Blue Cross Releases Third Quarter Results

BOSTON – November 14, 2014 – Blue Cross Blue Shield of Massachusetts (Blue Cross), Inc. and Blue Cross Blue Shield of Massachusetts HMO Blue, Inc., today reported an after-tax net income of $30 million in the third quarter. The results reflect an operating loss of $4.3 million. Blue Cross is the leading private health plan in Massachusetts with 2.8 million members.

"Our third quarter results reflect our commitment to keep premiums affordable in an intensely competitive environment," said Blue Cross Chief Financial Officer Allen Maltz. Other major drivers of the latest results include:

- The costs of complying with the Affordable Care Act (ACA). Blue Cross has incurred more than $102 million in taxes and fees to support the ACA in the first three quarters of 2014.
- The rising cost of specialty medications which have increased 30% in 2014. Specialty medications account for only 1% of all prescriptions written for Blue Cross members, but represent 30% of our annual pharmacy spending, or approximately $500 million.
- Investments in new technologies and services to deliver even greater value to customers.

Blue Cross continues to be one of the highest–performing health insurers in the United States, according to the NCQA's Health Insurance Plan Rankings 2014–2015. Blue Cross consistently earns an Excellent accreditation rating from NCQA and was recently recognized in their quality compass data[3] for providing high–quality, more affordable diabetes care to our members. Blue Cross' Medicare Advantage HMO and PPO products are also top rated — receiving 4.5 out of 5 Stars by the Center for Medicare & Medicaid Services.

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.

[3] NCQA Interactive Data Submission System — 2014 Relative Resource Use Reports

For further information: CONTACT: Sharon Torgerson 617-246-2357 Sharon.Torgerson@bcbsma.com