BLUE CROSS BLUE SHIELD OF MASSACHUSETTS ANNOUNCES LATEST RESULTS

Company reports significant operating and net losses due to unprecedented surge in medical and pharmacy costs

BOSTON – February 27, 2026 – Blue Cross and Blue Shield of Massachusetts, Inc. and Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc. (together, "Blue Cross") today reported a **net loss** of **$222.8 million** on revenue of $10.3 billion (-2.2% net margin) for the **full year 2025**. These results reflect an **operating** and other loss of **$380.5 million** (-3.7% operating margin), and an investment income of $157.7 million. These results compare to a year ago when Blue Cross reported a net loss of $223.6 million (-2.3% net margin) and an operating and other loss of $400.4 million (-4.3% operating margin) for the full year 2024.

"We continued to face significant financial challenges in 2025 due to an unprecedented increase in medical and pharmacy spending," said Chief Financial Officer Ruby Kam. "Clearly, all of us in health care must do more to address the incredible strain these rising costs are putting on families and businesses. At Blue Cross, we are doing everything we can to make care more affordable for our members and employer customers."

Kam noted that health care costs in Massachusetts are increasing at the fastest rate in more than 20 years, with spending up in nearly every category of services – from hospitalizations to drug costs to outpatient visits. At Blue Cross, 90 percent of our premiums go straight to paying for medical care and prescription drugs for our members.

Blue Cross is taking specific actions to address these significant financial challenges, including pricing our health plans to reflect the higher costs for medical care and pharmacy services, holding the line on provider price increases, making the difficult decision to no longer cover GLP-1 medications for weight loss, and identifying solutions to address the major impact of prescription drug and pharmaceutical costs. At the same time, we are also aggressively managing our own administrative spending which we held flat the past two years through a series of actions such as introducing a voluntary separation program, eliminating some positions, consolidating our real estate footprint, and renegotiating vendor contracts.

For the fourth quarter of 2025, Blue Cross reported a net loss of **$121.5 million** on revenue of $2.6 billion (-4.7% net margin). These results reflect an operating and other loss of **$166.8 million** (-6.6% operating margin), and an investment income of $45.3 million. 2025 results also reflect a premium deficiency reserve.

About Blue Cross Blue Shield of Massachusetts
Blue Cross Blue Shield of Massachusetts (bluecrossma.org) is a community-focused, tax-paying, not-for-profit health plan headquartered in Boston. We are committed to showing up for everyone like they're the only one and guiding our members to the exceptional health care they deserve – affordably, equitably and seamlessly. In keeping with our commitment, we are rated among the nation's best health plans for member satisfaction and quality. Connect with us on Facebook, Twitter, YouTube, and LinkedIn.