

Blue Cross Blue Shield of Massachusetts Announces Latest Results
Spending on COVID and telehealth tops \$850 million in 2020
COVID-related costs expected to top \$650 million in 2021; at least \$150 million in vaccine spending alone
New Annual Report highlights company response to COVID-19, health inequities and racial justice

BOSTON - March 1, 2021 – [Blue Cross Blue Shield of Massachusetts](#) (Blue Cross), Inc. and Blue Cross Blue Shield of Massachusetts HMO Blue, Inc. reported a combined after-tax fourth quarter net gain of \$65 million on revenue of \$2.1 billion. These results reflect an operating gain of \$46.5 million (2.1% operating margin), and an investment gain of \$18.8 million.

“Continued uncertainty and volatility in our business remains the big theme, but we’re now planning for COVID-19 to impact us for multiple years,” said Chief Financial Officer Andreana Santangelo. “We expected gains in the fourth quarter and for the full year, mostly due the deferral of health care services early in 2020 and investment gains throughout the year. However, we expect 2021 to be a very challenging year due to the continued costs of COVID and the return of non-COVID services that have been deferred.”



Santangelo said today she expects COVID-related costs in 2021 to top \$650 million, including at least \$150 million in spending to cover the costs of administering the COVID-19 vaccines.

In 2020, Blue Cross spent more than \$300 million on COVID-19 diagnostic testing and treatment for its members. More than one in six of Blue Cross members was confirmed or suspected of having COVID-19 in 2020.

The company also experienced an explosion in telehealth claims during the pandemic, paying more than \$550 million for members’ phone and video visits since mid-March, when Blue Cross expanded telehealth access and removed member cost sharing. The spending is more than 100 times what the company spent on telehealth in 2019, and the number of telehealth visits increased by 9,500%.

For the full year 2020, Blue Cross reported a combined net income of \$306 million before favorable tax impacts, on revenue of \$8.3 billion. These results reflect an operating gain of \$189 million (2.3% operating margin), and an investment gain of \$116 million.

New COVID-19 Data & Trends

The company also released new, estimated data today on the impact of COVID-19 in 2020.
March-December 2020

Members with confirmed or suspected COVID-19	618,000
Spending on COVID-19 diagnostic testing and treatment	\$300+ million
Member telehealth visits	6 million
Spending on telehealth, including waiving member cost share	\$550+ million
COVID-related financial support to members, customers, clinical partners, and the community, including premium refunds and rebates	\$220 million
Employee volunteer hours dedicated to COVID-19 relief and support	56,000

Employees deployed to assist (pro bono) with public health contact tracing and clinical work at COVID field hospitals	125
Free meals from BCBSMA company kitchens provided to local nonprofits that address food insecurity	88,000
Estimated value of community financial support, employee volunteer efforts, pro bono contact tracing & field hospital assistance, and meals program	\$12 million

Notable Accomplishments

In 2020, Blue Cross' notable accomplishments included the following:

- Named top health plan in Massachusetts for member satisfaction for the fourth consecutive year by J.D. Power, a global leader in consumer insights.
- Recognized as a top-performing health plan in the country for quality by the National Committee for Quality Assurance.ⁱ
- Earned high ratings from the Centers for Medicare & Medicaid Services for Medicare plans, including an overall rating of 4.5 stars out of 5 for its Medicare Advantage PPO and HMO plans and Blue MedicareRx Prescription Drug Plan for CY2021.ⁱⁱ
- Named Best Health Insurance Provider in the Worcester Business Journal's 2021 Best of Business awards

Annual Report

Blue Cross also released its [2020 Annual Report](#) today, focused on the health plan's response to the dual crises of COVID-19 and systemic racial inequity, including:

- **Ensuring access to care**
Blue Cross waived cost-sharing for all medically necessary COVID-19 testing, vaccinations, and treatment, facilitated early refills of prescriptions as needed, and covered telehealth services at no cost to members.
- **Outreach to vulnerable members**
Using its advanced data and analytics capabilities, the health plan developed a COVID-19 Risk Index to identify and reach out to members living in communities more likely to have a higher risk of severe infection and hospitalization.
- **Expanding mental health resources**
Blue Cross expanded its multifaceted approach to mental health and substance use disorder by working with child psychiatrists and primary care practices to make treatment more accessible; introducing innovative digital services; and offering frequent mental health webinars for members and employees.
- **Standing strong with clinician partners**
Blue Cross bolstered support for its members' doctors 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.
- **Supporting pandemic relief**
In 2020, Blue Cross and its nonprofit Foundation contributed \$15 million in financial, pro bono and in-kind support for Massachusetts' COVID-19 relief efforts and for nonprofit organizations serving the state's most under-resourced communities. In addition, employees were mobilized to assist with vital public health initiatives such as COVID-19 contact tracing and Boston's emergency field hospital.
- **Addressing racial inequity and health disparities**
After an extensive process of discussion and planning with internal and external stakeholders and experts, Blue Cross and its Foundation developed a set of major initiatives designed to break new ground in reducing health inequities and promoting racial justice. In a first for the region, the health plan began to collect and [analyze comprehensive, member-level race and ethnicity data](#) that can be used in collaboration with its community and clinical partners to create a more equitable health care system.

About Blue Cross Blue Shield of Massachusetts

Blue Cross Blue Shield of Massachusetts (bluecrossma.org) is a community-focused, tax-paying, not-for-profit health plan headquartered in Boston. We are committed to the relentless pursuit of quality, affordable health

care *with* an unparalleled consumer experience. Consistent with our promise to always put our members first, we are rated among the nation's best health plans for member satisfaction and quality. Connect with us on [Facebook](#), [Twitter](#), [YouTube](#), and [LinkedIn](#).

ⁱ Each year, Medicare evaluates plans based on a 5-star rating system.

ⁱ *NCQA Health Plan Report Cards*

ⁱⁱ *Each year, Medicare evaluates plans based on a 5-star rating system*
