

Blue Cross Blue Shield of Michigan

A nonprofit mutual insurer

Presented by:
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Blue Cross Blue Shield of Michigan

House Insurance and Financial Services Committee
Chair Brenda Carter
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About Michigan's largest nonprofit insurer



As our health care system rapidly evolves, Blue Cross Blue Shield of Michigan remains true to our 83-year legacy as a trusted health insurance brand and health care partner. We continue to innovate, partner and transform health care in Michigan and across the nation.

Daniel J. Loepp President and CEO, Blue Cross Blue Shield of Michigan

- **A nonprofit mutual insurance company founded in 1939**
- **The largest nonprofit mutual health insurer in Michigan, serving 6.1 million people nationwide**
- **Headquartered in Detroit, with more than 8,100 Michigan employees across the state**
- **Michigan's largest network of doctors and hospitals**
- **A Workplace Diversity Disability Equality Index score of 100 out of 100 points**
- **Paid more than \$80 million per day in claims and benefits in 2021**

Enterprise subsidiaries



While our core mission is health insurance, we strive to address our diverse customer needs. We offer wholistic insurance solutions through our subsidiaries, which include:



A nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association

Blue Care Network is a nonprofit health maintenance organization, part of Blue Cross since 1998.



Included from Collective strength

The Accident Fund, headquartered in downtown Lansing, has provided workers' compensation insurance coverage since 1912.



Founded in 2006, LifeSecure Insurance Company is dedicated to providing insurance and noninsurance solutions to protect people from unforeseen health-related risks and expenses



BCC is a managed care plan contracted with the state of Michigan that helps Medicaid members get the quality health care they need.



The Blue Cross Blue Shield of Michigan Foundation is a nonprofit organization with more than 35 years of grant funding experience. We support diverse research projects, and efforts to control the rising cost of health care through research, demonstration and evaluation projects

Blue Cross Blue Shield of Michigan and Blue Care Network are nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association.

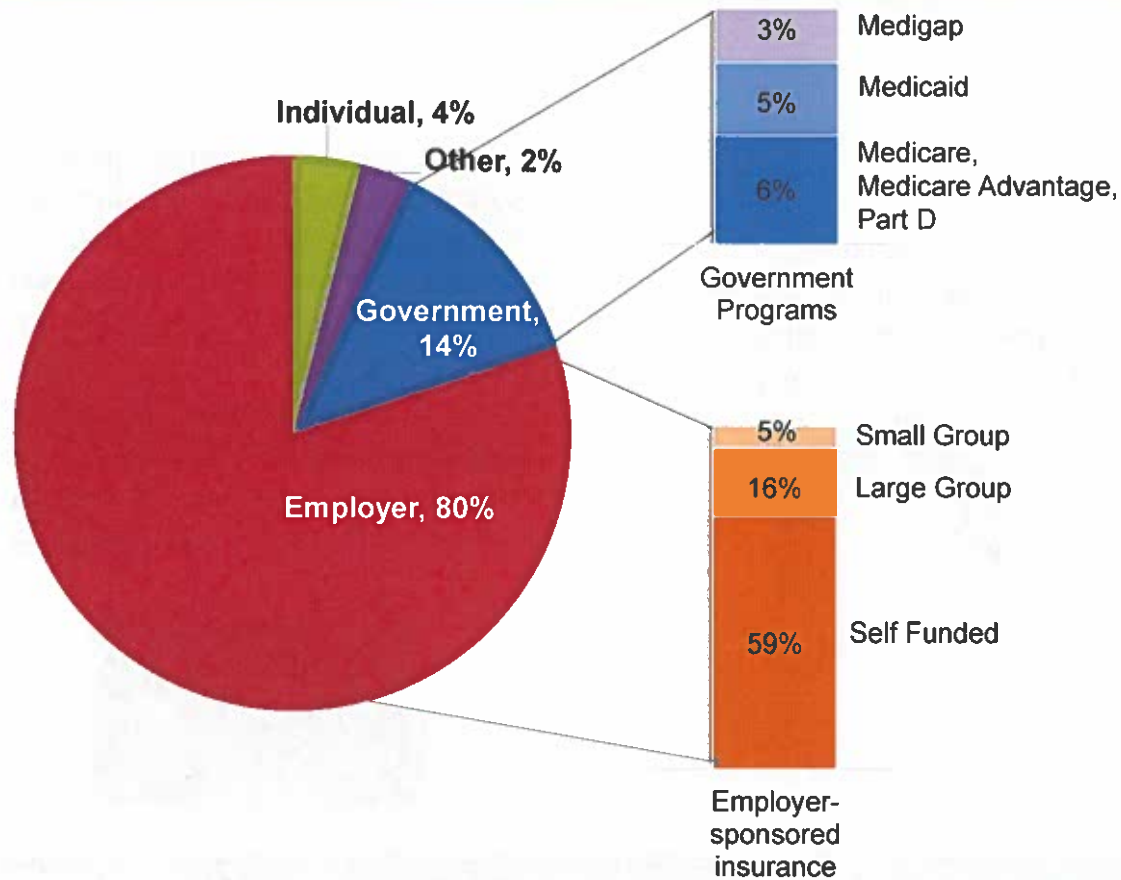
Blue Cross is driven by a strong mission



- We keep margins low to **improve affordability**
- We partner with doctors and hospitals to **improve quality outcomes** and patient experience for all Michigan residents
- We have long been committed to **providing insurance to all** – regardless of health status – across the state
- We are **deeply committed to the communities of Michigan**

OUR MISSION	OUR CUSTOMER COMMITMENT	OUR COMMITMENT TO MICHIGAN
<p>We commit to being our members' trusted partner by providing affordable, innovative products that improve their care and health.</p>	<p>We aspire to be clear and simple, to help you make the right choices, to offer valuable coverage and get quality health care for you and those you love.</p>	<ul style="list-style-type: none">✓ Increase access to affordable health care✓ Enhance the quality-of-care patients receive✓ Improve the health of Michigan's citizens and communities

BCBSM's membership composition



Most people get insurance coverage through their employers or the government

BCBSM uniquely invests in communities across Michigan



- BCBSM has contributed **\$710 million** to the Health Endowment Fund towards a commitment of **\$1.56 billion over 18 years**.
- The mission of the fund is to improve the health of Michigan residents with special emphasis on the health and wellness of children and seniors, while reducing the cost of health care.



BCBSM is proud to be the **single largest private funder** of Michigan's free clinics.



- BCBSM created **Building Healthy Communities** in 2009
- We have reached more than **1,100 schools**, helping more than **500,000 students develop better habits and live healthier lives**
- The program has grown to a partnership with 10 statewide organizations, including MDHHS and MDE
- Academic research demonstrates the program successfully **reduces obesity, increases physical activity and healthy eating, and improves academic achievement**.

Improving quality, cost and the patient experience



- Value Partnerships is our collection of **statewide physician and hospital** programs designed to **improve quality, cost and patient experience**.
- These programs have **transformed Michigan's health care** to an outcomes-based, patient-focused, fee-for-value system.
- The successful efforts span more than two decades and have been profiled in over 30 countries on 5 continents.

Sharing risk with providers: We partner with physician organizations and health systems on an innovative payment model that rewards better health outcomes. Through improved quality and care coordination, our **Blueprint for Affordability** model prevents waste that drives up cost.

Where does your health care dollar go?

A glimpse at national health care average expenses



Source: [America's Health Insurance Plans](#)

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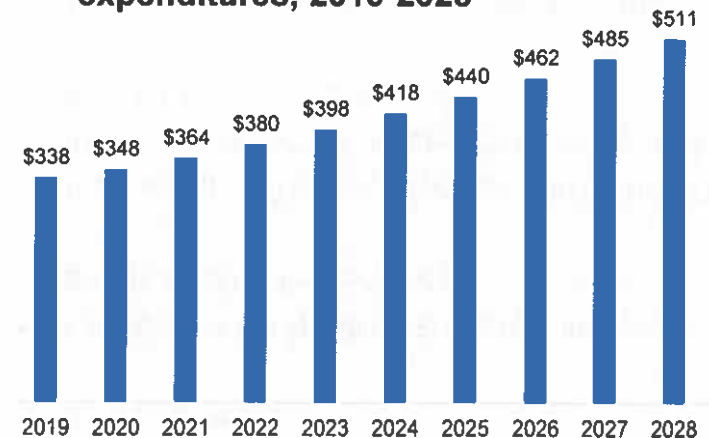
Prescription drugs are the top health care cost



Our **top priority** is making prescription drugs available when our members need them.

- Prescription drug costs are the **fastest growing consumer health expense** and will continue that path without action.
 - In 2021 and 2022, **Pharmaceutical companies increased drug prices at rates higher than inflation on more than 1,200 drugs; and almost 600 price hikes have already taken place in 2023.**
- Rx costs even **exceed the cost of hospital stays**
- Branded and specialty drugs, which will include an influx of new and expensive and innovative drugs into the market, will drive up this trend
- **These escalating prices continue to concern BCBSM, and we believe everyone should have access to affordable, effective, and safe medications.**

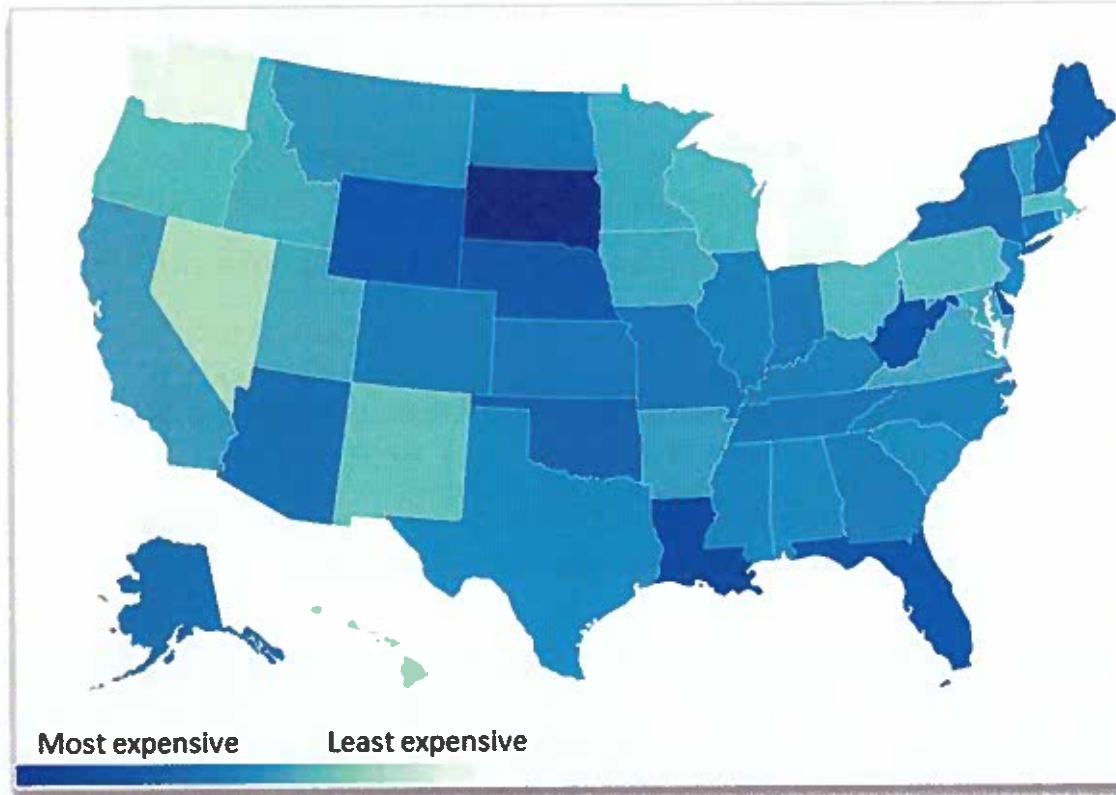
Estimated national Rx expenditures, 2019-2028



Source: CMS Office of the Actuary, [*Projections of National Health Expenditures](#)

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MI – A Leader In Affordable Coverage



- **Michigan is the least expensive state for health care.**
- 6th lowest for health care spending per person in the last 5 years.
- Individuals with employer-provided health insurance have the lowest premiums and deductibles in the nation.
- Those with family health coverage through an employer have the 3rd lowest deductible.
- Individuals with health insurance plans from the Affordable Care Act marketplace have the 4th lowest premium.

Source: [Forbes](#)

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