INVESTING IN THE HEALTH AND LIVES OF LOUISIANIANS
We are pleased to share with you Investing in the Health and Lives of Louisianians. This report chronicles our initiatives and efforts in 2021 and throughout the pandemic to create a sustainable enterprise, support communities and meet our corporate mission.

As you will see in this report, everything we do at Blue Cross and Blue Shield of Louisiana is ultimately focused on our mission to improve the health and lives of Louisianians.

We work in partnership with providers and community organizations to transform the health care industry by reducing costs and improving health outcomes, accessibility and the patient experience. We operate with ethics and integrity, and in support of our core values of collaboration, accountability and excellence.

Blue Cross is dedicated to the communities we serve and to diversity, equity and inclusion efforts within our organization, in our supplier and provider communities, and in the world at large. Going forward, we plan to continue building on our efforts as we work to create a better, healthier Louisiana.

I, Steven Udvarhelyi
President and CEO

Founded in New Orleans in 1934, Blue Cross and Blue Shield of Louisiana is the oldest and largest Louisiana health insurer. We provide coverage to more than 1.9 million people.

For almost 90 years, we’ve been committed to improving the health and lives of Louisianians. We’ve weathered storms of all kinds with our customers and communities. Our dedication to our state and its people has never wavered.
ECONOMIC IMPACT

At Blue Cross and Blue Shield of Louisiana, we keep our business in Louisiana and make a $6 billion impact on the state’s economy through:

- billions in claims paid
- millions in taxes
- employee salaries
- advertising
- buying from Louisiana suppliers
- community sponsorships and grants

We invest a substantial portion of our portfolio in Louisiana-based securities.

Our company has received 25 consecutive "A" ratings for financial strength from Standard & Poor’s.

We maintain a reserves fund to protect our policyholders.

We invest in our communities, spending millions each year in sponsorships and project funding for Louisiana nonprofits.

Our Foundation gives millions annually in grants for health- and education-related programs within Louisiana.

WE ARE LOUISIANA TRUE.

Operating solely in Louisiana, Blue Cross is a nonprofit, fully taxed mutual company, owned by policyholders – not shareholders. We are also an independent licensee of the Blue Cross Blue Shield Association. Our company is homegrown and run by an independent Louisiana board of directors. Because we operate only in Louisiana, our focus is local – on our home. All of our business decisions are made here in Louisiana, by Louisiana-based employees.

THE NUMBERS AT A GLANCE

3,674 employees enterprise-wide

30,000 employee volunteer hours (2021)

2,500 agents & brokers at 529 agencies statewide who work with us

1.9 million members (1/3 of Louisianians)

34,000+ network doctors, hospitals & other providers

200+ charitable organizations supported

3,674 ENTERPRISE-WIDE EMPLOYEES*

*includes 536 employees working in other states
COVERAGE THAT’S MADE FOR LOUISIANA

Blue Cross has developed a wide variety of plans and products in every parish and ZIP code in the state, so Louisianans have options to find quality, affordable coverage with access to top providers that best meets their families’ needs. Louisianans of any age and income level can find a product from Blue Cross.

We offer a full line of health insurance products for individuals and groups, including:

- both fully insured and self-insured (administrative services only) products for groups;
- a range of coverage plans for individuals, including healthcare.gov options;
- life insurance;
- a suite of voluntary group benefit options, including life, dental and disability coverage;
- Medicare Supplement and Medicare Advantage (HMO and PPO) plans for individuals, plus Medicare Advantage Employer Group Waiver Plans (EGWP) for group retirees; and
- Medicaid managed care plans offered through a partnership with Healthy Blue.

Blue Cross was recognized in 2022 as one of the 50 most community-minded companies in the nation for the fourth year in a row.

The award is an initiative of the Points of Light Foundation, an organization founded by George H.W. Bush, who, in his inaugural address, invoked the vision of a “thousand points of light” as an invitation to Americans to serve their fellow citizens.

The Civic 50 list includes much larger corporations with national footprints. Last year, we were selected from among all 50 honorees as 2021’s Volunteer Champion.

This year we were recognized as the top company in the country for integration, which, according to the Points of Light Foundation, is:

how a company integrates its community engagement and social impact programs throughout its business functions and interests.

OUR STRATEGY

It takes a strong strategy to support our mission of improving the health and lives of Louisianans. Our mission is the WHY that informs our strategies.

Our strategic plan features five core pillars:

- **HEALTH**
- **AFFORDABILITY**
- **EXPERIENCE**
- **SUSTAINABILITY**
- **FOUNDATIONS**
As the oldest and largest health insurer in Louisiana, we are making investments to improve health outcomes, keep costs in line and reverse our state’s historically poor health rankings.

We start with our own members. Through our clinical programs and services, Blue Cross is leading a data-driven population health management strategy to close gaps in care, address disparities and focus on social/community-based determinants of health.

PROVIDER PARTNERSHIPS IMPROVE HEALTH

At Blue Cross, we have broader and deeper partnerships with health care providers than any other insurance carrier in Louisiana. And we work closely with our network providers to get better health outcomes and keep costs in line for our mutual customers – their patients, our members.

34,000+

Through partnerships with providers, we offer innovative network products built to offer considerable cost savings and high-touch, high-quality, coordinated care.

Our providers are both highly satisfied and likely to recommend Blue Cross to other providers, according to annual research.

STRONGER THAN EVER: OUR CARE MANAGEMENT PROGRAMS

Blue Cross has an in-house care team of more than 200 clinicians – physicians, nurses, pharmacists, social workers, dietitians – who help their fellow Louisianans through our best-in-class Care Management programs. Our clinicians offer ongoing support, personalized education and empowerment to members dealing with long-term conditions and serious illnesses or injuries. They also work with members on cost-effective drug choices, medication adherence and more.

Eligible members can join these free programs themselves, or they can be referred by their doctors, by immediate family members or even by their group leaders.

MEMBER RATINGS FOR CARE MANAGEMENT*

<table>
<thead>
<tr>
<th>Achievement of Goals</th>
<th>92%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Satisfaction</td>
<td>94%</td>
</tr>
<tr>
<td>Staff Satisfaction</td>
<td>97%</td>
</tr>
</tbody>
</table>

*Source: CMDM Member Experience Survey, Q1 2021
INVESTING IN DATA TO IMPROVE HEALTH OUTCOMES

In 2017 Blue Cross began using real-time data and artificial intelligence (AI) to identify members at risk for increased hospital admissions and emergency room visits. Our focus was on members with coronary artery disease, congestive heart failure and diabetes.

We used AI to predict precisely which members with these conditions could get the most benefit from our Care Management services. These interventions succeeded in reducing hospital admissions and emergency room visits for members with these three chronic conditions compared to the previous year. Additionally, members identified through AI were three times more likely to engage with population health interventions.

SUCCESSFULLY REDUCED ADVERSE EVENTS

An evaluation of the two predictive models used to manage clinical needs of a large commercial group

NUMBER OF ADMISSIONS

For members in risk of hospitalization approach
Estimated 30 fewer admits per year

1,013
30
12 Months Before
12 Months After

Calculation: Admits/member month over 12 month period

NUMBER OF ER VISITS

For members in risk of emergency department visits approach
Estimated 42 fewer ER visits per 6 months

288
42
6 Months Before
246
6 Months After

Calculation: ER visits/member month over 6 month period

VALUE-BASED CARE THROUGH QUALITY BLUE

With our Quality Blue programs, we work with doctors, hospitals and clinics around Louisiana to give members an easier, better health care experience. Quality Blue ties reimbursement to how well providers are keeping patients healthy and out of the hospital. It’s a shift away from fee-for-service toward value-based reimbursement.

Launched in 2013, the program has achieved ongoing health improvements, especially for members with chronic conditions. And we’ve seen that tying providers’ reimbursement to value can lower costs.

QUALITY BLUE RESULTS

Driving Improvements in Health Outcomes

Blue Cross continues to build on Quality Blue’s proven successes. This year we are:

- moving to nationally recognized clinical quality measures and comparing providers’ performance nationally, not only within their peer group
- opening the program up to more providers and more members, and
- securely sharing data with our Quality Blue providers to help them improve patient care and achieve better outcomes.

QUALITY BLUE: SLOWING THE MEDICAL COST TREND

Data validated by Tulane University’s School of Public Health

Since 2013 Quality Blue has slowed medical cost increases from 4 dollars to only 20 cents per month.
FIGHTING OBESITY

Obesity increases the risk of several debilitating and deadly diseases, including diabetes, heart disease and some cancers. In Louisiana, 38.1% of our population is considered obese.* We’ve made several investments to help conquer this challenge.

Children’s health: Blue Cross added to its policies an obesity and weight management benefit that provides reimbursement for children ages 3 to 18 diagnosed with obesity for up to 52 visits for intensive treatment with eligible health and behavioral programs and professionals.

Research: Blue Cross is a co-investigator in Pennington Biomedical Research Center’s TEAM UP, which studies the effectiveness of family-centered obesity treatment in primary care. The trial uses an evidence-based intervention delivered by specialists that targets diet, activity, behavior strategies and parenting support to promote weight loss and maintenance.

Family health: In 2019 we piloted a program with Baton Rouge provider partners. Their patients – our members – with chronic health issues took part in a 12-week class at Louisiana Culinary Institute to learn healthy grocery shopping and cooking techniques.

We saw high engagement in this program, with all 35 participants sticking to the 12 weeks of classes. Results showed that:

- 77% of attendees lost weight
- 67% had a decrease in A1C levels
- 70% showed a 2-19 point drop in their systolic blood pressure
- 40% showed a 2-7 point drop in diastolic blood pressure

Prediabetes care program: Omada is a 16-week program combining data-powered human coaching, connected devices and curriculum tailored to members who have prediabetes or are at high risk for type 2 diabetes. The program is designed to help individuals lose weight, reduce their risk of type 2 diabetes and heart disease, and build healthy patterns for life.

Since its inception, this intensive behavioral intervention has shown results:

<table>
<thead>
<tr>
<th>Metric</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total members enrolled in Omada</td>
<td>11,879</td>
</tr>
<tr>
<td>Pounds lost by our members</td>
<td>79,278</td>
</tr>
<tr>
<td>Participant satisfaction rate</td>
<td>87%</td>
</tr>
</tbody>
</table>

*Source: Robert Wood Johnson Foundation, 2021
$0 DRUG COPAY PROGRAM

In 2013 Blue Cross launched a $0 Drug Copay program designed to encourage and support members with certain chronic diseases, including depression, in sticking to their prescribed medications.

Because cost is a common reason people do not take medication as directed, the program removed out-of-pocket cost barriers by providing certain members with a widely used set of medications to treat their conditions for a $0 copay. This program has documented success.

Our $0 Drug Copay program achieves something unusual in health care: It enhances patient access to medications and reduces their total health care spending significantly. The decrease is primarily in medical spending rather than pharmacy spending.

As the state’s largest insurer, we touch most stakeholders in the health care system – providers, members, employers and others – and this makes us uniquely positioned to work with them to improve health outcomes, keep costs in line and reverse Louisiana’s historically poor health rankings. In recent years, we’ve increased our focus on working with others to address these social determinants of health.

Driving Health Equity: $0 Drug Copay Program

Income-based barriers were removed, which improved compliance among low- and mid-income populations. This greatly benefited Black/African American, Hispanic/Latino and Asian populations.

Medication adherence by income levels:

- **Low ($0-39k)**: N=1,200, Average adherence change: 0.86%
- **Mid ($40k-$99k)**: N=11,854, Average adherence change: 0.31%
- **High ($100k+)**: N=62, Average adherence change: -0.52%

Medication adherence by race/ethnicity:

- **Black/African American**: N=1,577, Average adherence change: 2.7%
- **Hispanic/Latino**: N=536, Average adherence change: 2.1%
- **Asian**: N=462, Average adherence change: 3.0%
- **Other**: N=3,585, Average adherence change: 0.2%

*Difference-in-Difference measurement compares the change of the $0 treatment group to the change of the control group.

Advancing Health Equity in Louisiana

Lack of access to care, transportation barriers, high poverty and unavailability of nutritious food options are some of the key reasons Louisiana ranks at the bottom of most national health rankings.
Louisiana has one of the highest maternal mortality rates in the country. Out of every 100,000 Louisianaans who give birth, 58 of them will die as a result of childbirth.*

Black women are dying from pregnancy-related complications at over four times the rate of white women.

This is why Blue Cross and Blue Shield of Louisiana has joined the Blue Cross Blue Shield Association’s National Health Equity Strategy. The purpose is to confront racially based health disparities, with the goal of reducing racial disparities in maternal health by 50% in five years.

We understand that medical care is only one piece of overall health and well-being. Other factors play a significant role – income and education levels, where you live, transportation options, social support, access to health care providers, and availability of nutritious food. We must address the whole picture to make our state a better place to have a baby and raise healthy, happy families.

At Blue Cross we’re committed to working with providers, state health officials, community groups and others to build bridges that close these gaps in care and ensure the future is brighter for Louisiana parents and families.

Blue Bikes promotes healthy exercise and gives residents an easy way to get to work or school, go to medical appointments or shop at grocery stores and farmers markets. Blue Bikes meets transportation needs in the New Orleans community.

Dr. I. Steven Udvarhelyi
President and CEO

*Source: World Population Review, Maternal Mortality Rate By State 2022
SPOTLIGHT

ANALYTICS AND DATA CAPABILITIES

Blue Cross' Analytics & Data Division uses our nationally recognized capabilities and proprietary technology to turn health care data into timely, actionable insights that improve the health and lives of Louisianians. The robust program we offer today rests on five critical pillars:

- Integrated Data Sources for Analysis
- Data-Driven Population Health Strategies
- Predictive Models
- High-Touch Clinical Engagement
- Rigorous Outcomes Evaluation

BETTER DATA, BETTER OUTCOMES

The program uses traditional data from claims, lab results, pharmacy benefits and other clinical information, and nontraditional data such as social attributes and Customer Service and Care Management interactions. We use this information for actionable data insight. For instance, we can:

- Identify at-risk members and connect them to our Care Management team before they suffer adverse health events;
- Drive effective coordination, internally and externally, to enhance patient clinical outcomes and lower the total cost of care;
- Create effective programs with AI-based targeting combined with robust outcomes evaluation; and
- Compare models to industry benchmarks and standards to continually improve performance.

PI PLATFORM

To drive business insights and value, Blue Cross uses its cloud-based proprietary analytics platform, Pi.

With Pi, clinicians, providers and groups also can track disease states over time, where disease states are located geographically and whether affected members are participating in the Blue Cross Care Management program.

AI: ARTIFICIAL INTELLIGENCE MODELS

DRIVE BETTER OUTCOMES

Blue Cross' class-leading AI capabilities are very accurate, tailored for Louisiana residents and - most importantly - integrated and acted upon to make a difference for members. The Blue AI predictive models empower members' doctors and other providers, our Blue Cross care team and members themselves to make changes to improve outcomes through the appropriate care channels.

Our five foundation models are:

1. Risk of hospitalization
2. Risk of ER visits
3. Risk of hospital readmission
4. Prediction of high-cost claimants
5. Customer Service complaints

With each of these models, we can make predictions six months out or more with incredible accuracy, sometimes up to 10 times more accurately than commercial models.

Why is this important? Identifying at-risk members in advance enables members' doctors and our Blue Cross clinical staff to intervene sooner with health coaching, education and self-care support. It allows each member’s care to be much more precise, prescriptive and efficient at applying resources. These proactive efforts can potentially mitigate a clinical event like a hospitalization, save lives and reduce costs.

Next-generation models are allowing us to further solve health challenges across key areas. These models predict risk drivers, rising risks, risk of ER visits and readmission. They enable us to understand the best actions to take to reduce the risks. The models also enable us to improve customer experience and better aid in helping our senior members find the products that best meet their health care needs. Plus, they can help members follow their prescription drug regimen.
**AFFORDABILITY**

Blue Cross is committed to ensuring Louisianians have access to affordable, quality health care. We work to keep costs down and to be good stewards of our members' health care dollars.

### 2021 PREMIUM DOLLAR BILL

Blue Cross is a not-for-profit insurer and a Louisiana-based company, so premium dollars stay in our state’s health care system. In 2021 we received $3.8 billion in premium payments from our at-risk, fully insured members. Here is where those premiums go:

**2021 PREMIUM DOLLAR**

- **59%** Doctors and Hospitals
- **26%** Prescription Drugs\(^1\)
- **15%** Administrative Costs*  

### CORE COST-CONTAINMENT SERVICES

We understand the importance of managing medical costs for our members. Our internal, multidisciplinary team monitors and manages medical costs through a formalized process of trend analysis, claims evaluation, claims billing practices and monitoring industry cost trends.

### PRODUCT PORTFOLIO

Product portfolio: We make sure Louisianians have access to a variety of health plans that fit all budgets for groups and individuals. When [healthcare.gov](https://healthcare.gov) launched, we were the only insurer to offer plans in every parish and every ZIP code in the state. Through the years, other insurers have come and gone. But we have stayed because of our commitment to ensuring our fellow Louisianians have access to health care at an affordable price.

Provider networks: With our highly competitive, locally negotiated contracts, we keep costs fair by driving high in-network access and superior discounts.

Select networks for quality at a lower cost: Select network plans offer members high-quality, coordinated care at a savings. Our select network products, available in the greater New Orleans, Baton Rouge, Lafayette, Monroe and Shreveport areas, are just one innovative way Blue Cross is working with our strong provider partners to transform health care.

### COST CONTAINMENT AT A GLANCE

In 2021 our pre-pay avoidance and recovery totaled more than $53 million.

* Covers operating costs, commissions, taxes/fees and reserves.

Source: All figures are estimates based on Blue Cross and Blue Shield of Louisiana actuarial, claims and membership data. Represents fully insured group and individual members of both Blue Cross and Blue Shield of Louisiana and HMO Louisiana, Inc.

\(^1\) Includes the cost of prescription drugs administered in physician offices and for outpatient hospital care. Drug costs are net of all discounts and rebates.
BLUE CROSS CORE CLAIMS SERVICES

Data and insights: Blue Cross uses data insights, care coordination and Care Management programs to help ensure members get the right care, while also containing costs.

Fraud and abuse: We work to identify and correct fraud, waste and abuse.

Payment integrity: We are committed to strong cost management. Activities include:

- Fraud prevention and recovery
- Care coordination, Care Management and medication adherence programs to help members manage their chronic conditions and health challenges
- Utilization Management and medical policies to ensure our members are getting the right care in the proper settings
- Cost-containment recovery services
- Audits to validate the appropriateness of provider billings and payments
- Work to recover medical expenses that were a third party’s responsibility

SPOTLIGHT
OUR COVID-19 RESPONSE

Well before the pandemic hit Louisiana, Blue Cross and Blue Shield of Louisiana’s Analytics & Data team recognized that the cloud-based technology they had developed to drive targeted care interventions for members had the potential to provide critical insight to state leaders throughout the crisis.

PUBLIC-PRIVATE PARTNERSHIP WITH STATE OF LOUISIANA

In early 2020, living out our mission to improve the health and lives of Louisianians, Blue Cross partnered with the State of Louisiana to share our team’s technological and analytical capabilities and to build what would become known as the COVID-19 Outbreak Tracker.

Even before the state’s first COVID-19 case was identified, Blue Cross team members and state officials were using the tracker to monitor the novel coronavirus’ spread in Louisiana. They aggregated, analyzed and modeled diverse data for both Blue Cross members and members of state Medicaid plans.

The COVID-19 tracker gave the state information on projected rates of hospitalizations, deaths, health care facilities’ capacity and more.

The state used this information to allocate crucial medical resources and implement mitigation measures that ultimately saved lives.

Louisiana COVID-19 hospitalization projection scenarios
SPOTLIGHT

OUR COVID-19 RESPONSE

This public-private partnership continues, as Blue Cross works with the Louisiana Department of Health to provide analyses that can assist not only with COVID-19 responses, but with other public health initiatives.

SOMRESH NIGAM, FMR CHIEF ANALYTICS & DATA OFFICER FOR BLUE CROSS, SPEAKS AT THE GOVERNOR’S PRESS CONFERENCE IN JULY 2020. NIGAM WAS NAMED AMONG MODERN HEALTHCARE’S 2022 CLASS OF TOP INNOVATORS, RECOGNIZING LEADERS FROM AROUND THE COUNTRY WHO ARE INSTITUTING INNOVATION AND LEADING TRANSFORMATIVE PROGRAMS THAT IMPROVE CARE.

SUPPORTING OUR MEMBERS

Blue Cross voluntarily implemented steps to support our members through this crisis on March 6, 2020, well before most federal and state rules and regulations were mandated. These included:

- **Waiving member cost-sharing** for COVID-19 services and in-network telehealth visits.
- **Adding more in-network providers** who can deliver care via telehealth and adding behavioral health services to our telehealth platform, BlueCare.
- **Relaxing several requirements** to ensure members had increased access to prescription medications.

**OUTREACH AND ENGAGEMENT**

In addition to our “Hope” brand campaign, we used radio, print and TV advertising to promote programs and services related to the pandemic and to remind the public to #MaskUp and “Get the Facts, Get the Vax.” We used press releases, original videos, livestream broadcasts, social media, media interviews and more to share this important information with our communities.

With the understanding that COVID-19 affected minority populations disproportionately, Blue Cross also worked with key partners, particularly those focused on Black, Hispanic and other minority communities, to build trust, expand access and encourage vaccination.

**PARTNERING WITH PROVIDERS**

Blue Cross voluntarily implemented several non-mandated benefit changes to assist network providers during the public health emergency and during the recovery following hurricanes Laura and Ida. They included:

- Increasing reimbursements
- Providing bridge funding
- Delaying plans to increase eligible hospital readmissions from 15 days to 30 days
- Relaxing and delaying several requirements for credentialing and recredentialing

For providers participating in Quality Blue, our signature value-based care program, we

- Made early shared-savings payments
- Adjusted tiering levels that determine six-month payment rates so they could drop only one level at most
- Waived reporting requirements for some measures

Since 2020 Blue Cross has developed and disseminated messages to give all Louisianans vital COVID-19 information, promoting safety and good health while mitigating anxiety.
As a Louisiana company, we believe we are well-positioned to meet the unique needs and challenges of our members. Our customer experience efforts are focused on improving the health and lives of Louisianians by building intentional experiences for our members.

A FOCUS ON SIMPLICITY

The three imperatives of our customer experience program are:

- MAKE IT EASY.
- MAKE IT HAPPEN.
- SHOW YOU CARE.

Customer Experience is about looking into the moments that matter for people and taking time to understand what it’s like to be in their shoes, and then figuring out how you can make that experience better.

Shane Bray
SVP, Chief Experience Officer

This simplicity is showing up in the systems and programs we are building for our members, including our dynamic website and cost-saving tools.

Our online member portal allows members to manage their account, find a doctor, download ID cards, see claims, see deductible and maximum out-of-pocket amounts, see HSA balances and more. This is also available on any mobile device via Google Play or the App Store.

Health is complicated, and health insurance is even more so. We believe we have a duty to our members to provide timely, accurate and clear information. Blue Cross targets a 7th-grade reading level as the standard for member communications.

We have a local, dedicated enrollment team and local Customer Service representatives who are available from 8 a.m. to 8 p.m. Monday-Friday from our offices in Baton Rouge and Shreveport.

CUSTOMER SERVICE

The customer experience relies on advisors who handle incoming calls and correspondence from our 1 million commercial members and their health care providers. Inquiries for benefit information comprise the largest category of call volumes. Here’s what they did in 2021.

- 1.06 MILLION Calls Answered
- 310,502 Written Inquiries
- 593,483 IVR Self-Service
- 1.7 MILLION Tasks Completed
- 295,211 Registered Active Users of Member Portal
- 384,443 IVR Self-Service
- 593,483 Member Portal Logins

An important part of serving our customers is knocking the basics out of the park. Here’s how we did last year:

- 74%
- 82%
- 94%
- 96%

FIRST CALL RESOLUTION
HIGHLY SATISFIED
SATISFIED
INQUIRY ACCURACY

MEMBERSHIP AND CLAIMS

The Membership and Claims teams are responsible for the successful enrollment, renewal and maintenance of our group and individual members and for all claims-processing activities of our commercial lines of business.

- 87% Claims Process Automatically
- 95% Claims Process Within 10 Days
- $5.8B In Benefits Paid
- 1M Members Enrolled and Renewed Each Year
- 95,325 Claims Received Daily
- 24,021,872 Claims Processed Annually
- 99% Claims Submitted Electronically
To live out our mission, it’s imperative that we are stable and strong financially. This strength enables us to grow, invest, innovate and provide even greater value to our members when they need us.

**FINANCIAL STABILITY AND SECURITY**

We are financially strong and stable, with 25 consecutive ‘A’ ratings from Standard & Poor’s.

Blue Cross pays millions in premium taxes each year and returns billions to the Louisiana economy through claims paid. We do not have shareholders. Just 5.9% of our overall premium dollar each year is used to pay for operating costs.

Blue Cross maintains strong financial reserves, providing security against the unknown. Following Hurricane Ida in 2021, Hurricane Laura in 2020 and the 2016 Baton Rouge floods, our reserves gave us the ability to implement immediate policy changes to support our members and providers.

**URAC ACCREDITATION**

Blue Cross earned re-accreditation from URAC, the leading nonprofit organization promoting health care quality through measurement against rigorous national standards. **URAC is the independent leader in promoting health care quality through leadership, accreditation, measurement and innovation.** By achieving this status, Blue Cross has demonstrated a comprehensive commitment to quality care, improved processes and better patient outcomes.

**CODE OF BUSINESS ETHICS**

Blue Cross’ Compliance and Ethics Department is more than 25 years old, and its 18 team members hold graduate degrees and various certifications in the audit, compliance and ethics fields. Our Compliance and Ethics programs are audited by federal regulators, state regulators and external parties. **These audits consistently show that the company addresses integrity and ethics as one of its highest priorities.**

The Compliance and Ethics Department follows the seven elements of an effective compliance program, which were established by the federal government and are recognized as a standard in the industry.

**PRIVACY AND DATA SECURITY**

Led by our strong IT security team, all of us at Blue Cross work together to protect our members’ health data and privacy. We follow state and federal laws, our own robust internal policies and all “minimum necessary” guidelines. All employees receive intense, mandated annual training. And our “Cyber Shield” Security Team distributes weekly all-employee educational reminders to keep security top of mind.
SPOTLIGHT

DIVERSITY, EQUITY AND INCLUSION

In 2006 Blue Cross and Blue Shield of Louisiana created a Diversity and Inclusion program and team to train and encourage employees to recognize, respect and celebrate the rich cultural differences in Louisiana and within our company.

We also built a structure for increasing the numbers of women, veterans and people of color competing for management-level positions.

We introduced our supplier diversity program for partnering with businesses owned by women, veterans and minorities.

In 2021 we formally added the word “EQUITY” to our program to celebrate the fact that we each have unique perspectives and gifts.

Throughout the years, our DE&I program has earned recognition as one of the best in our area. Our Diversity, Equity and Inclusion Task Force, which includes members of our Senior Management Team, helps drive our DE&I initiatives in many ways:

- All employees and all board members are required to participate in unconscious bias training during their first six months with the organization.
- We provide regular programs and communications to increase understanding, celebrate our diversity and create equity.
- We recognize cultural observances and plan awareness activities within our multicultural workforce.
- We do not shy away from the hard topics, hosting frequent town halls to encourage discussion on racism, social justice and violence.

Our supplier diversity program has grown since its inception. In 2006 our diversity spend was $8.1 million. By 2020 it had grown to $26.1 million. In 2021 71% of leadership hires were people of color, women and/or veterans.

One of our latest successful endeavors was the creation of our employee resource groups (ERG) In the past five years we have grown this program from a single ERG for veterans to nine different ERGs, each of which is open to all employees.

We recognize that to be successful, our workforce should not only be diverse but should also reflect the communities we serve. Our Talent Acquisition team works with community partners to ensure our employee and intern candidates represent diversity of race, background, gender, ability and thought. And it’s working. In addition to our workforce being 74% women, our current breakdown by racial demographics is:

<table>
<thead>
<tr>
<th>Race</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian or Alaska Native</td>
<td>8</td>
</tr>
<tr>
<td>Asian</td>
<td>96</td>
</tr>
<tr>
<td>Black or African American</td>
<td>980</td>
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<tr>
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<td>36</td>
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<tr>
<td>Non-Identified</td>
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<tr>
<td>Two or more races</td>
<td>24</td>
</tr>
<tr>
<td>White</td>
<td>1,204</td>
</tr>
<tr>
<td>Total*</td>
<td>2,376</td>
</tr>
</tbody>
</table>

*Does not include employees of Vantage Health Plan.
To achieve our mission, we must invest in a strong foundation. At Blue Cross, that starts with our culture.

**OUR CULTURE**

Blue Cross employees are driven by our mission — to improve the health and lives of Louisianians. The past few years have taught us that the best way to live out our mission is through unity, hope and compassion. Like all of Louisiana, our Blue culture of caring is stronger than any pandemic, hurricane or flood.

Our employees have gone the extra mile to care for our members — rolling up their sleeves to clean and rebuild, making food and clothing donations, and giving thousands of hours of time and talent to nonprofits. We’re selected for our skills and experience and embraced for our diversity. Even as we have been forced apart, we continue to be united in our shared experiences and in our drive to serve our members, our state and each other.

**TOP EMPLOYER RECOGNITION**

We are consistently recognized as one of the top employers in Louisiana, earning “Best Places to Work” designations in each of our major markets. These designations generally include both submitted answers and surveys of randomly selected employees. In addition, we have received national recognition both for our diversity practices and initiatives and for our commitment to our communities. In 2021 we were honored with eight of these designations.

**THOUGHT LEADERSHIP**

Blue Cross is fortunate to have leaders with the experience, passion and expertise to fundamentally improve health, make quality care more affordable and enhance our members’ experience.

**These leaders are:**

- developing creative partnerships with providers and community leaders to improve health care;
- using big data and new tools to draw insights that can solve big health care issues;
- embracing modern technology solutions to help Louisianians make the best decisions to improve their overall health; and,
- preparing the organization to drive these innovations.

We call them Thought Leaders, and their messages about how our programs and initiatives are showing results and improving health care have been featured around the state and the country.

**EMPLOYEE PROGRAMS**

Benefits and services Blue Cross provides its employees:

- Rewards and recognition
- Rich benefits package
- All-encompassing wellness program
- Development and growth
- Employee Assistance Program
- Work-life balance, including PTO, holidays and paid-time off for volunteering

Blue Cross data scientists, along with pharmacists, nurses and other members of our in-house care team, have had their health and wellness research published in national and international journals. This published research includes evaluations of integrated pharmacy benefits, COVID-19 Emergency Department utilization, the $0 Drug Copay program, Care Management programs and the model for risk of unplanned hospital admission.
THE BLUE CROSS AND BLUE SHIELD OF LOUISIANA FOUNDATION

The Blue Cross and Blue Shield of Louisiana Foundation is a separate 501(c)(3) nonprofit organization that invests in the health and well-being of Louisianans through grant programs, sponsorships and company matches of employee giving.

Blue Cross is the only health insurer in the state with a foundation focused exclusively on Louisiana.

THE 2021 NUMBERS

- **Impact**: 24 MILLION points of service to more than 2.4 million people
- **Corporate Giving**: $1.3 MILLION in sponsorships, matching gifts & corporate support
- **Foundation Grants**: $8.4 MILLION in grants made to Louisiana nonprofits
- **Employee Volunteering**: 30,000+ hours of employee volunteerism
- **Employee Giving**: $983,727 in charitable gifts reported by employees
- **Pro Bono Services**: $175,200 in skills-based volunteering & pro-bono services
- **Community Crisis Grants**: $15 MILLION to support people affected by COVID-19 & natural disasters since 2020
- **Food Insecurity**: $2.8 MILLION to address food insecurity
- **Health Screenings**: 51,000+ health screenings, including biometric screenings and mental health sessions