

BlueCare

801 Pine Street Chattanooga, Tennessee 37402-2555

bcbst.com

April 17, 2009

FedEx USA Airbill #8655 8212 4779

Ms. Lisa Jordan State of Tennessee Department of Commerce and Insurance 500 James Robertson Pkwy, Suite 750 Nashville, TN 37243

RE: VSHP Amended Supplement 5.3

Dear Ms. Jordan:

Enclosed you will find the requested VSHP amended 2008 filing. The amended filing consists of two signed Jurat pages as well as two 5.3 supplement pages.

Please feel free to call me at (423) 535-7919 if you have any questions regarding the documentation.

Sincerely,

Dama Hull

Dana Hull Manager, Subsidiary Accounting



ANNUAL STATEMENT

For the Year Ending December 31, 2008

OF THE CONDITION AND AFFAIRS OF THE

## Volunteer State Health Dian Inc.

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NAIC Group Code	0000 (Current Period)	,0000 (Prior Peri		AIC Company Code		Employer's ID Number	62-1656610	
Organized under the Laws o	. ,	Tennessee	,	State of Domicil	e or Port of Entry	и Те	nnessee	
Country of Domicile	****	United States of Ame	rica			and the second se		
Licensed as business type:		ccident & Health[]       Property/Casualty[]       Hospital, Medical & Dental Service or Indemnity[]         I Service Corporation[]       Vision Service Corporation[]       Health Maintenance Organization[X]				demnity[ ]		
Incorporated/Organized		07/11/1996	<u></u>	Commen	ced Business	11/01/19	96	
Statutory Home Office		801 Pine S		, <u> </u>		Chattanooga, TN 37402		
Main Administrative Office	(Street and Number) (City or Town, State and Zip Code) e 801 Pine Street						de)	
	Ch	attanooga, TN 37402	2	(Street and	Number)	(423)535-5600		
Mail Address		own, State and Zip Code) 801 Pine S				(Area Code) (Telephone Nu Chattanooga, TN 37402		
		(Street and Number		······································		(City or Town, State and Zip Co		
Primary Location of Books a	nd Records			·····	1 Pine Street			
		anooga, TN 37402				(423)535-5600	mbor)	
Internet Website Address	(City or To	own, State and Zip Code) www.b	cbst.com			(Area Code) (Telephone Nu	mber)	
Statutory Statement Contac		Dana E	laine Hull			(423)535-7919		
	•		ame)			(Area Code)(Telephone Number) (423)535-8331	(Extension)	
		E-Mail Address)				(Fax Number)		
			O	FICERS				
		Rob Albe Dan Alai She	ren Lee Coulter MD ert Stanley DeMerri ert Irving Koehler iel Paul Timblin ne Marie Zachary lia Dian Clemons narine Anne Laurand	Chief Operating O Treasurer Assistant Treasure Secretary	ficer # fficer # # er #			
			L L	THERS				
		Vicky Brown Gregg	DIRECTOR	S OR TRUSTE	ES Steven Lee C	oulter MD		
		John Francis Giblin						
State ofTen	nessee							
County of Ha	milton	55						
were the absolute property of the contained, annexed or referred to deductions therefrom for the perior may differ; or, (2) that state rules	said reporting entity, fre , is a full and true states od ended, and have been or regulations require d estation by the describe	ee and clear from any lier nent of all the assets and in completed in accordan ifferences in reporting no ad officers also includes f	ns or claims thereon, ex I liabilities and of the co ce with the NAIC Annu- t related to accounting the related correspondir	cept as herein stated, and the ndition and affairs of the said al Statement Instructions and practices and procedures, acc ng electronic filing with the NA	at this statement, to reporting entity as Accounting Practic cording to the best AIC, when required,	reporting period stated above, all of ti gether with related exhibits, schedule of the reporting period stated above, es and Procedures manual except to of their information, knowledge and bi that is an exact copy (except for form	s and explanations therein and of its income and the extent that: (1) state law elief, respectively.	
Son la	Malson	~	SUD D	in Alim	A	He place	C-V	
TTO	(Signature)		(Signature)			(Signature)	iblin	
	ya Kay Nelson Printed Name)	****	Shelia Dian Clemons (Printed Name)			John Francis Giblin (Printed Name)		
Pre	1. esident & CEO		2.			3. Executive VP &	CFO	
	(Title)			(Title)		(Title)		
Subscribed and swor		, 2009	(Title) a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed Number of pages attached NOTARY PUBLIC AT LARGE			Yes[ ] No[X 1 04/17/2005		
(Notary Publ	Lollis ic Signature)		NOTARY	Number of pages attach	ed	1		
•	mmissio <mark>n Expir</mark> gust 18, 2010	AND HIM						
		1	MINING CHIN	uu.				



For the Year Ending December 31, 2008 OF THE CONDITION AND AFFAIRS OF THE

## Volunteer State Health Plan Inc.

	V.			suntri lui	i, iiiv.		
NAIC Group Code	0000 , (Current Period)	0000 Prior Period)	NAIC Comp	oany Code		Employer's ID Number	62-1656610
Organized under the Laws of	Tenne	ssee	. <u> </u>	State of Domicile or F	Port of Entry	Ten	nessee
Country of Domicile	United States	of America					,
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]	Vision S	y/Casualty[ ] Service Corporation Federally Qualifi	on[] ed? Yes[]No[X]N/4	Health Ma	Medical & Dental Service or Ind aintenance Organization[X]	emnity[]
Incorporated/Organized	07/	11/1996		Commenced B	Business	11/01/199	6
Statutory Home Office		1 Pine Street		·		Chattanooga, TN 37402	
(Street and Number) (City or Town, State and Zip Code) Main Administrative Office 801 Pine Street							
	Chattanooga, T	N 37402		(Street and Numb	er)	(423)535-5600	
Mail Address	(City or Town, State and					(Area Code) (Telephone Num Chattanooga, TN 37402	ber)
	(Street ar	d Number or P.O. Box)		,,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, , , ,, ,, ,, ,, ,, ,, , ,, ,, ,, ,, ,, ,, , , _, ,, ,, ,, ,, ,, ,, ,, ,, ,, , _, ,, , _, ,, ,, ,, ,, ,, ,, , _, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, , _, ,	<u> </u>	(City or Town, State and Zip Code	)
Primary Location of Books a	nd Records			801 Pine (Street and		and the second	
	Chattanooga, TN (City or Town, State and	37402 Zip Code)				(423)535-5600 (Area Code) (Telephone Nun	nber)
Internet Website Address		www.bcbst.com					4
Statutory Statement Contact		Dana Elaine Hull (Name)				(423)535-7919	
	Dana_Hull@BCBS	T.com				(Area Code)(Telephone Number)( (423)535-8331	
	(E-Mail Address	)	OFFICE	RS		(Fax Number)	
		Name		Title			
		Sonya Kay Nelsi Steven Lee Cou Robert Stanley I Albert Irving Koe Daniel Paul Timl Alaine Marie Zac Shelia Dian Cler Katharine Anne	lter MD Ma DeMerritt Ch ehler Ch blin Tro chary As nons Se	esident & CEO anaging Director hef Financial Officer hef Operating Officer easurer sistant Treasurer acretary sistant Secretary SS	# # # #		
				TRUSTEES			
	Vicky Brown John Francis				even Lee Cou	liter MD	
	nessee niltonss						
were the absolute property of the s contained, annexed or referred to, deductions therefrom for the perio may differ; or, (2) that state rules of Furthermore, the scope of this attre electronic filing) of the enclosed st	being duly sworn, each depose and s said reporting entity, free and clear fro is a full and true statement of all the a d ended, and have been completed in or regulations require differences in rej astation by the described officers also latement. The electronic filing may be (Signature) ya Kay Nelson	n any liens or claims the ssets and liabilities and accordance with the NA porting not related to acc ncludes the related corr	ereon, except as here of the condition and IC Annual Statemer counting practices ar esponding electroni gulators in lieu of or	rein stated, and that this is affairs of the said report int Instructions and Accound procedures, according to filing with the NAIC, wh in addition to the enclose Cumpon e)	statement, toget ing entity as of t inting Practices g to the best of t nen required, tha	ther with related exhibits, schedules the reporting period stated above, ar and Procedures manual except to th heir information, knowledge and beli	and explanations therein d of its income and the extent that: (1) state law ef, respectively. tting differences due to
(Printed Name) (Printed Name)					(Printed Name)		
Pre	1. sident & CEO	£	2. Secreta	ſy		3. Executive VP & C	F0
(Title) (Title) (Title) (Title) (Title) (Title) (Title) (Title)							
	missio <b>n Expires</b> st 18, 2010	AT LARC	GE A				

Report #2A: BlueCare West Only - Revised				
	Curre Current Period	nt Year Year-to-Date Total	Previous Year Total	
Member Months	369,733	369,733	TOLAI	
Estimated Revenues:				
1. TennCare Capitation 2. Investment	78,007,924 282,694	78,007,924 282,694		
3. Other Revenues	- 202,034	- 202,034		
4. Total Estimated Revenues (Lines 1 to 3)	78,290,618	78,290,618		
Estimated Expenses:				
Hospital and Medical (w/o Mental Health) 5. Capitated Physician Services	409,492	409,492		
6. Fee-for Service Physician Services	403,492	409,492		
7. Inpatient Hospital Services	13,957,028	13,957,028		
8. Outpatient Hospital Services	7,874,076	7,874,076		
9. Emergency Room Services 10.Dental Services	2,393,352	2,393,352	1997 11 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
11. Vision Services	203,280	203,280		
12. Pharmacy Services	-	-		
13. Home Health Services	764,412	764,412		
14. Chiropractic Services 15. Radiology Services	2,375,837	2,375,837		
16. Laboratory Services	2,781,843	2,375,857		
17. Durable Medical Equipment Services	1,271,999	1,271,999		
18. Transportation Services	2,005,801	2,005,801		
19. Outside Referrals		-		
20. Medical Incentive Pool and Withhold Adj 21. Occupancy, Depreciation and Amortization		-		
22. Other Medical and Hospital Services - Write-Ins	21,790,394	21,790,394	. <b>.</b>	
23. Subtotal Medical and Hospital (Lines 5 to 22)	97,006,999	97,006,999	······	
Mental Health and Substance Abuse Services	070.000	050.000		
24. Inpatient Psychiatric Facility Services     25. Inpatient Substance Abuse Treatment and Detox	253,009 17,127	253,009 17,127		
26. Outpatient Mental Health Services	91,843	91,843		
27. Outpatient Substance Abuse Treatment and Detox	B	-		
28. Housing/Residential Treatment 29. Specialized Crisis Services	•	-		
30. Psychiatric Rehab and Support Services			Ad	
31. Case Management	-	-		
32. Forensics	······································	•		
33. Other Judicial				
34. Pharmacy 35. Lab Services	- 3,984	3,984	······································	
36. Transportation	-	-		
37. Medical Incentive Pool and Withhold Adjustments		-		
38. Occupancy, Depreciation and Amortization 39. Other Mental Health and Substance Abuse Services	-	- 8,005		
40. PCP and Specialist Services	8,005	8,005		
41. Other Mental Health Services - Write-Ins	-	-	•	
42. Subtotal MH & SAS (Lines 24 to 41)	373,968	373,968	-	
43. Subtotal Hospital, Medical, MH & SAS (Lines 22 and 42) LESS:	97,380,967	97,380,967		
44. Net Reinsurance Recoveries Incurred	-	-		
45. Copayments	6,140	6,140		
46. Subrogation and Coordination of Benefits	-	-		
47. Subtotal Reinsurance, Copay, Subrogation (Lines 44 to 46) 48. Total Hospital, Medical, MH & SAS (Lines 43 and 47)	6,140 97,374,827	6,140 97,374,827		
Administation:	01,014,021	57,014,027		
49. Compensation	6,090,467	6,090,467		
50. Marketing	-			
51. Interest Expense 52. Premium Tax Expense		1,560,158		
53. Occupancy, Depreciation, and Amortization	333,768	333,768		
54. Other Administration - Write-Ins	2,666,995	2,666,995	-	
55. Total Administration Expenses (Lines 49 to 54) 56. Total Expenses (Lines 48 and 55)	10,651,388 108,026,215	10,651,388 108,026,215	-	
57. Extraordinary Item	- 100,020,215	- 100,020,210		
58. Provision for Income Tax	(1,367,077)	(1,367,077)		
59. Net Income (Loss) (Line 48 Less Lines 56, 57 and 58)	(28,368,520)	(28,368,520)	-	
Weite tro for Other Europe				
Write-Iris for Other Expense Detail of Other Medical and Hospital:				
2201. Increase in Reserves for Life and Accident and Health Contracts	21,151,286	21,151,286		
2202. PT/OT/ST, Supplies, Prosthetics, etc.	413,128	413,128		
2203. Out of Area Claims Expense	225,980	225,980	ļ	
2299. Total Other Medical and Hospital Detail of Other MH & SAS:	21,790,394	21,790,394		
4101.	-	-		
4102.	-	•		
4103.	-			
4199. Total Other MH & SAS	-	-	-	
Detail of Other Administration: 5401. Equipment Rental	1,117,158	1,117,158		
5401. Equipment Rental 5402. Legal Fees, Books, Board and Assoc. fees, Collection fees, etc.	596,705	596,705		
5403. Auditing, Actuarial, and Other Consulting	313,149	313,149		
5404. Postage/Telephone	298,020	298,020		
5405. Outsourced Services	251,459 90,504	251,459 90,504	······································	
5406. Printing and Stationary 5499. Total Other Administration	2,666,995	2,666,995		

Report #2A: BlueCare West Only - Revised			
		nt Year	Previous Year
Member Months	Current Period 369,733	Year-to-Date Total 369,733	Total
Estimated Revenues:	70.007.004		
1. TennCare Capitation 2. Investment	78,007,924 282,694	78,007,924 282,694	
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4. Total Estimated Revenues (Lines 1 to 3)	78,290,618	78,290,618	-
Estimated Expenses: Hospital and Medical (w/o Mental Health)			
5. Capitated Physician Services	409,492	409,492	
6. Fee-for Service Physician Services	41,179,485	41,179,485	
7. Inpatient Hospital Services 8. Outpatient Hospital Services	13,957,028	13,957,028	
9. Emergency Room Services	7,874,076	7,874,076	
10.Dental Services	-	-	
11. Vision Services	203,280	203,280	
12. Pharmacy Services 13. Home Health Services	- 764,412	- 764,412	
14. Chiropractic Services	-	-	
15. Radiology Services	2,375,837	2,375,837	
16. Laboratory Services 17. Durable Medical Equipment Services	2,781,843 1,271,999	2,781,843	
18. Transportation Services	2,005,801	1,271,999 2,005,801	1999 - 1998 - 1999 - 199
19. Outside Referrals	-	-	
20. Medical Incentive Pool and Withhold Adj 21. Occupancy, Depreciation and Amortization	-		
22. Other Medical and Hospital Services - Write-Ins	21,790,394	21,790,394	
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27. Outpatient Substance Abuse Treatment and Detox	-	•	
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30. Psychiatric Rehab and Support Services	-	-	
31. Case Management	-	-	
32. Forensics 33. Other Judicial	-	-	
34. Pharmacy	-	-	
35. Lab Services	3,984	3,984	
36. Transportation	•	•	
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39. Other Mental Health and Substance Abuse Services	8,005	8,005	
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43. Subtotal Hospital, Medical, MH & SAS (Lines 22 and 42)	97,380,967	97,380,967	-
LESS:			
44. Net Reinsurance Recoveries Incurred 45. Copayments	- 6,140	- 6,140	
46. Subrogation and Coordination of Benefits	-	-	
47. Subtotal Reinsurance, Copay, Subrogation (Lines 44 to 46)	6,140	6,140	•
48. Total Hospital, Medical, MH & SAS (Lines 43 and 47) Administation:	97,374,827	97,374,827	
49. Compensation	6,090,467	6,090,467	
50. Marketing	•		
51. Interest Expense 52. Premium Tax Expense	- 1,560,158	1,560,158	
53. Occupancy, Depreciation, and Amortization	333,768	333,768	
54. Other Administration - Write-Ins	2,666,995	2,666,995	•
55. Total Administration Expenses (Lines 49 to 54) 56. Total Expenses (Lines 48 and 55)	10,651,388 108,026,215	10,651,388 108,026,215	
57. Extraordinary Item	-	- 100,020,210	
58. Provision for Income Tax	(1,367,077)	(1,367,077)	
59. Net Income (Loss) (Line 48 Less Lines 56, 57 and 58)	(28,368,520)	(28,368,520)	-
Write-Ins for Other Expense			
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2202. PT/OT/ST, Supplies, Prosthetics, etc. 2203. Out of Area Claims Expense	413,128 225,980	413,128 225,980	N 111 YAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAAA
2299. Total Other Medical and Hospital	21,790,394	21,790,394	-
Detail of Other MH & SAS:			
4101.	-	•	
<u>4102.</u> 4103.		-	
4199. Total Other MH & SAS	-	-	-
Detail of Other Administration:			
5401. Equipment Rental	1,117,158	1,117,158	
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5404. Postage/Telephone	298,020	298,020	
5405. Outsourced Services	251,459	251,459	
5406. Printing and Stationary 5499. Total Other Administration	90,504 2,666,995	90,504 2,666,995	-
19499. Total Other Administration	2,000,995	L2,000,995	<u>.</u>