XI

LINE 9: OTHER CHANGES IN NET ASSETS OF WHICH CONSISTS OF THE CHANGE IN

NON-ADMITTED ASSETS \$7,979,291.

ATTACHMENT 1FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

THE COMPANY OFFERS HEALTH MAINTENANCE ORGANIZATION SERVICES AND
 SUPPLEMENTARY PROGRAMS FOR THE BENEFIT OF ITS MEMBERS, PROVIDING
 HOSPITALIZATION, MEDICAL, AND OTHER HEALTH BENEFITS TO MEMBERS
 THROUGH CONTRACTS WITH HOSPITALS, PHYSICIANS, NURSING FACILITIES, AND
 OTHER HEALTH CARE PROVIDERS.

ATTACHMENT 2990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
COGNIZANT TECHNOLOGY 125 JEFFREY AVENUE HOLLISTON, MA 01746	IT CONSULTING	2,153,459.
PERFICIENT INC ONE WASHINGTON MALL, 15TH FL BOSTON, MA 02108	IT CONSULTING	1,729,036.
SIRIUS COMPUTER SYSTEMS INC. 404 WYMAN STREET WALTHAM, MA 02451	IT CONSULTING	1,557,242.
EDENRED COMMUTER BENEFIT SOLUTIONS LLC 320 NEVADA ST NEWTON, MA 02460	BENEFIT ADMIN	925,083.
OPEN SYSTEMS TECHNOLOGIES INC. 85 DEVONSHIRE ST BOSTON, MA 02109	IT CONSULTING	875,037.

Name of the organization	BLUE CROSS BLUE SHIELD OF MASSACHUSETTS HMO BLUE, INC.	Employer identification number	04-3362283
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ATTACHMENT 3

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INVESTMENT INCOME	28,704,877.	28,704,877.		
TOTALS	<u>28,704,877.</u>	<u>28,704,877.</u>		

ATTACHMENT 4

FORM 990, PART IX - BENEFITS PAID TO OR FOR MEMBERS

TOTAL HOSPITAL AND MEDICAL DOI PAGE 4 LINE 18	4055254714.
TOTALS	<u>4055254714.</u>

ATTACHMENT 5

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION	ENDING BOOK VALUE
BONDS	877,499,655.
C/S	207,462,348.
PREF STOCK	735,000.
TOTALS	<u>1,085,697,003.</u>

**SCHEDULE R
(Form 990)**Department of the Treasury
Internal Revenue Service**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990.

► Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016Open to Public
InspectionName of the organization **BLUE CROSS BLUE SHIELD OF MASSACHUSETTS HMO**
BLUE, INC.Employer identification number
04-3362283**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) BCBSMA FOUNDATION FOR EXPANDING HEALTHCA 04-3148824 101 HUNTINGTON AVE. SUITE 1300 BOSTON, MA 02199	SEE SUPP INFO	MA		PF	N/A		
(2) HEALTHCARE ASSISTANCE FOUNDATION, INC 04-3453264 101 HUNTINGTON AVE. SUITE 1300 BOSTON, MA 02199	SEE SUPP INFO	MA			N/A		
(3)							
(4)							
(5)							
(6)							
(7)							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

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Schedule R (Form 990) 2016

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) BLUE CROSS BLUE SHIELD OF MASS INC 04-1045815 101 HUNTINGTON AVENUE SUITE 1300 BOSTON, MA 02199	SEE SUPPL INF	MA	N/A	C CORPORATION					
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	1a	
b Gift, grant, or capital contribution to related organization(s)	1b	
c Gift, grant, or capital contribution from related organization(s)	1c	
d Loans or loan guarantees to or for related organization(s)	1d	
e Loans or loan guarantees by related organization(s)	1e	
f Dividends from related organization(s)	1f	
g Sale of assets to related organization(s)	1g	
h Purchase of assets from related organization(s)	1h	
i Exchange of assets with related organization(s)	1i	
j Lease of facilities, equipment, or other assets to related organization(s)	1j	
k Lease of facilities, equipment, or other assets from related organization(s)	1k	
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	
o Sharing of paid employees with related organization(s)	1o	
p Reimbursement paid to related organization(s) for expenses	1p	
q Reimbursement paid by related organization(s) for expenses	1q	
r Other transfer of cash or property to related organization(s)	1r	
s Other transfer of cash or property from related organization(s)	1s	

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved.	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V - UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions

PART II (1.):

BCBSMA FOUNDATION FOR EXPANDING HEALTHCARE ACCESS'S PRIMARY ACTIVITY IS TO PROVIDE AND SUPPORT EDUCATION AND RESEARCH, FOSTER HEALTH CARE INNOVATION AND REFORM, AND DEVELOP, PROMOTE, AND SUPPORT PROGRAMS TO IMPROVE HEALTH CARE ACCESS.

PART II (2.):

HEALTH CARE ASSISTANCE FOUNDATION, INC.'S PRIMARY ACTIVITY IS TO SUPPORT EDUCATION AND RESEARCH, FOSTER CARE INNOVATION AND REFORM, AND DEVELOP, PROMOTE, AND SUPPORT PROGRAMS TO IMPROVE HEALTH CARE ACCESS.

PART IV (1.):

BLUE CROSS BLUE SHIELD OF MASSACHUSETTS, INC. (THE PARENT COMPANY) IS ORGANIZED FOR THE PURPOSE OF ESTABLISHING, MAINTAINING AND OPERATING A NONPROFIT HOSPITAL AND MEDICAL SERVICE COMPANY TO PROVIDE HOSPITAL AND MEDICAL CARE REIMBURSEMENT FOR OTHER HEALTH SERVICES TO ITS MEMBERS. HOSPITALIZATION, MEDICAL AND OTHER HEALTH BENEFITS ARE PROVIDED TO MEMBERS THROUGH CONTRACTS WITH HOSPITALS, PARTICIPATING PHYSICIANS, SKILLED NURSING FACILITIES, NURSING HOMES, AND OTHER HEALTH CARE ORGANIZATIONS. BLUE CROSS BLUE SHIELD OF MASSACHUSETTS HMO BLUE, INC. ("HMO BLUE") IS A WHOLLY-CONTROLLED SUBSIDIARY ORGANIZATION OF BLUE CROSS AND BLUE SHIELD OF MASSACHUSETTS, INC. ("BCBSMA"). THE BOARD OF DIRECTORS OF HMO BLUE IS LARGELY MADE UP OF OFFICERS OF BCBSMA. HMO BLUE BOARD MEMBERS ARE APPROVED, APPOINTED AND OPERATE UNDER THE DIRECTION BY/OF THE BOARD OF DIRECTORS OF BCBSMA, AN INDEPENDENT GOVERNING BODY.