



MASSACHUSETTS

2020 ANNUAL REPORT

Steadfast Support During Extraordinary Times

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STEADFAST SUPPORT DURING EXTRAORDINARY TIMES

We stand strong with our members, employer customers, brokers, clinician partners and neighbors, and we have swiftly adapted our business to meet urgent new needs.

Dear friends,

I am proud to share with you today the stories of how our company responded to the extraordinary challenges of 2020, and the strong values and strategy that are carrying us into 2021.

When COVID-19 reached the U.S., we were there, for our members, for our customers, for our clinical partners, for our community. And when our country reckoned with a legacy of systemic racism, we stood with our neighbors, and stood up for change. In 2021, we will continue this vital work.

As the stories in this year's annual report illustrate, at Blue Cross, we build our business around our members' needs. We equip them to navigate a complex, expensive and fragmented health care system. We provide access to high-quality, affordable care, advanced online tools and personal service that is quick, responsive and empathetic.

In 2020, we transformed our business in response to urgent new needs, for example, eliminating out-of-pocket costs for COVID-19 testing, treatment and vaccination. We vastly expanded access to telehealth, provided self-guided digital tools for mental health care, and worked with child psychiatrists and primary care physicians to make mental health treatment more accessible to broader populations. We offered webinars to thousands of our members on depression and anxiety, and the stress caused by social injustice.

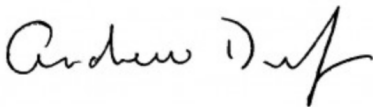
We are keenly aware that, as a community and a country, we are facing pandemics of both coronavirus and racism. Those of us in health care have a responsibility to address both. And just as we acted swiftly to respond to COVID-19, we have broadened our commitment to diversity and inclusion by focusing on racial equity in health.

This year, we are using our advanced data and analytics capabilities, in collaboration with our clinician partners, to identify inequities in care. We intend to be a leader in creating a more equitable health care system that does a better job of meeting everyone's needs.

While we focus on COVID-19 and racial inequity, we cannot lose sight of the urgent need for affordable health care.

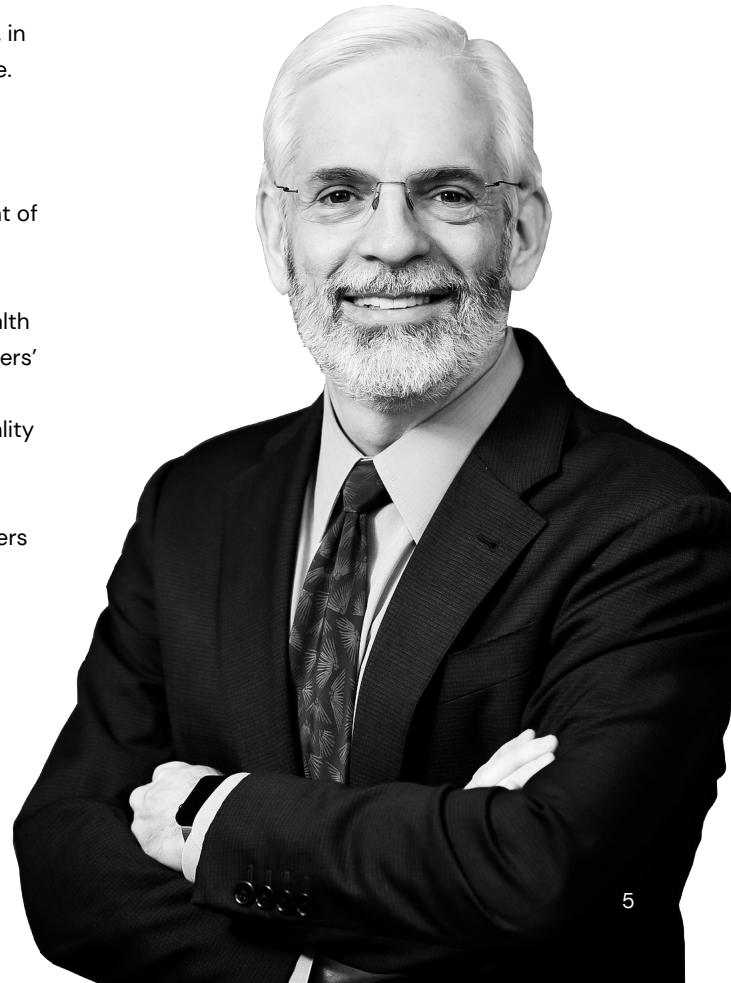
Our innovative products, services and payment models improve health outcomes, reduce waste and improve the overall value of our members' health care. This year, we will be working closely with physicians and hospitals in our network to create a more sustainable system so quality care is affordable for individuals, families and employers.

Thank you for your support, and special thanks to the frontline workers whose courage was the one constant in an otherwise uncertain and extraordinary year.



Andrew Dreyfus

President & CEO



B IS FOR BEING ON YOUR SIDE

It was a year defined by a global health crisis, economic challenges and a national awakening to racial inequities. We drew upon our capacity for innovation, our deep clinical and community partnerships, our not-for-profit values and our dedicated employees to maintain the highest levels of service, quality and community assistance.





ENSURING ACCESS TO CARE

Our No. 1 commitment amid the pandemic:
Making sure our members could get the care they
needed when they needed it – including telehealth
and COVID-19 testing and treatment – without
facing financial or administrative barriers.

Ensuring Access to Care

WE ARE HERE FOR YOU

"Having Blue Cross jump in and cover all of my COVID-related costs was wonderful. I cried tears of joy when I heard that."

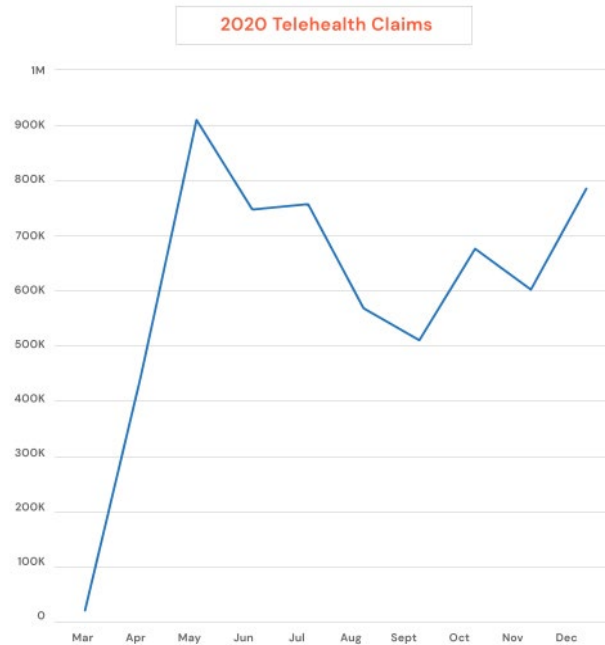
The pandemic posed unprecedented challenges for our nearly 3 million members, and we were determined to make sure they didn't have to worry about financial or administrative barriers if they got sick. We covered telehealth services at no cost to members, facilitated early refills of prescriptions as needed and waived cost-sharing for all medically necessary COVID-19 testing, vaccinations and treatment so our members could get well without out-of-pocket expenses.



Ensuring Access to Care

FACILITATING TELEHEALTH

When doctors' offices were forced to cancel in-person appointments at the outset of the pandemic, we were well prepared to facilitate a massive shift to telehealth care. We have offered remote medical and mental health visits via Well Connection since 2015, and during the public health emergency, we waived patient cost-sharing for visits by video or phone, and reimbursed clinicians for telehealth visits at the same rate as in-person visits.



Ensuring Access to Care

OUTREACH TO OUR MOST VULNERABLE MEMBERS

Using our advanced data and analytics capabilities, we developed a COVID-19 Risk Index to identify members living in communities more likely to have a higher risk of severe infection and hospitalization. With this new tool, our nurse case managers were able to prioritize their outreach efforts, and check in on more than 31,000 of our most vulnerable members. How were they feeling? Did they understand the precautions they should take? Did they have enough help at home? Did they know what to do if they experienced symptoms?





Ensuring Access to Care

OFFERING PREMIUM RELIEF FOR EMPLOYER CUSTOMERS AND THEIR EMPLOYEES

As many employers struggled amid historic economic pressures, we extended grace periods for customers having difficulty paying premiums. We also provided more than \$100 million in premium refunds and relief to our fully insured employer customers and to members who pay premiums for individual, non-group, Medex or Medicare Advantage coverage, and issued \$15 million in rebates to our Dental Blue customers. In addition, we drew upon our deep data and analytics capacity to help our accounts and broker and consultant partners understand the impact of the pandemic on employees' use of the health care system.

Ensuring Access to Care

HELPING OUR EMPLOYEES STAND STRONG FOR OUR MEMBERS AND ACCOUNTS

Our company continued to operate at the highest level even as more than 95% of our employees shifted to remote work under challenging circumstances. We enhanced employee programs, communications and benefits to meet new needs. We recognized the challenges of working parents and those caring for elders by expanding our back-up childcare and adult/eldercare benefits. To promote the mental health of employees and their family members, we hosted biweekly webinars with our in-house mental health experts and introduced an online mental health program.

To help employees navigate financial questions or concerns related to COVID-19, we offered new educational resources and created an employee financial assistance fund. Employees also received two additional personal days, and in recognition of the need for time off for mental health, our company sick time policy is now a “wellness time” policy. All employees also were given a one-time stipend to make their work-at-home environment more comfortable and effective. Our Employee Assistance Program continues to provide confidential, professional counseling.



EXPANDING MENTAL HEALTH RESOURCES

Many of our members faced a “perfect storm” of social isolation, worries about illness, economic uncertainty and the effects of racial inequities. With anxiety, depression and substance abuse on the rise, we expanded our multifaceted approach to mental health and substance use disorder and added more clinicians to our network, no-cost telehealth services and innovative online resources.



Expanding Mental Health Resources

MEETING THE GROWING DEMAND FOR CARE

Our approach to mental health and substance use disorder includes an in-house staff of practicing clinicians and mental health case managers, as well as innovative online services and close collaboration with community providers. We created a new resource center to help members find the care they need. And to help meet the rising demand for mental health care, we added more than 400 new mental health clinicians to our network. This brought the total number of psychologists, psychiatrists, social workers, family therapists and other mental health clinicians caring for our members to nearly 15,000.



Expanding Mental Health Resources

WELCOMING MORE CHILD PSYCHIATRISTS

Massachusetts, like other states, has long faced a shortage of in-network child psychiatrists. Knowing the social and educational disruption caused by the pandemic was hitting kids especially hard, we grew our network of child psychiatrists by offering a new incentive program that increased our reimbursement rates by 50%.

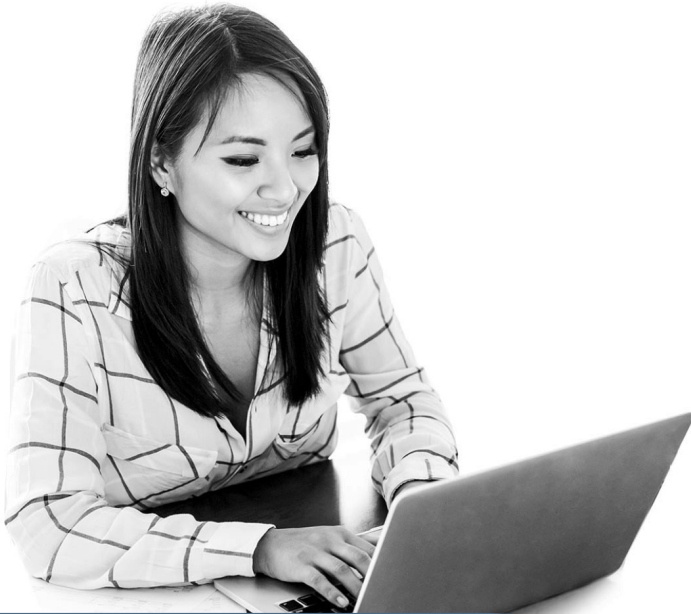


Expanding Mental Health Resources

INTEGRATING PRIMARY CARE AND MENTAL HEALTH CARE

Our value-based Alternative Quality Contract payment system gives participating hospitals and clinicians “global payments” that allow for maximum flexibility in how they care for patients. Over the years, a number of AQC primary care practices have added mental health clinicians to better treat all of their patients’ health care needs. We’re now offering even more incentives for this type of care. Primary care practices that implement a psychiatric collaborative care management model, which has been shown to improve both physical and mental health outcomes, will receive additional payments from us.





Expanding Mental Health Resources

OFFERING GREATER ACCESS TO INNOVATIVE ONLINE RESOURCES

With depression, insomnia, stress and anxiety on the rise during the pandemic, we broadened access to Learn to Live, an innovative online service that provides self-directed programs based on the fundamentals of cognitive behavioral therapy. The program is now available to all fully insured customers and members as well as to self-insured customers who choose to purchase it for their employees.

Expanding Mental Health Resources

ADDRESSING MENTAL HEALTH INEQUITIES

"I believe appropriate mental health treatment can save lives. It saved my life."

Communities of color have suffered disproportionately during the COVID-19 pandemic. We asked a prominent African American psychiatrist to share her perspective on stigma and racial inequities in mental health, as well as her advice on how to choose a mental health provider, as part of a Digital Health Award-winning series on health inequities for our Coverage news service.



Expanding Mental Health Resources

Q&A ON MENTAL HEALTH AND THE PANDEMIC

As employees across the country worked from home under intense strain, our in-house psychiatrists conducted dozens of mental health webinars for thousands of our members, in partnership with our employer customers and brokers. We also collaborated with The Boston Globe to bring together a panel of mental health clinicians with expertise in treatment, medical education, health inequities and substance use services to answer questions about parenting, racial inequities and other issues weighing on so many of us during this health and economic crisis.



STANDING STRONG WITH OUR CLINICIAN PARTNERS

As clinicians worked heroically on the front lines of care, we bolstered our support with advance payments, fewer administrative requirements, expedited credentialing and a new value-based payment program for independent primary care practices that includes incentives for improved quality and lower costs.



Standing Strong with Our Clinician Partners

ACCELERATING PAYMENTS FOR OUR MEMBERS' CLINICIANS

When our clinician partners were hit with a steep drop in office visits, elective procedures and non-urgent hospital services, along with the unanticipated costs of pandemic safety measures, we set up new billing guidelines to ensure payment for care delivered at field hospitals and other alternative sites, eased administrative requirements – including prior authorizations and referrals – for COVID-19 care, and made necessary adjustments to ensure that we could process claims promptly and efficiently. We also stepped in to provide a financial boost by accelerating payments to primary care practices that participate in our value-based programs.



Standing Strong with Our Clinician Partners

OFFERING VALUE-BASED PAYMENT MODELS TO SMALLER PHYSICIAN PRACTICES

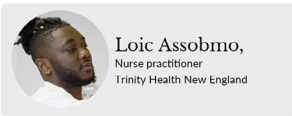
By partnering with large physician groups, we've had more than a decade of success in improving the quality of care while controlling health care costs through our Alternative Quality Contract. Now, we've launched a pilot program to include smaller, independent primary care practices. The pilot provides participating practices with a "global" pool of money for patients and flexibility in how to use it, rather than the traditional "fee-for-service" method of reimbursement for office visits, tests or procedures.



Standing Strong with Our Clinician Partners

HONORING CLINICIANS ON THE FRONT LINES

When the pandemic began, there was no known treatment or cure, no natural immunity. But patients could count on the courage, ingenuity and compassion of clinicians working in emergency rooms, intensive care units, clinics and field hospitals. During the outbreak, our Coverage news service has given hospital staff the opportunity to share their most personal and urgent thoughts, concerns and advice with the public.



Loic Assobmo,
Nurse practitioner
Trinity Health New England

When I volunteered to take care of patients who may have COVID-19, I view it as an honor to leverage my medical training in order to help people in vulnerable time in their lives.



Dr. Pardis Sabeti
Harvard University geneticist;
Infectious disease researcher
at the Broad Institute;
head of the Sabeti Lab

Ultimately, we need to be more cooperative and more creative than ever. I think we're in for a marathon on this one.



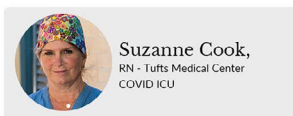
Labina Shrestha,
Operations manager of
environmental services at
Brigham and Women's Hospital

We could be scared and stay home, but we want to come in and want to do our jobs and keep everyone safe.



Dr. William Baker,
Emergency medicine physician

Most of us have entered this career knowing at times we'd have to take risks. I think that's the core of why we do this. But more than that is a sense of duty to community and colleagues.



Suzanne Cook,
RN - Tufts Medical Center
COVID ICU

Just know our hearts are full of hope. Even if you can't see our faces behind the masks and goggles, know we're smiling at you.



Dr. Adam Lurie,
Newton-Wellesley Hospital

The pandemic is clearly pushing the medical system to its limits. It is the smart, hard-working people with whom I work that will get our community through this crisis.



Dr. Kavita Babu,
Department of Emergency
Medicine at UMass Memorial

It's just incredibly tragic, but we've been more collaborative in medicine than we've ever been. We all have one mission.



Dr. Narayana Lebaka,
Chief of hospital medicine
Baystate Noble Hospital

As the chief, my biggest concern was to provide 24-hour coverage for COVID patients with a limited workforce and scarce resources.



Virginia Caples,
Infection prevention nurse,
Cambridge Health Alliance

Every member of the team comes together to take care of each patient to keep them safe, keep them alive and get them back home.





HELPING OUR MEMBERS AND NEIGHBORS STAY SAFE AND WELL

We proudly mobilized our greatest resource – our talented and compassionate employees – on behalf of public health initiatives, while providing financial aid to nonprofits at the heart of our state’s pandemic relief efforts.

Helping Our Members and Neighbors Stay Safe and Well

CONTACT TRACING

We redeployed more than 100 Blue Cross employees, including many from our member and provider service centers, as contact tracers for Massachusetts' first-in-the-nation COVID-19 Community Tracing Collaborative. Contact tracers call Massachusetts residents who have been in contact with people infected with COVID-19 and counsel them on testing and quarantine. The addition of our highly trained and experienced service center staffers helped jump-start this vital public health initiative.



Helping Our Members and Neighbors Stay Safe and Well

BOSTON HOPE COVID-19 FIELD HOSPITAL

When a 1,000-bed COVID-19 field hospital was built in Boston to help relieve the pressure on hospitals treating higher-risk patients, two dozen of our clinicians joined the medical team. Blue Cross registered nurses and behavioral health care managers helped ensure that patients had the medications, supplies, caregivers and access to nutritious food they needed after they were discharged from the field hospital.



Helping Our Members and Neighbors Stay Safe and Well

COMMUNITY BLOOD DRIVES

“This is a time people really need help and this feels like my time to pitch in.”

The COVID-19 public health emergency forced the cancellation of many community and workplace blood drives, and blood donor centers had to reduce their capacity to adhere to social distancing guidelines. We partnered with the American Red Cross to help keep local hospitals well-supplied by conducting a series of public blood drives at our Quincy office.





Helping Our Members and Neighbors Stay Safe and Well

PREPARING AND DONATING HEALTHY MEALS

With most of our employees working remotely, our office cafeterias were closed. So, in early summer, as statewide food insecurity rates soared, we partnered with our service vendor, Flik, to bring cafeteria workers back to our empty kitchens so they could make healthy meals for distribution to those in need. Working with Lovin' Spoonfuls, a local food recovery organization, we produced 5,000 boxed meals a week for more than a dozen nonprofits in and around Boston. As of December 2020, we had delivered nearly 90,000 meals.

Helping Our Members and Neighbors Stay Safe and Well

COVID-19 RAPID RESPONSE GRANTS

In 2020, Blue Cross and our Foundation contributed \$22.6 million of support to Massachusetts-based not-for-profit organizations across the state in financial, pro bono and in-kind support, including \$12.9 million for COVID-19 relief efforts.

We donated to those most affected by the COVID-19 health crisis, focusing on essential frontline workers, including teachers, firefighters and service workers, and higher-risk groups, such as people experiencing homelessness, immigrant populations, people living with disabilities, children and seniors.

For example, our grants included aid for organizations addressing the ongoing food insecurity crisis, helping with the safe reopening of schools and supporting communities of color disproportionately affected by COVID-19.



VOLUNTEERING TIME AND EXPERTISE

As a Massachusetts-based, not-for-profit health plan, we've always provided our employees with the opportunity to volunteer their time, skills and expertise to improve the health of communities where they live and work – and during 2020, many found creative new ways to help others.



Volunteering Our Time and Expertise

VIRTUAL VOLUNTEERISM

Each year, our employees traditionally volunteer tens of thousands of hours at more than a hundred nonprofits across Massachusetts. When the pandemic hit, nonprofits were facing greater demands than ever, and our team was eager to help. So, we swiftly redesigned our approach to community service, with both virtual and in-person volunteering, to help our nonprofit partners safely and effectively fulfill their missions.





Volunteering Our Time and Expertise

PERSONAL PROTECTIVE EQUIPMENT

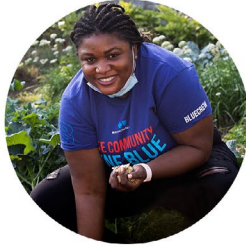
"I blew the dust off my sewing machine and started making masks!"

During the early days of the pandemic, clinicians, caregivers and other essential workers struggled to find enough personal protective equipment. We helped fund the purchase of personal protective equipment for teachers and donated 1,600 N95 masks to Boston Healthcare for the Homeless. Blue Cross employees also turned to their home sewing machines and 3D printers to make nearly 20,000 masks and face shields, including 3,000 for community hospitals.

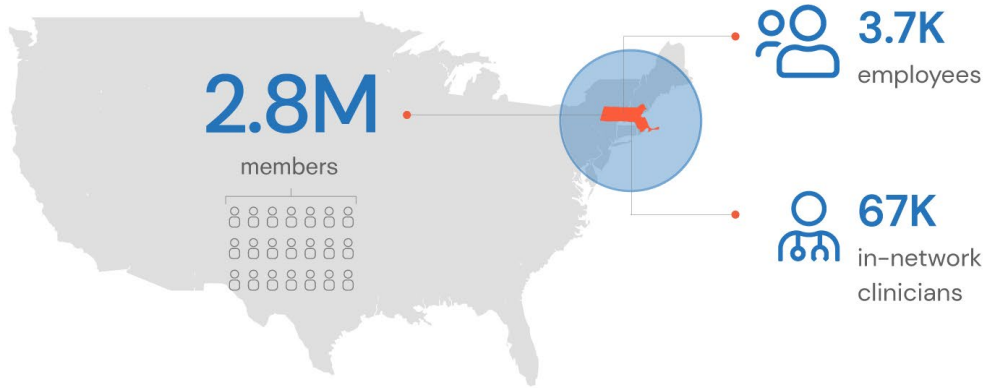
Volunteering Our Time and Expertise

A WEEK TO SERVE, LEARN, REFLECT AND IMAGINE

Our 10th annual company-wide service event was reinvented to respond to the twin crises of COVID-19 and racial injustice, with an emphasis on employee education and engagement. We also extended our activities to a full week, rather than the traditional day of service in September. Nearly 2,800 Blue Cross employees volunteered to participate in 65 virtual and in-person service projects, contributing to 70 nonprofits across Massachusetts.



2020 FACTS AND FIGURES



COVID-19 RESPONSE



\$300M

spent on COVID-19 treatment and tests



\$100M

given to consumers in premium refunds and relief



\$12.9M

donated to COVID-19 relief in financial and pro-bono support

Service and Operational Highlights

We are committed to the relentless pursuit of quality, affordable and equitable 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.



46M

Claims processed

94%

Claims successfully resolved on the first submission



3M

Calls answered

77%

Member inquiries resolved on the first call



791K

Registered MyBlue users

6.8M

Unique MyBlue visits



7,854

Total live chats answered

Coverage whenever and wherever you need it



Health Insurance

including HMO, PPO and Medicare, with custom, tiered and limited options



Other Insurance

Dental, vision, pharmacy, travel and disability coverage



Fitness Benefits

including wellness coaching



Telehealth

with 24/7 access to physicians



Health Financial Accounts

including HSAs, HRAs and FSAs



Stop-loss Coverage

for self-insured businesses

Participating Provider Network



67,138

Providers



74

Hospitals

Responsible Financial Stewardship

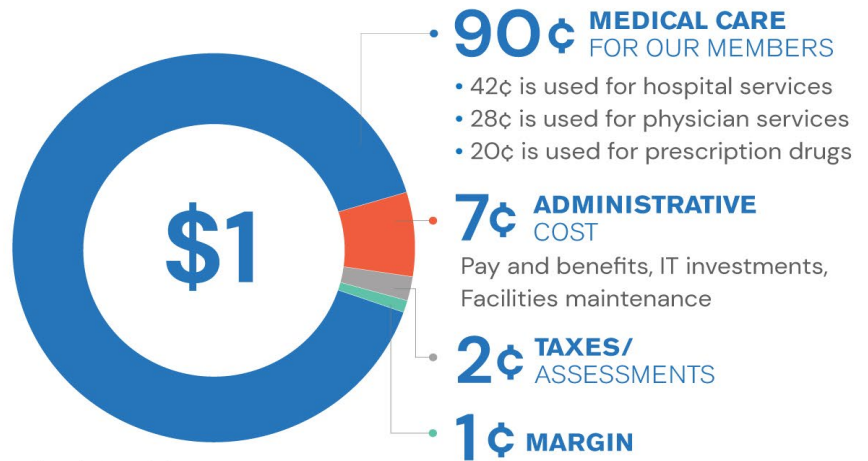
We exceeded state and federal requirements for the amount of premium dollars spent on health care services for members for the seventh year in a row.

By The Numbers

Total Premiums & Premium Equivalents	\$17.1B
Total Medical Costs including self-insured	\$15.5B
Operating Margin	2.2%
Taxes and assessments paid	\$290 million
Reserves: days of claims	50-55

Data reflects CY 2020

How Your Premium Dollar is Spent



Illustrative for typical year

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.

3,700

Total Employees



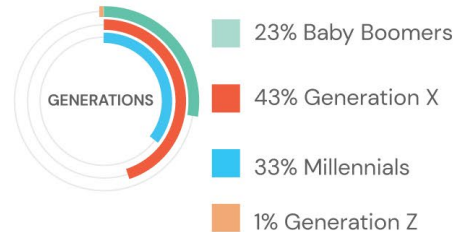
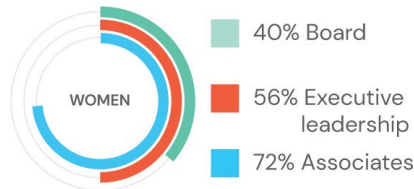
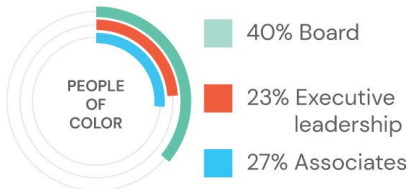
60%

Women & people of color on Board of Directors



71%

Women & people of color in executive leadership



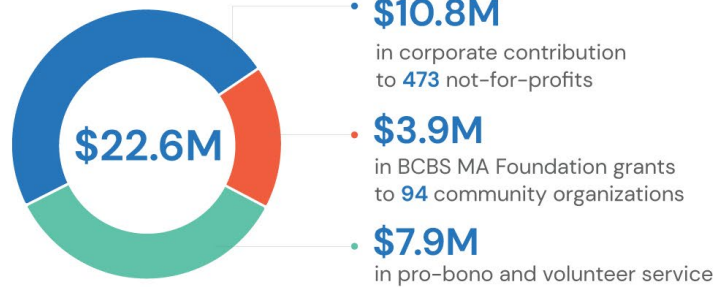
1,145

employees (31%) participate in at least one of our eight Employee Resource Groups: Asian Blue Community, Blue Pride, Empowering Abilities, Veterans ERG, AZULatinx, Black Professional Network, Women's Inclusion Network, Young Professionals Network

COMMUNITY COMMITMENT

We are dedicated to helping Massachusetts residents lead healthy lives by supporting not-for-profits focused on healthy eating, active lifestyles, and positive environments.

Community Investments



\$12.9M out of \$22.6M went directly to COVID-19 relief

Data reflects CY 2020

Civic Engagement

Data reflects CY 2020

 **2,897**
Employee volunteers
(79% of employees)

 **56.4K**
Volunteer hours


 **226**
Service projects

 **\$682K**
given by employees to
MA not-for-profits during
our employee giving
campaign

Environmental Sustainability

Since 2010, we have reduced our company's impact on the environment in meaningful ways.

 **58%**
Reduced
electricity

 **85%**
Reduced
paper



 **76%**
Reduced
waste

 **31%**
Reduced
water

2020 AWARDS



JD Power – #1 in Member Satisfaction

For the fourth year in a row, J.D. Power ranked us #1 in member satisfaction among all commercial health plans in Massachusetts. In 2020, we achieved the highest score for coverage and benefits, 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 2019–2020*. 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

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.

eHealthcare Leadership Awards 2020 – Winner

Our website, Bluecrossma.org, received a platinum award for Best Internet Home Page from eHealthcare Leadership. We were the only health plan to be recognized.

Diversity MBA magazine’s 50 Out Front Companies for Diversity Leadership

We were ranked seventh in Diversity MBA magazine’s 50 Out Front Companies for Diversity Leadership: Best Places to Work for Women & Diverse Managers. We were also named by Diversity MBA magazine as one of the Top 10 Best in Class companies for recruitment.

Human Rights Campaign Foundation – Perfect Score of 100%

For the sixth consecutive year, Blue Cross has received a perfect score of 100% on the 2020 Corporate Equality Index, a national benchmarking survey and report on corporate policies and practices related to lesbian, gay, bisexual, transgender and queer workplace equality, administered by the Human Rights Campaign Foundation.

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, 2020

BOARD OF DIRECTORS

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



As of Dec 31, 2020







MASSACHUSETTS

For the full report, visit:

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