

Our Company

We are an innovative, 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.

We Are Leading Change in Health Care by:

- Innovating and investing in policies and programs that address the *opioid crisis*
- Creating new strategies that *make quality health care affordable*
- Helping to ensure that every individual's beliefs, traditions and wishes are respected when seriously ill and at *end of life*

Our Customers Include:

- 5 of the 10 largest employers headquartered in MA
- More than 25,900 businesses across MA
- 79% of MA cities and towns
- Nearly 115,000 federal employees

By the Numbers 2018

- Served 2.8 million members: 2.1 million in Massachusetts and more than 700,000 out of state
- Employed a diverse and inclusive workforce of 3,819 people
- Processed 49 million claims, handled 3.1 million phone calls answered and hosted 1,800 account education events for more than 700 accounts
- Contributed \$1.6 billion in annual economic impact to the Massachusetts economy
- Managed approximately \$15.4 billion in annual health care spending

Financial Information 2018

Annual premium revenue ¹	\$8.0 billion
Claims paid ¹	\$7.1 billion
Net margin	2.0%
Total taxes and assessments paid	\$275 million
Reserves: days of claims	40-45

Where Premium Dollars Go



90¢ MEDICAL CARE
FOR OUR MEMBERS

43¢ is used for hospital services
29¢ is used for physician services
18¢ is used for prescription drugs

10¢ ADMINISTRATIVE
COSTS

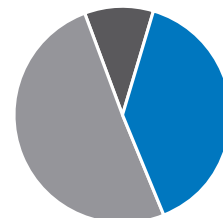
- Taxes and assessments
- Contributions to reserves
- Pay and benefits
- IT investments
- Facilities maintenance

Commercial managed care business

Products & Networks Product Lines as of January 2019

Medical:

- HMO/POS: 800,000 members
- PPO/Indemnity: 1.7M members
- Senior Products/Medicare: 351,000 members
 - Medex: 289,000
 - Medicare Advantage: 61,000



Dental: 950,000 members

Additional Product Lines

- Long- and Short-Term Disability
- Term and Dependent Life
- International Health Coverage
- Workers Compensation
- Critical Illness
- Accident
- Vision

HMO Participating Provider Network as of January 2018

Primary Care Providers	6,499
Specialists	18,488
Hospitals	74
Dentists	5,253
Ancillary Providers	15,372
Behavioral Health Providers	11,748

85% of our HMO providers operate under a risk-based contract

The Power of Blue

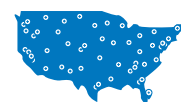
The Blue Cross Blue Shield System consists of 36 independently operated member companies, a Federal Employee Program®, and an Association, which serves the collective needs of the Blue Cross and Blue Shield Plans.



One hundred million Americans in all 50 states, D.C. and Puerto Rico rely on Blue Cross Blue Shield companies for access to safe, quality, and affordable health care.

250
MILLION

Dollars invested in neighborhoods by the Blue System to help address some of our nation's most pressing health care challenges (2016).



Nationwide, more than 96% of hospitals and 91% of professional providers contract directly with Blue Cross and Blue Shield companies.

1. Insured business only

Commitment to the Community

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

\$8.4M in corporate contributions to **492** not-for-profits by Blue Cross Blue Shield of Massachusetts

\$3.7M in grants to **81** community organizations by Blue Cross Blue Shield of Massachusetts Foundation

Volunteerism



3.2K
ASSOCIATES



28K
HOURS DONATED



275
VOLUNTEER
PROJECTS



\$1.1M
VALUE OF
VOLUNTEER HOURS

Sustainability and Environmental Health

In support of our 2020 sustainability goals, since 2010, we have reduced our company's environmental impact.



46%
REDUCED
ELECTRICITY



31%
REDUCED
WASTE



56%
REDUCED
PAPER WASTE



11%
REDUCED
WATER USE

Diversity & Inclusion



26%
OF OUR ASSOCIATES
ARE PEOPLE OF COLOR



72%
OF OUR ASSOCIATES
ARE WOMEN



61%
OF OUR COMPANY'S
LEADERS ARE WOMEN



50%
OF OUR BOARD OF
DIRECTORS ARE PEOPLE
OF COLOR OR WOMEN

Executive Leadership

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

Rich Lynch Executive Vice President, Chief Operating Officer

Andreana Santangelo Executive Vice President, Chief Financial Officer

Jay McQuaide Senior Vice President, Corporate Communications & Citizenship

Bruce Nash Chief Physician Executive

Susan L. Sgroi Senior Vice President, Organizational Effectiveness and Chief Human Resources Officer

Sukanya Soderland Senior Vice President, Chief Strategy Officer

Contact

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All data as of January 2019

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