



# MISSION MOMENTS

Making health care affordable, accessible, and personal



Forbes 2021
THE BEST
EMPLOYERS
FOR DIVERSITY









JD Hickey, M.D. President and CEO



Marty Dickens
Chairman of the Board

#### READ MORE FIND OUR FULL AND DETAILED 2021 ANNUAL REPORT ONLINE NOW AT



## What it takes to make health care work

For members, a health condition or emergency shouldn't have the added stress of complicated administrative factors, unpredictable costs, or difficulties in accessing needed care. At BlueCross BlueShield of Tennessee, we take to heart the needs of our members and continue to add new, more convenient and cost-effective ways to access high-quality, affordable care and treatments.

While helping individuals and families navigate their immediate health needs throughout 2021, we worked to address their longerterm health with opportunities for them to take a more frequent, active role in their care. We continued to make telehealth sessions easy and affordable for routine health visits, seeing high satisfaction scores and utilization rates for this covered benefit.

For those who value in-person visits, we strengthened easy access to care by expanding the number of our BlueCross Medical Centers, operated by Sanitas, to eight fully staffed clinics located across the state. Our clinics encourage a whole-person approach to member care needs – along with the added advantage of convenient same-day care so that immediate or chronic condition needs can be met quickly and appropriately.

And for members needing specialty pharmacy treatments, we successfully helped reduce those drug costs by nearly 15% to drive real pharmacy savings and reductions in premium costs for members and group customers.

#### MAKING QUALITY COUNT

Our quality scores and member satisfaction ratings continued to meet or exceed high standards. In 2021, BlueCross earned and offered group customers and plan members the state's only 4-STAR commercial PPO plan. And our Medicare Advantage PPO earned an outstanding 4.5-STAR rating, based on more than 40 different quality and performance factors.

In total, our work in 2021 centered on our members, their care, and driving positive engagement and interactions to benefit healthy outcomes.

We stand behind our mission-driven approach to serving our members in ways that support both their health and their personal finances. And we demonstrate our commitment to our customers and their needs every day.

JD Hickey, M.D.

Marty Dickens

President and CEO Chairman of the Board



Leading on Health Equity with Research Partnership

\$325,000

FOUNDATION INVESTMENT IN MEHARRY MEDICAL COLLEGE'S CENTER FOR THE STUDY OF SOCIAL DETERMINANTS OF HEALTH

READ MORE

MEHARRY RESEARCHERS WILL WORK WITH BCBST CLINICAL AND DATA TEAMS TO USE THE COMPANY'S SOCIAL VULNERABILITY INDEX



Preparing BlueSky Institute Students for Tech Careers at BlueCross

30+

STUDENTS HAVE BEEN ACCEPTED INTO THE INAUGURAL BLUESKY PROGRAM

READ MORE BLUECROSS, EAST TENNESSEE STATE UNIVERSITY LAUNCHING BLUESKY TENNESSEE INSTITUTE



Earning High
Quality Ratings for
Member Care

**4.5-STAR** 

QUALITY RATING ON OUR MEDICARE ADVANTAGE PPO PLAN

READ MORE BLUECROSS PLANS EARN 4.5 STAR, 4-STAR QUALITY RATINGS FROM CMS





**Expanding Specialty Pharmacy Savings** 

### \$16M

IN SAVINGS FOR MEMBERS AND GROUPS, REDUCING THE COST OF MANY SPECIALTY DRUGS BY NEARLY 15%

READ MORE WHY WE'RE EXPANDING OUR SPECIALTY PHARMACY SAVINGS PROGRAM



BlueCross Medical Centers, Operated by Sanitas, Offer Whole-Person Care

8

CLINICS SERVING BLUECROSS MEMBERS IN WEST AND MIDDLE TENNESSEE

READ MORE HOW A NEW MODEL OF CARE IMPROVES OUTCOMES WHILE LOWERING COSTS



BlueCross Healthy
Places Bring Neighbors
and Communities
Together

\$32M

INVESTED BY OUR
FOUNDATION OVER FOUR
YEARS IN THE HEALTH
AND WELLNESS OF
TENNESSEANS

READ MORE ABOUT BLUECROSS HEALTHY PLACES AND FIND A LOCATION NEAR YOU



BlueCross BlueShield of Tennessee, Inc. and Subsidiaries Consolidated Balance Sheets		December 31		
		2021		2020
		(In Mi	lillions)	
Assets:				
Cash and cash equivalents	\$	519.3	\$	926.4
Fixed maturity securities (amortized cost: \$3,018.0; \$2,612.1)		3,087.1		2,751.9
Equity securities		1,093.7		918.9
Commingled investments		231.4		189.6
Trading securities		21.9		20.0
Fair value option investments		131.7		131.6
Investments held by charitable trusts		279.6		252.0
Equity method and other investments		80.5		50.2
Receivables (net of allowance: \$65.5; \$50.7):				
Benefit-related		636.3		506.0
Premiums and administrative fees		270.8		264.3
Federal income taxes, net		41.8		43.2
Investment-related		27.7		21.3
Provider		19.2		24.0
Total receivables		995.8		858.8
Property, software and equipment, net		354.6		373.4
Other assets		105.9		97.0
Total assets	\$	6,901.5	\$	6,569.8
Liabilities:				
Policy liabilities:				
Liability for unpaid claims	\$	743.7	\$	711.1
Other policy liabilities		76.2		283.2
Total policy liabilities		819.9		994.3
Accounts payable and other liabilities		736.0		737.6
Long-term debt		200.0		200.0
Deferred taxes, net		94.4		52.6
Liability for interest rate swap		40.6		57.8
Liability for postretirement and postemployment benefits		19.2		43.2
Total liabilities		1,910.1		2,085.5
Surplus:				
Legally required and operating surplus		5,036.2		4,514.3
Noncontrolling interest		0.9		0.1
Accumulated other comprehensive loss		(45.7)		(30.1)
Total surplus		4,991.4		4,484.3
Total liabilities and surplus	\$	6,901.5	\$	6,569.8

BlueCross BlueShield ofTennessee, Inc. and	Yea	Year Ended December 31			
Subsidiaries Consolidated Statements of Income		2021 2020			
		(In Millions)			
Premiums	\$	<b>8,165.3</b> \$	8,192.4		
Administrative fees and other revenue		571.1	643.8		
Net investment income		320.2	240.9		
Net realized investment gain (loss)		69.2	(39.2)		
Total revenue		9,125.8	9,037.9		
Benefits expense		6,804.1	6,675.4		
Administrative expenses and broker commissions		1,406.9	1,470.5		
State premium tax and assessments		274.9	414.2		
Total operating expenses		1,681.8	1,884.7		
Income before federal income taxes		639.9	477.8		
Federal income tax expense		119.7	123.0		
Net income		520.2	354.8		
Net (loss) income attributable to noncontrolling interest		(0.9)	0.1		
Net income attributable to BCBST	\$	<b>521.1</b> \$	354.7		

BlueCross BlueShield of Tennessee, Inc. and Subsidiaries Consolidated Statements of Comprehensive Income	Year Ended December 3 2021 2020 (In Millions)	
Net income	\$ <b>520.2</b> \$	354.8
Other comprehensive (loss) income, net of tax:		
Change in unrecognized pension and postretirement benefits (income taxes: \$6.7; (\$20.3))	25.2	(76.4)
Change in interest rate swap (income taxes: \$3.6; (\$2.5))	13.6	(9.4)
Change in net unrealized holding (losses) gains (income taxes: (\$14.5); \$12.3)	 (54.4)	46.3
Total other comprehensive loss, net of tax	(15.6)	(39.5)
Comprehensive income	504.6	315.3
Less: Comprehensive (loss) income attributable to noncontrolling interest	(0.9)	0.1
Comprehensive income attributable to BCBST	\$ <b>505.5</b> \$	315.2



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