Blue Cross Blue Shield of Massachusetts Announces Second Quarter 2021 Financial Results

BOSTON — August 13, 2021 —Blue Cross Blue Shield of Massachusetts (Blue Cross), Inc. and Blue Cross Blue Shield of Massachusetts HMO Blue, Inc. today reported a combined after-tax second quarter net income of $33.5 million on revenue of $2.11 billion (1.6% net margin). These results reflect a net operating loss of $4.2 million (-0.19% net operating margin) and investment income of $37.6 million.

“We continue to operate in an extraordinarily volatile health care environment, given the constantly changing dynamics related to the COVID-19 pandemic,” said Andreana Santangelo, Blue Cross' chief financial officer. “It’s challenging to predict how the rest of the year will unfold, given the uncertainties associated with the Delta variant and breakthrough infections. We are proceeding cautiously and maintaining our focus on keeping our employees safe, and making quality care more affordable and equitable for our members and customers.”

Santangelo noted that the company’s quarterly results a year ago reflected the unprecedented deferral of health care services at the onset of the COVID-19 pandemic. This year, claims for health care services have rebounded and remain at or above pre-COVID levels for most services.

Santangelo expects the pandemic to have a lingering effect on the company’s business, likely for multiple years, due to the continued costs of COVID testing, treatment and vaccines and the return of non-COVID services that have been deferred. She anticipates that COVID-related costs in 2021 will exceed $600 million, including at least $100 million in spending to cover the costs of administering COVID-19 vaccines to members.

The company also announced today that for the 10th straight year, it has exceeded state and federal requirements regarding administrative spending. Health plans are required by law to spend a certain percentage of each premium dollar on members’ medical care and quality improvements, versus administrative costs. 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.

Blue Cross is the leading private health plan in Massachusetts with 2.8 million members.

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 are committed to the relentless pursuit of quality, affordable and equitable health care with an unparalleled consumer experience. Consistent with our promise to always put our 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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