BLUE CROSS BLUE SHIELD OF MASSACHUSETTS ANNOUNCES LATEST RESULTS

Company's COVID spending nears $1 billion

New Annual Report highlights groundbreaking work on health care equity, affordability and quality, as well as support for a historic pandemic response

BOSTON – March 1, 2022 – Blue Cross Blue Shield of Massachusetts (Blue Cross), Inc. and Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc. today reported a combined after-tax fourth quarter net loss of $59.8 million on revenue of $2.2 billion. These results reflect an operating and other loss of $101.9 million (-4.1% operating margin), and an investment gain of $40.9 million.

"Our results for the quarter and the full year reflect the continued impact of the COVID-19 pandemic," said Chief Financial Officer Andreana Santangelo. "Claims continue to be back at - and in some cases well above - pre-pandemic levels. At the same time, we're navigating uncertain economic times, including rising inflation and the workforce instability our employer customers are facing, so we expect continued volatility in 2022."

In 2021, Blue Cross spent nearly $700 million on COVID-19 diagnostic testing, treatment and vaccine administration. Since the start of the pandemic, the company has spent nearly $1 billion on COVID-related expenses for its members.

For the full year 2021, Blue Cross reported a combined net gain of $192.5 million on revenue of $8.4 billion (2.29% net margin) in 2021. These results reflect an operating and other gain of $6 million (0.1% operating margin), and an investment gain of $185.3 million.

Notable Accomplishments

Blue Cross' notable accomplishments in 2021 included:

- Named top health plan in Massachusetts for member satisfaction for the fifth 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 CY2022.[ii]
- Received the Excellence in Public Service Award from the National Health Care Anti-Fraud Association for our company-wide effort to address dangerous threats posed by fraud and misinformation amid the COVID-19 pandemic.
- Named one of the 50 most community-minded companies in America by Points of Light for the second year in a row
- Received two World Class Call Center certifications and two Customer Experience Best Practice awards from SQM Group, a market leader in North America for helping call centers improve first call resolution and customer experience

Annual Report

Blue Cross also released its Annual Report today, which details the company's work in three areas:

- **A historic public health mobilization aimed at ensuring access to life-saving vaccines and treatment:** When COVID-19 vaccines became available, every part of the company worked to help members and neighbors get access – with clinical expertise, personalized outreach to members, trusted and timely communication, and support for front-line community nonprofits.

- **Innovative programs, products and partnerships that will enhance the quality and affordability of care members receive.** Blue Cross believes 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 the company is forging new partnerships to provide better access to mental health care, substance use disorder treatment, diabetes care, fitness and more.

- **A more equitable health system.** Blue Cross aims to be a leader in ensuring all members get high-quality, affordable, equitable care. The company's first-of-its-kind effort to eliminate racial and ethnic inequities in health care is underway in partnership with clinicians in its network.

Read the full report here.

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*

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