



MASSACHUSETTS

# 2022 ANNUAL REPORT

## Health care that works for everyone

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# HEALTH CARE THAT WORKS FOR EVERYONE

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.



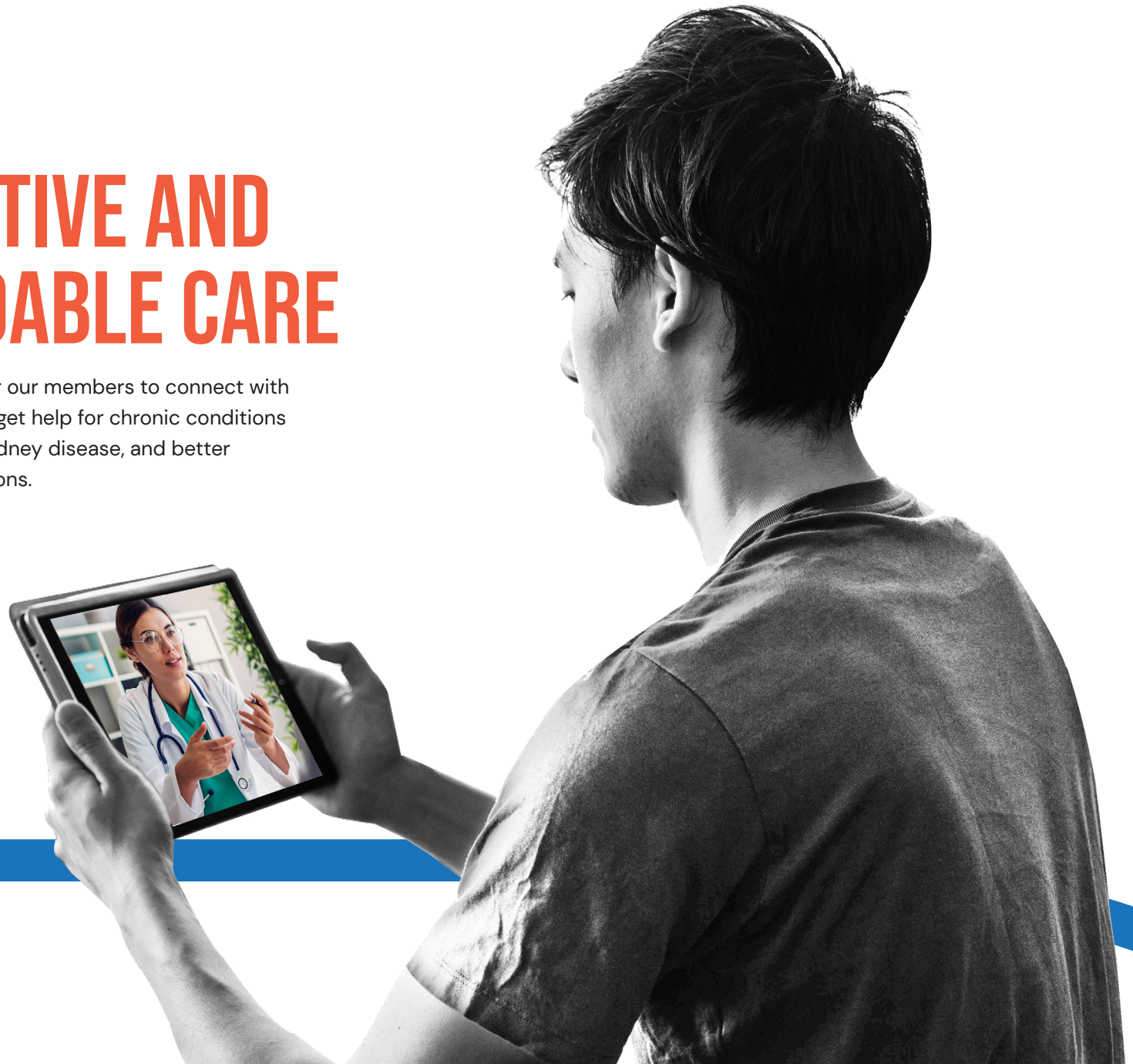
**Sarah Iselin**

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.







### *Innovative and Affordable Care*

## **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.

*Innovative and Affordable Care*

## 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.





*Innovative and Affordable Care*

**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

### *Innovative and Affordable Care*

## 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:



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.



– Blue Cross member and employee Cathy Guild

***"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



### *Broader Access to Mental Health Treatment*

## **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.





### Leadership in Health Equity

## 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



## Leadership in Health Equity

# 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

*One of America's Best Places to Work*

## EARNING NATIONAL WORKPLACE RECOGNITION



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.



*One of America's Best Places to Work*

## 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.



*One of America's Best Places to Work*

## 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 CULTURE OF WELL-BEING

VISIT THE WELL-BEING PAGE ON BLUEWEB FOR MORE INFORMATION!

 <p>Wellbeats</p>	 <p>learntolive</p>	 <p>FINANCIAL FINESSE</p>	 <p>Wellness Rewards Program</p>
<p><b>PHYSICAL</b></p> <p>Access to 1,000+ fitness, nutrition and mindfulness classes.</p>	<p><b>EMOTIONAL</b></p> <p>Confidential, online mental health programs through Learn to Live.</p>	<p><b>FINANCIAL</b></p> <p>Unlimited and on-demand financial coaching through Financial Finesse.</p>	<p><b>SOCIAL</b></p> <p>Connect with your colleagues on the Wellness Rewards Program (Virgin Pulse).</p>

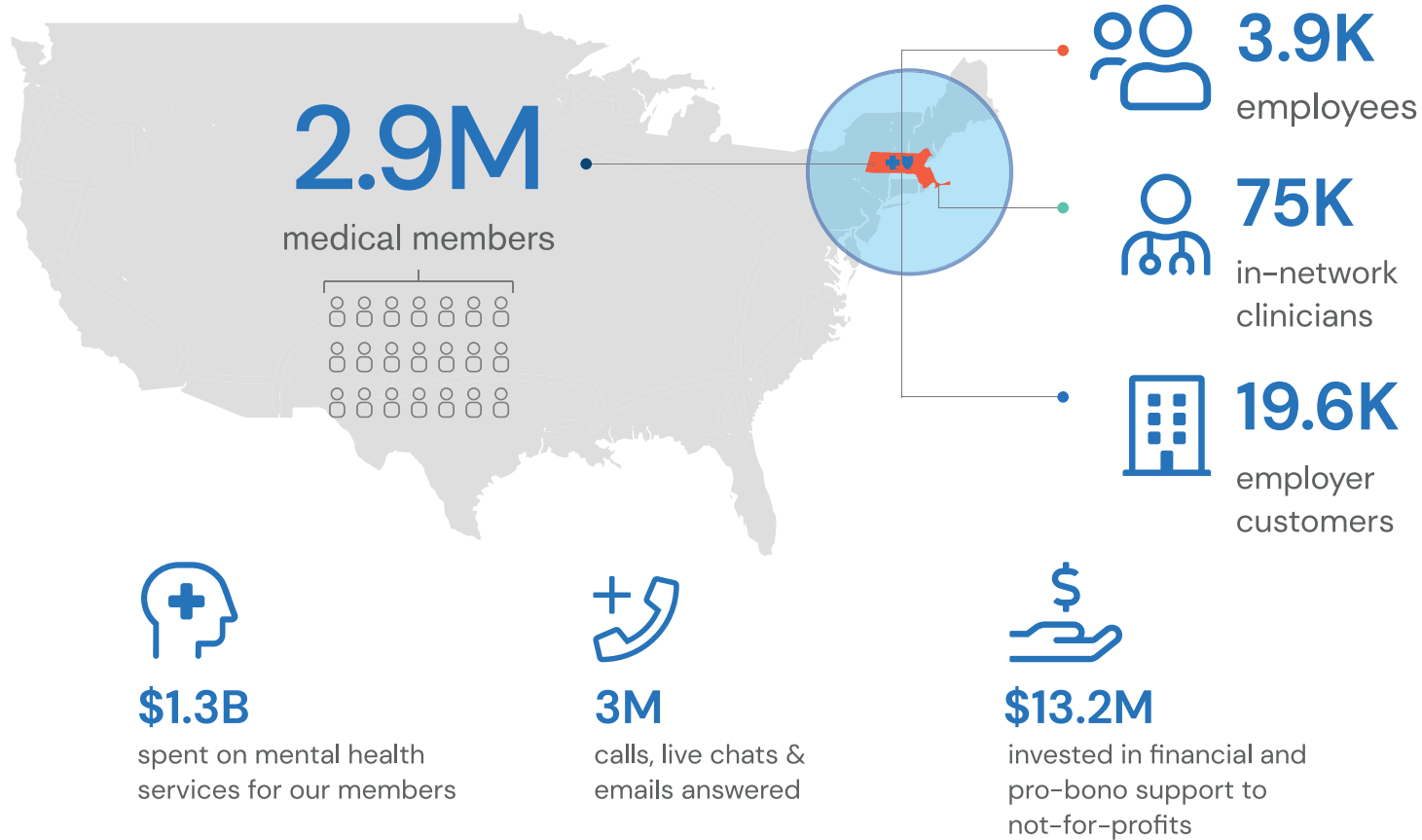
*"We know there's no one-size-fits-all approach to wellness, which is why we have such a wide array of benefits to support you and your wellbeing journey."*

Nicole Molano  
Wellness Program Manager



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## **OUR COMPANY AT A GLANCE**



## OUR MEMBERS COME FIRST



**55M**

Claims processed

**95%**

Claims resolved on the first submission



**3M**

Calls, live chats & emails answered

**74%**

Member inquiries resolved on the first call or live chat



**1.4M**

Registered MyBlue users

**12M**

MyBlue web and app visits

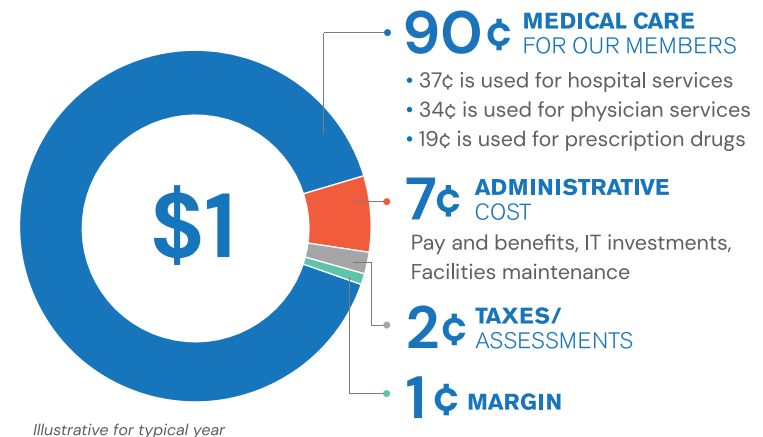
## OPERATING RESPONSIBLY

### 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



## 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



### Fitness Benefits

including wellness coaching



### Health Financial Accounts

including HSAs, HRAs and FSAs



### Stop-loss Coverage

for self-insured businesses

### Massachusetts Provider Network



**75K**

Providers



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



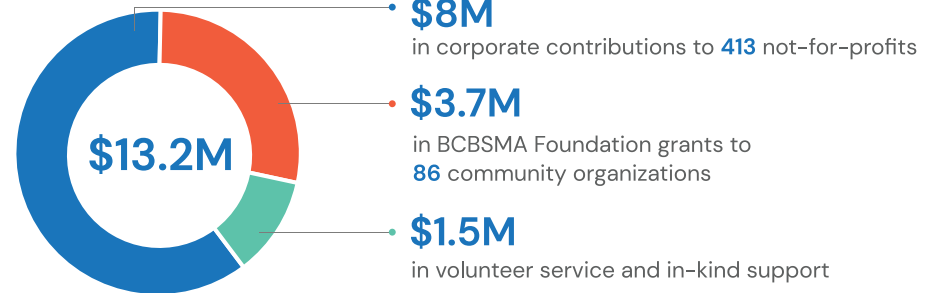
**74**

Hospitals

# COMMUNITY COMMITMENT

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

## Community Investments



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


Data reflects CY 2022


## Civic Engagement

Data reflects CY 2022

 **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

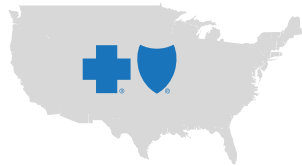


Since 2010, we've made significant strides to improve our operations:

 **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

We have a high-performing team with diverse backgrounds, experiences and perspectives. We care about each other and strive to create a culture where everyone is respected, included and empowered to contribute.

## Diversity, Equity & Inclusion

**3,900**

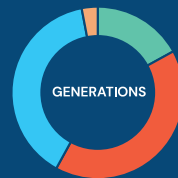
Total employees

**73%**

Women

**30%**

People of color



- 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



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## AWARDS



### 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.

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**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



MASSACHUSETTS

For the full report, visit:

**[HTTPS://WWW.BLUECROSSMA.ORG/ANNUALREPORT](https://www.bluecrossma.org/annualreport)**