Blue Cross Blue Shield of Massachusetts Announces First Quarter 2016 Financial Results

BOSTON — May 13, 2016 —Blue Cross Blue Shield of Massachusetts (Blue Cross), Inc. and Blue Cross Blue Shield of Massachusetts HMO Blue, Inc. announced its first quarter 2016 financial results today and reported a combined after-tax net loss of $56.3 million. The results reflect an operating loss of $77.8 million, which includes an estimated $81 million in taxes and fees to support the Affordable Care Act (ACA). Blue Cross is the leading private health plan in Massachusetts with 2.8 million members.

"Our first quarter results are in the range of what we expected given the ACA costs and our continued commitment to delivering high quality, affordable health plans to our customers and members in a highly competitive marketplace," said Allen Maltz, Blue Cross' Chief Financial Officer. Maltz noted the company is required to expense the full year cost of the ACA taxes and fees in the first quarter under recognized statutory accounting guidelines. He added that seasonally higher claims costs that typically occur in the first three months of the year also contributed to the company's results. Maltz also highlighted a number of recent initiatives, including:

- Complete Care for Advanced Illness, a new program to improve the quality-of-life for individuals and families facing advanced illnesses.
- *Message Wire*, a new secure mobile messaging solution built just for Blue Cross members.
- Enhancements to our Find a Doctor & Estimate Costs tool, which makes health care decisions as easy as booking a dinner reservation or a hotel stay.
- The expansion of telehealth benefits to our members, who can now use their smartphone, tablet, or computer for a real-time, secure telehealth visit with a doctor or therapist.
- Our new 2020 sustainability goals, which focus on significantly reducing the environmental impact of our operations and proactively measuring and improving the environmental health of members and communities.

You can read more about Blue Cross' work in our recently releasedannual report.

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.

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