



MASSACHUSETTS

# 2021 ANNUAL REPORT

## Making a difference

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## MAKING A DIFFERENCE

In 2021, our company supported a historic public health mobilization aimed at ensuring access to life-saving vaccines and treatment. We accelerated our work to create a more affordable health care system, and we introduced innovative programs, products and partnerships that will enhance the quality of care our members receive. We also took meaningful action to make health care more equitable for all.

## Dear friends,

Hard times often come with a saving grace, a lesson in what truly matters. At Blue Cross over the past two years, we have learned such lessons, and they will drive our business in the years to come.

**First, we have seen again the importance of our role as an anchor in our health care community.** We are a not-for-profit health plan that is deeply rooted in Massachusetts, yet dedicated to our members nationwide. For decades, we have closely collaborated with our medical community, state agencies and community organizations. Those strong relationships have proven to be invaluable as we have responded to COVID-19 – from the initial outbreak in 2020, through the vaccine rollout last year, and continuing.

Our longstanding reputation as a health insurer that offers stability and peace of mind has been tested by the pandemic, and it has held strong. More than a third of our members across the country have had a confirmed or suspected COVID-19 diagnosis, and in 2021, we paid more than \$590 million for testing and treatment with no out-of-pocket cost for members, so they could focus on getting well and not worry about health care bills. We have reached out personally to hundreds of thousands of our most vulnerable members with information on personal safety, testing, vaccination, and medical and social resources. We have supported community organizations as they bring vaccines to neighborhoods especially hard-hit by the virus. And we have been grateful to partner with the brilliant, brave health care workers in our network as they provide exceptional care on the front lines.

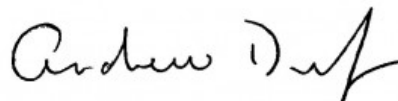
**Second, we have found our members count on us — more than ever — as a trusted ally as they navigate the health care system.** We have introduced new ways to access care, when and where our members need it – including online and at home. We provide service and benefits as unique as our members are, for example, with tools allowing members to find a doctor in their neighborhood, estimate costs for upcoming medical procedures, and chat online with our team.

New online partnerships are providing more convenient and affordable options for prescription drugs, mental health care, substance use disorder treatment, diabetes care and more. And new plan options are offering personalized guidance to help our members get the most out of their benefits.

We know how important affordability is to our members and employer customers. Now more than ever, our members need better, cheaper, more convenient ways to get the care they need. And they need an agile, resilient health plan to support them. We are committed to continued innovation and progress this year.

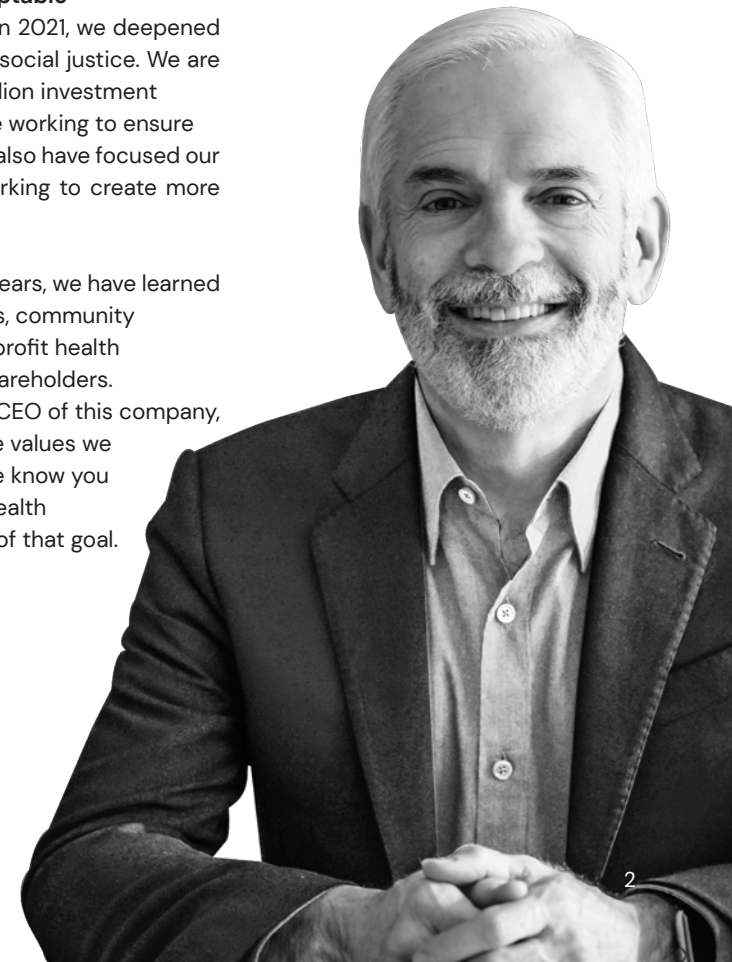
**And third, we have confronted the unacceptable consequences of inequity in health care.** In 2021, we deepened our longstanding commitment to racial and social justice. We are taking meaningful action, including a \$25 million investment to support health care organizations that are working to ensure equity in health care access and quality. We also have focused our charitable investments on organizations working to create more equitable, healthier communities.

Perhaps most important, over the past two years, we have learned from you, our members, employer customers, community partners and clinical partners. As a not-for-profit health insurer, we are accountable to you, not to shareholders. On a personal level, marking my last year as CEO of this company, this report captures my sense of pride in the values we share. We are proud to share your values. We know you want an affordable, high-quality, equitable health care system, and our mission is the pursuit of that goal.



**Andrew Dreyfus**

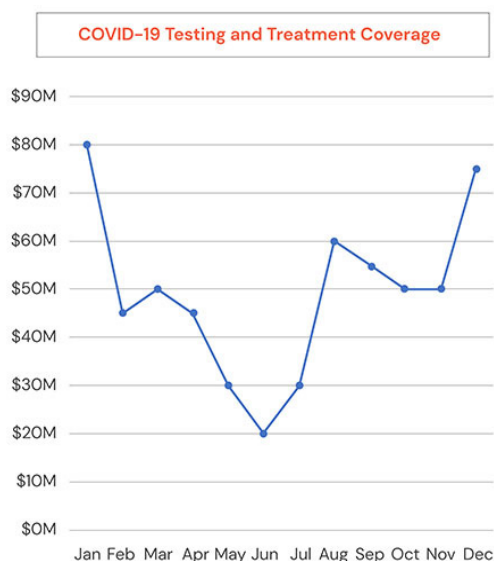
President & CEO





# FIGHTING COVID-19

When COVID-19 vaccines became available, every part of our company worked to help our members and neighbors get access – with clinical expertise, personalized outreach to members, trusted and timely communication, and support for front-line community nonprofits.



More than 1 in 3 Blue Cross members have had a confirmed or suspected COVID-19 diagnosis. In 2021 we have waived cost shares and paid nearly \$590 million for COVID-19 testing and treatment.

## Fighting COVID-19

# REACHING OUT TO VULNERABLE MEMBERS

*“People expect their health plan to pay their claims and answer questions about their benefits. During the pandemic, we wanted to go beyond that. We want members to know we are using all of the capabilities we have to keep them healthy during these challenging times.”* – said Himanshu Arora, Blue Cross’ chief data and analytics officer.

To support our higher-risk members – those over 65, those with two or more diseases or medical conditions, or those living in communities with high proportions of unvaccinated residents – our team of care management nurses reached out to members by phone and email with information about vaccine eligibility, where to get shots, transportation options and other resources. And thanks to a groundbreaking partnership with the Massachusetts Department of Public Health, our team created sophisticated new data systems to identify “hot spots” with high numbers of unvaccinated residents. That allowed us to expand outreach and communication to our members and the community at large.

### Fighting COVID-19

## PARTNERING ON A HISTORIC PUBLIC HEALTH CAMPAIGN

Our response to the COVID-19 pandemic required extraordinary collaboration and coordination. We are proud we could draw upon our longstanding partnerships with the medical community, public agencies and community nonprofits to maximize our impact.

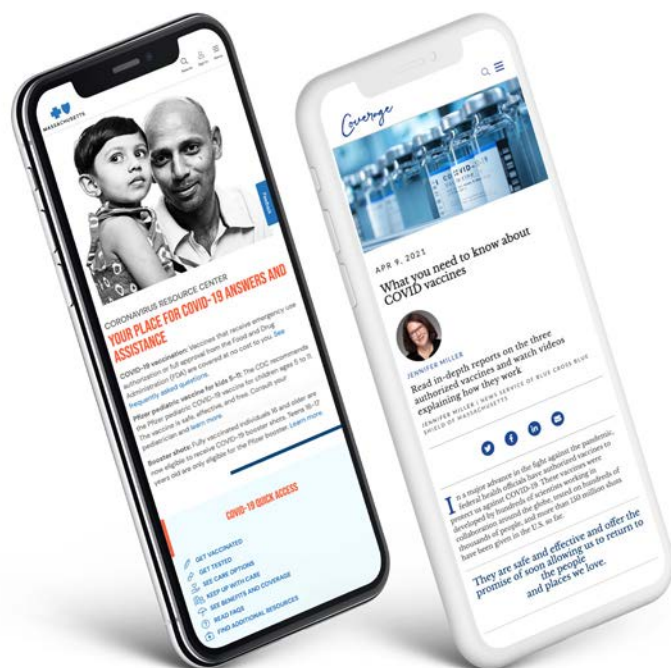
In the early stages of vaccine distribution, we brought together clinical leaders to address vaccine availability, communications challenges, and best practices related to overcoming vaccine hesitancy. At the same time, we began consulting with not-for-profits that support underserved communities. Guided by these collaborations, we invested \$1 million in community-based COVID-19 vaccine efforts. Our grants included support for free [transportation](#) to vaccination sites; initiatives by community health centers to help their patients overcome barriers to vaccine acceptance and access; block-by-block [outreach](#) in hard-hit city neighborhoods; and vaccine clinics and educational outreach in [immigrant communities](#).



***“Blue Cross brought together clinical leaders to discuss ideas, updates and strategies related to COVID-19 and vaccine distribution. This was an invaluable experience. I’ve found Blue Cross to be passionate about the wellbeing of their membership, and they keep health equity a priority as they navigate and manage the pandemic.”***

– Dr. Simone Wildes, an infectious disease specialist at South Shore Health





## Fighting COVID-19

# PROVIDING TRUSTED, TIMELY INFORMATION

In a crisis, truth is a vital tool. We developed new communications tools to ensure our members, employer customers and the general public got the credible information they needed amid the volatile developments of the pandemic. Our online [Coronavirus Resource Center](#) serves as a comprehensive source of authoritative information on COVID-19 vaccination, benefits and coverage, and more. We broadcast more than 130 free webinars to thousands of employers across the country, featuring clinical, legal and other experts. We also developed a COVID-19 Information page for our 40,000 providers.

Our health news service, [Coverage](#), published more than 150 original articles and videos. We sent 3.9 million emails and 125,000 texts to help members understand key developments, find testing locations, and plan vaccination appointments. We also reached the public with health guidance and vaccination resources through more than 217 social media posts.

## *Fighting COVID-19*

# HELPING OUR EMPLOYEES STAND STRONG

As the pandemic stretched into its second year, our employees continued to ensure that our members got access to the care they needed. To support our employees' wellbeing at work and home, we enhanced our strong benefits package with new offerings including subsidized back-up child and elder care support, virtual tutoring, and personal financial coaching and advising.

We helped address the mental health concerns of employees and family members with biweekly webinars featuring our in-house psychiatrists, and online cognitive behavioral coaching through [Learn to Live](#). And to make life a little easier for working families, our cafeterias served up free weekly meal kits with ingredients for a dinner for four — more than 125,000 meals since the start of the pandemic. Knowing our employees provide best-in-class service wherever they are, we are offering flexibility for maximum work-life balance: more than half our company is opting to continue working from home.





# RIGHT CARE, RIGHT PLACE, RIGHT PRICE

We believe our members should be able to get high-quality health care where and when they need it, including in-home care as well as virtual resources. And amid the pandemic, affordability is more important than ever. That's why we're forging new partnerships to provide better access to mental health care, substance use disorder treatment, diabetes care, fitness and more.





### *Right Care, Right Place, Right Price*

## ENHANCING MENTAL HEALTH SERVICES AND SUPPORT

Mental health is essential to our overall wellbeing, but [research](#) by the Blue Cross Blue Shield of Massachusetts Foundation has found many people who need mental health care struggle to find it. In 2021, we added more than 1,200 clinicians to our network, part of a trend of growth that has seen our mental health network grow by 37% over the past five years. We also expanded our network of affordable [digital resources](#) — for example, by adding [Brightline](#) as a provider. Brightline offers online pediatric care, including video therapy sessions to help kids and families with a range of common challenges, such as stress, anxiety and depression.

The pandemic also has created new challenges for our members struggling with addiction, so, in 2021, we contracted with AWARE Recovery Care to offer an in-home addiction treatment program designed to promote long-term recovery and prevent relapses.

***“The hospital got me sober, Aware kept me sober.”***

– says one client

*Right Care, Right Place, Right Price*

## IMPROVING OUR PRESCRIPTION DRUGS BENEFIT

In 2021, we entered into two strategic partnerships aimed at improving health outcomes and lowering pharmacy costs for members and employers. Beginning Jan. 1, 2023, [CVS Caremark](#) will support our company in managing pharmacy benefit services for our commercial and Medicare groups and individual health plans. Prescription drug coverage is our members' most-used benefit and we expect this new relationship to save our customers money while offering simpler, more convenient service.

In a second strategic partnership, we and four Blue Cross and BLue Shield Plans from across the country created [Evio](#), a pharmacy solutions company that will use data from 20 million members to assess the effectiveness of selected drugs and help ensure the right medications get to every patient, where, when and how they need them.





### *Right Care, Right Place, Right Price*

## **A BETTER MEMBER EXPERIENCE**

Throughout 2021, we continued to develop innovative [products and benefits](#). They include [BlueFit](#), a new plan that offers \$600 in incentives for healthy choices, comprehensive in-person and telehealth coverage, and additional financial protection with accident and critical illness coverage. BlueFit members can get reminders about preventive care such as routine checkups, and up to an additional \$600 in fitness and weight-loss reimbursements with convenient online submission. Like all our members, they also get the support of Team Blue, our award-winning service team, and 24/7 chat support.

Other new offerings for our members include more convenient access to [telehealth](#) visits; an enhanced [fitness reimbursement program](#) that helps pay for home fitness equipment and activities that can boost physical and mental well-being; and an expanded list of medications employers can make available to their employees with a \$0 copay, including diabetes testing strips and medications for smoking cessation and substance use disorder treatment.

### **When you reach out, we are here.**

In 2021, we answered 1.4 million calls, processed 6 million transactions on MyBlue, and had 35,000 live chats with members online.

*Right Care, Right Place, Right Price*

## GUIDING OUR MEMBERS AS A TRUSTED ALLY

We help our members find the right care, at the right time, at the right price, in the right place. For example, members can access [Well Connection](#), Blue Cross' dedicated telehealth platform, which provides convenient care and mental health services. We also partner with practices like [Firefly](#), which prioritizes real-time, online access to a "collaborative care" team of behavioral health specialists and primary care clinicians.

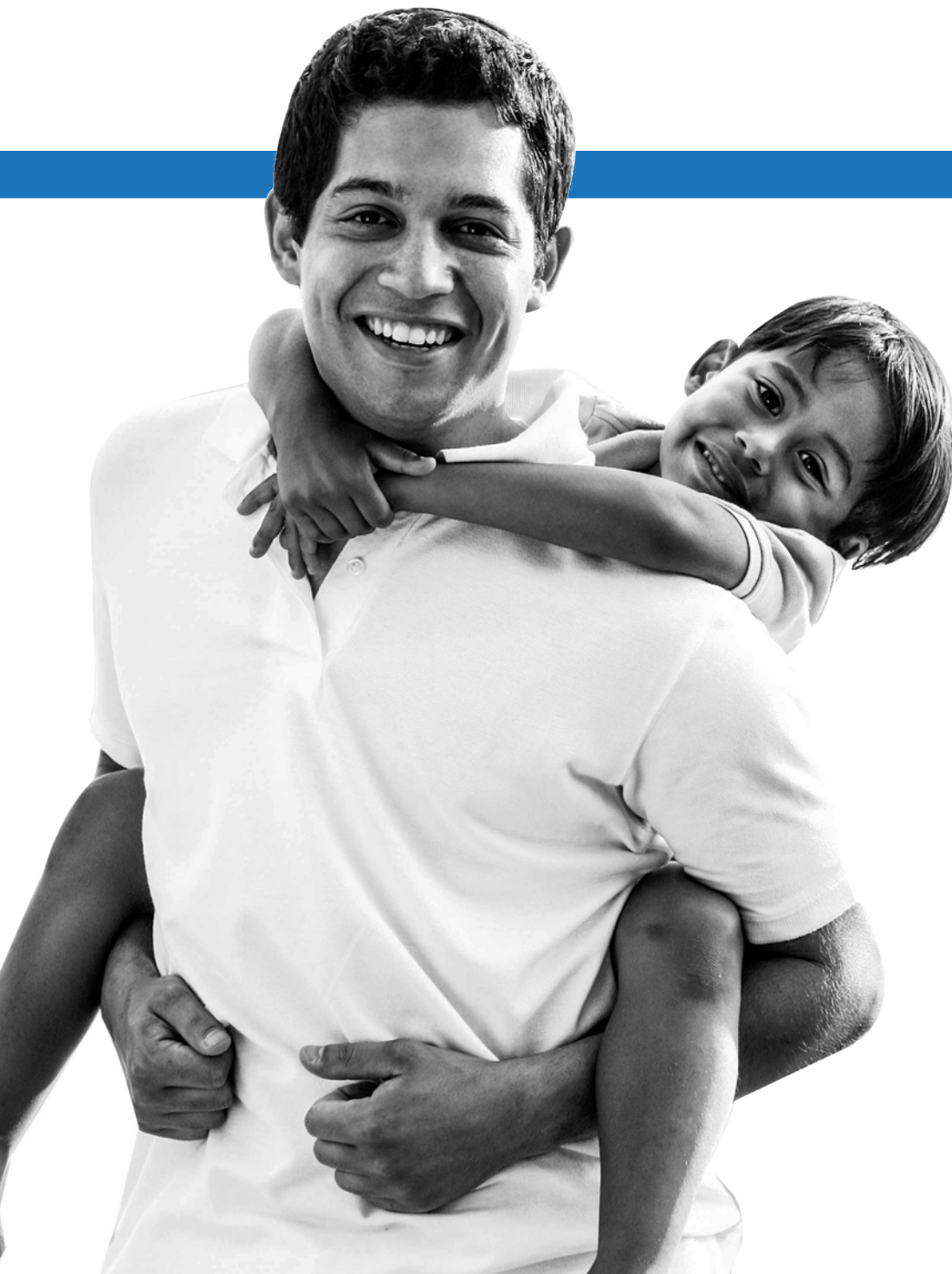
Our new [Diabetes Navigator](#) program provides tailored support and resources to Blue Cross Blue Shield of Massachusetts Medicare Advantage members with diabetes or prediabetes. And through a partnership with Boston-based nonprofit Community Servings, we provide up to eight weeks of medically tailored meals, at no cost, for eligible Blue Cross Medicare Advantage members after they return home from a hospital stay.

***"I feel great knowing I can make a stressful time a little bit easier."***

– Nurse case manager Daphne Matthews, who helps Medicare members get meals at home.







# CHAMPIONING HEALTH EQUITY

Our first-of-its-kind effort to eliminate racial and ethnic inequities in health care is underway in partnership with clinicians in our broad network.

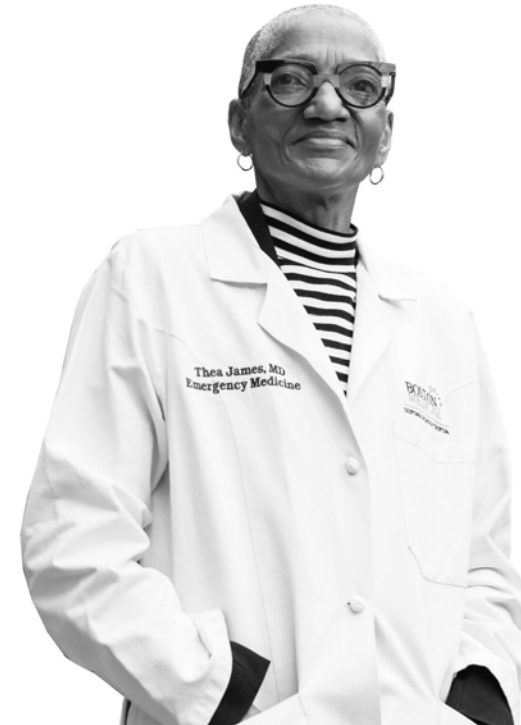


## Championing Health Equity

# ADDRESSING HEALTH INEQUITIES AMONG OUR MEMBERS

The first step toward [eliminating racial inequities](#) in health care is to understand exactly where they exist. So in 2021, we analyzed claims data for more than 1.3 million members, and as our inaugural [Health Equity Report](#) illustrates, we found significant racial and ethnic disparities. We are taking action, including a \$25 million investment in [physician practices and hospitals](#) to support the medical community's efforts to reduce inequities in both access and care. Starting in 2023, we will update our contracts to [include financial incentives](#) linked to their progress.

The new contracts will be designed to give medical organizations a business case for new investments aimed at closing equity gaps, just as our [quality payment models](#) have long been structured to reward clinicians' efforts to improve quality and value. We are also offering our employer customers unique access to health data for their employees and partnering on new initiatives to foster health equity. As a health plan, the impetus for us is clear: Employers and members pay the same amount for health insurance regardless of their race, ethnicity or neighborhood, and should receive equally high-quality care.



***“As a health plan, one of the most powerful tools we have to help guide positive change is the way we pay clinicians who care for our members. This is an evolution of our longstanding work to reward quality care and better outcomes.”***

– Andrew Dreyfus, President and CEO of Blue Cross Blue Shield of Massachusetts



### Championing Health Equity

## PROMOTING A HEALTHIER, MORE EQUITABLE AND JUST COMMUNITY

Our company's corporate citizenship mission is to help all Massachusetts residents lead healthy lives and ensure a healthier, more equitable and just community. In 2021, we [expanded our commitment](#) to support not-for-profits that are addressing health inequities in communities across the commonwealth by focusing on three interconnected priorities – food justice, environmental justice and racial justice. Over the next five years, our company will provide \$10.6 million in direct financial contributions and \$5.5 million in pro bono and in-kind support to the effort.

The same priorities were reflected in our annual company-wide [Service Day](#), which in 2021 brought together some 2,800 employees through in-person and virtual service to volunteer with 90 not-for-profit organizations.



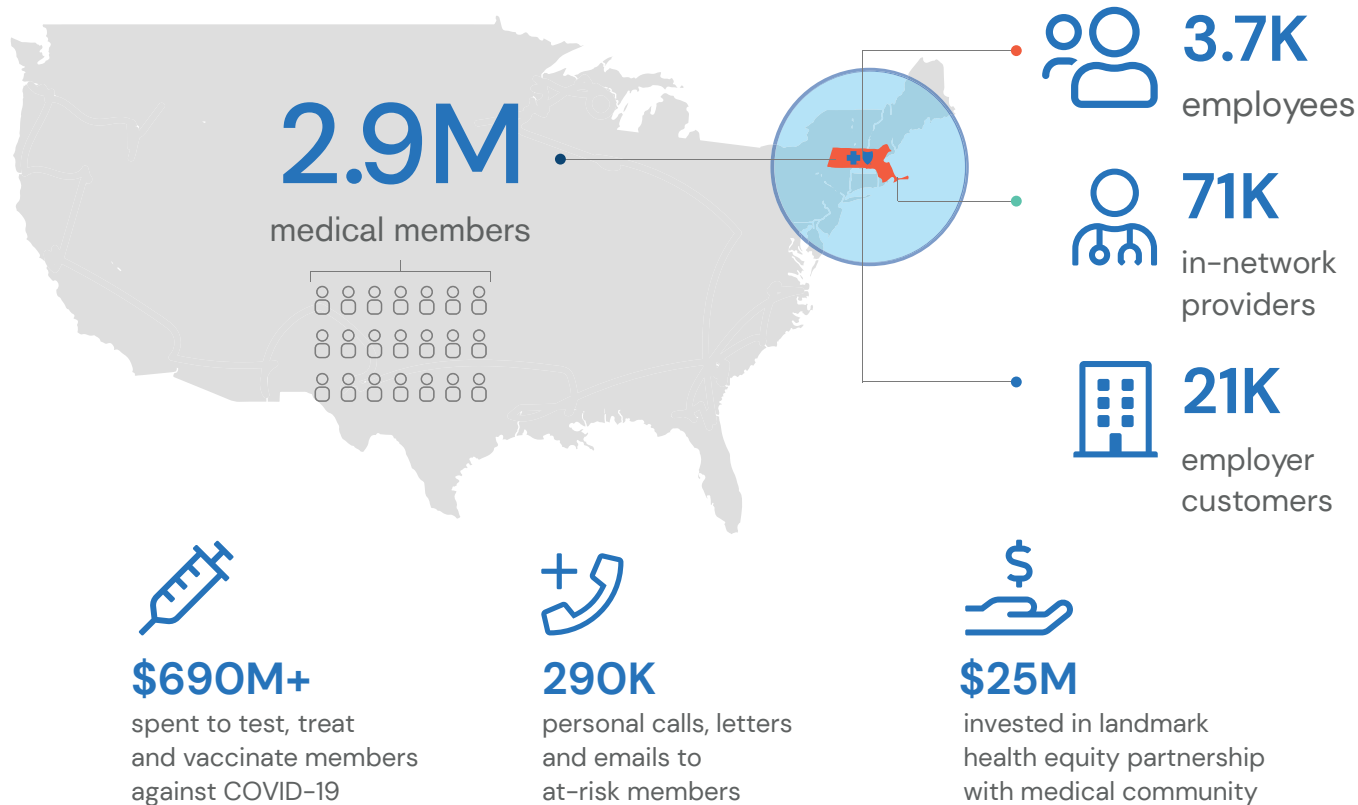
### *Championing Health Equity*

## **BROADENING OUR FOUNDATION'S STRATEGIC PRIORITIES**

The Blue Cross Blue Shield of Massachusetts Foundation seeks to expand access to health care for low-income and vulnerable residents of Massachusetts through grants, research, and policy initiatives. The Foundation Board of Directors and staff recently [added](#) structural racism and racial inequities in health to its other areas of focus, behavioral health and coverage and care. In 2021, our Foundation launched a [new grant program](#) to help organizations run by and serving people of color build capacity and strengthen expertise, and issued a [comprehensive report](#) on racial inequities in health care access, quality and outcomes.

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## **OUR COMPANY AT A GLANCE**



## OUR MEMBERS COME FIRST



**56M**

Claims processed

**94%**

Claims resolved on the first submission



**3M**

Calls, live chats & emails answered

**78%**

Member inquiries resolved on the first call or live chat



**1.1M**

Registered MyBlue users

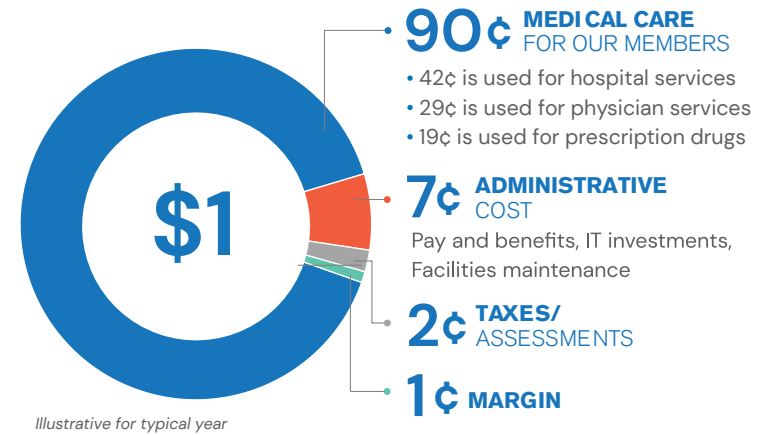
## OPERATING RESPONSIBLY

### By the numbers

- Manage **\$18B** in spending for our members' health care
- Invested **\$690M+** to cover COVID testing, treatments and vaccinations
- Paid taxes and assessments totaling **\$194M**
- Maintain sufficient reserves to provide security against the unknown
- Operating margin was a modest **0.1%**

(Data reflects CY 2021)

### 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



**71K**

Providers



including **17K** mental health providers (↑ 37% since 2016)



**74**

Hospitals



# COMMUNITY COMMITMENT

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

## Community Investments



\$27.9M out of \$33.7M in corporate contributions championed health equity in the community

Data reflects CY 2021

## Civic Engagement

Data reflects CY 2021

**2,797**  
Employee volunteers  
(76% of employees)

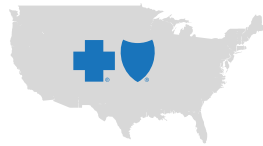
**29,582**  
Volunteer hours

**303**  
Service projects  
(70% virtual and 30% in-person)

**74%**  
Executive management  
serve on a not-for-profit board

## Environmental Sustainability





### 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

110M members in U.S. and Puerto Rico

### Committed to Local Communities

\$315M in charitable giving

### National Provider Network

1.7M doctors and hospitals

# DIVERSITY, EQUITY & INCLUSION

## 3,700

Total Employees

## 1324

employees participate in at least one of our eight Employee Resource Groups



## 62%

Women & people of color on Board of Directors



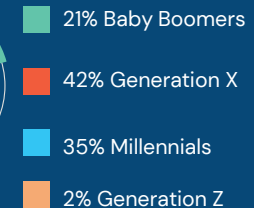
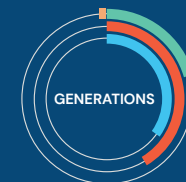
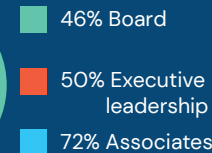
## 58%

Women & people of color in executive leadership



## \$43M

Spending for Supplier Diversity (22.9% increase since 2016)



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## AWARDS



### JD Power – #1 in Member Satisfaction

For the fifth year in a row, J.D. Power ranked us #1 in member satisfaction among all commercial health plans in Massachusetts. In 2021, we earned the highest score in five out of six plan experience categories: coverage and benefits, member service, provider choice, information and communication, and billing and payment.

### NCQA – Top 10% of U.S. health plans for quality

The National Committee for Quality Assurance (NCQA) has named us one of the highest-rated health plans in the country for quality in their Health Insurance Plan Ratings for 2020–2021. We are in the [top 10 percent of U.S. health plans for quality](#). NCQA awarded Blue Cross' Commercial HMO/POS plan and Commercial PPO plan a rating of 4.5 out of 5.

### Points of Light – The Civic 50

For the second year in a row, we were named one of the 50 most community-minded companies in America by Points of Light. The Civic 50 honors America's corporate citizenship leaders for their strong commitment to community and social impact.

### Diversity MBA magazine's 50 Out Front Companies for Diversity Leadership

We ranked 3rd on Diversity MBA Magazine's 50 Out Front Companies for Diversity Leadership for our investment in intentional strategies to advance women and managers of color and create a sustainable culture of belonging and inclusion.

### New England Employee Benefit Council – Silver Lining Award

We were honored to receive the New England Employee Benefit Council's Silver Lining Award recognizing our efforts to go above and beyond to support and engage our associates and their families during the pandemic.

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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.



As of Dec. 31, 2021



As of Dec. 31, 2021

## BOARD OF DIRECTORS

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





MASSACHUSETTS

For the full report, visit:

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