Blue Cross Blue Shield of Massachusetts Elects Phyllis R. Yale as Chair of its Board of Directors

Election Marks First Woman Chair in the Company's 76-Year History Paula A. Price also Elected to Board; Bill Van Faasen Elected Chair Emeritus

BOSTON — May 21, 2014 — The Board of Directors of Blue Cross Blue Shield of Massachusetts (BCBSMA) has elected Phyllis R. Yale as its new Chair of the Board. BCBSMA is governed by aBoard of Directors comprised of accomplished and experienced leaders who help shape the company's strategy in support of its mission to make quality health care affordable. While organized as a not-for-profit, BCBSMA is a large, complex, tax-paying commercial enterprise that operates in a competitive marketplace.

"Phyllis' election is an important moment in the proud history of our company," said Andrew Dreyfus, BCBSMA President and Chief Executive Officer. "Given the unprecedented change underway in our industry, Phyllis' 30 years of experience in health care will be an invaluable asset in helping our business evolve to best meet the needs of our members and employer customers in the future."

"Blue Cross is widely recognized as one of the most innovative and forward-looking health plans in the nation, and I'm eager to continue to work with Andrew, the senior management team, and my colleagues on the Board to build on that success," said Ms. Yale. A video of Ms. Yale discussing the changing health care landscape is available on the BCBSMA YouTube page

Seasoned financial executive Paula A. Price has also been elected as a new Board member. "We are excited about the addition of Paula to our Board given her three decades of financial expertise," Dreyfus added. "Her leadership skills and talents have garnered her great respect both here in Massachusetts and throughout the country."

BCBSMA has a proud history of women directors. Women currently represent close to 40 percent of BCBSMA's Board and two important Board committees are led by women, making the company a market leader. The election of Ms. Yale as Chair and the addition of Ms. Price demonstrate BCBSMA's commitment to creating a diverse and inclusive environment to serve its nearly 3 million members.

BCBSMA also announced that William C. "Bill" Van Faasen will become Chair Emeritus. In this newly created unpaid role, Mr. Van Faasen will continue to serve as an important advisor to BCBSMA, though he will step away from his formal responsibilities as a member of the Board. Mr. Van Faasen has served in leadership roles at BCBSMA for nearly 25 years. Most recently, he was the company's Chairman of the Board. Prior to that he served as President and CEO from 1992- 2005 and was Chairman from 2002-2007. He served as interim President and CEO from March to September 2010. Mr. Van Faasen's leadership helped transform BCBSMA into one of the nation's leading health plans recognized for its comprehensive product portfolio, world-class member service, operational excellence, and financial strength.

"Blue Cross is extremely grateful to Bill for his continued guidance, leadership and commitment to our company for nearly twenty-five years," said Dreyfus. "Bill is deeply respected by our Board members, all BCBSMA associates and the broader business and civic community. I am grateful to be able to work with him in his new role as we strive to make quality health care affordable for our customers, members, and the community."

In selecting new members and electing a board chair, Blue Cross Blue Shield of Massachusetts' Board follows governance best practices to ensure the election of skilled directors who possess the requisite content expertise and leadership skills. In addition, by statute, Blue Cross Blue Shield of Massachusetts is required to have three directors who are officers or agents of contributing employers and two directors who represent labor. Consistent with good governance, the Board is committed to the important principle of transparency and public disclosure. As a result, the company posts to its public website the specific details of the director compensation program.

Phyllis R. Yale is an Advisory Partner in Bain & Company's Boston office. She joined the firm in 1982, was elected to the partnership in 1987, is the former Boston Office Head and has been a leader in building Bain's Global Healthcare Practice for over 25 years. Over her career, Ms. Yale has led work with clients on issues including competitive strategy development, marketing strategy implementation, cost/quality management, and mergers and acquisitions. She works with health care payers, providers, and medical device companies, and frequently advises the world's leading private equity firms on their investments in the health care sector. She is the Board Chair of Kindred Healthcare, Inc. (NYSE) and serves on the boards of ValueOptions, Inc.; National Surgical Hospitals, Inc; The Bridgespan Group; and Cradles to Crayons. Ms. Yale earned an MBA from Harvard Business School with honors and is a graduate of Harvard and Radcliffe Colleges where she received a Bachelor of Arts degree in Economics magna cum laude. She has served on the BCBSMA Board since 2012.

Paula A. Price has been appointed full-time Senior Lecturer at Harvard Business School in the Accounting and Management Unit starting July 2014. She served as Executive Vice President and Chief Financial Officer of Ahold USA until January 2014, having joined the company in 2009. She was responsible for the company's U.S. finance, shared services, strategy and planning, real estate development and construction, format, and technology functions. Ms. Price transformed the financial organization and led programs that delivered hundreds of millions of cost savings through process efficiencies and

simplification, enabling the company to reinvest in major strategic initiatives. Ms. Price served as Senior Vice President, Controller and Chief Accounting Officer of CVS Caremark Corporation from 2006-2008. Prior to that role, she held senior leadership positions at JPMorgan Chase & Co.; Prudential Financial, Inc.; Diageo plc; Kraft Foods, Inc.; Sears, Roebuck & Company; and Arthur Andersen LLP. Ms. Price currently serves on the board of directors of the Financial Guaranty Insurance Company as well as Accenture plc, and the board of overseers of the Museum of Fine Arts, Boston. Previously, she served on the board of directors of Charming Shoppes, Inc., and board of trustees of Newton-Wellesley Hospital. Ms. Price earned an MBA from the University of Chicago Booth School of Business and a Bachelor of Science in Accounting from DePaul University. She is a Certified Public Accountant.

About Blue Cross Blue Shield of Massachusetts
Blue Cross Blue Shield of Massachusetts (www.bluecrossma.com) is a community-focused, tax-paying, not-for-profit health plan headquartered in Boston. We are the trusted health plan for more than 31,500 Massachusetts employers and are committed to working with others in a spirit of shared responsibility to make quality health care affordable. Consistent with our corporate promise to always put our 2.8 million 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.

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