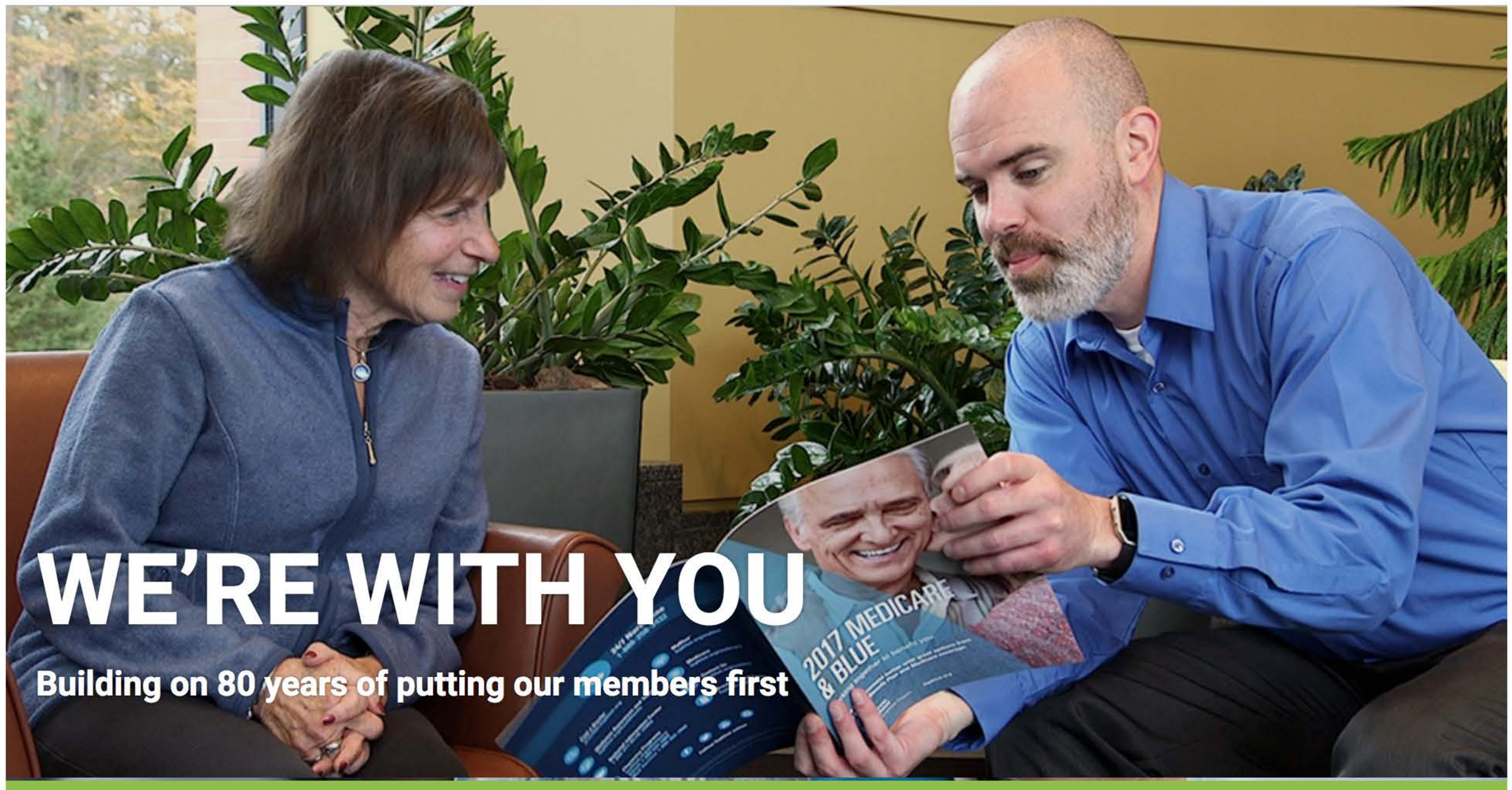
2017 Annual Report



WE'RE WITH YOU

Building on 80 years of putting our members first

CEO Perspective

"As we pursue our commitment to making high-quality health care more affordable, we constantly ask ourselves: What do consumers expect a health plan to do well?"

Andrew Dreyfus
President & CEO

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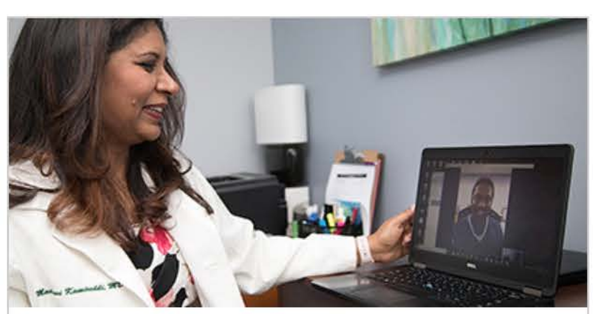
Innovation in Action



Simplicity, Savings, and Convenience

Helping our members make smart health care decisions.

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Controlling Chronic Illness

Applying technology and personal coaching to our care management solutions.

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Addressing Complex Health Care Issues

Our commitment to tackling the opioid epidemic and improving end-of-life care.

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CEO Perspective

Dear Friends,

In every sector of the economy, consumers' expectations for simplicity, value, and personalized service have never been greater. So, as we pursue our commitment to making high-quality health care more affordable, we constantly ask ourselves:

What do consumers expect a health plan to do well?

What can we at Blue Cross do even better?

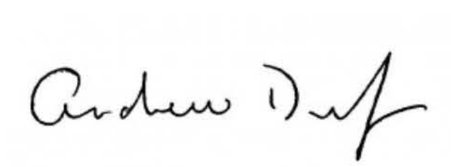
To find the answers, we look to the individuals and companies that have chosen Blue Cross Blue Shield of Massachusetts for their health care services, and here's what they tell us: They expect health plans to deliver access to high-quality care and to play an active role in making health care services more affordable. They want health plans that are easier to understand and simpler to use, and they want to know what they're paying for and how much they'll need to spend before they get care. They want expert guidance on how to improve their overall well-being, and they expect to be rewarded for choosing high-quality, lower-cost care and healthier lifestyles.

Well, as the theme of this year's annual report says: "We're with you." Here are some examples:

- We've introduced easy-to-use tools and resources that put information about benefits, costs, and quality at our members' fingertips so they can be "smart shoppers" when they have a choice of care options.
- We offer rewards and incentives that encourage members to commit to a healthier lifestyle and make day-to-day progress in meeting their goals.
- We're working with new business partners to help our members with chronic conditions maintain and improve their health at all stages of their lives.
- We're using our experience and expertise to help tackle complex health care issues like opioid use disorder and end-of-life care.
- We're collaborating with scores of nonprofit community partners to help underserved individuals and families throughout Massachusetts lead healthy lives.

As we mark our 80th year in business as a not-for-profit company, we're building on a long tradition of putting our members first. The answer to the question, "What can Blue Cross Blue Shield of Massachusetts do better?" has always been about outstanding customer service, the peace of mind that comes with the Blue Card, our wide selection of benefit plans, and our support for the communities where our members live and work. In 2018 and beyond, we'll continue to take the lead in developing and offering the best possible health care experience for our members and employer customers.

With thanks and best wishes,



Andrew Dreyfus
President & CEO

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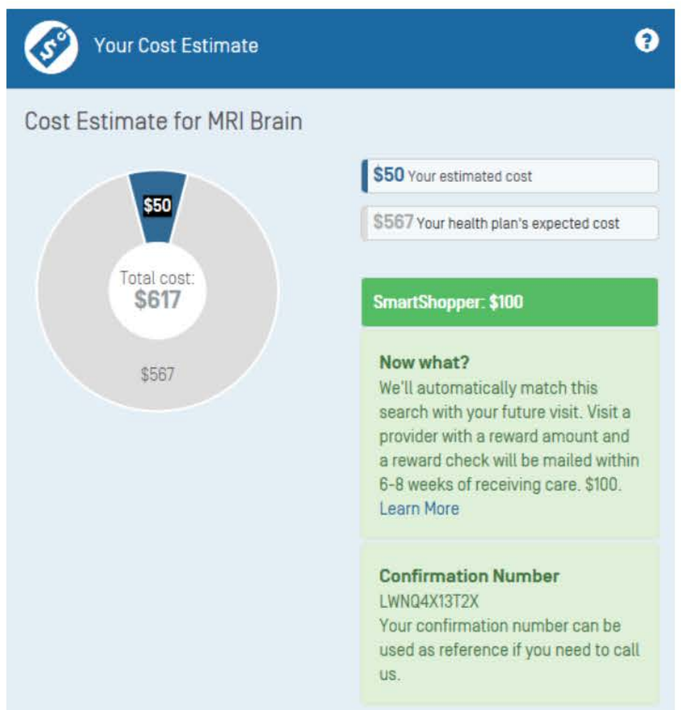
Offering Our Members Simplicity, Savings, and Convenience

We're helping our members make smarter health care decisions and offering them financial incentives for improving their health.

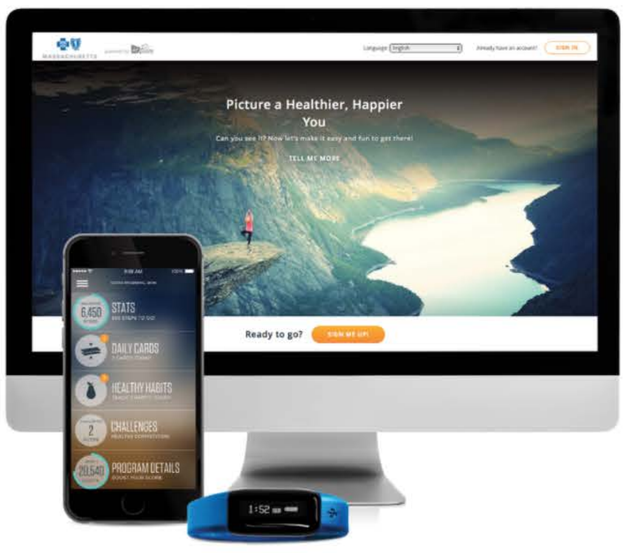
Choosing high-value care

Today's consumers want shopping to be simple, and they expect to save money when they choose wisely. Unfortunately, health care choices are often confusing, and the rewards are few and far between. Our SmartShopper® program changes all that. By using SmartShopper, participating members and their covered dependents can easily compare physicians and hospitals for a wide variety of outpatient services, including MRIs, mammograms, and colonoscopies, and earn up to $250 in cash rewards when they choose lower-cost, high-quality caregivers. What's more, participating companies can save money when an employee chooses a lower-cost provider from our SmartShopper list.



The Massachusetts Interlocal Insurance Association (MIIA), which offers our services to more than 400 municipalities and other public entities, helped pilot the program in 2017. "We're always looking for new ways to help our employees make smart health and financial choices for themselves and their families," says Chris Bailey, MIIA Health Trust Manager. "SmartShopper empowers them to take charge of important decisions about where to get their care, rewards them for choosing wisely, and saves our municipalities money at the same time."

Supporting personal well-being



While SmartShopper lets our members share in the benefits of being cost-conscious when they get care, ahealthyme® Rewards encourages members to take small steps that increase their well-being and rewards their progress. Members who join receive a free mobile health device that tracks their activity, calories burned, and sleep patterns, and they can earn points for tracking healthy habits, reaching personal wellness goals, enlisting social support, and using their preventive health benefits. Members are motivated by a mix of financial and social rewards, and they can choose from gift cards, wellness merchandise, cash, or charitable donations for a total of $400 per year. The program, which is offered at no cost, was designed for mid-sized companies that typically don't have the resources to develop and run their own health and wellness programs.

Visiting the doctor with live video

Our telehealth benefit lets members set up live video visits with doctors and therapists in our own provider network or in the national network of our telehealth partner, American Well.

Dr. Madhavi Kamireddi, a psychiatrist who practices in the Boston suburbs, was an early adopter of telehealth, and she says it can improve access, accountability, and convenience for her patients. "With telehealth, my patients can tell me how they are doing with their treatment plan without taking time to travel to my office," Dr. Kamireddi says. Telehealth also helps her manage her own time more productively. "I can easily set up video sessions with people who need my immediate attention, so it's less likely they'll end up in an emergency room."

Dr. Madhavi Kamireddi uses telehealth to improve access and convenience for her patients.

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Controlling Chronic Illness

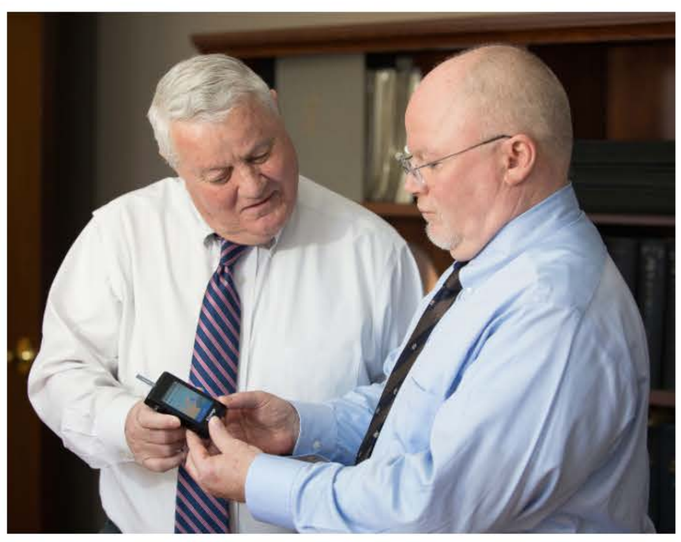
We offer a full spectrum of programs that apply technology, expertise, and personal coaching to the prevention and management of serious chronic conditions.

Preventing and controlling diabetes

More than 1 in 3 Americans have a serious medical condition called prediabetes, with elevated blood sugar levels that put them at increased risk for developing diabetes. And unfortunately, an estimated 90% of adults with prediabetes don't know they have it.

Our new, employer-based prediabetes screening and engagement program makes it easy and convenient for employees to understand their potential risks and take preventive action. As part of the program, we arrange for workplace biometric screenings and immediate 1:1 health coaching to help each individual set achievable goals and create a plan of action. Members at highest risk receive clinical coaching from Blue Cross nurses who help facilitate follow-up and support from their physician.

We're also helping members already living with diabetes to control their disease using a combination of smartphone technology and personalized coaching. Livongo Health, a leading developer of digital health services, provides participating members with a free, "cloud-connected" blood glucose meter that allows for around-the-clock remote monitoring of test results, including alerts when levels get too high or low. Since its founding, Livongo Health has received venture funding from Zaffre Investments, a company we created in 2014 to support innovations aimed at improving the delivery and use of health care.



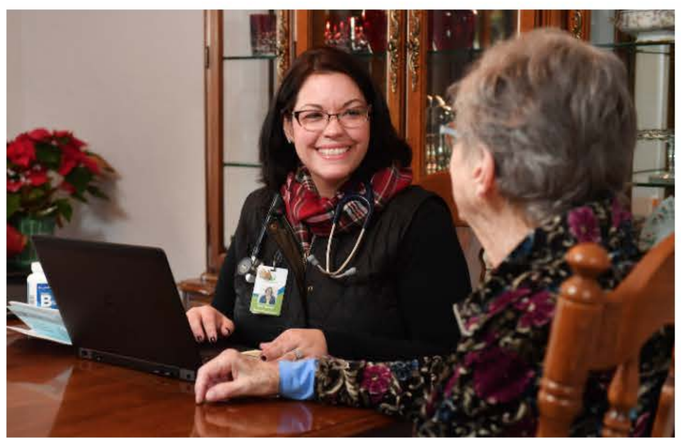
Scott Gorman shows his colleague the benefits of using the Livongo diabetes meter.

Scott Gorman, who was diagnosed with type 2 diabetes while in his mid-50s, says the Livongo tools have replaced his previous "back-of-the-envelope system" for keeping track of his blood glucose levels. While he says that Livongo doesn't take away the many frustrations of living with diabetes, he values the simplicity, documentation, and added peace of mind it offers.

Scott is director of Group Insurance Services at the Massachusetts Bankers Association, a trade group that offers Blue Cross medical and dental plans to its 160 member banks across the state. "I appreciate working for an employer that shows a real, day-to-day commitment to the health and wellness of its employees," he says. "And it's great to work with a health plan that does a lot more than just pay claims."

Helping our sickest members avoid hospitalization

Many of our older and frailer members live with serious, difficult-to-manage chronic illnesses that put them at high risk for medical emergencies and hospitalization. That's why we've developed an innovative partnership with Landmark Health that offers our seriously ill Medicare members 24/7, at-home care and support for their chronic or acute conditions. First, a Landmark Health clinician conducts a thorough evaluation of each participant's medical condition and living situation and draws up a care plan based on the patient's needs and goals. Landmark Health's nurse case managers, pharmacists, social workers, behavioral health specialists, and dietitians are also available to help monitor the patient's progress and provide advice, assistance, and support, including urgent care visits, as needed.



Landmark Health nurses provide health screenings and personal consultations in the comfort of patients' homes.

"Alice," for example, is an 83-year-old Blue Cross member with multiple health challenges including COPD, congestive heart failure, and atrial fibrillation. She lives alone and has had trouble sticking with the medications and lifestyle changes that would help keep her chronic conditions under control. As a result, she was taken to a hospital emergency room dozens of times over the course of a year, which alerted our care management team to her vulnerability. In 2017, Alice (who prefers to remain anonymous) was invited to join our new program, and after an initial evaluation, she received 15 home visits with monitoring and support from a nurse practitioner. Her goal, she said, was to stay out of the hospital so she could attend a family wedding in the fall. From May to September, her emergency room visits dropped to zero, and Alice was able to be there at the church when her nephew got married.

"The Landmark Health model has been shown to increase patient satisfaction and quality of care," says Bruce Nash, M.D., our chief physician executive. "If we create a relationship of trust with our sickest, frailest patients and make it easy for them to get the resources they need, we can get ahead of the 911 call and avoid the emergency room visits and the hospital admissions that almost always follow."

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Addressing Complex, System-Wide Health Care Issues

We continue to collaborate with other concerned organizations, policymakers, and individuals to address complex issues that extend beyond our own membership.

Preventing and treating opioid use disorder

Our Prescription Pain Medication Safety Program, developed in partnership with doctors, pharmacists, and pain management and addiction experts, has significantly reduced the number of opioid-based prescriptions among our members. During the program's first three years, the average monthly prescription rate of opioids dropped by 15%, and an estimated 21 million doses of opioid-based medications were avoided. Because of its success, many of our program's safeguards were incorporated into an opioid safety law enacted in Massachusetts.

The Results

We've reduced the risk of opioid misuse and use disorder while protecting vulnerable patients. Over a three-year period we:

Eliminated an estimated 21.5 million doses of opioid-based medications in the community.

Reduced claims for long-acting opioids such as OxyContin® by approximately 50 percent by switching patients to short-acting pain treatments.

Stopped 62,000 members from receiving inappropriate levels of acetaminophen.

To help bolster the overall community effort to fight opioid addiction, we have joined with business, health care, and community leaders including Partners HealthCare, the GE Foundation, and the 1199SEIU United Healthcare Workers union to create a statewide private-sector initiative called RIZE Massachusetts. RIZE plans to raise $50 million to support innovative care designed to help people with substance use disorders adhere to their treatment and maintain their recovery.

Blue Cross partners with community and civic leaders to combat the opioid epidemic.

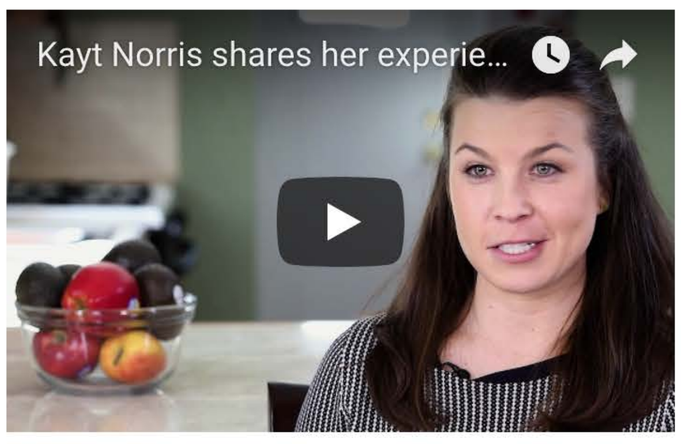
Valuing the goals and preferences of seriously ill patients

Andrew Dreyfus addresses the second annual Massachusetts Coalition for Serious Illness Care.

Last year, our CEO, Andrew Dreyfus, helped create the Massachusetts Coalition for Serious Illness Care to ensure that everyone in Massachusetts receives care that is in accordance with their goals, values, and preferences at all stages of life. In May, the Coalition's second annual summit brought together 400 representatives of member organizations and guests to share information about their activities and discuss the results of a statewide survey on issues related to serious illness and end-of-life care.

Nearly all of those surveyed (96%) said it is very important to have conversations with their doctor and loved ones about their wishes for care if they are seriously ill or near the end of life, but 35% had not yet had that conversation with anyone. Among those who said they had spoken with a caregiver about their wishes, 76% found that the talk was not at all difficult.

Among the summit's highlights were the personal stories, told on video, of people who have been affected by serious illness and end-of-life care. Kayt Norris, who lost both her stepfather and her father to cancer, said their experiences could not have been more different. Her stepfather's doctor "seemed really tuned in" to his wishes, and her mother eased him into conversations about "what he'd want if he went first." Kayt says, "I want everyone to have what my stepfather had–to have the care they want and to feel they're in control of that experience."



Also in 2017, the Coalition helped launch initiatives aimed at expanding physician training in serious illness care and making it easier for clinicians, emergency medical services, and other caregivers to quickly identify a patient's wishes and care preferences. The deans of the four Massachusetts medical schools–Boston University, Harvard, Tufts, and UMass–have joined with the Coalition to establish a set of "core competencies" for serious illness care and develop a process for integrating them into their curricula. Also in 2017, the Coalition joined with the Massachusetts eHealth Institute and the Executive Office of Elder Affairs to develop recommendations for policymakers on how advance care planning documents could be digitally stored and shared so they would be readily available when a seriously ill patient is being cared for anywhere in the state.

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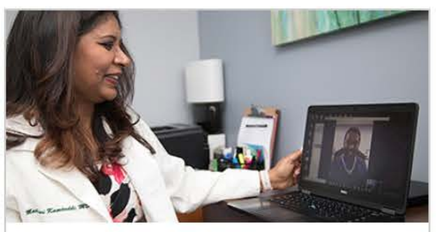

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IN THE COMMUNITY

Helping Massachusetts residents lead healthier lives

Advancing Healthy Living

"Our company's corporate citizenship commitment took another exciting step forward in 2017 with the launch of our Healthy Living Accelerator."

Jeff Bellows,
Vice President, Corporate Citizenship & Public Affairs

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Our Healthy Living Focus

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Connecting patients with local resources and peer coaches to encourage behavior change.

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Building a Healthy Living Network

Nurturing innovation and collaboration to foster new solutions to health challenges.

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Healthy Living in Action across the Commonwealth

Supporting activities that promote healthy living experiences.

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Sustainability and Environmental Health

Investing in the future health of our employees, communities, and planet.

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Expanding Our Healthy Living Focus

Our company's corporate citizenship commitment took another exciting step forward in 2017 with the launch of our Healthy Living Accelerator. Over the past few years, we've worked with our community partners and Blue Cross employees to build on the three pillars of our Healthy Living focus–Healthy Eating, Active Lifestyles, and Healthy Environments–and we've found that this approach responds to and reflects the needs of our state's most vulnerable residents. To strengthen our collaboration, develop new ideas, and expand on proven solutions, we designed a four-part accelerator strategy:

- **Healthy Living Collaborative** - We're partnering with a select group of nonprofit organizations to design, test, and accelerate a prescription program that promotes healthy living.
- **Healthy Living Network** - We've brought together nonprofit organizations that deliver exceptional healthy living experiences and are providing them with access to grants, workshops, and opportunities to share best practices.
- **Healthy Living in Action** - We support a portfolio of community events, sponsorships, and Blue Cross employee volunteer projects that offer Massachusetts residents a wide range of healthy living experiences.
- **Healthy Living Convening** - We're periodically bringing together leaders from health care, business, government, and community organizations to share insights about how to accelerate healthy living innovation in Massachusetts.

The stories below include a look at our first Healthy Living Collaborative pilot program, which is based in Boston's Dorchester neighborhood, along with our new Healthy Living Network and an overview of our support for Healthy Living in Action. Our vision for corporate citizenship also focuses on the connection between health and the environment, so this year's report highlights some of the ways we carry out that commitment through our business operations, support for renewable energy, and employee engagement.

At Blue Cross, we care deeply about every dimension of people's health, in every community and at every stage of life. We believe that we can have a significant positive impact by helping underserved individuals and families throughout the Commonwealth eat healthier, get more active, and have access to safe and healthy environments. We're very grateful to our community partners and our Blue Cross employees for all the time, energy, and new ideas they are contributing to this effort.

Jeff Bellows
Vice President, Corporate Citizenship & Public Affairs

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Collaborating to Prescribe Health Living

Our first Healthy Living Collaborative, Dot Rx, combines the resources and expertise of six nonprofit organizations to make it easier for residents of Boston's Dorchester neighborhood to become more physically active, adopt healthier eating habits, and spend time enjoying the outdoors.

Individuals and families that receive Dot Rx prescriptions from physicians at Codman Square Health Center have access to free or reduced-rate resources and activities at Daily Table, the Dorchester YMCA, Healthworks Community Fitness, and the Appalachian Mountain Club's Outdoors Rx program.

"The Dot Rx collaboration means our patients living with diabetes, high blood pressure, or other serious conditions can receive coaching and encouragement to help them engage in healthy living programs right in their neighborhood," says Codman's CEO, Sandra Cotterell. "And with facilitation and technical support from Blue Cross, we've been able to formalize our approach to writing healthy living prescriptions, including entering them into patients' electronic medical records and tracking their progress."

Sandra Cotterell discusses the goals of Dot Rx with other leaders from the participating nonprofits.

A unique feature of the Dot Rx approach is the use of peer coaches recruited and trained by Union Capital Boston, who recommend programs that best fit each family's needs and help them stay motivated and engaged. "I ask them to set specific, realistic goals, recommend Dot Rx programs that will help them get there, and monitor their progress," says Coach Charndra McKay. "I'm there to be someone they can reach out to–a listening ear and a cheerleader–and I help them stay accountable."

Peer health coaches, who are also Dorchester residents, connect families with Dot Rx programming based on their unique health goals.

Angel Santos Burres is the director of Outdoors Rx, a program of the Appalachian Mountain Club to make healthy living experiences available to families from underserved neighborhoods. "There's been an alarming rise in the number of kids with lifestyle diseases like high blood pressure and diabetes, and we know that physical activity is part of the remedy for many of these health struggles," she says. "Our program helps families transition from a sedentary lifestyle to a more active one by offering outdoor activities that are free, fun, and easy to get to."

Although healthy prescription programs are not new, Dot Rx is the first to bring together a health plan, multiple nonprofits, and a community health center to design and test an approach that can have a sustainable impact on the health of underserved communities. Blue Cross has committed $1 million over two years in financial grants and pro bono support, including employee volunteers for facilitation, research, systems development, financial modeling, and program evaluation.

Members of Blue Cross' Corporate Citizenship, Innovation, and Business Consulting teams met with leaders from participating nonprofits to develop and structure the program.

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Building a Healthy Living Network

In 2017, we created the Healthy Living Network as a way to deepen our relationships with nonprofit partners and provide more opportunities for them to try new ideas and share best practices. As part of that effort, we awarded nearly $500,000 in Healthy Living Accelerator grants to 23 nonprofits across Massachusetts, including those described below, so they can test innovative solutions to health challenges in their communities.

In addition to grants, members of our Healthy Living Network have access to workshops and events where they can share their successes and challenges with their peers and participate in skills-based training.

The Food Project

Build-a-Garden, a program of The Food Project, gives third-graders in eight Lynn elementary schools a hands-on opportunity to plant seeds, tend their gardens, and harvest the greens to eat. “What never fails to amaze me about the gardens is just how excited kids get about eating the food they grew,” says James Harrison, The Food Project’s executive director. “Kids who may otherwise not think of themselves as liking vegetables start coming back for seconds and thirds!" Our grant will help fund the building of 100 new raised-bed gardens in urban backyards and community spaces, while supporting 750 existing gardens built in previous years.

The Children’s Investment Fund

Let's Take It Outside (LTIO), a training program designed by the Children's Investment Fund, helps early education and after-school organizations create safe, healthy, and developmentally appropriate outdoor play and learning spaces. It is based on the principle that physically strenuous play contributes to healthy brain development, enhances learning, and improves memory. “All children deserve access to high-quality play opportunities that fuel their minds, bodies, and imaginations,” says Theresa Jordan, Director of Children’s Facilities Finance. But, as she points out, many early education and after-school organizations have limited resources. “Our training helps organizations accelerate their vision for a new or improved outdoor play space by connecting them with the knowledge and resources they need.”

Black Ministerial Alliance

Fit Church/Fit Community, an initiative of the Black Ministerial Alliance of Greater Boston, partners with congregations in low-income, minority neighborhoods to improve health outcomes for local residents. Their objective is to reduce health disparities in the black community, particularly in the urban congregations of Boston and the local communities they serve, using a three-pronged strategy: (1) improve eating habits (2) increase physical activity, and (3) promote regular access to health care. Reverend David Wright, executive director for the Alliance, says that the Blue Cross grant has given their network of local churches the ability to build stronger health resources within their communities. “We use health fairs to connect community members to critical health information and to local health centers where necessary,” he says. “Our Zumba classes, family fun days, and walking clubs help our neighbors increase their physical activity in community settings that also promote the building of relationships.”

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Healthy Living in Action

In addition to our Healthy Living Collaborative and Network, we support a wide range of events and initiatives that engage Massachusetts residents in healthy living experiences. Here are just a few examples of our statewide involvement:

Service Day: One Community. One Blue.

In September, 3,100 Blue Cross employees contributed more than 23,000 volunteer hours as part of our annual Service Day and supported 55 projects across Massachusetts. Projects included preparing more than a ton of vegetables for healthy meals for homeless Bostonians, transforming an unused backyard into a safe play space and garden for a South Shore preschool, and harvesting thousands of pounds of produce at a community farm for donation to Worcester-area food banks.

Applying employees' skills to the needs of our community partners

Our annual William C. Van Faasen Community Service Sabbatical Fellowship gives one employee the opportunity to volunteer full time with a nonprofit partner whose mission aligns with our Healthy Living focus. In 2017, KT Blaha, a senior recruiter, collaborated with Playworks New England, an organization that brings safe and healthy play opportunities to elementary schools across Massachusetts. During her four-month sabbatical, KT created a talent acquisition "playbook" that will help the organization recruit and retain top-notch talent as they continue to expand their programming to serve more students.

Making healthy meals from local sources

As a sponsor of the Boston Public Market's Teaching Kitchen, we offer free cooking classes to Blue Cross members and our nonprofit partners. Classes teach participants how to use fresh, locally grown produce in simple and delicious recipes that they can easily recreate at home.

Celebrating fitness

In 2017, we partnered with The Greenway, the Esplanade Association, the Boston Public Health Commission, and Boston Parks & Recreation to provide hundreds of free fitness classes throughout the City of Boston. In the fall, we were the presenting sponsor of Boston's Social Fitness Festival, a free daylong celebration of fitness on Government Center Plaza. Activities included a day-breaker dance party, open-air spin classes, a Bollywood workout, a dance mile, and aerial yoga.

Support for hurricane victims

Although we are a Massachusetts-based company, we have customers and family members nationwide, so after the devastating hurricanes of 2017, we held a special fundraising drive to support relief efforts in Florida, Texas, and Puerto Rico. Employee and company contributions totaling $80,000 went to the American Red Cross, the Blue Cross Blue Shield of Texas Employee Fund, Fundación Triple-S, an affiliate of the national Blue Cross association, and United for Puerto Rico. In addition to financial contributions, employees from our AzuLatino Employee Resource Group volunteered to help sort goods donated for Puerto Rico's hurricane victims.

Encouraging pollution-free transportation

Just in time for summer, we partnered with the City of Salem to launch a bike share program designed to encourage healthy, environmentally friendly activity. Since its May launch, Salem's Bike Share has placed stations at prime locations around the city including Salem State University, the Salem Ferry terminal, the popular Salem Willows Park, and the downtown commercial area. In the first six months of the program, bikers made more than 1,300 rides, replacing hundreds of car trips on local roads.

Examining municipal health care issues

In the fall, we convened representatives from 26 Western Massachusetts cities and towns to discuss pressing health care issues. Congressman Richard Neal keynoted a public forum that brought together local, state, and federal elected leaders and health care experts to discuss the future of health reform and its local impact, as well as strategies to combat the opioid epidemic.

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Sustainability and Environmental Health

At Blue Cross, we believe that our personal health is strongly influenced by the health of our environment and our connection to our communities. We're continually adopting innovative, measurable ways to reduce our impact on the planet, support the well-being of our employees and members, and improve public health.

A growing opportunity for our employees

Now in its third year, our company garden program, developed in collaboration with The Trustees, gives nearly 200 employees the opportunity to take a break from their busy workdays to attend gardening workshops and enjoy tending the soil. In 2017, employee gardeners hosted farmers' markets at our Hingham and Quincy offices to benefit local nonprofits. The markets sold $1,300 worth of fresh produce grown in our company gardens and at neighboring Trustees' farms. The money raised was donated to support food and nutrition programs at Father Bills & MainSpring in Brockton, and unsold produce was donated to Pine Street Inn.

Innovating for the planet

During HUBweek 2017, we partnered with the City of Boston to explore new ways to achieve the mayor's goal of making Boston a "zero waste" community. We brought together academics and professionals from all over the country for an intensive, six-hour session of design thinking, led by the Blue Cross Innovation Team. This resulted in hundreds of ideas and nine prototypes, with solutions ranging from robots fueled by trash to on-demand drone services to pick up recycling after a big party.

Building green and healthy

We strive to create the healthiest possible living and working spaces for our employees and members. In 2017, our corporate headquarters at 101 Huntington Avenue in Boston received LEED® Platinum certification from the U.S. Green Building Council, making us the largest project in New England and 12th largest in the nation to achieve this certification. Much of what we have learned in the design process is included in a new resource available for our employer customers–a toolkit they can use to assess and improve their culture of employee health and well-being by eliminating toxic chemicals, providing access to natural light, bringing nature into the office, and focusing on proper ergonomics.

Supporting renewable energy

In August, we celebrated the launch of five solar arrays that will deliver approximately 6.9 megawatts of renewable power to Massachusetts communities. The solar projects, owned by Ameresco and co-developed by BlueWave Solar, were made possible through a long-term agreement by Blue Cross to purchase 2.6 MW of net metering credits. Located in the towns of Hopedale and Mendon in Worcester County, the projects will reduce our corporate electricity bills, increase the amount of power generated by community solar in Massachusetts by about 13%, and reduce carbon emissions by an estimated 6,300 metric tons, the equivalent of taking 1,300 cars off the road. The projects will also allow nearly 200 residents and small businesses in the Blackstone Valley to lower their electricity costs and reduce carbon emissions.

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Year in Review

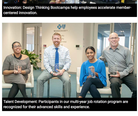
Our People in Action

Health and Wellness Participants in our on-site garden program plant fresh produce and learn healthy cooking techniques.

Diversity and Inclusion: Members of our Aster Blue Community employee resource group celebrate Diwali, the Hindu festival of lights.

Innovation: Design Thinking Bootcamps help employees accelerate member-centered innovation.

Collaboration: Our sales team celebrates the value of teamwork at their 2017 Kickoff.



Talent Development: Participants in our multi-year job rotation program are recognized for their advanced skills and experience.

Active in the Community: Employees represent the company at the Boston Positive Challenge, a 100-mile bike race from Boston to Hyannis Port.

Key Accomplishments

Recognition in the Marketplace

- **J.D. Power award**
  Rated #1 in member satisfaction among commercial health plans
- **5 rating from NCQA for our commercial HMO plan**
  1 of only 5 plans out of 508 in the country to receive this award
- **5 Star CMS rating for our Medicare Advantage Group Plan**
  The individual Prescription Drug Plan in New England

Plan of Choice

99% Membership Retention Rate

97K Net Membership Growth

Employer of Choice

87% Employee Engagement
Compared to 64% national average*

*Source: 2017 Trends in Global Employee Engagement

Company Overview

Our Members & Accounts

2.9M Blue Cross Members

27K Employer Accounts

Our Product Offerings

783K HMO/POS Members

1.8M PPO/Indemnity Members

335K Senior Products Medicare

867K Dental Members

Service and Operational Highlights

48M Claims Processed

92% Claims First-Pass Resolution Rate

3.4M Calls Answered

77% Members First-Call Resolution Rate

Responsible Financial Stewardship

$1 Per Dollar Spent

- **90¢** MEDICAL CARE FOR OUR MEMBERS
  - Hospital Services
  - Physician Services
  - Prescription Drugs
- **10¢** ADMINISTRATIVE COSTS

$14.8B Paid Toward Member Care

$185M Paid Toward Taxes and Assessments

Zaffre Investments

Zaffre Investments is wholly owned subsidiary of Blue Cross Blue Shield of Massachusetts. They make strategic investments that add new value and offerings for our customers, while strengthening and diversifying our core business.

14 Portfolio Companies

$65M Portfolio Revenue

1 New Investments Made

350 Employees Represented

Diversity & Inclusion

Our Employees

3,766 Total Employees

Employees of Color

- **40%** Board
- **22%** Executive Leadership
- **26%** Associates

Female Leadership

- **40%** Board
- **44%** Executive Leadership
- **72%** Associates

Ages of Workforce

- **28%** Baby Boomers
- **43%** Generation X
- **28%** Millennials

Employee Resource Groups

Participation Growth

	2016	2017
Employee Group Membership	1,100	1,400

Employee Resource Groups

- Aster Blue Community
- ACCLaim
- Asian Professional Network
- Blue Pride
- Empowering Abilities
- Veteran Blue
- Women's Inclusion Network
- Young Professionals Network

Corporate Citizenship

Employee Volunteerism

3,300 Employee Volunteers
(**54%** of Employees)

284 Service Projects
(**46** Communities Across MA)

$1.25M Value of Service
(**31,832** Volunteer Hours)

Employee Leadership in the Community

53% of Management on Nonprofit Boards

1,390 Hours of Corporate Citizenship Training delivered to **622** Associates

Community Investments

$6M In Contributions to **441** Nonprofits

$400K Given by Employees to the United Way of Massachusetts Bay and Merrimack Valley

Blue Cross Blue Shield of MA Foundation

$3.3M In Grants to **84** Community Organizations

$138K Given by Employees to the Foundation's Catalyst Fund

Environmental Sustainability

- **37%** Reduction in Electricity Use (since 2010)
- **20%** Reduction in Waste to Landfills (since 2010)
- **54%** Reduction in Paper Use (since 2010)

Recognition & Awards

J.D. Power

NCQA Private

CMS 5 Stars

HITrust

Boston Business Journal – Healthiest Employers in Massachusetts
Boston Business Journal – Top 10 Charitable Contributor in Massachusetts
Get Konnected – GK15 Most Diverse Corporate Boards in Greater Boston
Human Rights Campaign Foundation – Best Places to Work for LGBT Equality
SGM – Best Practice Award, Customer Service Representative Selection Process
Worksite Wellness Council of Massachusetts – WorkWell Massachusetts Award
Worcester Business Journal – Best Health Insurance Provider

Executive Leadership

Deborah Devaux
Chief Operating Officer

Andrew Dreyfus
President and Chief Executive Officer

Patrick Gilligan
Executive Vice President, Sales, Marketing & Product

Stephanie Lovell
Executive Vice President, Medicare and Chief Legal Officer

Jay McQuoide
Senior Vice President, Corporate Communications & Citizenship

Bruce Nash
Chief Physician Executive

Jason Robert
President and CEO, Zaffre Investments, Chief Strategy Officer

Andreana Santangelo
Executive Vice President, Chief Financial Officer

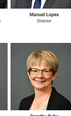
Susan Signi
Senior Vice President of Organizational Effectiveness and Chief Human Resources Officer

Board of Directors

George Alcott III
Director

Francis Callahan Jr.
Director

Andrew Dreyfus
President and Chief Executive Officer



Manuel Lopes
Director

Martin Meehan
Director

Robert Meenan, M.D.
Director

Paula Price
Director

Dorothy Puhy
Director

Marcy Reed
Director

Donald Stern, Esquire
Director

Timothy Sweeney
Director

Corey Thomas
Director

Benanee Wiley
Director

Phyllis Yale
Chair

MASSACHUSETTS

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