In 2022, we expanded access to primary care and mental health services, added convenient online health options, and helped make health care more accessible and affordable for our 2.9 million members. We made progress in our groundbreaking effort to make health care more equitable for all. And we continued to be recognized as one of the nation’s best places to work.
Dear friends,

If you’re reading this, you care about making health care work for everyone. I do too.

This report describes what we did in the past year to get closer to that goal. We have a long road ahead. But as Blue Cross Blue Shield of Massachusetts’ new CEO, I’m proud to lead a company that, for 86 years, has been passionate about supporting our members, customers, clinicians and community partners.

Amid economic uncertainty and multiple public health challenges, we acted with innovation and empathy in 2022. Here are some of our highlights:

- We made it easier for our members to connect with primary care clinicians, get help for chronic conditions such as diabetes and kidney disease, and better manage their prescriptions.
- We addressed the urgent need for high-quality mental health services with an expanded network of clinicians — up 46% from five years ago — and enhanced online resources.
- We made national news with our groundbreaking work to address racial and ethnic inequities in health care, in partnership with clinicians in our network.
- We supported our employees and attracted new talent with a flexible, inclusive and creative work environment that promotes wellness and a sense of belonging.

In other words, our company continued to build upon the remarkable success achieved during more than a dozen years with Andrew Dreyfus as president and CEO. Under his guidance, Blue Cross and our foundation championed landmark reforms in health care, created new payment models aimed at improving the quality of care, and acted as a leader in promoting mental health care and health equity.

So, what will we do next?

Our first priority is to ensure health care is affordable for our members and employer customers. At the same time, we want our members to have the best possible experience — not only with us, but when they see a physician, get a lab test, pick up a prescription, or have to stay in a hospital. That means easy access to information and services. It means guidance to help members get the health care they need, in the right place, at the right time and at the right price, and it means we will continue to address disparities in care.

This work will require more innovation, more collaboration, more agility, and the ability to navigate a complex and tumultuous landscape. We are fortunate to have the resources necessary to do just that: a leadership team committed to the challenge, talented and empathetic employees, and a strategy designed to meet the needs of our members, employer customers and community and clinical partners. As we begin our next chapter at Blue Cross, our values and our commitment to you remain constant.

Thank you for joining us.

Sarah Iselin
President & CEO
INNOVATIVE AND AFFORDABLE CARE

We’ve made it easier for our members to connect with primary care clinicians, get help for chronic conditions such as diabetes and kidney disease, and better manage their prescriptions.
Virtual access to clinicians

We now offer access to virtual primary care teams that provide members with convenient, personalized online care, including mental health guidance and coaching for chronic conditions. Members who choose virtual primary care also have full access to our national Blue Cross Blue Shield provider network, which includes 75,000 Massachusetts clinicians who care for our members in traditional office practices or via telehealth.
Lower costs, better outcomes for our members’ most-used benefit

Our new partnership with CVS Caremark is designed to simplify the pharmacy experience, improve health outcomes, and lower costs for members and employers.
Rewarding healthy choices

Our BlueFit health plan gives members choices and incentives to lower annual costs, increase Health Savings Account balances over time, and invest in their own health.

“The BlueFit plan offers a lot of flexibility, and I like that you can earn money right off the bat.”
– Blue Cross member Viktoriya Skuz
Enhanced Medicare benefits with local support

As the health plan that insures the most Medicare beneficiaries in Massachusetts, we provide extra options in the areas that matter most to older adults, coupled with unparalleled local service. Our team of Blue Cross nurses, social workers, dietitians and mental health clinicians support members and their families facing conditions such as:

Innovative and Affordable Care

- Broader Access to Mental Health Treatment
- Leadership in Health Equity
- One of America’s Best Places to Work

Innovative and Affordable Care

ENHANCED MEDICARE BENEFITS WITH LOCAL SUPPORT

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Diabetes

Congestive heart failure

Chronic kidney disease

Starting in 2023, all Medicare Advantage members have no-cost access to Learn to Live, which provides online, self-directed, coach-supported programs focused on helping people overcome mild to moderate anxiety, depression and insomnia. And our Diabetes Navigator Program provides tailored support and resources to Medicare Advantage members with diabetes or prediabetes.

“A lot of people don’t realize there’s help out there to manage your diabetes and feel healthier. You don’t have to do it all by yourself.”

Linda Choiniere
Medicare Advantage member
**BROADER ACCESS TO MENTAL HEALTH TREATMENT**

We’re meeting the urgent need for mental health services with an expanded network of clinicians and enhanced online support.
**Broader Access to Mental Health Treatment**

**MEETING A GROWING NEED**

Our members’ in-person and virtual visits for mental health care have doubled since the start of the COVID-19 pandemic, and we continue to make access to mental health care a top priority. Our multifaceted approach includes new online tools, enhanced member services support, and a new mental health advocate, as well as an in-house team of mental health clinicians and case managers.

In 2022, we added to our network new primary mental health provider groups to make it easier for members to find a therapist or psychiatrist. We also added groups that specialize in treating specific conditions such as obsessive-compulsive disorder and substance use disorder. Overall, nearly 18,000 mental health clinicians are available to our members in Massachusetts, up 46% from five years ago, and a broad range of clinicians also are available nationally via the Blue Cross Blue Shield network. We are committed to ensuring that every member has access to the care they need.

“I want people who have gone through trauma, abuse, dependency to know that it’s okay to talk about it so they can let it go and get on to the next part of their life.”

Blue Cross member and employee Cathy Guild
New options for employers to make care more affordable

Employers can now offer their employees mental health benefit options with $0 copays. For example, the Health Benefits Trust of the Massachusetts Interlocal Insurance Association, which includes 400 cities, towns and other public entities, picks up their employees’ copays for initial therapy visits. Other cost-saving options include waiving member copays for certain mental health medications and cash reimbursement for stress reduction and relaxation programs.

“We know how effective counseling and other treatment can be, and we’re eager to support any employees who need help.”

Chris Bailey
Director of the Health Benefits Trust of the Massachusetts Interlocal Insurance Association
Leadership in Health Equity

We took a big step forward in our groundbreaking work to address racial and ethnic inequities in health care, in partnership with clinicians in our network.
Pioneering equity-based contracts with physicians and hospitals

We believe your health shouldn’t depend on the color of your skin or the neighborhood you live in. As part of our commitment to ensure high-quality, affordable care for all our members, we entered into new payment contracts that reward clinicians for addressing racial and ethnic inequities in care. Steward Health Care Network, Beth Israel Lahey Health, Mass General Brigham and Boston Accountable Care Organization — health systems that provide care to nearly 500,000 Blue Cross members — are first to sign on to the new contracts.

“I’m proud of Blue Cross for taking a bold step in this direction.”

Dr. Thea James
Vice president of mission and associate chief medical officer at Boston Medical Center, among the first to sign an equity-based payment contract with Blue Cross
Leadership in Health Equity

SUPPORTING OUR PARTNERS

We are providing $25 million to support physicians and hospitals in their efforts to address racial and ethnic disparities. With funding distributed through the Institute for Healthcare Improvement, we are supporting initiatives at Massachusetts’ 12 largest health systems, including efforts to reduce disparities in hypertension and diabetes care, accelerate equity in cancer screening, and expand staff training. The health systems also receive our landmark health equity data. The systems participate in our pioneering Alternative Quality Contract, which bases payment on quality of care, health outcomes, the patient experience, and total cost of care.

“We believe everyone — regardless of race, age, sexual orientation or gender identity — deserves access to high-quality health care.”

Dr. Joseph Weinstein
Cardiologist and chief physician executive at Steward Health Care Network, which is partnering with Blue Cross to address health inequities
Bolstering health equity in the community

Our commitment to health equity is also reflected in our work in our community. In 2022, we provided more than $13M in funding and pro-bono support to local not-for-profits focused on issues including environmental justice, access to healthy food, and addressing structural causes of health inequities.

We launched our Health Equity Business Accelerator, a program that provides financial, strategic and mentorship support to start-ups focused on technology and services that will lead to equitable health care and improved health outcomes.

And our award-winning health news site, Coverage, is now available in Spanish as well as English, providing free, timely health news and information to a broader audience.
One of America's best places to work

We offer an equitable, flexible and inclusive work environment that supports employee wellness and a sense of belonging.
We’re honored to be widely recognized for our employee culture, including being named one of America’s Best Employers for 2022 by Forbes.

We also were recognized by WorkWell Massachusetts for offering our employees best-in-class benefits to support their physical, social, emotional, and financial wellness.

Diversity MBA Magazine cited our company as a “best-in-class” leader for our investment in strategies to advance women and managers of diverse backgrounds to leadership roles.

For the eighth consecutive year, our company received a score of 100% on the Corporate Equality Index, a national benchmarking survey on lesbian, gay, bisexual, transgender and queer workplace equality.

And for the third year in a row, we received a 100% score on the Disability Quality Index and were named a best place to work for disability inclusion.
Helping employees balance personal needs and professional goals

We believe work–life balance is essential to our employees’ wellbeing. Our hybrid work model is designed to give our employees flexible ways to work while staying connected to each other and the community.

Regardless of where they work, employees can take part in volunteer opportunities, get involved with employee resource groups, participate in live, online learning, join conversations with mental health clinicians, and take part in company–wide virtual meetings with senior leadership.
Helping employees balance personal needs and professional goals

We offer our employees a wide array of benefits to support physical, social, emotional, and financial wellness, including online mental health programs, financial coaching, tuition reimbursement, virtual fitness classes, student loan repayment assistance, and child and elder care benefits.

“Our know there’s no one-size-fits-all approach to wellness, which is why we have such a wide array of benefits to support you and your wellbeing journey.”

Nicole Molano
Wellness Program Manager
Our members come first

2.9M medical members

3.9K employees

75K in-network clinicians

19.6K employer customers

$1.3B spent on mental health services for our members

3M calls, live chats & emails answered

$13.2M invested in financial and pro-bono support to not-for-profits

55M claims processed

3M calls, live chats & emails answered

1.4M registered MyBlue users

95% claims resolved on the first submission

74% member inquiries resolved on the first call or live chat

12M MyBlue web and app visits
OPERATING RESPONSIBLY

By the numbers
- Managed $19B in spending for our members' health care
- Spent $1.3B on mental health services for our members
- Paid taxes and assessments totaling $199M
- Maintained sufficient reserves to provide security against the unknown
- Operating margin was a modest 0.35%

(Data reflects CY 2022)

How Your Premium Dollar is Spent

- 90¢ MEDICAL CARE FOR OUR MEMBERS
  - 37c is used for hospital services
  - 34c is used for physician services
  - 19c is used for prescription drugs

- 7¢ ADMINISTRATIVE COST
  - Pay and benefits, IT investments, Facilities maintenance

- 2¢ TAXES/ASSESSMENTS

- 1¢ MARGIN

Illustrative for typical year

COMPREHENSIVE COVERAGE

- **Health Insurance**
  - including HMO, PPO, and Medicare, with custom, tiered and limited options

- **Other Insurance**
  - Dental, vision, pharmacy, travel and disability coverage

- **Mental Health**
  - Help finding care, remote therapy options and substance use disorder support

- **Telehealth**
  - with 24/7 access to physicians

- **Health Financial Accounts**
  - including HSAs, HRAs and FSAs

- **Fitness Benefits**
  - including wellness coaching

- **Stop-loss Coverage**
  - for self-insured businesses

Massachusetts Provider Network

- **75K** Providers
  - including **18K** mental health providers (↑ 45% since 2016)

- **74** Hospitals
COMMUNITY COMMITMENT

We are committed to creating a healthier, more equitable and just community.

Community Investments

$13.2M

- $8M in corporate contributions to 413 not-for-profits
- $3.7M in BCBSMA Foundation grants to 86 community organizations
- $1.5M in volunteer service and in-kind support

$5M out of $8M in corporate contributions championed health equity in the community

Data reflects CY 2022

Civic Engagement

- 3,032 Employee volunteers (81% of employees)
- 18,646 Volunteer hours
- 299 Service projects (50% virtual and 50% in-person)
- 74% Executive leaders serve on not-for-profit boards

Climate and Health Resilience

Since 2010, we've made significant strides to improve our operations:

- 85% Reduced paper
- 76% Reduced waste
- 58% Reduced electricity
The Power of Blue
The Blue Cross Blue Shield Association is a national association of 34 independent, community-based and locally operated Blue Cross Blue Shield companies.

- **Insures 1 in 3 Americans**
  - 114.5M members in U.S. and Puerto Rico

- **Committed to Local Communities**
  - $489M in charitable giving

- **National Provider Network**
  - 1.7M doctors and hospitals

OUR PEOPLE

**Diversity, Equity & Inclusion**

- **3,900** Total employees
  - 73% Women
  - 30% People of color

- **Generations**
  - 17% Baby Boomers
  - 41% Generation X
  - 39% Millennials (Gen Y)
  - 3% Generation Z

- **Board of Directors**
  - 60% Women | 40% People of color

- **Executive Leadership**
  - 60% Women | 40% People of color

**Employee Engagement & Empowerment**

- **“Excellent”**
  - Rating on employee Net Promoter Score

- **43%**
  - of all people moves were from internal mobility (internal hires and promotions)

- **93%**
  - Have a flexible work location

- **$100M+**
  - Invested in support of our associates’ physical, emotional, financial and social wellbeing, including insurance, 401(k) match and other benefits
JD Power – #1 in Member Satisfaction
For the sixth year in a row, J.D. Power ranked us #1 in member satisfaction among all commercial health plans in Massachusetts. In 2022, we earned the highest score in four out of six plan experience categories: billing and payment, coverage and benefits, customer service, and information and communication.

NCQA – Top 8% of U.S. health plans for quality
The National Committee for Quality Assurance (NCQA) awarded our Commercial HMO/POS plan and Commercial PPO plan 4.5 out of 5 stars, placing us in the top 8 percent of commercial health plans in the country for clinical quality and member experience. We also earned an “Accredited” rating from NCQA.

Highly Rated Medicare Advantage plans
Our plans are highly rated, with our Medicare Advantage PPO and HMO plans receiving an overall rating of 4 out of 5 stars for 2023 from the Centers for Medicare & Medicaid Services.

One of America’s Best Employers 2022 by Forbes
We were named one of America’s Best Employers 2022 by Forbes based on an independent survey of approximately 60,000 American employees working for companies with more than 1,000 workers in the U.S.

Points of Light – The Civic 50
For the third year in a row, we have been recognized as one of the 50 most community minded companies in the nation by the Points of Light Foundation. The Civic 50 provides a national standard for corporate citizenship and showcases how companies can use their time, skills and resources to drive social impact.
LEADERSHIP
EXECUTIVE TEAM

Blue Cross’ senior leaders help shape the company’s strategy in support of our mission to make quality health care affordable and equitable while providing an unparalleled consumer experience.

Top left to right – as of Dec 31, 2022:
Andrew Dreyfus (outgoing CEO), Sarah Iselin (President & CEO), Patrick Gilligan, Manny Lopes, Richard Lynch, Jay McQuaide, Sandhya Rao, M.D., Andreana Santangelo, Don Savery, Sukanya Lahiri Soderland, Susan L. Sgroi, Linda Williams

BOARD OF DIRECTORS

Blue Cross’ board members bring significant business acumen and leadership capabilities as well as diverse experiences and backgrounds.

Top left to right – as of Dec 31, 2022:
Dorothy E. Puhy, Timothy M. Sweeney, Andrew Dreyfus (outgoing CEO), Sarah Iselin (President & CEO), Francis X. Callahan, Jr., Edward Kelly, Martin T. Meehan, Quincy L. Miller, Ami Parekh, MD, JD, Paula A. Price, Marcy L. Reed, Lauren A. Smith, MD, MPH, Mary Strother, Corey E. Thomas, Phyllis R. Yale