

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

BOSTON, Nov. 15, 2016 /PRNewswire/ -- [Blue Cross Blue Shield of Massachusetts](#), Inc. and Blue Cross Blue Shield of Massachusetts HMO Blue, Inc. (Blue Cross), announced its third quarter 2016 financial results today and reported a combined after-tax net income of \$71.1 million. The results reflect operating income of \$57.8 million, which includes an estimated \$5 million in taxes and fees to support the Affordable Care Act (on top of the \$88 million recorded in the first two quarters). The results also include \$13.3 million in investment income, other income, and income taxes. Blue Cross is the leading private health plan in Massachusetts with 2.8 million members.

Year to date, Blue Cross reported an after-tax net income of \$14.6 million (0.3% net margin), based on an operating loss of \$40.4 million (-0.8% operating margin), and investment income, other income, and income taxes of \$55 million.



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"Our modest operating margin this quarter reflects our commitment to keeping premiums affordable in an intensely competitive environment," said Blue Cross Chief Financial Officer Andrea Santangelo. "We continue to aggressively manage expenses while we comply with regulatory requirements."

Santangelo noted that Blue Cross:

- Is delivering greater value to customers by expanding its innovative payment reform model to five Massachusetts physician and hospital organizations to provide care to thousands of its PPO members. The payment model has been shown to improve the quality of patient care and lower health care costs.
- Is working to moderate the rising cost of specialty medications. Specialty medications account for only 1 percent of all prescriptions written for Blue Cross members, but represent nearly 40 percent of annual pharmacy spending, or approximately \$600 million.
- Recently introduced its new Blue Select product that offers employers and their employees access to a smaller network of providers at lower premium prices. Providers in the network are focused on quality care and include recognized teaching hospitals and specialty hospitals.

Blue Cross continues to be one of the highest-performing health insurers in the United States, according to the National Committee for Quality Assurance's [Health Insurance Plan Ratings 2016-2017](#):

- NCQA awarded our Commercial HMO/POS plan a top rating of 5 out of 5, making us one of only 13 plans out of 500 plans in the country that earned this rating.
- NCQA also rated our Commercial PPO plan and Medicare HMO and PPO plans 4.5 out of 5, putting all four among the highest-rated health plans in the nation for quality.

Blue Cross' Medicare Advantage HMO also received a top rating of 5 stars from the [Centers for Medicare & Medicaid Services](#), putting us among the top 14 plans in the nation, and our Prescription Drug Plan received 5 stars, putting us among the top 6 plans in the nation.

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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