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Blue Cross and Blue Shield of Minnesota Reports 2014 Results

EAGAN, Minn. (April 1, 2015) —Blue Cross and Blue Shield of Minnesota and its family of companies (Blue Cross) today announced audited financial results for 2014. Blue Cross closed out the year with net income of \$61.5 million, reflecting positive investment portfolio performance that offset slight operational losses. The organization reported a net operating loss of \$8.2 million on full-year revenues of \$10.1 billion, for a negative operating margin of one-tenth of one percent (0.1%).

Blue Cross reported more than \$9.1 billion paid in medical claims for the year, representing 90 cents of every premium dollar collected going directly to cover health care costs. Additionally, Blue Cross paid more than \$205 million in taxes, assessments and surcharges for the year. Overall year-end 2014 enrollment of 2.6 million members represents a slight decrease from year-end 2013.

“Our operating performance for 2014 was favorable to projections, amounting to a near break-even year for the organization,” said Michael Guyette, president and CEO of Blue Cross and Blue Shield of Minnesota. “We knew 2014 would be a challenging year, as the market continued to go through significant transition related to health reform. We continue to engage with multiple stakeholders in order to explore ways of bringing additional cost and coverage stability for both the short- and long-term.”

During 2014, Blue Cross celebrated several successes in communities across the state. Among them:

- Collaborated with Allina, Entira, Minnesota Community Health Network (MCHN), Northern Health Alliance and Sanford Health in support of innovations that promote advancements in health care affordability and quality.
- Opened the company’s first health insurance retail store, where Minnesotans can receive health plan information, service and claims support.
- Raised more than \$1 million in employee donations through the annual Community Giving Campaign to benefit more than 700 nonprofits statewide.
- Supported efforts of Minnesota communities to enhance access to health coverage and improve health, including:

- Southern Prairie Community Care, an Accountable Community for Health, focused on improving the health of residents of 12 southwestern Minnesota counties.
- Access to coverage grants, helping low-income Minnesotans enroll in insurance.
- Act on Alzheimer's, helping foster dementia-friendly communities.
- Increasing access to various dental care programs in Mankato, Bemidji, Duluth and Rochester.

Audited results include the consolidated financial statements for businesses operating under Aware Integrated Inc. (AII), a non-profit corporation and parent organization. AII serves as the holding company for all affiliates and subsidiaries, including the following regulated businesses associated with Blue Cross:

Blue Cross and Blue Shield of Minnesota — A nonprofit health insurance company and independent licensee of the Blue Cross and Blue Shield Association.

Blue Plus — A nonprofit health maintenance organization (HMO) that offers health plans and contracted provider networks throughout Minnesota to individuals and local, state and national groups.

SelectAccount — A third-party administrator of medical spending accounts included in consumer-directed health plans throughout the country.

Blue Cross provides all information, reports and audited details as required by the State of Minnesota for both commercial and public program products. Detailed financial statements for the organization's regulated businesses are filed with the Minnesota Department of Commerce. A consolidated earnings statement for 2014 results is available at <https://www.bluecrossmn.com/2014Results>.

Blue Cross and Blue Shield of Minnesota, with headquarters in the St. Paul suburb of Eagan, was chartered in 1933 as Minnesota's first health plan and continues to carry out its charter mission today as a health company: to promote a wider, more economical and timely availability of health services for the people of Minnesota. Blue Cross is a not-for-profit, taxable organization. Blue Cross and Blue Shield of Minnesota is an independent licensee of the Blue Cross and Blue Shield Association, headquartered in Chicago. Go to bluecrossmn.com to learn more about Blue Cross and Blue Shield of Minnesota.