

Our Company



MASSACHUSETTS

We are a community-focused, tax-paying, not-for-profit health plan headquartered in Boston. We 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 members first, we are rated among the nation's best health plans for member satisfaction and quality.

Where Premium Dollars Go



90¢ MEDICAL CARE
FOR OUR MEMBERS

45¢ is used for hospital services
30¢ is used for physician services
15¢ is used for prescription drugs

10¢ ADMIN COSTS

- Taxes and assessments
- Contributions to reserves
- Pay and benefits
- IT investments
- Facilities maintenance

Our Customers Include

- 6 of 13 Fortune 500 companies headquartered in MA
- More than 25,000 businesses across MA
- 75% of MA cities and towns
- Nearly 115,000 federal employees

By the Numbers

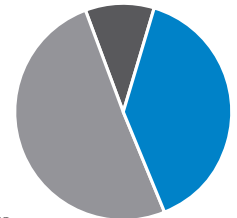
- Serve 2.8 million members: 2 million in Massachusetts and more than 800,000 out of state
- Employ a diverse and inclusive workforce of 3,700 people
- Process 48 million claims and handle 2.8 million phone calls annually
- Contribute \$1.6 billion in annual economic impact to the Massachusetts economy
- Manage approximately \$14 billion in annual health care spending

Financial Information—2016

Annual premium revenue ¹	\$7.1 billion
Claims paid ¹	\$6.3 billion
Net margin	1.1%
Total taxes and assessments paid	\$296 million
Reserves: days of claims	40-45

Products & Networks

Product Lines as of January 2017



Medical:

- HMO/POS: 805,000 members
- PPO/Indemnity: 1,728,100 members
- Senior Products/Medicare: 310,370 members

Dental: 818,000 members

Additional Product Lines

- Long- and Short-Term Disability
- Term and Dependent Life
- International Health Coverage
- Workers Compensation
- Critical Illness
- Accident
- Vision

HMO Participating Provider Network as of January 2017

Primary Care Providers	6,656
Specialists	17,644
Hospitals	74
Dentists	5,211
Ancillary Providers	13,528
Behavioral Health Providers	11,263

The Power of Blue

The Blue Cross and Blue Shield System consists of 36 independently operated member companies, a Federal Employee Program® and an Association, which serves the collective needs of the Blue Cross and Blue Shield Plans.



Nearly 1 in 3 Americans—or more than 106 million members—relies on Blue Cross Blue Shield companies for access to safe, quality, and affordable healthcare.

350
MILLION

Dollars invested in neighborhoods by the Blue System to help address some of our nation's most pressing healthcare challenges.



Nationwide, more than 96% of hospitals and 93% of professional providers contract directly with Blue Cross and Blue Shield companies.

1. Insured business only

Community Commitment

Volunteerism

90% of all associates participated in the BlueCrew volunteer program resulting in 33,000 service hours.

Contributions

We invested \$5.7 million in more than 459 nonprofit organizations throughout the state.



\$5.7M IN CONTRIBUTIONS — TO — **459** MASS. NONPROFITS

3.3K ASSOCIATES



245 PROJECTS

33K HOURS DONATED



VALUE OF VOLUNTEER HOURS
\$1.3M



Sustainability Commitment

In support of our 2020 sustainability goals, since 2010 we reduced our company's environmental impact.

Reduced Electricity

The company saw a 36% reduction in electricity use.

Reduced Waste

We saw a 25% reduction in waste to landfill.

Reduced Paper Use

There was an overall 42% reduction in paper use.

OFFICE PAPER USE REDUCED
42% SINCE 2010



1,600 TONS RECYCLED SINCE 2010

68 TONS KEPT OUT OF LANDFILLS SINCE 2010

ELECTRICITY REDUCED
36% SINCE 2010

Diversity & Inclusion

Equality

25% of our associates are people of color.

Employer of Choice

More than 2,500 of our associates are women, comprising 72% of the company.



60% OF OUR MANAGEMENT AND LEADERSHIP ROLES ARE HELD BY WOMEN

1,100 ASSOCIATES PARTICIPATED IN **8** EMPLOYEE RESOURCE GROUPS

82% PARTICIPATION INCREASE SINCE 2014

Awards & Recognition



Executive Leadership

Deborah Devaux	Executive Vice President, Chief Operating Officer	Jay McQuaide	Senior Vice President, Corporate Communications & Citizenship
Andrew Dreyfus	President and Chief Executive Officer	Dr. Bruce Nash	Senior Vice President, Chief Physician Executive
Patrick Gilligan	Executive Vice President, Sales, Marketing & Product	Jason Robart	Senior Vice President, Chief Strategy Officer, President and CEO, Zaffre Investments
Stephanie Lovell	Executive Vice President, Medicare and Chief Legal Officer	Susan L. Sgroi	Senior Vice President, Organizational Effectiveness and Chief Human Resources Officer
Andrea Santangelo	Executive Vice President, Chief Financial Officer		

Contact

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