



MASSACHUSETTS

2019 ANNUAL REPORT

The Power of Partnerships

We are committed to making the health care system work better for everyone

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CEO Letter

Dear friends,

Health care is changing rapidly. At Blue Cross Blue Shield of Massachusetts, we are committed to embracing changes that benefit all individuals and families who need affordable coverage and all patients who need high-quality care.

Our promise as a company is to always put our members first and our mission is to ensure that our members and employer customers have access to quality, affordable health care with an unparalleled consumer experience.

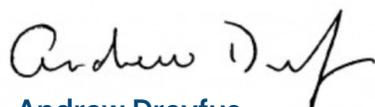
We are dedicated to improving health outcomes for our members. We are passionate about meeting the needs of diverse employers and consumers in a seamless, surprise-free and satisfying way. And we are determined to reduce waste in health care and improve the overall value to our customers.

In order to accelerate our progress toward those goals, we are developing deeper relationships with strategically aligned partners, including physician organizations like Atrius Health and consumer-focused innovators like Pillpack. We share a common vision for the future of health care – to improve affordability and quality while providing a personalized and convenient consumer experience that earns trust and, over time, empowers better health. With the opening of our new innovation center, Well-B, our team is able to bring together people with diverse perspectives to collaborate, challenge the status quo, and reimagine the future of health care.

We embark on this path keenly aware of our legacy of influence in health care innovation, policy and practice. We played an instrumental role in the design and passage of Massachusetts' pioneering health care reform law, which brought nearly universal coverage to our state's residents. And our Alternative Quality Contract provider payment reforms have improved health care in Massachusetts and inspired similar value-based payment innovations nationwide.

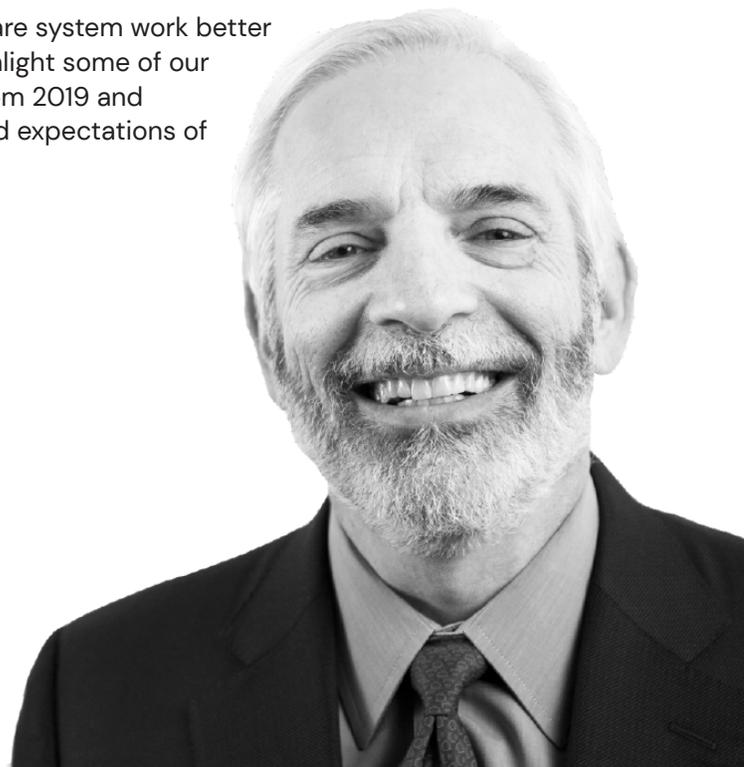
We are proud of the role we play in making the health care system work better for everyone. The stories in this year's annual report highlight some of our most important corporate and community initiatives from 2019 and illustrate how we intend to meet the changing needs and expectations of consumers in the years ahead.

Thank you for sharing our journey.



Andrew Dreyfus

President & CEO





Power of Partnerships

Collaborating to benefit consumers

We are committed to meeting the evolving needs of our diverse membership with a high-quality health care experience that is simpler, more convenient, easier to navigate, and more affordable. But we know we cannot do it alone. That's why we are engaging in deeper partnerships with hospitals, clinicians and innovators that share our commitment to transforming the consumer experience.

For instance, in 2019, we started an expanded, seven-year collaboration with the not-for-profit Atrius Health, the state's largest independent medical group and a leading provider of patient-centered, coordinated care. Our organizations are building on the innovative work we have already done together, beginning a decade ago with Atrius Health's early participation in our groundbreaking, value-based Alternative Quality Contract.



ATRIUS CEO, STEVE STRONGWATER AT BLUE CROSS'S WELL-B

Under the AQC model, physicians receive a global budget for our members' care rather than traditional fee-for-service payments. With financial incentives tied to quality improvement and savings, they are free to invest in new and better ways to care for patients – for instance, by making social services, behavioral health care and home care available to patients living with serious chronic conditions.

For the first time, all Atrius Health patients covered by our HMO, PPO and Medicare Advantage plans are now included in the AQC, which gives us an opportunity to co-create a simpler and more seamless connection between coverage and care. By breaking down traditional insurer-clinician barriers, we can make it easier and more convenient for our members to receive the care they need and get the most value from their plan.

How? One example: a three-way pilot program designed to offer customized health and wellness resources to Wayfair employees who are Blue Cross members and Atrius Health patients. Wayfair, with a fast-growing workforce that includes 6,100 Blue Cross members in Massachusetts, is one of the world's largest online destinations for home furnishings. Atrius Health encompasses 31 medical practices in eastern and central Massachusetts, including one adjacent to Wayfair's downtown Boston headquarters.

Together, we share a goal of considering the unique needs of the company's employees and what we could do in creative collaboration to meet those needs.

Wayfair's workforce is young and diverse, and the company believes that superior benefits and innovative workplace health programs can help them recruit and retain talent in Boston's highly competitive labor market. Many employees are taking on individual or family health insurance for the first time, so one priority we identified together was to make it easier, in a fast-paced workplace, for them to understand how to use their benefits and get the care they need, when they need it.

The early phase of our pilot partnership included:

- A dedicated phone line for Wayfair employees who are new or existing Atrius Health patients to help them navigate the system and choose a primary care provider.
- A "care concierge" nurse who provides onsite assistance for Atrius Health patients to help them understand their care options and obtain appointments with the most appropriate clinician at a convenient Atrius Health location.
- A customized women's health program that covers topics of interest to Wayfair employees such as trends in women's health and wellness, fertility, pregnancy and maternal health, and infant care.



Power of Partnerships

Delivering an unparalleled experience

“Always putting our members first” has been our company’s credo from the beginning. Along with our relentless pursuit of quality and affordability, it is what has helped us grow to 2.9 million members and earned our place among the nation’s best health plans for member satisfaction and quality. That work is ongoing and intensifying.

We know “the system” can be frustrating and confusing for today’s health care consumers. That’s why we use member feedback and insights, plus the latest data analytics, to understand what we can do differently in order to deliver an unparalleled consumer experience for our members.

The top three priorities that emerged from our in-depth research in 2019 are: **improving plan understanding, eliminating cost surprises and managing costs to improve value.**

Not surprisingly, these are priorities not just for our members, but also for our employer customers and our provider partners.

Our [new partnership](#) with **PillPack by Amazon Pharmacy**, addresses those issues by offering a convenient, personalized service that removes the guesswork from managing multiple prescriptions. With our new Pillpack app, eligible members who take four or more medications can receive timely home delivery of a dispenser with their monthly medications, sorted by dose, with a picture of each pill and the day and time it should be taken. In addition to making it easier to order, track, use and refill medications, the Pillpack app provides cost notifications for each order and keeps a record of overall medication spending.



BLUE CROSS LAUNCHED A PARTNERSHIP WITH PILLPACK IN 2019

Our consumer feedback and data analysis also helped us identify an opportunity to eliminate cost surprises during our members' routine medical check-ups. Each month, about 30,000 members have their annual check-ups, a no-cost visit. Follow-up diagnostic lab work, however, may involve a co-pay or deductible. To make sure our members are not surprised if they are billed for these lab tests, we developed a **Price Preview** tool that triggers notification to the member 45 days in advance, with information about their potential cost responsibilities for certain lab tests and how they can plan for their visit and manage their cost and quality choices.

We know how complex health care can be. To help our members and the public better understand key health issues, in 2019 we became the first health plan in our market to launch a not-for-profit health news service, [Coverage](#). Drawing on the expertise of our in-house clinicians and insights into health trends from our 2.9 million members, we produce timely, original news stories available via our website and a free weekly [e-newsletter](#).



Power of Partnerships

Meeting our members' needs

Every day, our front-line member service representatives and our nurse case managers collaborate to make sure we deliver on our promise to always put our members first. Our employees are trained in problem-solving and empathy and backed up with timely data analysis. This means that any member's inquiry – whether it's by phone, live chat or email – can be an opportunity to address both coverage issues and the member's unmet health needs. And, thanks to the wide range of resources we make available through our extensive partnerships with innovators and community health systems, we're able to help our members with even the most complex health concerns. Here are two examples:

In May, "Diane" called member services and reached Stephanie Lopes with a question about chiropractic benefits. In the course of their conversation, Diane confided that she was having a bad day – she recently had a second child and was struggling with chronic back pain and kidney stones. Imagining what Diane must be going through with an infant and an active older child, Stephanie felt that having her speak with a Blue Cross nurse case manager who specializes in postpartum aftercare might be helpful. Diane was receptive, so Stephanie connected her with Hollie Andrews.



KELLY MORSE, A BLUE CROSS BLUE SHIELD NURSE CASE MANAGER SPECIALIZING IN CHF

In the conversation that followed, Hollie confirmed that Diane’s situation was far more complex and difficult than just needing chiropractic care. Along with physical pain and the pressures of caring for a second child, she felt vulnerable and isolated after a recent move. She’d been unable to see her doctor about treatment or even shop for groceries. By the end of the call, Hollie and Diane had agreed on a plan: Diane would see her primary doctor before her pain got worse; she’d call her urologist about her kidney stones; and she’d arrange for home delivery of her groceries. Diane also agreed to talk to a behavioral health nurse about her emotional wellness needs. Within a week Diane had seen her doctor for a new treatment plan and connected with our behavioral health nurse. Our response to what began as a simple question about coverage has had a profound effect on Diane’s physical and emotional health.

We connected with “Alice,” an 85-year-old Medicare Advantage member living with congestive heart failure, in a different way.

Early last year, fearful that she was having an acute cardiac episode, she went to her local hospital’s emergency room and was admitted for overnight observation and tests. When no acute problem was found, she was discharged with a plan to follow up with her primary doctor and cardiologist.

Thanks to a new communications network that alerts us when a member goes to an emergency room or is admitted, discharged, or transferred from a participating hospital, our care management team immediately knew about Alice’s situation. That’s when Kelly Morse, a nurse case manager specializing in congestive heart failure, reached out to Alice to discuss her situation. She advised Alice on what she could do to keep her illness under control, including weighing herself daily, taking her blood pressure, and maintaining a low sodium diet. She also arranged for [home telemonitoring](#) of Alice’s health data by one of our Visiting Nurse Association partners. In the course of their conversation, Alice mentioned that, “I could be hurting myself by eating the wrong foods,” so Kelly arranged for nutritional support and a follow up consultation with our registered dietician. Since then, Alice has made continuing progress in controlling her CHF and has had no further ER visits.



Power of Partnerships

Offering support for the whole person

Our commitment to health care goes far beyond medical coverage. We also offer options that address employee health in a holistic way, ranging from eye and dental care to new health apps.

Our **Dental Blue Total Health Solution** benefit is designed for at-risk members with [coronary artery disease](#), diabetes, oral cancer, or pregnancy, and offers participants full coverage for preventive and periodontal services that contribute to improved overall health.

Blue 20/20, our enhanced diabetes eye-care benefit, gives members with type 1 or type 2 diabetes increased access to in-depth eye care and exams to help minimize the vision-related complications of diabetes.

Blue Cross Blue Shield Global[®] creates a simplified international health care experience for our members when they travel. We capitalize on the network strength and name recognition of Blue Cross Blue Shield inside the U.S. and Bupa Global outside the U.S. to provide access to one of the largest care networks in the world with high-tech, high-touch member service.

Through our subsidiary **Indigo**, we offer disability coverage in combination with our medical plans, so that our nurse case managers can work directly with employees to help them return to work and avoid unnecessary visits to the doctor.

Over the past few years, our company has carefully examined – and in some cases helped develop – innovative digital services designed to help users optimize their physical, emotional and financial health and well-being. Members whose employers choose our Emerging Solutions portfolio have a wide range of digital resources available to them, including:

- Robin Care, which helps patients and their caregivers navigate cancer care with support and information on managing symptoms and improving care coordination.
- Hinge Health, which helps adults manage their chronic back and knee pain through a 12-week, coach-led, digital experience.
- [Learn to Live](#), which provides online, self-directed programs focused on helping people overcome mild to moderate anxiety, depression and insomnia.
- Livongo, which supports people with chronic conditions such as diabetes using the latest data science and smart devices for monitoring and personalized guidance.
- Omada, which provides digital tools and personal coaching to help at-risk individuals prevent or delay type 2 diabetes by improving their lifestyle, behavior and overall health.
- Ovia Health, which uses mobile technology and proactive coaching to help guide members throughout their fertility, pregnancy, and parenthood journeys.



Power of Partnerships

Reimagining health care from diverse perspectives

In 2019, we took another major step toward accelerating innovation and making it an integral part of our corporate culture by creating a dedicated innovation workspace where we bring together people with diverse perspectives to collaborate, challenge the status quo, and reimagine the future of health care.

Located in our Boston corporate headquarters, the Well-B innovation center includes space for community engagement, employee training, industry meetings, exhibits, workshops, co-working, and more. It's where our innovation team leads stakeholders from inside and outside the company through a "human-centered design" process to conceptualize new products, services, and technologies that can transform the way health care is delivered and received.



POSSIBLE PROJECT EVENT AT WELL-B

Last year, the innovation team and the new center were involved in several initiatives aimed at offering members an unparalleled consumer experience, deepening our partnerships with customers, physicians and hospitals, and collaborating with developers of breakthrough digital solutions. They include

- Our consumer experience strategy, which uses member feedback and insights to set priorities for creating an unparalleled consumer experience.
- Our three-way collaboration with Wayfair and Atrius Health, designed to offer customized health and wellness resources to Wayfair employees who are Blue Cross members and Atrius Health patients.
- Our partnership with Pillpack, a full-service online pharmacy created by Amazon, that makes it easier for members with multiple prescriptions to order, pay for, track, use and refill needed medications.

Our innovation strategy is driven by diversity and inclusion, which bring a rich range of perspectives to our work. We make sure the vibrant range of backgrounds and life experiences of consumers, vendors, employer customers and community partners are always represented.

As Blue Cross CEO Andrew Dreyfus put it in a message to employees, “Research has shown over and over that the most successful companies are the most diverse, the most inclusive and the most innovative. At Blue Cross, diversity isn’t just about representation of people from different backgrounds, although that’s critically important; it’s also about ensuring that our entire work force feels respected, included and empowered to contribute.”

Power of Partnerships

Expanding the scope of value-based payment

Our groundbreaking Alternative Quality Contract slowed the rate of medical spending growth by up to 12% while improving patient care over the course of eight years, according to a [landmark study](#) published by Harvard Medical School researchers in the New England Journal of Medicine in 2019.

By linking financial incentives to clinical quality, patient outcomes and overall resource use, the AQC's value-based payment model is designed to moderate cost growth while producing significant improvements in the quality of patient care. The Harvard Medical School study found that average annual claims by patients with doctors in the AQC were \$461 less than those of similar patients without AQC physicians, and the AQC improved the quality of patient care across several measures compared to New England and national averages, including those for managing chronic conditions like diabetes and high blood pressure.





FIREFLY HEALTH

More than 80 percent of the physicians and hospitals in our network participate in the AQC, but until last year, it had been limited to large medical groups – those with at least 10,000 Blue Cross patients. Now, by limiting the amount of financial risk doctors have to accept, we are able to include medical groups with as few as 1,000 Blue Cross patients. The new model rewards the medical practice for quality gains and cost control, like the AQC, but in a way that is more appropriate for a smaller group.

The first small physician group in the state to take advantage of our AQC was [Firefly Health](#), a new adult primary care and behavioral health medical group. Firefly combines patient-centered, team-based principles with technology that provides continuous connection between patients and their care team, including a primary care provider, nurse practitioner, clinical social worker and health guide. More than half the group's patient visits are conducted using video technology, and patients can send chat messages directly to their care team through the Firefly mobile application. The practice's health guides offer patients proactive support for a wide range of issues, like stress, weight control, exercise and sleep.

Firefly's founding physicians wanted to take a radically different approach to delivering health care services in the digital age. The cost and quality incentives in the AQC align perfectly with their goals and give them the flexibility they need to reduce costs, improve quality, and offer a more convenient and personalized experience for each patient.



IN THE COMMUNITY

Our approach to healthy living

Dear neighbors:

At Blue Cross, we're proud to play a vital role in improving the health of our state's residents and our communities. Both in our core business and through our ongoing community investments, our success is grounded in innovation and collaboration.

Tackling complicated community health challenges requires new approaches that address the interconnectedness of healthy eating, physical activity and healthy environments. We partner with community organizations across the state to find long-term solutions that advance healthy living.

2019 was our most active and successful year to date. We invested nearly \$9 million through grants and in-kind services; we engaged 86% of our colleagues in more than 28,000 hours of volunteer service; and we made significant strides to mitigate our own environmental footprint.

Yet, our greatest accomplishments were the meaningful partnerships we forged with our not-for-profit partners across Massachusetts. Together, we:

- Strengthened and grew our Dot Rx healthy living prescription initiative and introduced a high-impact grant program to help launch and scale innovative programs that improve access to nutritious meals, physical activity and healthy environments.
- Developed new partnerships to combat systemic issues such as food insecurity and food waste.
- Deepened our relationships with existing partners by lending the skills and talents of our employees through strategic volunteer service.

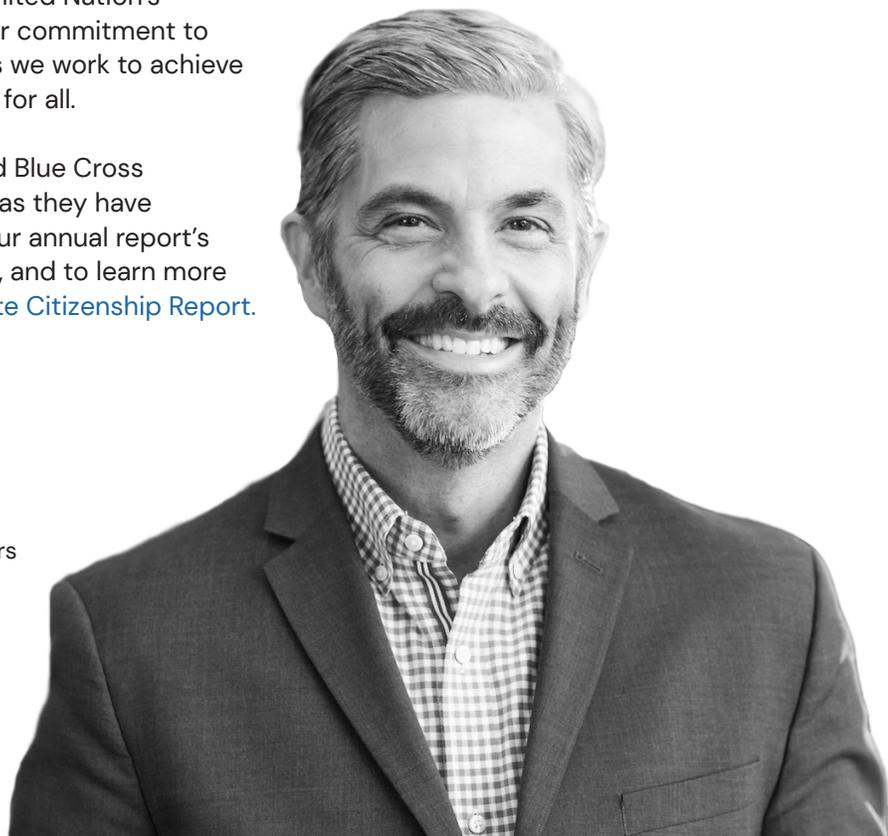
Additionally, we've aligned our work with the United Nation's Sustainable Development Goals to highlight our commitment to responsible stewardship of the environment as we work to achieve a better, healthier and more sustainable future for all.

We are grateful to our community partners and Blue Cross employees for all the time, energy and new ideas they have contributed to this effort. I invite you to read our annual report's stories highlighting our 2019 accomplishments, and to learn more about our collective impact in our full [Corporate Citizenship Report](#).



Jeff Bellows

Vice President, Corporate Citizenship & Public Affairs





In the Community

Accelerating healthy living innovation

Maintaining good health can be challenging, especially for busy families that face financial strain and the need to balance childcare with the demands of a hectic work schedule. Three years ago, we launched an accelerator strategy to help speed up the development of innovative healthy living solutions that address these common barriers and promote easy access to affordable, nutritious food and safe, convenient recreational opportunities.

We started with Dot Rx, a collaborative “prescription for healthy living” program that connects patients at Codman Square Health Center with free or reduced-rate resources and activities at five neighborhood not-for-profits that promote healthy eating, exercise and outdoor recreation.

By the end of 2019, Codman Square clinicians had written more than 525 Dot Rx prescriptions for their patients, and 153 participating families had been connected to peer coaches. To further strengthen this valuable community resource, we helped fund the hiring of the collaboration’s first full-time program manager and resource liaison.

We are now exploring opportunities to bring the healthy-living prescription model to other communities, starting with East Boston. We have been working with the East Boston Neighborhood Health Center, which is among the largest community health centers in the country with more than 300,000 primary care patient visits per year, to support the opening of a community resource and wellness center.

In 2019, we also introduced a new grant program that invests \$500,000 in five not-for-profits – selected from 100 applicants – to help launch a new idea or scale an existing model that improves access to nutritious meals, fitness opportunities or healthy environments in communities across Massachusetts. In addition to financial support, we will provide ongoing skill-building and pro-bono support to help these organizations successfully carry out their initiatives:



FOOD FOR FREE

Food For Free will expand its family meals program, which accepts prepared food from corporate, university and hospital dining services and repurposes it into balanced, single-serving meals for college students who either can't afford or don't have access to a nutritious lunch or dinner. With our added support, Food For Free expects to serve up to 2,000 additional community college students annually.

Old Colony YMCA will launch Y on the Fly, a mobile van that will bring the YMCA's traditional opportunities for learning, physical activity and healthy eating into neighborhoods of Brockton, Stoughton and Taunton where recreational opportunities are limited.

East Boston Air Partners will develop a model for community involvement in improving air quality. Attention will be focused on raising awareness about the sources and impacts of pollutants, and equipping residents with strategies to reduce their exposure.

Collaborative for Educational Services will extend its Healthy Food Where You Live mobile farmers' markets to low-income neighborhoods in Amherst and the 12 communities in the Hilltowns region of western Massachusetts. The mobile markets bring produce from local farms to residents with limited access to grocery stores.

Massachusetts Farm to School will pilot a school breakfast model in Salem and Webster that is aimed at increasing student participation and upgrading the nutritional value of the food served. It will offer students high-quality meals, cooked from scratch and featuring local ingredients that are cost-effective for the schools. Results from the pilot will be used to design a toolkit that can be shared with schools statewide.

In the Community

Finding new solutions to systemic challenges

Last year, 1 in 11 Massachusetts residents didn't have enough to eat. At the same time, more than a million tons of edible food was discarded, making up a quarter of our state's total waste stream. In addition, up to 20% of what is grown at local farms remains in the ground at the end of the harvest season. To help address these longstanding systemic challenges, we have partnered with not-for-profit organizations working to prevent waste and make locally sourced, nutritious meals available to those most in need.

Our focus starts with ensuring students across Massachusetts have access to healthy, nutritious meals. In 2019, we partnered with **Project Bread** and **Massachusetts Farm to School** to support Breakfast After the Bell, a program that has been shown to increase participation in school breakfast programs by serving them in the classroom instead of before school. In Massachusetts, more than 450,000 students qualify for free or reduced-price breakfasts, but only 37% of them take advantage of the program.





PROJECT BREAD

Our collaboration with Project Bread and the Massachusetts Chapter of the American Federation of Teachers provides grants to help school districts introduce changes that increase participation in their breakfast programs, and to celebrate and support teacher champions who have shown exceptional dedication to helping students to meet their nutritional needs both inside and outside of the classroom.

Massachusetts Farm to School works with districts' food service departments to improve the quality of school meals by connecting them with produce from local farms and helps them develop menus that are easy to prepare and popular with students.

We are also supporting organizations that are at the forefront of reducing food waste. In 2019, we provided grant aid and volunteer support to **Boston Area Gleaners**, a unique organization that fills a critical gap in the food system. It works with over 50 farms to provide hunger-relief programs across Massachusetts by harvesting 820,000 pounds of fresh, high-quality produce that would otherwise be plowed under.

We also partnered with **Food For Free** to redirect excess food from university, corporate and hospital cafeterias to students in our state's community colleges by helping to expand their family meals program. According to the U.S. Government Accountability Office, the nationwide incidence of food insecurity among college students is estimated at above 30%. This initiative repackages food into individual frozen meals for students and families who may not have the means to afford or cook a good meal. Through our support, Food For Free will be able to reach 1,000-2,000 more community college students.



In the Community

Building deeper partnerships for greater impact

We believe that successful partnerships require more than just writing a check. We pride ourselves in being deeply invested in the missions of the community organizations we support and we look to create multifaceted partnerships that make the most of our corporate resources and the skills and energy of our employees.

One example is our support of Camp Harbor View, a national model for introducing teens to the joys of being outdoors in a healthy environment. Each year, Camp Harbor View enrolls 900 youngsters from Boston's underserved neighborhoods in their summer camp, at no cost to the youth or their families, and offers a leadership development and summer jobs program for 100 other teens. In addition to classic summer camp fun and games, each camper also experiences a wide variety of activities designed to build confidence, encourage creativity, and develop leadership skills.



CAMP HARBORVIEW

In 2019, more than 80 Blue Cross employees supported Camp Harbor View through volunteer work, event participation and board leadership. In September, during our ninth annual company-wide Service Day, 30 volunteers helped clean, organize, and prepare the camp for winter. Camp Harbor View has been a Service Day partner since 2013 and has engaged more than 415 employees in 3,330 hours of volunteer service. In November, 50 Blue Cross employees participated in the organization's annual Citython 5K road race, which raises critical funds to support year-round programming.

We were delighted to match our [13th annual William C. Van Faasen Community Service Sabbatical Fellow](#), Colleen McLaughlin, with Camp Harbor View. The Community Service Sabbatical, our company's pinnacle volunteer opportunity, gives one Blue Cross employee the opportunity to work full-time for six months at a nonprofit organization to support a critical business need. Colleen, a training specialist in operations, kicked off her sabbatical in November and will be working on a needs assessment, content development, and process recommendations for new-employee onboarding.

In addition to volunteer support, Blue Cross partners with Camp Harbor View by investing in programs that give children and teens unique opportunities to succeed. Since 2017, our company has been a major funder of the organization's Leader in Training program, supporting 40 participants annually. Each Leader in Training is paired with an advisor who helps them navigate high school and explore post-secondary plans, and they are also given paid summer jobs at Camp Harbor View as junior camp counselors and peer mentors to campers.



In the Community

Advancing sustainability and environmental health

We believe that environmental health is essential to personal health and the health of our communities. Our business practices are guided by a commitment to responsible stewardship of the environment, and our building, operating, purchasing and investment policies are designed to have a positive social and environmental impact, especially in diverse and underserved local communities.

Five years ago, we established an ambitious list of 2020 goals focused on reducing the environmental impact of our operations while extending our reach outside of our walls to improve the environmental health of our communities and to lend our voice to local and national advocacy issues. To date, we have exceeded four of our six goals: we have reduced our greenhouse emissions by 34%, our paper use by 64%, our waste sent to landfills by 31% and our water use by 16%.



ON-SITE FARMER'S MARKET AT BLUE CROSS'S HINGHAM OFFICE

We are making steady progress in increasing the amount of local food served in our cafeterias and eliminating toxic chemicals from our workplaces. We are now developing 2025 goals in collaboration with business leaders across the company, defining metrics and setting targets that align sustainability principles with our business priorities.

Our company is part of a larger business ecosystem that is responsible for driving change. That's why we have aligned our work with the United Nations' Sustainable Development Goals for 2030. The UN has called for broad-based support, including active involvement by the private sector, and we can confidently say that all three pillars of our healthy living strategy – healthy eating, active lifestyles and access to healthy environments – reflect our commitment to doing our part.

Blue Cross employees are leading and taking action in sustainability and environmental health in multiple ways.

In 2019, we launched a weekly community-supported agriculture program with onsite farmer's markets featuring produce from Stone Soup Farm in Hadley and Langwater Farm in Easton.

Blue Cross employees are leading and taking action in sustainability and environmental health in multiple ways. In 2019, we launched a weekly community-supported agriculture program with onsite farmer's markets featuring produce from Stone Soup Farm in Hadley and Langwater Farm in Easton. Leftover produce was donated to local nonprofits. For employees interested in growing their own produce, we host corporate community gardens, now in their fifth year. We also offered monthly gardening workshops hosted by our community partner, The Trustees, providing tips and techniques for novice gardeners as well as advanced techniques in regenerative and organic agriculture. Last year, more than 150 employees planted, cared for and harvested plots in our Hingham and Quincy company gardens from May through October, producing more than 5,000 pounds of fresh vegetables and herbs.

ASSOCIATES IN ACTION

Embracing diversity

We believe inclusion is key to innovation. In 2019, more than 30% of employees participated in one of our eight employee resource groups. ERGs focus on enhancing career, commerce, community and culture at Blue Cross, and help to ensure that our entire work force feels respected, included and empowered to contribute.





Celebrating our values

Contract operations director Laura Stout was recognized as our 16th annual Excellence in Service winner for her contributions to improving the opportunities for individuals with disabilities at Blue Cross and in our communities. The recognition event celebrates our colleagues who embody our core values of inclusion, compassion and leadership.

Culture of wellbeing

Our goal is to foster a culture that promotes healthy lifestyles and enables employees to do their best while living happy and healthy lives. Our program provides robust wellness offerings including 12 weekly exercise classes and workshops, actionable goal setting and incentive rewards to help employees achieve their best health.



Championing future health care leaders

Blue Cross employees are passionate about supporting the next generation of talent. In 2019, colleagues served as mentors, judges and thought leaders at TechTogether Boston, a hackathon exclusively for women and non-binary people. We were honored to have a team of college students that created an app for personal mental health awareness and support join us as 2019 summer interns.



YEAR IN REVIEW

2019 at a glance

COMPANY OVERVIEW

Our Members & Customers

 **2.9M**
Members

 **25K**
Employer customers

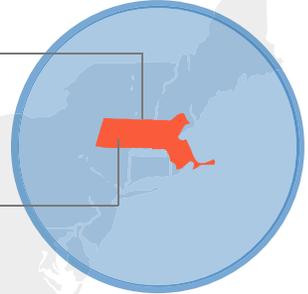
Medical and Dental Membership Snapshot

 **763K**
HMO/POS members

 **1.8M**
PPO/Indemnity members

 **371K**
Senior products/
Medicare

 **988K**
Dental members



Recognition in the Marketplace



JD Power Award
Rated #1 in member satisfaction among commercial plans in Massachusetts

NCQA 4.5 rating out of 5
Top 10 percent of health plans in the country for quality for our commercial HMO and PPO plans

CMS 5 Star Overall Rating in 2020 for Medicare PDP
Top individual Medicare Prescription Drug Plan in New England based on a 5-star rating system

Service and Operational Highlights

We are committed to the relentless pursuit of quality, affordable health care with an unparalleled consumer experience. Consistent with our promise to always put our members first, we are rated among the nation's best health plans for member satisfaction and quality.



50M

Claims processed

94%

Claims successfully resolved on the first submission



3.1M

Calls answered

78%

Member inquiries resolved on the first call



680K

Registered MyBlue users

5.2M

Unique MyBlue visits

OUR PROMISE: ALWAYS PUT OUR MEMBERS FIRST

Responsible Financial Stewardship

We exceeded state and federal requirements for the amount of premium dollars spent on health care services for members for the seventh year in a row by spending more than 90 cents of every premium dollar on members' medical care.



\$16B

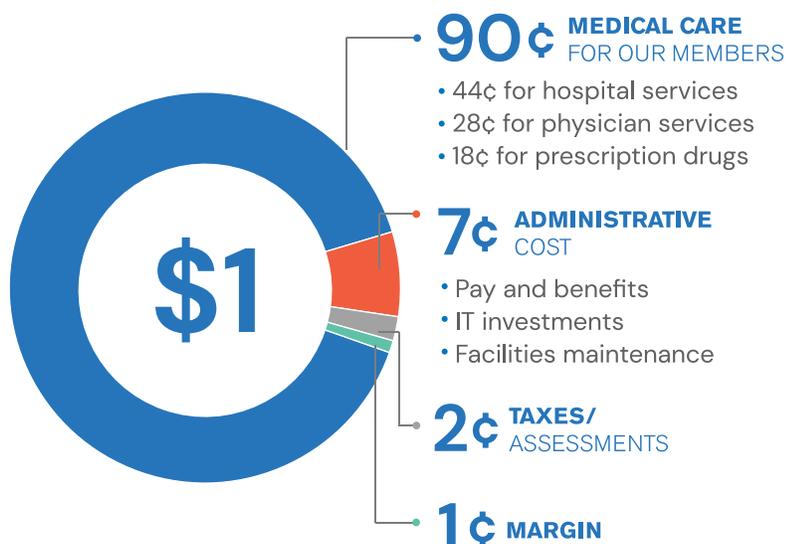
Paid toward member care



\$168M

Paid toward taxes and assessment

How your premium dollar is spent



DIVERSITY & INCLUSION

At Blue Cross, we know the most successful companies are the most diverse and most inclusive. Ensuring that our entire work force feels respected, included and empowered to contribute means we are poised to meet the needs of our vibrant communities and customer base.

3,802

Total employees



60%

Women & people of color on Board of Directors



55%

Women & people of color in executive leadership

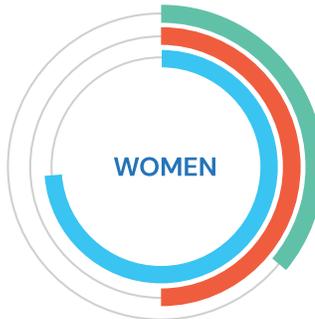
1,330

employees (35%) participate in at least one of our eight Employee Resource Groups:

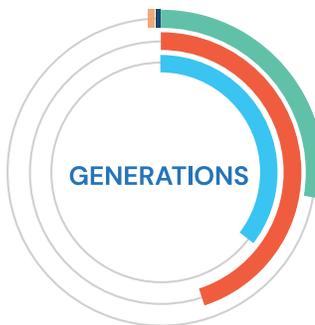
- Asian Blue Community
- AZULatinx
- Black Professional Network
- Blue Pride
- Empowering Abilities
- Veterans ERG
- Women's Inclusion Network
- Young Professionals Network



- 36% Board
- 23% Executive leadership
- 26% Associates



- 36% Board
- 50% Executive leadership
- 72% Associates



- 0.1% Silent Generation
- 25% Baby Boomers
- 42% Generation X
- 32% Millennials
- 0.4% Generation Z

COMMUNITY COMMITMENT

Community Investments



\$8.1M

in corporate contributions to **478** nonprofits



\$3.8M

in Blue Cross Blue Shield of Massachusetts Foundation grants to **80** community organizations



\$671K

given by employees to MA not-for-profits and the Foundation's Catalyst Fund

Employee Volunteerism



3,194

Employee volunteers (**86%** of employees)



285

Service projects



28.5K

Volunteer hours



\$1.02M

Value of service

Environmental Sustainability

In support of our 2020 sustainability goals, since 2010, we reduced our company's environmental impact.



40%

Reduced waste



49%

Reduced electricity



63%

Reduced paper



16%

Reduced water

Employee Leadership in the Community



77%

of executive leadership on not-for-profit boards



750

employees received **1,266** hours of civic engagement training

AWARDS



Highest/#1/Best Member Satisfaction among Commercial Health Plans in Massachusetts



American Association of People with Disabilities
Best Place to Work for Disability Inclusion

American Business Awards
Bronze Stevie Award for our MyBlue App

Blue Cross Blue Shield Association
Brand Innovation Award for our ongoing work to combat the opioid crisis

Boston Business Journal
Top 10 Charitable Contributor in Massachusetts

Boys and Girls Club of Boston
Corporate Volunteer of the Year

Digital Health Awards
Gold Award for mobile version of MyBlue Silver Award for MyBlue Member App

Blue Cross Blue Shield Association
Brand Innovation Award for our ongoing work to combat the opioid crisis

Forbes
America's Best Employers for Diversity

Urban League of Massachusetts
Top Diversity Companies

Worcester Business Journal
Best Health Insurance Provider

Working Mother Magazine
100 Best Companies

Worksite Wellness Council of Massachusetts
Gold WorkWell Massachusetts Award

YMCA Cape Cod
Healthy Living Honoree

LEADERSHIP



Board of Directors

Standing (left to right):

Robert Meenan, M.D., Lauren A. Smith, M.D., MPH, Donald K. Stern, Esquire, Timothy M. Sweeney, Benaree P. Wiley, Andrew Dreyfus, Marcy L. Reed, Quincy L. Miller, George R. Alcott, III, Francis X. Callahan, Jr., Manuel A. Lopes

Seated (left to right):

Martin T. Meehan, Phyllis R. Yale, Dorothy E. Puhly, Corey E. Thomas

Senior Leadership

Standing (left to right):

Bruce Nash, Sue Sgroi, Andrew Dreyfus, Stephanie Lovell, Rich Lynch

Seated (left to right):

Pat Gilligan, Sukanya Soderland, Andreana Santangelo, Jay McQuaide





MASSACHUSETTS

To view the Annual Report 2019 online, visit:

[HTTPS://ABOUTUS.BLUECROSSMA.COM/ANNUAL-REPORT-2019](https://aboutus.bluecrossma.com/annual-report-2019)





