



**2023**  
ANNUAL  
REPORT



## MESSAGE FROM THE PRESIDENT

Understanding our members' needs is central to our mission. In 2023, we leaned into data to help us connect with our members and build solutions that best serve them.

By connecting with our members through data, we gained insight into their experience with health care and where we can best add value to challenge its costs and complexities. Our work this year kept these challenges at the forefront of all we do and laid the groundwork for making an impact well into the future.

This report showcases the progress we've made in creating a new level of health and well-being in North Dakota and beyond.

- In our second year of administering the state's Medicaid Expansion program, our effective care management and provider collaboration reduced the total cost of care for this population. Read on to see how this program is delivering on our mission pillars to simplify health care, ensure affordability and elevate well-being.
- We advanced our customer experience transformation to include direct training for all employees and new approaches to care management through digital tools.
- Our DakotaBlue product expanded into the Minot market through a partnership with Trinity Health to deliver improved care experiences at lower costs for members.
- New pharmacy programs collectively saved \$4.8 million this year and helped enhance care quality.
- Our BCBSND Caring Foundation moved the needle on creating healthy, thriving communities like never before through targeted investments and initiatives that address mental health, social determinants of health and well-being.

There's much more in this report to discover as you read through.

I'm proud and grateful for the impact our team members had on the health of North Dakotans in 2023. And I'm especially grateful to members who trust us for their health insurance. We're humbled to serve you.



*Dan Conrad*

*President and CEO*

*Blue Cross Blue Shield of North Dakota*



## MISSION & VISION



### OUR MISSION

**Simplify health care.  
Ensure affordability.  
Elevate well-being.**



### OUR VISION

**A new level of health  
and well-being  
in North Dakota  
and beyond.**

### Applying our mission and vision to Medicaid Expansion

It's important to have coverage for whatever health situation comes up. With Medicaid Expansion, a wider group of people can find the coverage and resources they need to build a healthy life. Last year was our second year of administering this coverage, and we're delighted to see the benefits and partnerships it brings to members from many different communities throughout North Dakota. In 2023, we saw great progress made in total cost of care with hospital inpatient and emergency room costs decreasing compared to 2022. We believe this is a result of our:

- Effective care management with members
- Provider collaboration to improve health outcomes
- Strong financial stewardship

#### Ensure Affordability

Reduce total cost of care by encouraging:

- Preventive care
- Provider collaboration
- Avoiding unnecessary services

#### Simplify Health Care

- In-home care management services

#### Elevate Well-Being

- High-risk members receiving personalized care
- Coordinating with community resources
- Food box distribution
- Community health workers
- Collaborating with North Dakota Department of Corrections and Rehabilitation



## MISSION & VISION (CONT.)

Improving the health and well-being of our members is at the center of everything we do. With our Care Management (CM) team, we often get to support members through a variety of mental and physical health care situations. One particular situation highlights the impact of our work with Medicaid Expansion members this year.

A young adult and parent of multiple children received contact from CM after we noticed the member was frequenting the ER. We learned this member was homeless and struggling with a long list of care needs.

CM was able to connect the member with a primary care provider and follow up to make sure the member had all the information needed to move forward. Through a wellness check, the member received a diagnosis of cancer. It was difficult information to learn, but now the member can focus on getting the specific care they need for their condition as well as learn about the many community resources that are available.

### **Making an Impact:**

- Significant reduction in ER visits
- Connection to primary care
- Cancer diagnosis
- Connection with community resources



## MISSION: SIMPLIFY HEALTH CARE

Health care is complicated, and removing its complexities has become a pillar in the BCBSND mission statement. Our goal is to make it easier for members to choose, use and navigate health care. In 2023, we focused on adding digital tools, transforming customer experience and removing mental health barriers.



### Investing in our customer experience (CX) strategy

In 2023, we continued our pursuit of creating a customer-centric culture by evolving our customer experience strategy through technology, training and data.

#### Technology

Added two additional sources of data in our Voice of Customer platform to gain deeper and richer insights about our member interactions.

#### Training

Completed an internal training program for all employees to underscore the importance and shared responsibility of the customer experience, ensuring that every team member feels connected to and responsible for our members' experiences.

#### Net Promoter Scores

In 2023, we earned a Net Promoter Score that was 106% higher than the industry average indicating our significantly higher levels of customer satisfaction and loyalty.

- Health care industry average: 13.7
- BCBSND score: 28.25

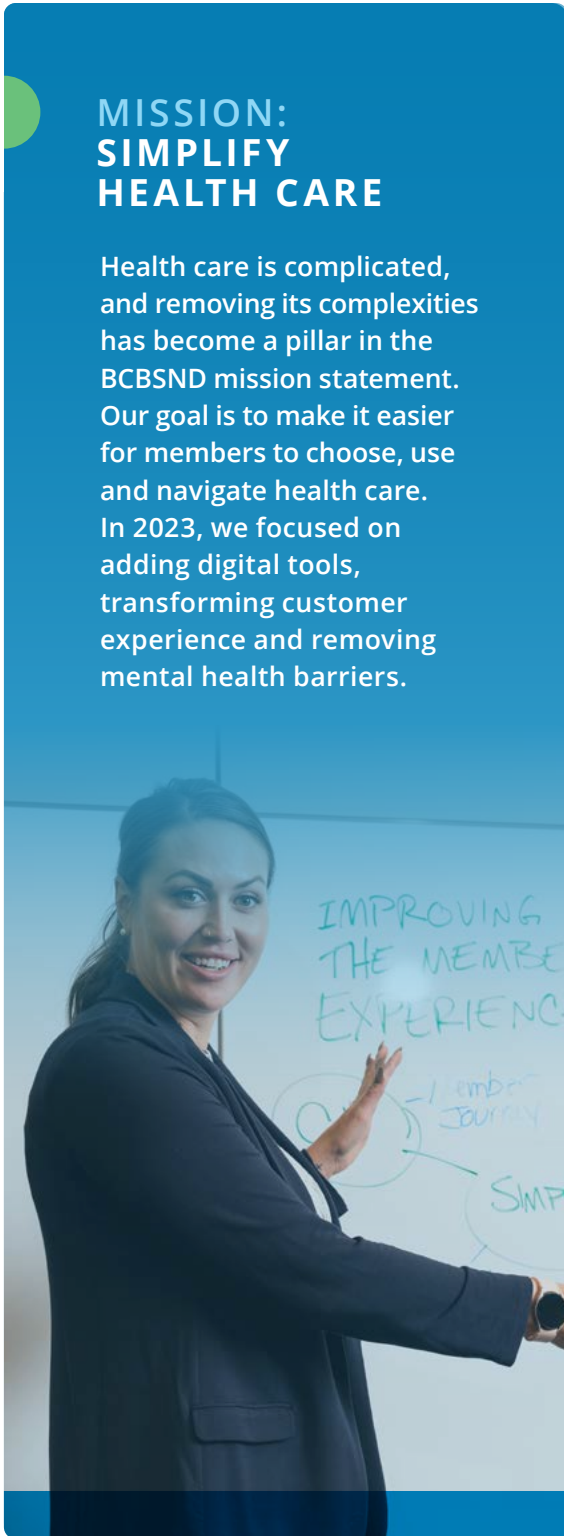


### Adding digital tools to make it easier to prioritize your health

Many of our members rely on prescription drugs to help them live their best life. In 2023, we introduced the Find a Pharmacy Tool on bcbsnd.com to make finding a pharmacy within your health plan's coverage as easy as ever. This new digital tool will guide members to the best pharmacy for their needs and help them identify cost savings opportunities by ensuring coverage.



We launched BCBSND Care Connect, our new mobile care management app that expands our care management capabilities to increase outreach and engagement. BCBSND Care Connect makes it easier for select members to manage new, chronic and complex conditions with the help of our care managers through the app.



**MISSION:  
SIMPLIFY  
HEALTH CARE** (CONT.)



## Removing the barriers of mental health

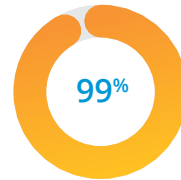
Mental health remains a priority, especially post-pandemic. We've focused on removing barriers to care and reducing stigma. Our work this year increased behavioral health access through expanded coverage, policy changes and prior authorization removal for partial hospitalization and applied behavioral analysis therapy. We continued to evolve and refine the Mental Health Parity Act requirements within our system and began engaging with behavioral health providers on total cost of care value-based programs.



## 2023 BCBSND performance stats



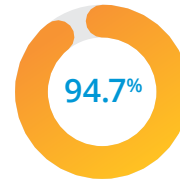
Claims  
timeliness



Claims  
accuracy



Financial  
accuracy



Member  
satisfaction



## 2023 BCBSND performance awards

**BCBSND was also recognized nationally for top performance\* in these areas:**

- Plan Excellence Award
- Financial Stewardship Award
- Outcomes Award
- Service Experience Profiles Award
- Imaging Studies for Lower Back Pain Award

\* National recognition from Blue Cross Blue Shield Association and the Federal Employee Program



## MISSION: ENSURE AFFORDABILITY

Medical costs are driven by many factors, such as price inflation, utilization, increasing regulation, rising chronic conditions and specialty drug proliferation. Eventually those costs drive up health insurance premiums.

Since day one at BCBSND, we've vowed to ensure affordability, despite the odds. Through initiatives like those described here, we're able to challenge costs and offer competitive rates, that, in most cases, are below the medical inflation rate. Some 2023 initiatives are highlighted here.



### Expanding our product line with DakotaBlue

We made great progress in ensuring affordability for our members, especially through our enriched provider collaboration, resulting in the expansion of DakotaBlue, our tiered-network product. Advancing a tiered-network product like DakotaBlue helps BCBSND and our provider partners to reduce costs, improve care coordination and provide better service for our members.

- We partnered with Trinity Health to expand the DakotaBlue tiered-network product into the Minot area, specific to the fully insured and individual markets, on Jan. 1, 2024.
- We also saw growth with our DakotaBlue Altru product, including a significant group enrollment effective Jan. 1, 2024. This reflects our ability to connect the diverse needs of our members through affordable, value-based options.



### Incorporating value-based care

**BlueAlliance**

To continue our work to challenge the total cost of care, we incorporated value-based requirements into more provider agreements, emphasizing quality outcomes over volume of care. We also redesigned the BlueAlliance program to refine cost and quality targets, ensuring we improve accountability and member value.



### Lowering the total cost of care through pharmacy programs

Pharmacy continues to have a strong focus on lowering the total cost of care in 2023 and beyond by focusing on affordable medication options and efficient services. In 2023, BCBSND implemented several new pharmacy programs that allowed for alternative delivery methods, improved adherence and assistance with cost containment. Amazon Pharmacy home delivery with MedsYourWay®, IntegratedRx®, HighTouchRx® and FlexAccess™ programs have produced an estimated program savings of \$4.8 million in 2023.



## MISSION: ELEVATE WELL-BEING

This portion of our mission statement addresses our position that member health and well-being have a greater likelihood of success when we all work together. At BCBSND, we're championing the cause on a grand scale through innovative health-related initiatives but also on a micro level as we inspire and enable individuals to live their best lives.



### Maturing our population health program

By leveraging data to enhance health and well-being, we've achieved significant milestones in elevating our members' well-being. In 2023, we matured our population health program, thereby enhancing our employer reporting and recommendations.

- We have established a clinical employer consulting team and are now able to provide custom dashboards to track key performance indicators to manage total cost of care.
- We've also reengaged face-to-face BlueInsights meetings with over 50 key accounts, fostering stronger relationships and improved health outcomes. These data-driven presentations provide in-depth population analysis, emerging trends and actionable recommendations.



### Enhanced wellness services and engagement in 2023



#### Sword Health – digital physical therapy

Wellness Services piloted a digital physical therapy benefit that pairs a human physical therapist with Sword Health's AI Digital Therapist for high-quality, engaging and personalized treatment proven to outperform the gold standard of care.



#### Helping members reach health goals with Omada

Wellness Services expanded current offerings to include hypertension and diabetes. The first pilot program of these offerings was launched in 2023, and we plan to continue increasing its availability in 2024.



#### The pros of Learn to Live's premium service

A premium service of Learn to Live was offered to clients in 2023. The program boasts a much higher engagement rate than the base enterprise rate. The premium service includes:

- Exclusive custom access code for organizations
- Tailored promotional materials and exclusive content
- Detailed custom reporting to analyze engagement and impact
- Dedicated Client Success Manager



MISSION:  
**ELEVATE  
WELL-BEING**  
(CONT.)

**Elevating wellness in teams across North Dakota**

In 2023, we held more than 50 Elevate sessions with employer groups, reaching close to 475 attendees. Participants have consistently expressed their appreciation for the workshop, and in 2024, we will explore ways to advance Elevate for groups who have already completed the foundational workshop. Here's what some attendees shared:

"The training taught me to start with me. I need to take better care of myself in order to help my team achieve their best selves."

"I learned how little things can make a big impact."

"I can't wait to implement some of the strategies we learned!"

**A successful fall summit**

In October, we held another successful Worksite Wellness event that saw a surge in attendance, further demonstrating the growing interest in well-being initiatives. We introduced a new format featuring breakout sessions and small group discussions utilizing BCBSND wellness vendors and community partners to encourage movement and engagement. This fostered a dynamic and interactive environment that will help continue to drive program engagement following the event.



MISSION:  
**ELEVATE  
WELL-BEING**  
(CONT.)



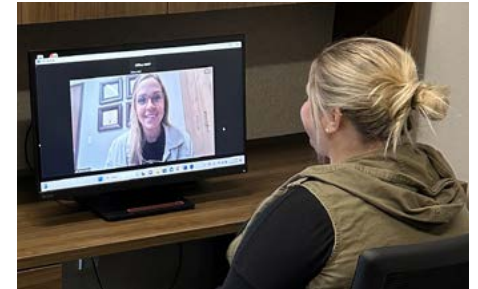
## BCBSND Caring Foundation

### Impacting North Dakota communities with focused investment

Established in 1989, the BCBSND Caring Foundation financially supports North Dakota community organizations in their efforts to encourage healthy lifestyles, address service gaps and promote health equity. The 2023 grants impacted communities across the state, including:

#### Milestone Health Partners, LLC - Williston

Delivered remote therapeutic services directly to Milestone Health Partners to treat anxiety, depression and trauma-related concerns in youth. This grant will help to continue the telehealth training program so that residents in western North Dakota can have more access to needed behavioral health services.



#### West River Health Services - Hettinger

Purchased exercise bikes with remote instruction capabilities and placed them in the Community Fitness Center to ensure ongoing access to spin class instruction.



#### LaMoure County Public Health Dept. - LaMoure

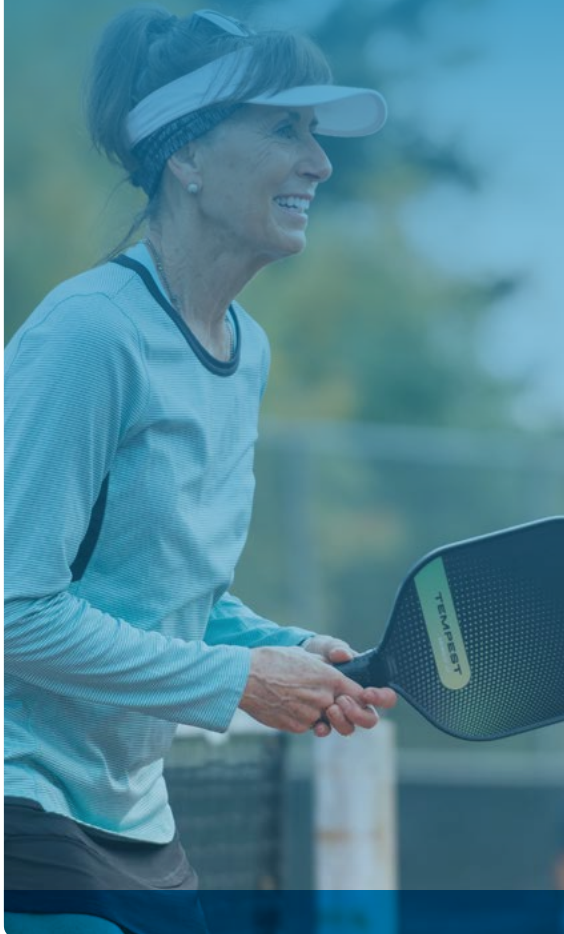
Helped fund construction of a pickleball court.

#### Turtle Lake Hospital - Turtle Lake

Supported the opening of a community wellness center.

#### Nelson County Health System - McVille

Helped support travel and supply expenses for dementia training in rural North Dakota health care facilities.





**MISSION:  
ELEVATE  
WELL-BEING**  
(CONT.)

**Our major initiatives and community engagements in 2023**

**Partnering with the Boys & Girls Clubs of America**

BCBSND Caring Foundation partnered with the Boys and Girls Clubs across North Dakota, including Fargo, Minot, Grand Forks and tribal areas to help combat the youth mental health crisis through trauma-informed approaches. The funding will provide training for their staff to better support the emotional and mental well-being of the youth they serve.

**Strike Out the Stigma - raising awareness with community partners**

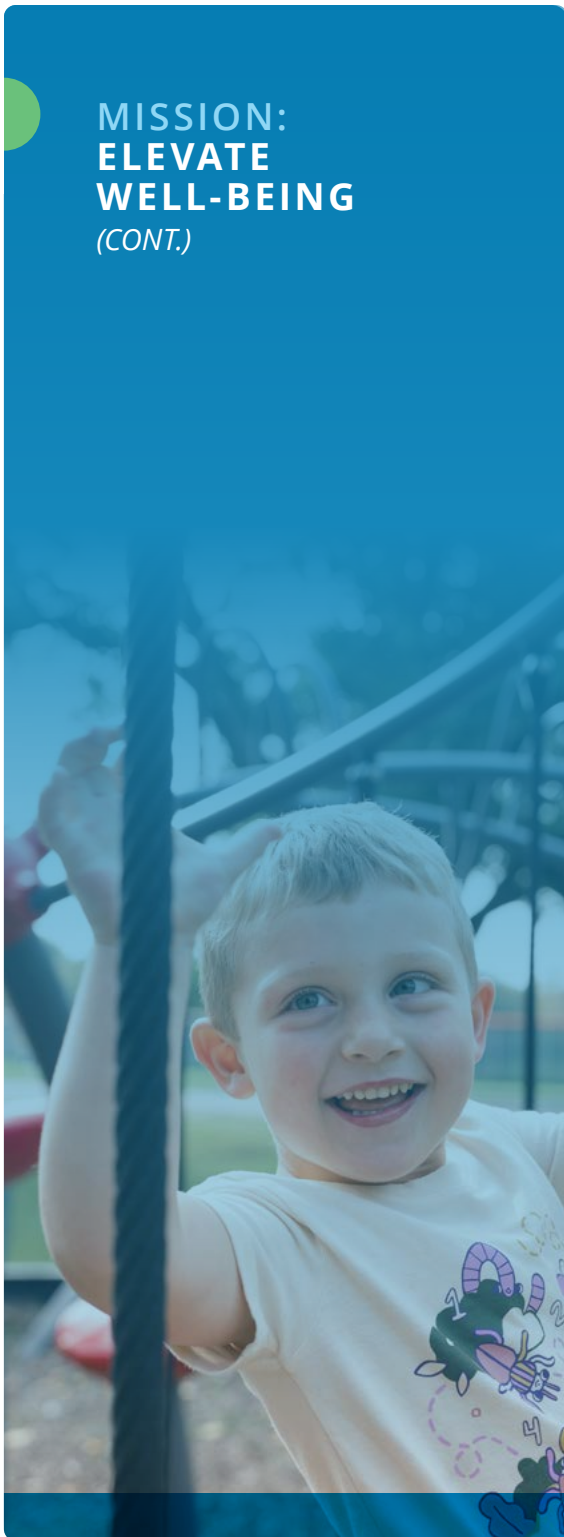
BCBSND partnered with The Village Family Service Center to raise awareness about mental health resources. For every strikeout thrown at July home games by the Bismarck Larks, Minot Hot Tots and Fargo-Moorhead RedHawks, BCBSND Caring Foundation donated \$50 to The Village Family Service Center. With a total of 287 strikeouts and some donations from the community, over \$14,500 was raised and donated to The Village Family Service Center.



**Introducing the Community Champion Awards**

Launched in 2023, these awards reflected BCBSND Caring Foundation's ongoing commitment to advancing community-centered solutions to eliminate barriers and improve the health and well-being of North Dakotans. The goal of these awards was to give recognition to high-impact community partners who are working to improve health equity, fill gaps in health care and ensure access in their communities.

See more of the Caring Foundation's work at [www.bcbsnd.com/caring-foundation](http://www.bcbsnd.com/caring-foundation)



## EMPLOYEE CULTURE AND COMMUNITY IMPACT

### A positive employee culture is part of the BCBSND brand

Thanks to our employee-directed committees, BCBSND employee engagement and retention are a strong part of our culture. Here's a recap of our committees and their accomplishments in 2023.

#### Inclusion, Diversity, Belonging & Equity Council

This council creates an environment where all team members feel valued, included and empowered to do their best work. Among their 2023 initiatives were:

- A diversity information-sharing channel
- Community event sponsorships such as:
  - Fargo Pride weekend
  - Magic City Equality (Minot)
  - Feast of Nations (Grand Forks)
  - ND LGBTQIA+ (Bismarck)
  - All Gender Health (St. Paul)
- U.S. military veterans luncheon
- The creation of an on-site IDBE library (HealthyDakota Campus)
- Companywide diversity training and sharing of stories

#### Employee Experience Committee

The Employee Experience Council partners with employees and the business to enhance experiences throughout the employee journey with Blue. In 2023, they accomplished the following:

- Hosted a company-wide Employee Appreciation Day
- Planned and facilitated employee focus groups to gain insight for 2024 planning
- Provided quarterly tech tips for using company tools more effectively
- Identified a potential engagement app they plan to advance in 2024

#### The BlueSquad

This employee-driven committee drives volunteerism, creating opportunities for employees to put their 16 hours of paid volunteer time to good use. In addition to individual pursuits, employees made the following contributions to their communities:

- United Way
  - Raised more than \$130,000
  - More than 300 personal pledges
- Donated more than 1,700 school drive items
- Adopt-A-School—donated winter clothing and supplies
- American Foundation for Suicide Prevention (AFSP)—raised over \$1,000
- Brave the Shave childhood cancer fundraiser—raised more than \$500
- Held six on-site blood drives—donated to local hospitals
- Scholarships—awarded six \$1,000 scholarships to employees' children
- Held third annual pet social
- Meals on Wheels—completed 16 routes/month in Fargo and West Fargo





# IT'S MORE IMPORTANT THAN EVER TO UNDERSTAND THE COST OF HEALTH CARE

## Financial Statements (In Thousands)

### Balance Sheet

Dec. 31, 2023

#### Assets

Cash and Cash Equivalents	\$	94,518
Accounts Receivable		193,294
Investments		690,516
Land and Buildings		15,445
EDP Equipment		2,820
Other Assets		9,925
<b>Total Assets</b>	<b>\$</b>	<b>1,006,518</b>

#### Liability and Reserves

Claims Payable	\$	354,464
Premiums Received in Advance		28,224
Accounts Payable		147,576
<b>Total Liabilities</b>		<b>530,264</b>
Capital & Surplus		476,254
<b>Total Liabilities and Reserve</b>	<b>\$</b>	<b>1,006,518</b>

## BALANCE SHEET

The balance sheet details what BCBSND owns (assets) and what we owe (liabilities) at a given point in time. These two parts should always be in balance, with each dollar of assets offset by a dollar of liabilities and reserves.

## ASSETS

Assets include cash, money due from our customers, the value of the land and buildings owned by the company, and investments. BCBSND invests in a variety of areas in order to diversify financial risk and to keep member costs down.

## LIABILITIES AND RESERVES

Liabilities are the amount we owe others for health care services provided to our members and vendors to help administer those claims.

Even though claims are paid weekly, the largest liability represents claims in process or an estimate of claims that have not yet been submitted to the company at the end of the year.

### Statement of Operations

Year Ending Dec. 31, 2023

Premium Income	\$	1,624,795
Claims Incurred		1,385,980
Operating Expense		180,112
State Premium Tax		19,005
Reserve Increase		43,033
Operating Gain/(Loss)		(3,335)
Other Income/(Loss)		48,777
Income Tax Provision		(11,827)
<b>Net Income/(Loss)</b>	<b>\$</b>	<b>33,615</b>

### Changes in Reserve for Contingencies

Balance, Beginning of Year	\$	465,578
Change in Unrealized Gain/(Loss)		(4,074)
Change in Non-Admitted Assets		1,450
Change in Net Deferred Income Tax		(2,799)
Investments Moved to HealthyDakota Mutual Holdings (18,000)		
Change in Pension and Postretirement Benefits		484
Net Income		33,615
<b>End of Year Balance</b>	<b>\$</b>	<b>476,254</b>

## STATEMENT OF OPERATIONS

This year BCBSND had an operating loss of 0.2%. As a not-for-profit organization, whatever gains or losses are realized impact our reserve for contingencies. Health insurance is a cyclical business and has to be prepared for the natural swings in health care costs.

## CHANGES IN RESERVES FOR CONTINGENCIES

Reserves increase or decrease based on the operating results of the company. Today we have \$1,311 per member in reserves. Reserves for contingencies represent the financial strength of the company and provide security for our members. When members purchase an insurance policy, they trust their medical costs will be paid as indicated in their policies. The reserve fund allows BCBSND to keep that promise, even when unforeseen costs arise.

*Blue Cross Blue Shield of North Dakota is a mutual not-for-profit organization and reports its financials in accordance with that structure.*

## 2023 BOARD OF DIRECTORS

Dennis Hill, <i>Chair</i>	Lynn Paulson
Lisa Helbling, <i>Vice Chair</i>	Shelly Peterson
Kathy Anderson, MD	Mike Schumacher
Darrold Bertsch	Dave Sprynczynatyk
Kristi Schlosser Carlson	Jason Stein
Lynette Dickson	Rich Vetter, MD
Aaron Garman, MD	

## LEADERSHIP TEAM

<b>Dan Conrad</b> <i>President and Chief Executive Officer</i>	<b>Stacie Heiden</b> <i>Executive Vice President of Government Markets and Enterprise Analytics</i>
<b>Cyndee Thormodson</b> <i>Executive Vice President and Chief Financial Officer</i>	<b>Kristi Huber</b> <i>Executive Vice President and Chief Marketing Officer</i>
<b>Dr. Greg Glasner</b> <i>Chief Medical Officer</i>	<b>Joan McCusker</b> <i>Executive Vice President of Operations and Corporate Strategy</i>
<b>Don Campbell</b> <i>Executive Vice President and Chief Legal Officer</i>	<b>Lacey Bergh</b> <i>Senior Vice President of Health Delivery</i>