Blue Cross Blue Shield of Massachusetts Announces Second Quarter 2014 Financial Results

BOSTON — August 15, 2014 - Blue Cross Blue Shield of Massachusetts (BCBSMA), Inc. and Blue Cross Blue Shield of Massachusetts HMO Blue, Inc., announced its second quarter 2014 financial results today and reported a combined after-tax net loss of $32.2 million. The results reflect an operating loss of $46.7 million, which includes an estimated $15 million in taxes and fees to support the Affordable Care Act (ACA), offset by $15.9 million in investment income. BCBSMA is the leading private health plan in Massachusetts with 2.8 million members.

"Our second quarter results reflect our continued commitment to delivering more affordable premiums to our members while we absorb the costs associated with complying with the ACA," said Allen Maltz, Chief Financial Officer at BCBSMA. "Our results also reflect our continued investment in new technologies and services aimed at delivering even greater value to customers."

BCBSMA recently announced that for the third straight year administrative spending was below state and federal requirements[1]. Under state and federal law, health plans are required to spend a significant portion of each premium dollar on the medical care of its members. These standards help keep profits and administrative expenses low, and ensure members get high value care for their premiums. Massachusetts' standards for individuals and small businesses are the highest in the nation. BCBSMA consistently exceeds state and federal standards by spending less than 10% of every premium dollar on administrative expenses.

BCBSMA has incurred more than $90 million in taxes and fees to support the ACA in the first two quarters of 2014. In 2013, BCBSMA paid more than $180 million in federal, state and municipal taxes and assessments up from $133 million in 2012.

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 30,000 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.

[1] Number includes HMO Blue and BCBSMA, Inc. Merged and Large Group Markets for the past three fiscal years. Beginning in 2013, insurers' MLRs were calculated based on a three-year period of the accumulated experience for the current reporting year and the two preceding years.

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