Blue Cross Blue Shield Of Massachusetts Announces 2016 Financial Results

Company posts break-even operating income

BOSTON, March 1, 2017 /PRNewswire/ -- Blue Cross Blue Shield of Massachusetts (Blue Cross), Inc. and Blue Cross Blue Shield of Massachusetts HMO Blue, Inc. announced a combined after-tax net income of $78.1 million (1.1% net margin). These results reflect an operating and other income of $10.8 million (0.1% operating margin), investment income of $65.3 million, and income tax benefit of $2.0 million for our calendar year 2016 financial results. We paid more than$295 million in federal, state, and local taxes and assessments in 2016.



"Amid a period of significant uncertainty, it's never been more important for Blue Cross to continue to do what we do best – offer innovative and effective solutions to the health care challenges faced by our customers," said President & CEO Andrew Dreyfus. "Our strategy continues to be grounded in our Promise*to always put our members first* and our Vision of *making quality health care affordable*."

Chief Financial Officer Andreana Santangelo added that the company's financial results are in line with our expectations. "Our modest improvement in operating earnings this year reflects our focus on keeping premiums as low as possible in a highly competitive marketplace while investing in new technology and services to deliver an even better experience for our members," she said.

Today we released our **2016 annual report,** which illustrates many of our efforts to improve health care. Highlights from 2016 include:

- **Quality and growth:** We earned the highest ratings that a health plan can achieve for overall quality and member satisfaction from the National Committee for Quality Assurance and the Centers for Medicare & Medicaid Services while growing membership for the fourth straight year.
- **Payment innovation:** We expanded our groundbreaking payment model that rewards physicians and hospitals for the quality, outcomes, and efficiency of the care they provide to include both our HMO and PPO members. We call this model our *Quality Care Advantage*, and it is available to our local and national employers with either HMO or PPO plans. In 2016, more than 825,000 of our members benefited from *Quality Care Advantage*.
- **Enhanced member experience:** We continued to put our members first by introducing new online tools—including our new MyBlue website and Member App—that make it easier for members to choose high-quality care, understand and manage their costs, and improve their health and well-being.
- **Serious illness care:** We launched a new program to improve the quality of life for individuals and families facing advanced illness and potentially the end of life. The program includes expanded payment for advance care planning sessions, partnering with Atul Gawande's Ariadne Labs to help train clinicians on how to have these important conversations, and the expansion of hospice benefits. In May of 2016, we also helped launch the *Massachusetts Coalition for Serious Illness Care*, which brings together more than 70 organizations committed to ensuring that health care for everyone in Massachusetts reflects their goals, values, and preferences.
- **Community commitment:** We contributed $5.7 million to more than 450 organizations and participated in 245 community service projects, valued at $1.3 million. Much of our service and investment supported programs and organizations that foster healthy eating, healthy, active lifestyles, and healthy environments for Massachusetts residents.

About Blue Cross Blue Shield of Massachusetts
Blue Cross Blue Shield of Massachusetts (bluecrossma.com) is a community-focused, tax-paying, not–for–profit health plan

headquartered in Boston. We're the trusted health plan for more than 25,000Massachusetts 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're 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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