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

BOSTON — August 15, 2016 —Blue Cross Blue Shield of Massachusetts, Inc. and Blue Cross Blue Shield of Massachusetts HMO Blue, Inc. (Blue Cross), announced its second quarter 2016 financial results today and reported a combined after-tax net loss of $161,000. The results reflect an operating loss of $20.4 million, which includes an estimated $7.1 million in taxes and fees to support the Affordable Care Act (on top of the $81 million recorded in the first quarter). The results are offset by $20.3 million in investment, other income, and income taxes. Blue Cross is the leading private health plan in Massachusetts with 2.8 million members.

"The second quarter results are consistent with our expectations for the year and reflect our commitment to delivering more affordable premiums," said Allen Maltz, Chief Financial Officer at Blue Cross. "Our results are driven by several factors including the cost of complying with the ACA, competitive pressures on premiums, our continued investment in new tools and services for our customers, and the continued rising costs of specialty medications."

For the fifth straight year, Blue Cross' administrative spending was below state and federal requirements. Under state and federal law, health plans are required to spend a significant portion of each premium dollar on the medical care of their members. Health plans that don't meet these benchmarks are required to issue rebates to their customers. Massachusetts' standards for individuals and small businesses are the highest in the nation. Blue Cross consistently exceeds state and federal standards by spending more than 90 percent of every premium dollar on its members' medical care.

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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