

2022 ANNUAL REPORT  
SUMMARY







Experience more from our 2022 annual report online.  
<https://sbcbsnews.com/ar2022>

## Better health here in Tennessee, now and beyond

In 2022, all our efforts were driven by an accelerated focus on making health care more affordable for our members. That focus naturally led us to innovative efforts to improve access to care and address health inequities for all Tennesseans.

These are not new concepts for us. They've long been fundamental to our mission of helping our members achieve peace of mind through better health. Here are some of our 2022 highlights:

Our BlueAdvantage PPO plan earned a 5-Star quality rating, the highest possible, from the Centers for Medicare & Medicaid Services. This rating is evidence of our dedication to provider collaboration, communication, and ensuring our member outreach is as clear, supportive and individualized as possible.

With the release of our first health equity report, we dug into health disparities across Tennessee and are using the report to inform ways to improve care delivery and outcomes.

We've invested in higher education for Tennessee high school graduates interested

in technology with the launch of BlueSky Tennessee Institute — a workforce development venture between BlueCross and East Tennessee State University that offers qualifying students the opportunity to earn a bachelor's degree in computing and a job offer in just over two years.

Last year alone we either broke ground on or fully opened BlueCross Healthy Places in nine cities across the state. These community spaces provide our neighbors with opportunities for healthy activity and connectivity, and we're on track to invest more than \$100 million into this reflection of our mission.

The Blue of Tennessee medical centers are community-focused and offer primary care and operating hours convenient to our members' schedules.

These are just a few examples of where 2022 has led us, and how we'll continue living our mission on behalf of our members. We thank you for reading our annual report. Throughout you will see how we strive to be your partner for peace of mind through our people and our purpose.

## Highlights from our year



**55K**

Patient visits managed by Sanitas from January 2022 to January 2023

**8**

Blue of Tennessee medical centers currently open in middle and west Tennessee

**7000+**

Hours volunteered by BlueCross employees

**\$5M**

Amount in damages awarded to BlueCross after a hospital improperly billed 6,000 claims for laboratory services. These damages went toward cost savings for members.

**40+**

Performance and quality measures that Medicare Advantage plans with prescription drug coverage are evaluated against by the CMS



**32**

Students in our first BlueSky Tennessee cohort



**\$577K**

given to 127 local organizations

**88%**

of BlueCross employees are now remote workers

**100**

Approximate number of interns we hire per year in areas of technology, business and finance, communications, medical services, and more.



BlueCross BlueShield of Tennessee, Inc. and Subsidiaries  
Consolidated Balance Sheets

	December 31	
	2022	2021
	(In Millions)	
Assets:		
Cash and cash equivalents	\$ 670.0	\$ 519.3
Fixed maturity securities (amortized cost: \$3,088.6; \$3,018.0)	2,878.0	3,087.1
Short-term investments (amortized cost: \$227.8; \$6.8)	227.6	6.8
Equity securities	819.0	1,115.6
Commingled investments	100.3	231.4
Fair value option investments	180.8	131.7
Investments held by charitable trusts	241.5	279.6
Equity method and other investments	103.7	73.7
Receivables (net of allowance: \$23.7; \$65.5):		
Benefit-related	532.2	655.5
Premiums and administrative fees	338.5	270.8
Other	59.7	69.5
Total receivables	930.4	995.8
Property, software and equipment, net	348.8	354.6
Other assets	182.4	105.9
Total assets	<u>\$ 6,682.5</u>	<u>\$ 6,901.5</u>
Liabilities:		
Policy liabilities:		
Liability for unpaid claims	\$ 722.8	\$ 743.7
Other policy liabilities	141.0	85.8
Total policy liabilities	863.8	829.5
Accounts payable and other liabilities	721.0	786.2
Long-term debt	200.0	200.0
Deferred taxes, net	—	94.4
Total liabilities	1,784.8	1,910.1
Surplus:		
Legally required and operating surplus	5,057.1	5,036.2
Noncontrolling interest	0.9	0.9
Accumulated other comprehensive loss	(160.3)	(45.7)
Total surplus	4,897.7	4,991.4
Total liabilities and surplus	<u>\$ 6,682.5</u>	<u>\$ 6,901.5</u>

BlueCross BlueShield of Tennessee, Inc. and Subsidiaries  
Consolidated Statements of Income

	Year Ended December 31	
	2022	2021
	(In Millions)	
Premiums	\$ 8,309.3	\$ 8,165.3
Administrative fees and other revenue	591.3	571.1
Net realized investment (loss) gain	(109.3)	69.2
Net investment (loss) income	(155.7)	320.2
Total revenue	8,635.6	9,125.8
Benefits expense	6,876.2	6,804.1
Administrative expenses and broker commissions	1,464.4	1,406.9
State premium tax and assessments	277.5	274.9
Total operating expenses	1,741.9	1,681.8
Income before federal income taxes	17.5	639.9
Federal income tax (benefit) expense	(3.4)	119.7
Net income	20.9	520.2
Net loss attributable to noncontrolling interest	(0.9)	(0.9)
Net income attributable to BCBST	<u>\$ 21.8</u>	<u>\$ 521.1</u>

BlueCross BlueShield of Tennessee, Inc. and Subsidiaries  
Consolidated Statements of Comprehensive (Loss) Income

	Year Ended December 31	
	2022	2021
	(In Millions)	
Net income	\$ 20.9	\$ 520.2
Other comprehensive income (loss), net of tax:		
Change in unrecognized pension and postretirement benefits (income taxes: \$21.6; \$6.7)	81.2	25.2
Change in interest rate swap (income taxes: \$6.6; \$3.6)	25.1	13.6
Change in net unrealized holding losses (income taxes: (\$58.7); (\$14.5))	(220.9)	(54.4)
Total other comprehensive loss, net of tax	(114.6)	(15.6)
Comprehensive (loss) income	(93.7)	504.6
Less: Comprehensive loss attributable to noncontrolling interest	(0.9)	(0.9)
Comprehensive (loss) income attributable to BCBST	<u>\$ (92.8)</u>	<u>\$ 505.5</u>



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through Better Health®

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