



2024 ANNUAL REPORT



MESSAGE FROM THE PRESIDENT

In 2024, we took significant steps to advance our mission of simplifying health care, ensuring affordability and elevating well-being for our members and communities. Guided by data-driven insights, we made impactful changes that improve lives.

This report highlights our progress, showcasing the initiatives and innovations that reflect our dedication to improving health outcomes and enhancing the member experience.

- Our focus on Customer Experience (CX) guided every step of our work ensuring our efforts centered on the needs of our members. This dedication to excellence was reflected in our Net Promoter Score, which rose 27% above the industry average, highlighting the impact of our improvements.
- One of the biggest accomplishments we partnered on this year was the launch of VitellaCare advanced primary care centers in Minot and Grand Forks. Crossover manages these centers that focus on helping people stay healthy, reduce chronic conditions and lower health care costs.
- Digital tools transformed care delivery in 2024. The launch of BCBSND.me and utilization of BCBSND Care Connect empowered members to make informed decisions, close care gaps and better manage chronic conditions, meeting members where they are.
- A major component of our efforts to enhance affordability in 2024 centered around new pharmacy programs to reduce financial barriers and ensure access to necessary care.
- Our commitment to well-being extended across North Dakota through workplace wellness programs, mobile outreach vans and mental health initiatives, helping members lead healthier lives while fostering a culture of care.

As we reflect on this year of progress, I am deeply grateful to our team for their dedication and to our members for placing their trust in us. Together, we're building a stronger, healthier future for North Dakota and beyond.



Dan Conrad
President and CEO
Blue Cross Blue Shield of North Dakota

MISSION AND VISION

Applying our mission and vision to driving down the total cost of care

Rising health care costs, fueled by higher prices for services and prescription drugs along with increased use, continue to challenge affordability for our members and their families. Addressing these issues is critical to our mission, and Blue Cross Blue Shield of North Dakota (BCBSND) is working to challenge the total cost of care through these key initiatives

- **Optimizing networks and benefits:** We're expanding tiered network products into new markets and introducing prescription cost-savings programs tailored to members' needs.
- **Delivering unique solutions:** Launching tools such as BCBSND.me, increasing access to VitellaCare advanced primary care centers, managed by Crossover, and leveraging improved data insights to drive better health outcomes.
- **Fostering collaboration:** Partnering with employers, providers, vendors, regulators, community organizations and elected officials to develop impactful solutions for health and affordability.



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.



SIMPLIFY HEALTH CARE

Enhancing the customer experience

In 2024 BCBSND made significant strides in improving customer experience through strategic operational improvements and enhanced member support.

Operational and member support

- Improving our Customer Contact Center operations to enable faster responses to member calls. These changes led to reducing the average time to answer calls by more than 95%, despite a 43.74% increase in calls answered.
- Maintaining high performance for claims accuracy and timeliness, demonstrating our commitment to precise and reliable claims management.
- Simplifying the prior authorization process to make it faster and easier for both members and providers.

Medicaid Expansion operations

In 2024, we simplified health care for Medicaid Expansion members by adjusting contact center hours to better service members and greatly reducing inpatient prior authorization requirements. A digital outreach campaign provided clear, accessible information about benefits, empowering members to take control of their health with ease.



Digital tools

In 2024, we focused on implementing tools and insights to create more personalized experiences for every member, making it easier to access benefits information and achieve their health goals.

BCBSND.me

Launching at the end of 2024, the new digital hub provides personalized recommendations, transparent cost details and wellness tools to close care gaps and support better decision-making.

BCBSND Care Connect

BCBSND Care Connect, our digital care management tool designed for members to connect with Care Managers that deliver personalized clinical programs to help individuals meet their goals for a healthy lifestyle, as well as provide behavioral health support alongside condition-related guidance.

Digital communications

Understanding that each member's health care is unique, we introduced proactive digital communications to our DakotaBlue and Medicaid Expansion members to ensure every interaction creates a tailored experience.

On-site virtual assistants

A new virtual assistant program in our Fargo office leads the way in providing members with immediate support.



Customer experience satisfaction | CX Index score

While the health care insurance industry faced its third consecutive year of declining CX Index scores, BCBSND increased 2.4 points year over year. This improvement reflects our commitment to enhancing the member experience through targeted initiatives, process improvements and a member-centric approach.



Net Promoter Scores

Our Net Promoter Score survey results showed major improvements, with a 50% increase in our employer score and a 27% rise in our member score compared to the 2023 average.



Member Advocacy team

Our Member Advocacy team supported more than 530 members cases in 2024, including members who needed specialized support.



2024 BCBSND performance



Claims
Timeliness



Claims
Accuracy

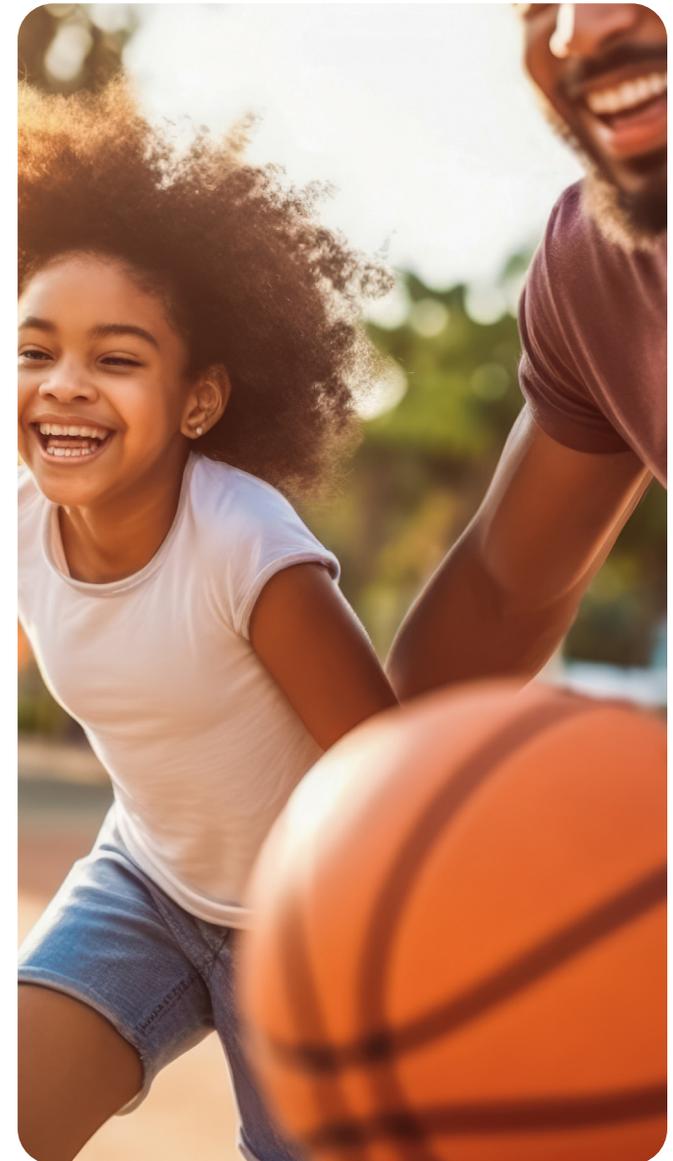


Financial
Accuracy



2024 BCBSND performance awards

- Excellent Claims and Customer Service Experience Profile Award
- Excellent Outcomes Experience Profile Award
- Blue Apple Award for Most Improved HEDIS Score for Timeliness of Prenatal Care



ENSURE AFFORDABILITY

Empowering affordable, smarter health care choices

BCBSND.me

We worked throughout 2024 to launch BCBSND.me. This digital platform gives members a one-stop resource for managing their health. By encouraging preventive care and offering rewards for healthy behaviors, it is easier for members to stay on top of their health and connect with the care they need.

VitellaCare advanced primary care centers

In 2024, BCBSND supported the launch of VitellaCare centers in Grand Forks and Minot through a partnership between HealthyDakota Mutual Holdings and Crossover. VitellaCare provides a whole body approach with primary and behavioral health care services to help prevent or better manage health issues, rather than just treating them as, or after, they occur.

BlueAlliance

The rising cost of health care continues to affect our members and their families. The BlueAlliance program addresses this by working with providers to focus on preventing illness, improving care coordination for chronic conditions and enhancing patient experiences.



Striving for affordability is vital to ensuring members can access the care they need without financial barriers. Rising health care costs impact members and employer groups. In 2024, BCBSND made significant progress in addressing these challenges by expanding tiered network plans through enhanced provider collaboration and streamlining drug management programs.

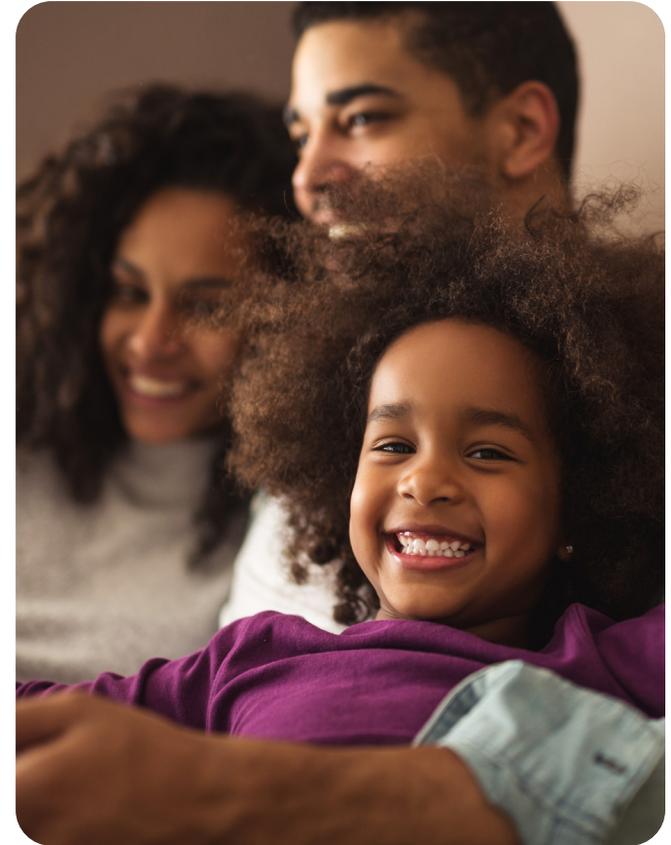
Expanding coverage options

This year, BCBSND launched a DakotaBlue tiered network plan in Fargo and expanded DakotaBlue|Altru access to self-funded groups to provide better care, choice and cost. With a tiered network plan, patients can take control of their care and out-of-pocket costs by selecting providers from their choice of coverage tiers. BCBSND's tiered network plan premiums are on average up to 15% lower than comparable traditional plans, because a partnership with the preferred provider tier offers lower health care costs for members.

BCBSND partnered with Azurance Group to introduce new products, including accident, critical illness, hospital indemnity, voluntary vision and dental to help employers offer comprehensive insurance packages that help them remain competitive. Azurance, a HealthyDakota Mutual Holdings company, offers tailored supplemental insurance to employers.

Protecting members' investments

We partnered with Cotiviti and other Blues plans to enhance claims payment accuracy, saving millions by preventing billing errors, coding mistakes and improper payments.



Lowering medication costs and improving access

Rising medication costs remain a challenge for members and health plans, making affordability and access top priorities for BCBSND.

- With demand growing and new FDA-approved options expected for GLP-1s, BCBSND implemented a multi-pronged strategy to manage affordability and ensure proper use of these medications:
 - Provided lifestyle programs to help improve member adherence to weight loss and weight management medications.
 - Expanded coverage for GLP-1 and traditional weight-loss medications under essential health benefit guidelines.
 - Enhanced prior authorization to confirm medical necessity and provide flexible coverage options.
 - Used advanced clinical tools, including HighTouchRx® to improve medication regimens, avoid duplicate treatments and improve care efficiency.
- In 2024, BCBSND introduced programs to simplify medical drug management and reduce overall health care costs. Synergie, Medical Pharmacy Solutions and FlexAccess® improve affordability while enhancing the member experience, ensuring easier access to necessary medications and care.
- In 2025, BCBSND will adopt a biosimilar-only strategy to replace Humira®, one of the highest-cost drugs in our plan. This change is expected to deliver significant savings for both members and the health plan.



ELEVATE WELL-BEING

Advancing member well-being through innovative care initiatives

In 2024, BCBSND focused on closing care gaps, improving access and providing tools to help members better manage their health.

Using data to drive better health outcomes

In 2024, we enhanced how we analyze health data to better understand and support our members. By identifying key trends and patterns, we can improve care and address challenges such as access to care and financial stability. These insights allow us to take proactive steps to help members achieve better health and overall well-being.

Improving care management

We offered BCBSND Care Connect, a tool dedicated to improving member well-being by offering personalized support during life's most challenging health moments. The platform empowers eligible members who are navigating new diagnoses, changes in condition, or mental health challenges to stay connected with registered nurses and licensed social workers from BCBSND's care management team who are focused on their health goals.

By simplifying care coordination and providing digital tools, BCBSND Care Connect helps members stay connected, supported and in control of their well-being, fostering healthier outcomes and greater peace of mind.



Elevating well-being is essential to fostering healthier communities and reducing overall health care costs. In 2024, BCBSND introduced initiatives to empower members to take control of their health and achieve lasting positive outcomes.

Strengthening Medicaid Expansion

We continued our partnership with Arkos, which plays an essential role in supporting the Medicaid Expansion population. This collaboration focuses on reducing care gaps, improving quality outcomes and working with providers to offer high-quality, cost-effective care.

Arkos connects nurse practitioners, nurses, social workers and community health workers with our Medicaid Expansion members in the community, meeting them face-to-face in their hometowns.

Helping employers support better health

We improved clinical consulting to give employers clear, useful insights for creating health plans that meet their employees' needs. These efforts help us deliver better care, increase engagement with employers, and ensure strategies are aligned with the needs of everyone involved.

Focusing on early detection

In 2024, we partnered with Exact Sciences to boost colorectal cancer screenings and support members' health. We sent more than 10,000 Cologuard® kits to eligible members who haven't completed their screenings, with more than 18% completing them. This effort resulted in 243 positive results, highlighting the effectiveness of early screening. These positive results are crucial in helping individuals take the next step to catch potential issues early, improving health outcomes and providing peace of mind.



Arkos Health is an independent company offering supplemental coordinated care for Medicaid Expansion members on behalf of Blue Cross Blue Shield of North Dakota.

Exact Sciences is an independent company providing colorectal cancer screening services to eligible members of Blue Cross Blue Shield of North Dakota. Cologuard is a registered trademark of Exact Sciences Corporation. © 2024 Exact Sciences Corporation. All rights reserved.

Transforming health and wellness in North Dakota workplaces

By expanding workplace wellness programs and increasing engagement with key account clients, more members gained access to innovative tools, tailored support and incentives designed to achieve better health results.

Elevate

The Elevate program is making a lasting impact on wellness and engagement among our clients by equipping team leaders with practical resources and fostering a culture of well-being. Since its launch in 2023, we have delivered more than 140 sessions, helping participants prioritize their health through increased primary care visits, health assessments and participation in wellness programs. Clients report a more open culture, awareness of wellness and easy access to actionable tools for personal and team improvement.

In 2024, we developed the Elevate dashboard, a data-driven tool to track engagement and its impact on increased utilization of wellness programs.

Workplace Wellness Summit

In September, we held the Workplace Wellness Summit. The annual event gives North Dakota employers strategies and insights to embed and prioritize wellness into workplace culture.

Simplifying Orthopedic care

We completed a Sword Health pilot program with a key account in 2024 and the results set a new benchmark for musculoskeletal care by improving outcomes, reducing costs and enhancing member experiences. With personalized physical therapy delivered digitally, participants saw significant improvements in quality of life.

Engagement and clinical outcomes:

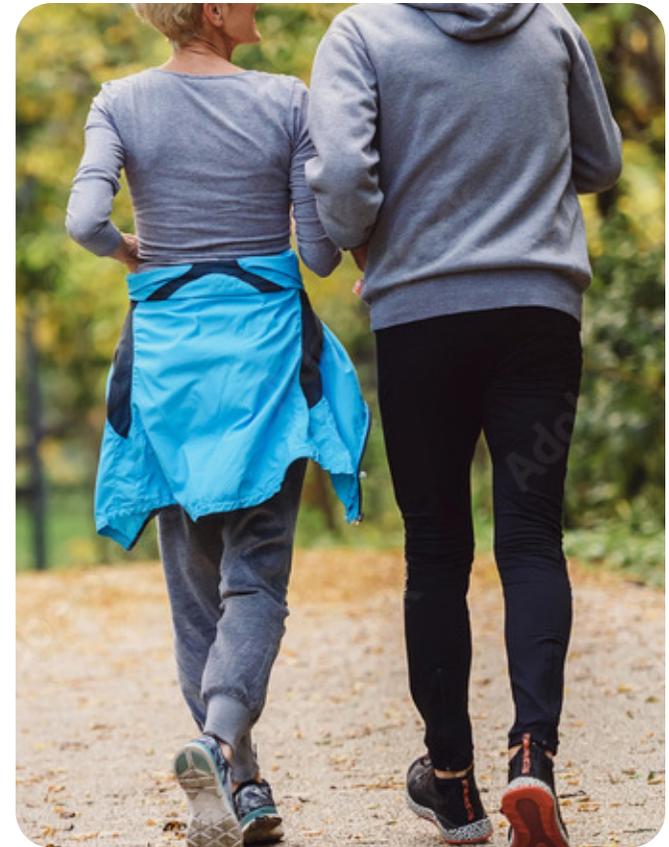
- 77% treatment completion rate – more than double the rate for traditional physical therapy.
- 83% of participants reported reduced activity limitations and enhanced well-being.
- 32% reduction in pain, 23% reduction in surgery intent and a 1.8x increase in members reporting “low” pain levels post-treatment.

Cost savings and ROI:

- \$1,064 in gross savings per member annually.
- 1.2:1 return on investment in year one.

Motion Infusion is an independent company that provides wellness and well-being expertise and services to Blue Cross Blue Shield of North Dakota.

Sword Health is an independent company providing care and disease management and wellness services on behalf of Blue Cross Blue Shield of North Dakota.



ORGANIZATIONAL CULTURE AND COMMUNITY IMMERSION

The BCBSND culture directly impacts the quality of care and service our members receive. We are committed to volunteerism and creating a workplace where all employees feel valued and empowered to make a meaningful difference for our members and communities.

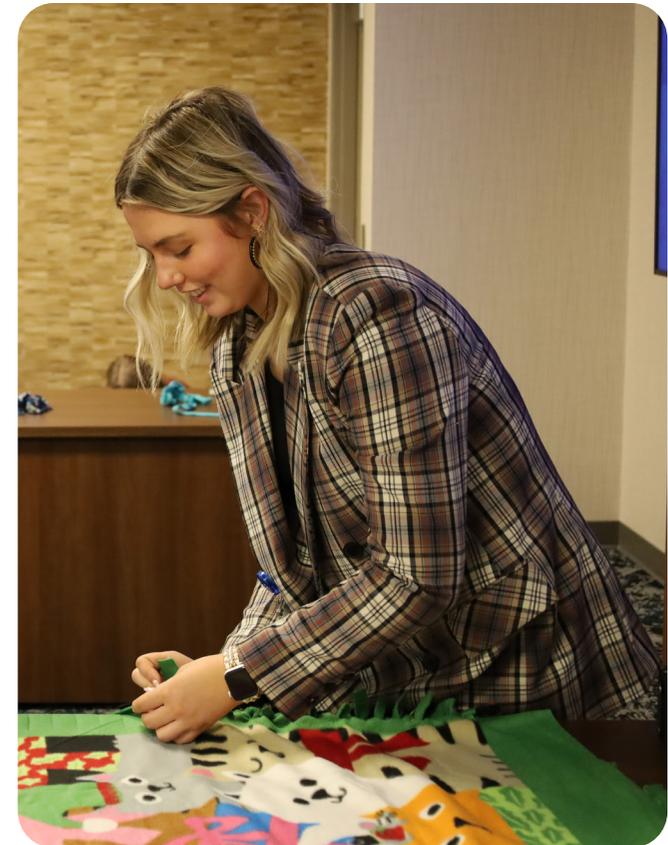
Fostering community engagement

Here's how we embodied our commitment to giving back and fostering collaboration in 2024:

- "Off the Clock" events – hosted four events in Fargo to help employees connect outside of work.
- United Way of Cass Clay – raised more than \$200,000 and set a new record for employee pledges for the third year in a row.
- Brave the Shave childhood cancer fundraiser – raised more than \$3,500 for the Andrew McDonough B+ Foundation.
- Adopt-A-School program – organized donation drives, teacher appreciation events and fun activities for students and staff at Willow Park Elementary.
- Scholarships – granted eight \$1,000 scholarships to employee's graduating children.
- YWCA and Red River Children's Advocacy Center – held school supply drives, a silent auction and created tie blankets for children and mothers.
- Meals on Wheels – completed 16 routes per month in Fargo and West Fargo.
- Held six on-site blood drives for local hospitals.
- Held our fourth annual pet social.

The impact of team

- 55% of employees volunteered in the community
- 4,500 hours of service across all employees
- 100+ nonprofits impacted by BCBSND employee volunteers



Valuing and empowering employees

We strive to create a workplace where employees feel valued, engaged and supported. In 2024, we focused on elevating the employee experience and fostering stronger organizational connections.

- Held company-wide events with cultural themes to help employees connect, engage and celebrate together.
- Focused on ongoing improvement through recognition, meaningful events and efforts to keep employees engaged.
- Participated in community events to strengthen connections with community and each other.



BCBSND CARING FOUNDATION

As we reflect on this past year we are filled with gratitude for the meaningful strides our Foundation has made in addressing the critical health needs of North Dakotans. Our commitment to creating healthier communities through strategic partnerships and public initiatives has truly made an impact in every corner of our state as we remain deeply dedicated to improving behavioral health, social drivers of health as well as proactively addressing preventive care to avoid illness and disease before they occur.

- **Maternal health report** – Completed a maternal health closeup to better understand and address factors affecting the health of women and mothers in North Dakota, supporting healthy families and communities.
- **Social Drivers of Health** – Partnered with the NDSU Center for Social Research to launch a dashboard tracking North Dakota’s social drivers of health. This tool helps community stakeholders make informed decisions and drive meaningful interventions.
- **Boys & Girls Clubs of America partnership** – Continued to partner with Boys & Girls Clubs statewide and in tribal areas to combat the youth mental health crisis. This includes funding trauma-informed training for staff to support emotional and mental well-being.
- **Strengthen ND** – Enabled the expansion of the SNAP Double Up Dakota Bucks program to promote healthy eating and food accessibility through North Dakota. The program allows SNAP-eligible individuals and families to “double” their SNAP dollars when they purchase locally grown and produced products. The initiative supports healthy eating in addition to small farmers’ markets, local grocery stores and schools.
- **NATIVE, Inc.** – Supported the Wellness and Healing Through Community-Based Services for Native Americans Project addressing racial equity in behavioral health prevention and recovery services through spiritual and cultural programs in Fargo, Bismarck and Grand Forks. This allowed indigenous people served by the project to access spiritual ceremonies and engage in various cultural experiences.
- **Strike Out/Shut Out the Stigma campaign** – Collaborated with local sports teams for the ‘Strike Out/Shut Out the Stigma’ campaign, donating to mental health charities and supporting youth programs in rural schools.



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

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

This year BCBSND had an operating loss of 3.0%. 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 \$1,233 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.

Financial Statements (In Thousands)

Balance Sheet Dec. 31, 2024

Assets	
Cash and Cash Equivalents	\$ 36,703
Receivables	235,614
Investments	637,580
Land and Buildings	14,855
EDP Equipment	2,021
Other Assets	11,733
Total Assets	\$ 938,506

Liabilities and Capital & Surplus

Claims Payable	\$ 277,059
Premiums Received in Advance	25,473
Accounts Payable	178,572
Total Liabilities	481,104
Capital & Surplus	457,402
Total Liabilities and Capital & Surplus	\$ 938,506

Statement of Operations

Year Ending Dec. 31, 2024

Premium Income	\$ 1,636,830
Claims Incurred	1,461,607
Operating Expense	187,431
State Premium Tax	20,530
Reserve Increase	16,553
Operating Gain/(Loss)	\$ (49,291)
Other Income	43,561
Income Tax Benefit	(1,390)

Net Income \$

Changes in Policyholder Surplus

Balance, Beginning of Year	\$ 476,255
Change in Unrealized Appreciation on Investments	(13,684)
Change in Non-Admitted Assets	(1,318)
Change in Net Deferred Income Tax	2,643
Change in Pension and Postretirement Benefits	626
Net Income	\$ (7,120)

Balance, End of Year \$457,402