Blue Cross Blue Shield of Massachusetts Announces First Quarter 2021 Financial Results

BOSTON — May 14, 2021 —Blue Cross Blue Shield of Massachusetts (Blue Cross), Inc. and Blue Cross Blue Shield of Massachusetts HMO Blue, Inc. today reported a combined after-tax first quarter net income of $77.2 million on revenue of $2.1 billion. These results reflect an operating income of $23.1 million (1.1% operating margin) and investment income of $53.7 million.

“Our results this quarter reflect the impact of several key factors, including the absence of the Affordable Care Act insurer fee and better than anticipated investment income,” said Andreana Santangelo, Blue Cross' chief financial officer. “However, it’s very challenging to predict what the rest of 2021 will look like, given all the uncertainty related to COVID. Medical spending has been extraordinarily volatile during the pandemic, so we’re proceeding cautiously.”

Santangelo added that she expects the pandemic to have a lingering effect on the company’s business, likely for multiple years, due to the continued costs of COVID and the return of non-COVID services that have been deferred. She anticipates that COVID-related costs in 2021 will top $650 million, including at least $150 million in spending to cover the costs of administering COVID-19 vaccines to members.

In 2020, Blue Cross spent more than $300 million on COVID-19 diagnostic testing and treatment for its members. The company also experienced an explosion in telehealth claims during the pandemic, paying more than $550 million for members’ phone and video visits since March 2020.

Blue Cross is the leading private health plan in Massachusetts with 2.8 million members.

About Blue Cross Blue Shield of Massachusetts

Blue Cross Blue Shield of Massachusetts (bluecrossma.com) 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.