



  BlueCross BlueShield
Kansas
2020 Annual Report

Statement of Licensee

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The Blue Cross and Blue Shield system of individual Plans is not a single entity, but rather an association of independent licensee companies.

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2020: A year, a purpose bigger than us

A message from our president



There are some moments in life that we never forget. The evening of Sunday, March 15, 2020 is one of mine. That night, I sat down to an empty computer screen to write an email to all 1,600 of our employees to prepare them for what was to come as we braced for the impact of the COVID-19 pandemic. Little did I know that the decision we made that day to send our employees home would define our reality for the entirety of 2020.

In a short time, we engaged all of our employees, from information technology to human resources to facilities to operations, to make work from home a reality. We acted swiftly because our members and communities needed us to be at our best more than ever. They needed to know we were here to help them get the access to healthcare they needed as well as the support and guidance they've come to rely on from us for nearly 80 years. And that's exactly what we were able to deliver.

We worked tirelessly throughout 2020 to provide much-needed relief to Kansans in every way we could. We ensured our members had the access to the care they needed. We provided financial support to the healthcare and medical community. We gave to our communities in need to help children, families and individuals who were struggling. And we made sure that our employees were safe and supported throughout the year.

It was an amazing effort. If you had told me that Sunday evening when I sat down to write that email that this new reality would last for more than a year, I would have been deeply worried. I would have worried about how we could get through it. I would have worried about the effect it would have on our ability to serve our members in their time of need. I would have worried about the effect it would have on our company's culture.

But here's the amazing thing, after a year: **we didn't just get through it.** In spite of all the challenges we faced, we had an extraordinary year in 2020. We rose to the occasion and then some, launching major strategic initiatives and rolling out corporate programs that were years in the making. Our employees found ways to juggle all of their responsibilities, deal with their worries for their own families, show support for their colleagues, and do truly outstanding work for the people we serve in Kansas. It's the biggest challenge we've ever had, and we overcame it.

Sincerely,

A handwritten signature in black ink that reads "Matt All". The signature is fluid and cursive, with the first name "Matt" being more prominent than the last name "All".

Matt All
President/CEO



Supporting our members during COVID-19

SERVING

**1 million Kansans
and 10,759 employers**

We have approximately 1 million Kansans and 10,759 employers who rely on us each day to connect them to the vital care they and their employees need – a responsibility that fuels us all. This responsibility only intensified in 2020 as we worked tirelessly to ensure that our members and employer groups had access to the care they needed, their claims continued to be paid and they were offered the most up-to-date information on navigating healthcare during the COVID-19 pandemic.

Easing the burden

Early in the pandemic, we took several steps to ease the burden on members both financially and through increased access. This included waving cost sharing for COVID-19 testing and treatment to remove any barriers for members in seeking testing or care. We also expanded coverage and waived cost sharing for telemedicine, which was a vital tool for many of our members to continue accessing care without needing to leave home. In addition, we allowed for early refills of maintenance medications. “I think the biggest thing I’ve learned is that we are going to continue to do the right thing, and we’ll find a way to navigate through any future challenges,” said Jake Owen, sales representative at BCBSKS.

“I think the biggest thing I’ve learned is that we are going to continue to do the right thing, and we’ll find a way to navigate through any future challenge.”

Jake Owen
Sales Representative at BCBSKS

“I think it showed that even with all the challenges, we continue to put our members and our groups first. It has been so incredible to be a representative, to reach out and talk with the members of our community and see the impact that has on them.”

Offering flexibility

Given the almost immediate stress and uncertainty that many of our employer groups were facing, we took steps to create more flexibility to ensure members continued to have the coverage they needed. This included extending grace periods for payments and delaying cancellations for employer groups. We also relaxed minimum hours-worked requirements to help more members keep coverage even while unemployed. We created further financial flexibility by allowing credit card payments from employer groups. Finally, we paid members back a dental premium credit of \$6.2 million.



\$6.2 Million

Paid back to members in dental credits



A listening ear

Throughout 2020, we heard from so many members who were feeling the effects of months of isolation, a routine that had been flipped upside down and those trying to find peace during a fearful time. Our employees, most of whom were also at home, shared in members' pain, offered friendly advice and problem-solved to help each member as best as they could with whatever question or concern they were facing.

“We have remarkable members. They persevere but they sometimes just need a positive word from us. So, I think we’re that voice on the other end of the phone telling them it’s going to be okay.”

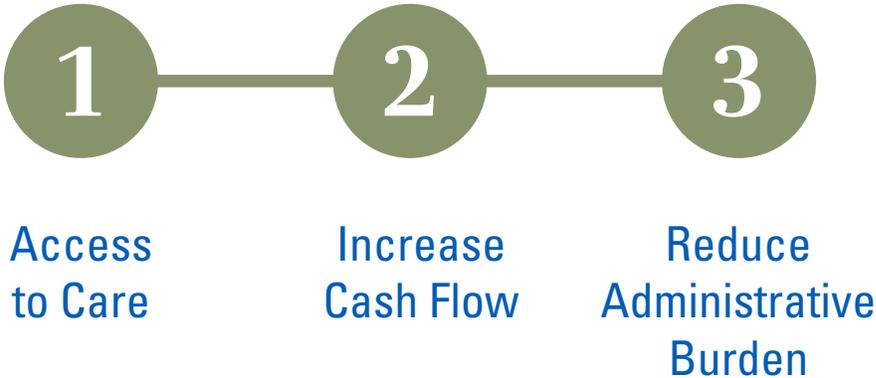
Laura McVay
Customer Service Specialist at BCBSKS

Supporting the healthcare system + medical community



There was perhaps no industry or workforce more affected by the COVID-19 pandemic than the healthcare community. Not only did hospitals and healthcare providers experience a reduction in procedures and patient volumes, but they also had to adjust their operations to accommodate patients with COVID-19 as well as those experiencing residual side effects, including physical and behavioral health challenges.

Knowing that the medical community and its workforce was in need of tremendous support and relief during this time, we took numerous steps to ensure they could continue to provide uninterrupted care to all Kansans. We focused on three areas we believed would provide the most relief, including providing access to care, increasing cash flow for operations and reducing the administrative burden for providers.



1

Access to care

As members of the healthcare community, we wanted to ensure that access to care was uninterrupted for our providers and our members throughout the pandemic. To do this, one of the first initiatives we implemented was expanding coverage for telehealth services to members at no cost. This expansion included visits for the diagnosis and treatment of COVID-19, dentistry services and other conditions that were medically reasonable to be treated in this manner. As part of this initiative, we also reimbursed providers for telehealth visits at the same rate as in-person visits. These policy changes made telehealth services easier to use, all while helping to keep patients and physicians safe during the pandemic.

What we quickly discovered after implementing this policy was that the need for telehealth services was imminent in Kansas. For comparison, in 2019, we had a total of approximately 10,000 telehealth encounters. In April of 2020 alone, we had approximately 60,000 telehealth encounters.



60,000
Telehealth encounters



“I cannot overstate the importance of telehealth to the medical community and our members in 2020,” said Doug Scott, director of professional relations at BCBSKS. “The majority of these visits were for behavioral health services. Our members had lost jobs, they had family members suffering from COVID-19, and they were scared. They turned to us for help, and I could not be prouder to know that we were there for them in their greatest time of need.”

2

Increase cash flow

At the onset of the pandemic, cash flow became a major challenge for providers as procedures were canceled and patient volumes decreased. We wanted to be attentive to providers' needs during this time as to ensure limited disruption to care or even worse, providers closing their offices altogether.

To that end, we created the Advanced Payment Program to assist contracting providers in our service area with the devastating financial impact created by COVID-19. The program was a cash-flow relief for providers who experienced a significant loss in net revenue and met certain requirements we set forth. In total, we advanced provider payments of \$9.6 million to more than 80 entities in 2020 through this program.

In addition to this program, we also increased Quality-Based Reimbursement Program (QBRP) payments for dentists to account for additional personal protective equipment (PPE), totaling more than \$728,000. Our QBRP is designed to promote efficient administration, improved quality and better patient care and outcomes.

"The need for PPE was incredibly high during the pandemic and most of that equipment was going to hospitals and doctors, meaning dentistry took a back seat," Scott said. "In addition, PPE was expensive because of the increased demand and supply shortage. We took a creative, outside-the-box approach to help dentists recover some of the costs from that increased pricing by increasing our QBRP payments. It was just one additional way we could help improve cash flow and support our providers during that turbulent time."



\$728,000

In QBRP payments
to dentists for PPE

3

Reduce administrative burden

One of the largest administrative burdens that providers always have, but was especially challenging during the pandemic, is billing and properly coding medical procedures. To reduce this burden, we kept our website updated with constant communication to providers that detailed our administrative changes and provided them with updated billing codes for COVID-19 testing and procedures.

We also waived our inpatient pre-certification and continued stay review requirement for COVID-19 admissions. That meant that when a COVID-19 patient was admitted, hospitals were asked to notify our medical review staff via telephone, fax or the online system to provide the admission and discharge dates. However, no clinical information or medical records were needed. We also asked that hospitals continued to submit pre-certifications for non-COVID-19 admissions using the online portal, but we extended the number of approved days for each admission. Additionally, we allowed our acute care hospitals to transfer non-COVID-19 patients to alternative care settings and inpatient rehab settings without requesting medical records. Other creative ways we improved access to care during this time was to allow virtual therapy services, such as physical, occupational and speech therapy, to be billed out of the hospitals as well as virtual hospice and virtual partial hospitalization.



“As members of the healthcare community, we felt a responsibility to ensure those on the front lines of the pandemic who were caring for our members were supported in every way possible. I hope we all look back on this time and recognize what can happen when we collectively come together for a common cause and support one another.”

Dr. John K. Fong
Chief Medical Officer at BCBSKS

Share your star's story.

#ADASTRSTRONG

**Ad Astra
Per Aspera**

Supporting our
communities

When the COVID-19 pandemic hit, we all adjusted to a new way of living and working. At BCBSKS, this meant we also had to find new ways to work with our community partners and provide support in unprecedented ways. We determined one of the best ways to do this was to hear directly from individuals, community members and organizations about the incredible work they were doing in their communities, and then find ways to support them in their efforts.

#AdAstraStrong

Ad Astra Per Aspera is the official state motto for Kansas. To the stars through difficulty never felt truer than in 2020. It emphasizes the values and optimism that, even when faced with the most difficult hardships, we come together as a state and keep our sights set on what's important. We wanted to focus on the positive work coming out of the pandemic, so we created #AdAstraStrong, a social media campaign centered around highlighting the resilient frontline workers and those working behind the scenes fighting COVID-19 across Kansas. We asked the community to nominate those they knew making a difference. From those nominations, we selected seven "Ad Astra Stars" who ranged from inventors to business owners and creative designers to corrections officers.

Additionally, Blue Health Initiatives partnered with the Kansas Association of Community Foundations to recognize communities and organizations that worked on the front lines during the COVID-19 pandemic, stood up for racial equality and worked to better their local communities. To qualify for a grant, community foundations had to nominate a person, organization or project to be recognized by the #AdAstraStrong program. Seven local community foundations were selected, and each received a \$10,000 donation from Blue Health Initiatives to put back into their community for pandemic relief. We also gave \$10,000 to the Kansas Association of Community Foundations for a total of \$80,000 in support during 2020.

Our seven Ad Astra stars included:



Jen Goetz

Created and sold T-shirts, then donated the funds to the unemployed



Hess Services, Inc

Created a modern version of the iron lung to treat COVID-19 patients



Dr. Jennifer Scott Koontz

Organized groups to sew masks and wrote articles to keep her community updated about the daily changes surrounding COVID-19



Lisa Smith

A corrections officer who battled the daily stress and challenges of keeping her facilities and communities safe and secure



Vortex

Designed and produced reusable face shields for healthcare workers



Michelle and Willie Novotny

Owners of Cornerstone Healthcare Solutions, a nursing home, where they worked tirelessly to ensure residents would be safe from the spread of COVID-19



Dr. Verlin Janzen, MD, FAAFP

Family medicine physician and medical director for Population Health and Medical Informatics at the Hutchinson Clinic continued to see patients virtually and in-person throughout the pandemic

COVID-19 PPE grant success story: Ad Astra medical devices

As the pandemic swept through the U.S., the already low supply of personal protective equipment (PPE) continued to dwindle across the country. To provide relief and additional PPE for providers in Kansas, we partnered with NetWork Kansas through our Blue Health Initiatives Trailblazers program to offer grants to businesses and nonprofits (including Kansas colleges and universities) actively working to design, create and produce PPE and medical supplies for Kansas hospitals and healthcare providers. In total, we provided \$250,000 grants to these organizations throughout 2020.

“We were proud to provide relief where we could to organizations across our state that were working hard to meet the needs of all Kansans,” said Matt All, president/CEO of BCBSKS. “We care deeply about our communities and are committed to providing assistance where we can.”

One of the recipients of that grant money was Wichita State University (WSU). Most essential healthcare workers use a stethoscope multiple times throughout the day. During the pandemic, they quickly realized the need for disposable stethoscopes to limit potential exposure to COVID-19 among patients. Like all other PPE, the disposable stethoscopes were in short supply. So, a team of engineers at WSU stepped in to become a new supplier of disposable stethoscopes for hospitals in Kansas.

\$250,000



in grants in PPE and
medical supplies for
Kansas hospitals

With the help of a \$39,000 grant from Blue Health Initiatives in partnership with NetWork Kansas, they started to produce stethoscopes for hospitals across Kansas on a larger scale. They brought in more engineers from Textron Aviation, Airbus, Spirit Aerosystems, Ascension Via Christi, the National Institute of Aviation Research (NIAR) and WSU to create Ad Astra Medical Devices, a company founded to commercialize the proprietary technology that was developed during this time. Using a 3D printer and their original design, they created thousands of face shields, disposable stethoscopes and additional high-quality medical equipment. Because of their efforts, PPE was distributed to healthcare workers, police stations, fire departments and schools in more than 25 counties in Kansas.



A year-long, community effort

Through Blue Health Initiatives, we were able to award \$604,562 in grants to organizations throughout Kansas that were actively working to help their community during the COVID-19 pandemic. “Blue Health Initiatives’ mission is to invest in communities to create sustainable, healthy places where Kansans live, work and play in ways that improve the quality of their lives,” said Virginia Barnes, director of Blue Health Initiatives at BCBSKS. “During the pandemic, giving grants to our communities allowed us to work toward that mission and make a larger impact in the lives of Kansans.”

\$604,562



in grants to Kansas organizations

“Blue Health Initiatives’ mission is to invest in communities to create sustainable, healthy places where Kansans live, work and play in ways that improve the quality of their lives.”

Virginia Barnes

Director of Blue Health Initiatives at BCBSKS

Pathways to a Healthy Kansas

In addition to our COVID-19 relief grants and Ad Astra programs, we also gave back to communities in 2020 through our *Pathways to a Healthy Kansas* program, which is the largest community grant program ever funded by BCBSKS. *Pathways* strives to impact active living, healthy eating and commercial tobacco prevention across Kansas.

During the past four years, *Pathways* grantees successfully worked to have over 115 policies passed at governmental and organizational levels to improve access to healthy eating and physical activity and to increase tobacco-free spaces across the state.

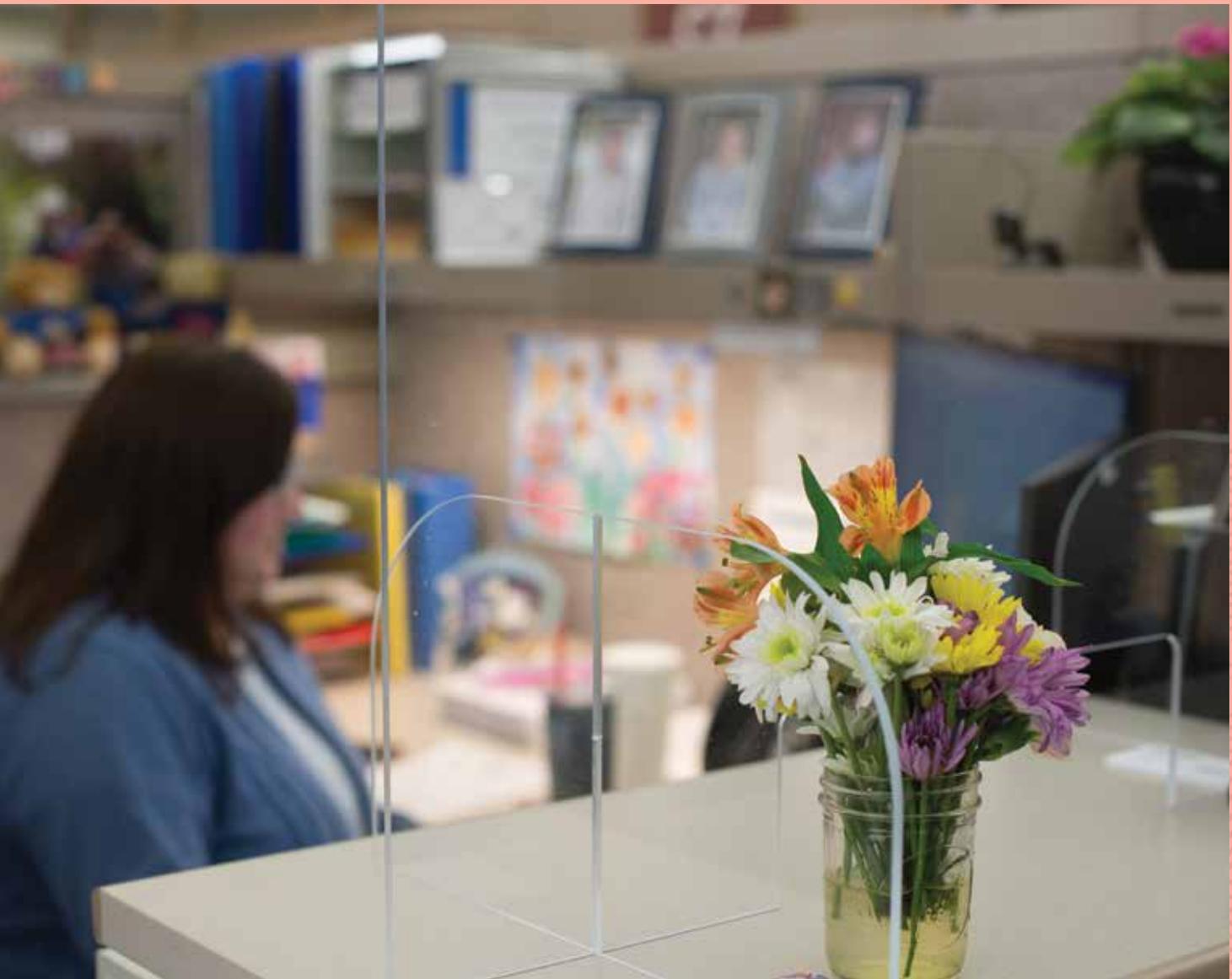
Progress in 2020 included:

- Phase 1 of grants wrapped up and Phase 2 was **announced and launched**
- **\$2,675,910** in implementation grants were awarded in 2020
- For Phase 2, BCBSKS awarded 24 health coalitions Coordination Grants in August 2020 for a **total of \$4,800,000**
- **12 returning** grantees and **12 new** grantees were included in the second phase

Progress since the program began:

- **32 counties** in Kansas have received grants
- 8 communities **selected** for first phase in 2016
- 8 communities **added** to the first phase in 2017
- **480 implementation grants awarded** in total, including policy grants, community grants, restaurant grants, food retail grants, healthcare grants, school grants and worksite grants

Supporting our employees





The success of our organization is directly tied to the success of our employees. In 2020, our first priority was to ensure the health and safety of our employees amidst a global pandemic. This meant providing the physical and mental health resources they needed during an incredibly challenging time. This also meant providing a safe and secure workplace, which included reimagining where our work would be done for many. By prioritizing our employees' health and wellness, we also ensured that they were better equipped to continue to provide our members the service and support they needed during what has been the most significant health event of our lifetime.

Taking action

Some of the key steps we took to support employees in 2020 included:

- Rapidly transitioned most of our **1,600** employees to working from home, including quickly readying our technology to support that level of remote work
- Implemented Microsoft Teams across the organization to allow for **better collaboration**
- Required **social distancing** and restricted the office to essential outside vendors
- Provided all employees masks, **expanded cleaning protocols** and increased the availability of sanitizing products and touchless equipment
- Introduced **new ventilation and Plexiglass separation** into office and cafeteria spaces
- **Increased our communication** and channels, including establishing an employee-only Facebook page
- Supported employees' **increased need for flexibility** to manage rapidly changing school schedules
- Provided prevention reminders and encouraged use of **Healthy Blue Living** and our **Employee Assistance Program**

"I think it was a great cross-divisional team effort to make remote work possible at this scale," said Brian Carver, manager of IT services at BCBSKS. "It was impressive to see how everyone came together to create a well-thought-out plan that got employees home in a safe manner and delivered the equipment they needed so they could continue to perform their job and keep the company running."



Recognizing employee needs

Early on, we also recognized that employees would have unique challenges that could require them to take time away from work. In order to alleviate some of that stress, we created a Special Response Leave to address those situations where an employee was not able to work their scheduled hours. Special Response Leave included two weeks of full pay from the first date of absence. After this time is exhausted, employees are eligible to be paid 75% for up to 10 additional weeks. In 2020, we had 204 employees utilize this program, which totaled to more than 18,700 hours of leave.

We are also proud that we were able to avoid any layoffs and continued hiring throughout 2020, which required reimagining our onboarding process and training to better accommodate a remote work environment. This also applied to our other training and leadership programs that moved online.

 **204 employees**

Utilized special response leave

 **0 layoffs**

Overcoming obstacles

While this has been a challenging year, we are proud of the resilience our employees have shown in quickly adapting to meet the needs of our members and communities. It was not an easy task to move so many of our employees to remote work, and it was also a significant adjustment for our employees as their normal separation between work and home was blurred. What I have taken from this experience is that we can do anything we set out for. We came together and found a way to do it," said Abby Lear, vice president of administrative services at BCBSKS. "We found a way to connect the tools and resources our employees needed to do their jobs and be successful. And because we were there for our employees, that allowed us to be there for our members."

“What I have taken from this experience is that we can do anything we set out for. We came together and found a way to do it.”

Abby Lear

Vice president of Administrative Services



BCBSKS Foundation support



BlueCross BlueShield Kansas
Foundation

The Blue Cross and Blue Shield of Kansas Foundation has been promoting the good health of Kansans since 2005 by providing financial support for initiatives that focus on key health issues impacting the lives of many Kansans. The Foundation seeks opportunities to fund programs and activities that promote health improvement, community health access and/or health education, healthy behaviors, prevention initiatives and direct health services to the uninsured.

It has always been the Foundation's goal to improve the health and well-being of Kansans. Due to the rising number of individuals facing anxiety, depression and behavioral health challenges in 2020, it was evident that a large portion of the Foundation's giving should go toward this healthcare issue.

The Foundation exists to provide support where it is needed most in our communities, and it was clear to us that the mental and behavioral health of Kansans was greatly affected by the pandemic,” said Marlou Wegener, chief operating officer for the Foundation. “We were able to help numerous organizations throughout the state whose main focus was on this healthcare issue. It is our hope that this support had a positive impact on the overall health of Kansans.”

In 2020, the Foundation donated more than \$683,000 to 212 organizations throughout Kansas, many of which supported the behavioral health of Kansans. Three of those organizations included St. Francis Ministries, Valeo Behavioral Health Care and the Association of Community Mental Health Centers of Kansas (ACMHCK).

“The Foundation exists to provide support where it is needed most in our communities, and it was clear to us that the mental and behavioral health of Kansans was greatly affected by the pandemic.”

Marlou Wegener

Chief Operating Officer for the Foundation



**\$683,000 to
212 organizations**



St. Francis Ministries

St. Francis Ministries opened its doors in Kansas in 1945. Since then, its mission has been to provide healing and hope for children and families. It provides essential services to the community, including foster care, adoption, residential programs, behavioral health services and independent living.

In 2020, the Foundation donated \$25,000 to St. Francis Ministries, allowing the organization to sponsor treatment for underserved clients and support critical training and credentialing for providers. St. Francis Ministries was also able to send 10 staff members through the National Board for Certified Counselors' Board Certified Telemental Health Provider training and another 10 staff members will begin the training this summer. In conjunction with other grants, St. Francis Ministries was also able to bolster critical infrastructure to support telehealth delivery as well as open two telehealth clinics. These clinics are located in rural locations where clients without means of internet access can walk in and access telehealth services.

"In the last 12 months, we have been able to offer services to 601 clients," said Morgan Rothenberger, executive director of marketing and communications for St. Francis Ministries. "The funds from the Foundation have been vital in supporting St. Francis as we provide outpatient services to clients who would have otherwise been unable to access or continue services."

Valeo Behavioral Health Care

Valeo Behavioral Health Care is a nonprofit organization that has provided the Topeka-area with a full spectrum of mental health, substance abuse and problem gambling addictions treatment services for adults since 1967. Each year, the Foundation donates \$2,000 to Valeo to support these programs.

In 2020, the Foundation gave Valeo an additional \$15,000 grant to be used for its Medication Voucher Program (MVP) to assist individuals who are unable to pay for medications or copays. The goal of this program is to provide a stepping stone so people can reach a place of greater independence. Valeo allows clients to use up to \$40 per year and access the voucher twice a year. Then, the team at Valeo helps individuals to get started on an affordable medication that they will then manage on their own in one to two months.

The impact of COVID-19 on the MVP fund was largely felt. There was an increase in utilization of the fund and need for prescriptions, so the additional support from the Foundation was greatly needed.



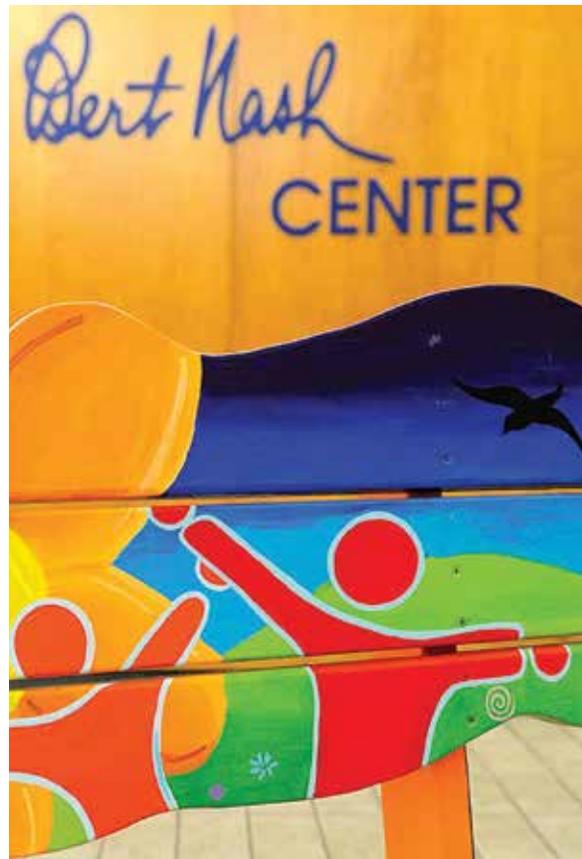
Association of Community Mental Health Centers of Kansas

The Association of Community Mental Health Centers of Kansas (ACMHCK) shares the Foundation’s goal of promoting healthy communities throughout Kansas. ACMHCK’s primary objective is to support the 26 Community Mental Health Centers (CMHCs) that are part of the association in the state of Kansas. These centers provide quality care, treatment and rehabilitation to individuals with mental health problems in the least restrictive environment possible.

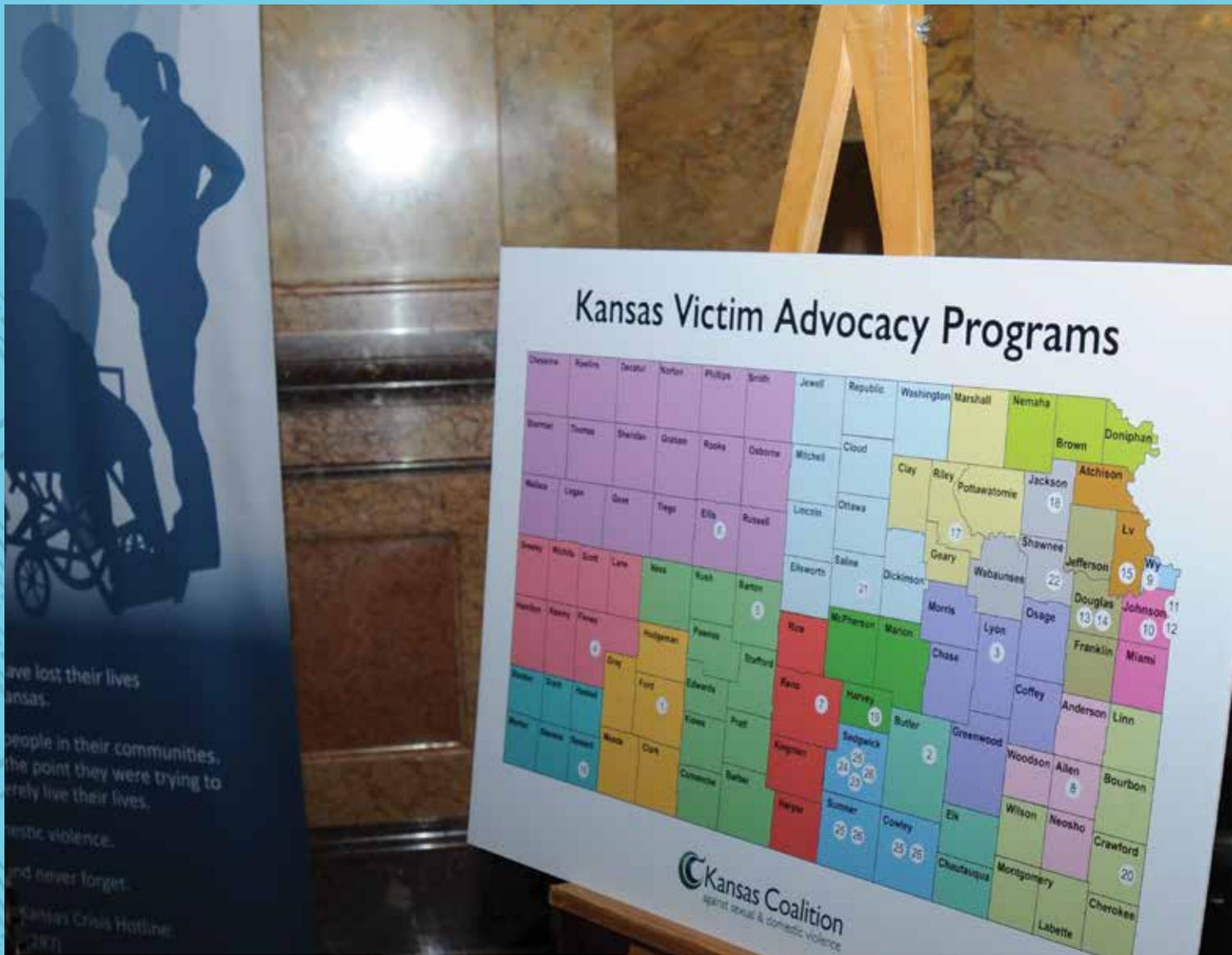
In 2020, the Foundation donated \$2,000 to each of the 20 CMHCs in the BCBSKS service area, allowing the centers to provide mental health services to the uninsured. The money donated each year by the Foundation helps to keep the doors of these centers open to continue to serve the communities.

In addition, the support from the Foundation was used to purchase access to the “Behavior Toolbox” for all of the CMHCs. The Behavior Toolbox is an online database of best practices and evidence-based practices for serving children and youth. The software provides practical positive strategies focusing on behavior, emotional concerns and learning difficulties.

“This resource was available to CMHCs in the past but was phased out several years ago due to budget restrictions,” said Michelle Ponce, associate director of ACMHCK. “The CMHCs are very happy to have access to this incredible beneficial tool again through the grant from the Foundation.”



Community relations + corporate support



The COVID-19 pandemic not only catapulted the world into a healthcare crisis, but it also exacerbated many other issues that individuals and families face on a regular basis. One of these issues is domestic violence.

The National Coalition Against Domestic Violence reports that 1 in 3 women and 1 in 4 men have experienced some form of physical violence by an intimate partner. And while research is still being conducted, it is widely accepted by medical professionals and researchers that the pandemic has increased the number of cases and the severity of domestic violence in the U.S. and across the world. Stress, isolation and loss of income are just a few of the factors that have created an environment for increased violence in the home.

To that end, we doubled down on our Shield Against Violent Environments (SAVE) program in 2020. SAVE was a program we created 20 years ago to provide employees with a safe and healthy workplace where domestic violence will not be tolerated. The program was implemented at BCBSKS to provide employees who have experienced or are currently experiencing a domestic violence situation with resources and assistance.



Developing SAVE at BCBSKS was just one part of an overall program to support domestic violence initiatives. We also work with local and state coalitions on a variety of other activities and corporate contributions are used for charitable donations and in-kind services to support domestic violence programs.

Support in 2020

In 2020, we donated a total of \$44,000 to 22 domestic violence advocacy member organizations throughout Kansas to assist with their increased need of serving domestic violence survivors during the pandemic. All organizations we supported were members of the Kansas Coalition Against Sexual and Domestic Violence (KCSDV), Kansas' leading statewide voice for victims and survivors of sexual and domestic violence. We also gave \$10,000 directly to KCSDV in 2020 to support its training, prevention and awareness efforts.



\$44,000

donated to 22 advocacy organizations



\$10,000

donated to KCSDV in 2020

In 2020, there was both an increased need for victims and survivors of domestic violence but also a need to completely retool services and training in order to keep advocates and clients safe," said Joyce Grover, executive director of KCSDV. "BCBSKS has provided consistent support in our work toward ending domestic violence, through the primary prevention project, through awareness events and through the health education information we have been able to disseminate."

The YWCA Center for Safety and Empowerment, formerly the YWCA Battered Women’s Task Force, provides free and confidential services to victims of domestic and sexual violence, stalking and human trafficking in Shawnee, Jackson, Brown and Wabaunsee Counties in Kansas. Our support last year allowed the organization to continue its important work and meet the needs of domestic abuse survivors in Kansas.

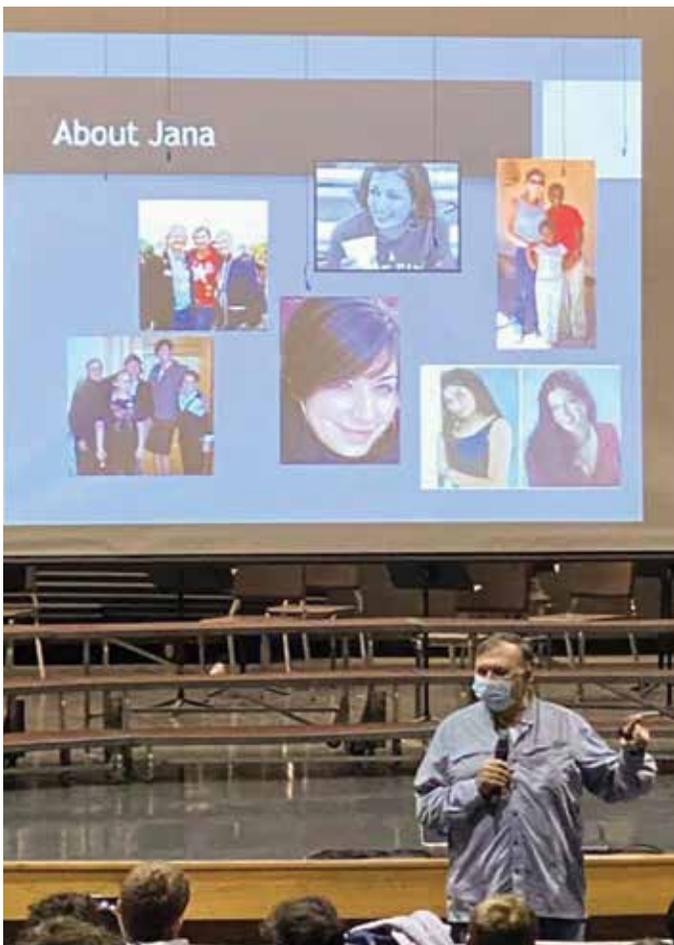


“Blue Cross and Blue Shield of Kansas has been a longtime integral partner in our nearly 44 years of working to end gender-based violence. In addition to their sponsorship support that provides critical funding to make our work possible, BCBSKS generously gives of their time and talent to the cause,” said Kathleen Marker, CEO of YWCA Northeast Kansas. “Last year, BCBSKS went above and beyond by not only providing general sponsorship support, but by supplementing with an additional \$2,000 for our Center for Safety and Empowerment in a year full of unknowns and unprecedented challenges. While our work is primarily supported through grant funding, the financial support of corporate partners like BCBSKS is absolutely essential to ensuring we meet the needs of survivors in Northeast Kansas.”



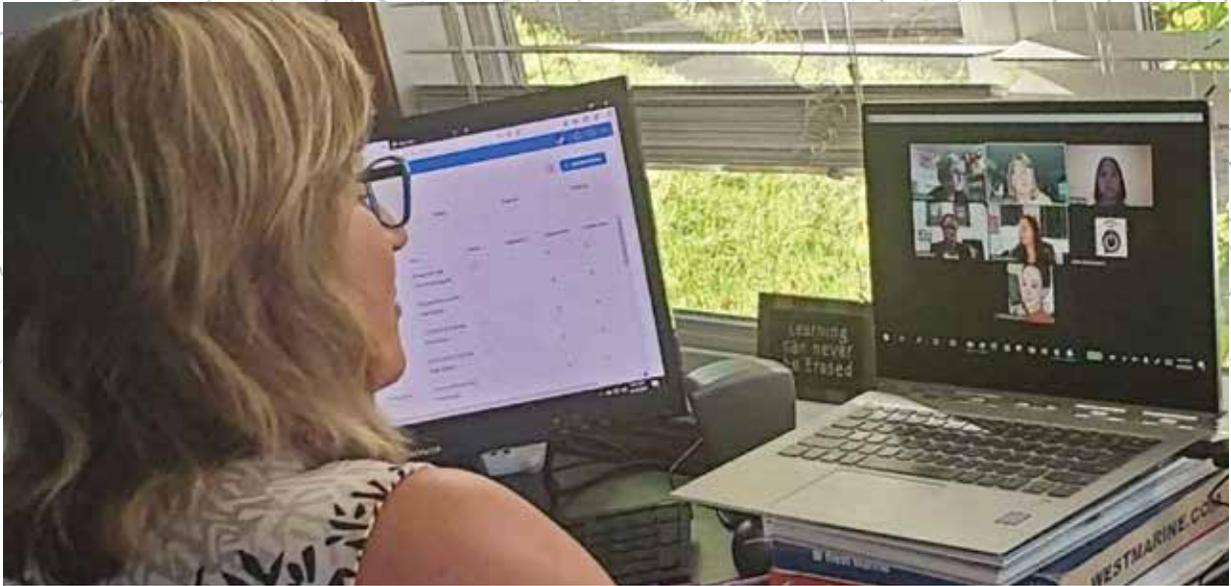
Jana’s Campaign is a multi-state nonprofit organization focusing on the prevention and reduction of domestic violence that primarily works in K-12 and higher education settings. Our support to Jana’s Campaign in 2020 enabled it to expand partnerships with organizations throughout Kansas to provide educational and prevention efforts.

“As one of our historical partners and supporters, BCBSKS has meant a lot to the growth and expansion of our prevention education programs across the state of Kansas,” said Kaiti Dinges, executive director of Jana’s Campaign. From providing funding to support our secondary education program expansion to sponsoring fundraising efforts to providing public health expertise, BCBSKS has been instrumental to the development of Jana’s Campaign prevention education efforts.”



“From providing funding to support our secondary education program expansion to sponsoring fundraising efforts to providing public health expertise, BCBSKS has been instrumental to the development of Jana’s Campaign prevention education efforts.”

Kaiti Dinges
Executive Director of Jana’s Campaign

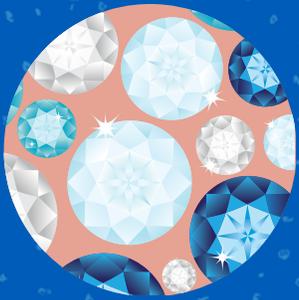


In addition to the support we are providing for domestic violence initiatives throughout Kansas, we are also working to develop several corporate coalitions in the state to bring other companies to the table so they can learn about and support this issue.

“Domestic violence is a complex issue that has wide-reaching impacts on individuals, families, corporations and our state at large,” said Marlou Wegener, manager of community relations for BCBSKS. “For 20 years now, we have dedicated our time and resources to organizations throughout Kansas to increase education, fund important initiatives and develop long-term partnerships to help domestic violence survivors. It is a cause we will continue to support, and we look forward to partnering with other organizations and companies on this important work.”

If you or someone you know is impacted by domestic violence, you can call the Kansas Crisis Hotline at **1-888-363-2287** or contact KCSDV at **www.kcsdv.org**.

Three strategic initiatives



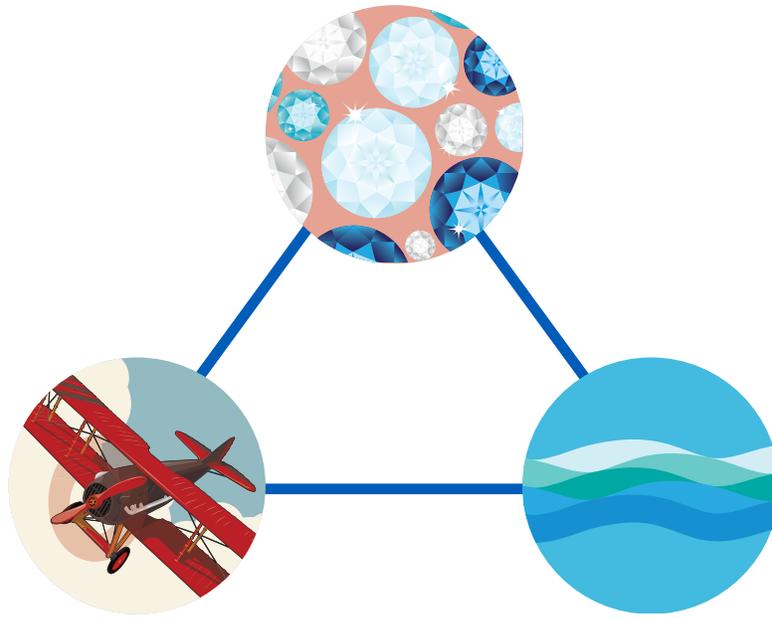
Project
Mankato



Project
Atchison



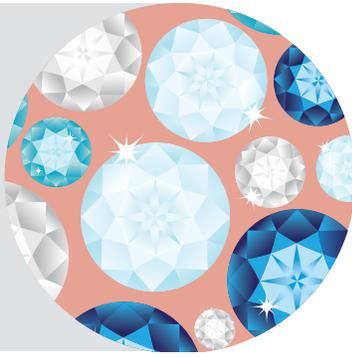
Project
Cimarron



Accomplishing great things together: three strategic initiatives

At BCBSKS, we are leading a movement to give Kansans a healthcare system that works. One that invests in new capabilities and technological advancements that surpass the expectations of consumers. One that not only has great ideas on how to improve healthcare but implements those ideas so our members can live healthier lives.

To accomplish this movement, we have focused on three strategic initiatives, each of which is named after a town in Kansas that reflects the project it's tied to. The initiatives include Project Mankato, Project Atchison and Project Cimarron.



Project Mankato

Improving the customer experience

Mankato, originally called Jewell Center, is located in Jewell County, Kansas. The imagery of Mankato represents something valuable and reflects strength, durability and longevity.

Project Mankato is our strategic initiative that is focused on the people we work for- our members. The local, personal experience our members have with our employees has always been something that sets us apart from other insurance providers. We can significantly enhance this important differentiator by investing in greater capabilities to monitor, measure and understand what matters most to our members in order for us to make improvements to meet and exceed their expectations.

In September 2020, Mike Gerrish joined BCBSKS as vice president, chief marketing and experience officer, to help us create a customer experience discipline that will establish Blue Cross and Blue Shield of Kansas as a national leader in making every interaction easy, effective and meaningful when it matters the most. “By focusing on the total experience, from getting insurance to finding care to getting a claim and all points in between we will know exactly where to help our members,” Gerrish said. “We will deliver an experience that makes people feel informed, important and cared for as a person, not a policy.”

Through Project Mankato, we are committed to making our customer experience extraordinary, which will create an even more loyal group of members that have peace of mind and access to a better quality of life.



Project Atchison

Creating successful government programs

The birthplace of Amelia Earhart, Atchison is located in Atchison County, Kansas. The imagery of Atchison inspires and embraces forward thinking and a journey into new territory.

Project Atchison allows us to participate more significantly in government programs. With the belief that federal and state governments will be a dominant force in the future of healthcare, we are investing in the capabilities to succeed in new programs. The financial and service models of government programs are different from where we've come from, but with the same commitment and compassion, positioning ourselves to be market leaders in 2030.

We made great strides to Project Atchison in 2020, including developing our provider incentives, leveraging in-home assessments and CDI alerts for gap closure, implemented a care management and transition to home program and conducted extensive consumer research.



Project Cimarron

Improving lives with clinical data

Cimarron is located in Gray County, Kansas, and has always been on the commerce highway for travelers and trade goods. It took its name from a fork in the Santa Fe Trail, which led to the Cimarron River. The imagery of Cimarron portrays free-flowing, forward movement that has the ability to bend and adapt along the way.

Through Project Cimarron, we will help our members live better, healthier lives. We are in the process of developing a robust storehouse of clinical data – data that offers broader, more detailed and timely information regarding our members and their healthcare. Clinical data will be more accessible to employers, for health research and to offer supplemental services. Clinical data will be used to improve healthcare delivery, member health, customer experience, administrative effectiveness – better serving our members and making their coverage more affordable.

In 2020, we established formal partnerships with Konza, a leader in health information exchange, and Verinovum, a data curation service provider, to help achieve our goals outlined in Project Cimarron. We also established the technology and processes required for the program, started gathering contractual consents and built all the elements of Use Case Reporting for Phase 1 of the project.



Pressing forward

We have a proud history and a strong presence in Kansas. Today, 1,600 employees serve more than 1 million people in Kansas, including 650,000 BCBSKS members. By pressing forward, exploring new ideas and territories, we can do great things for this state we call home. We are committed to focusing on a few initiatives at a time to get us there – a commitment that proves we can be the insurer Kansans continue to trust with their health.

**1,600
employees**

Serving approximately

**1 million
Kansans**

The Beacon program





As a company dedicated to growth and progress, we constantly look for ways to increase accuracy and consistency of information while better aligning areas of the company. This is critical to creating a better experience for our members. More than 10 years ago, we embarked on a vision to do just that with the launch of the Swift program followed by the 2014 launch of the Beacon program to be rolled out over the course of several years. The Beacon program completed its final stages of rollout at the end of 2020.

The Beacon program was launched to consolidate data for groups, members and benefits into one platform. By consolidating information from multiple platforms and different groups into one program, we reduced complexity, risk and cost, while creating efficiencies. The Beacon program is a strong foundation to evolve and adapt as new technology and needs arise.

Preparing for migration

To set up the Beacon program, 7,800 groups and 500,000 members had to be migrated to the new platform for health, dental, prescription and ancillary coverage under thousands of different benefit plans. Due to the large scope of the project and the risks involved, the migration of groups and members was divided into four waves that took place over five years.

Twenty-two functional teams and hundreds of employees worked diligently to support this migration. For each wave, employees were challenged with completing three categories of activities preceding migration:

- **Benefit plan configuration** – Benefit modeling and plan configuration required to support 3,500 benefit plans in the new world for eligibility and claims processing
- **Software development** – 149 prerequisites (projects) to support a wave's line of business
- **Repeatable activities** – Thousands of test cases to support cross-functional testing and group/member seeding

**A special thanks to the
BCBSKS employees who
helped make the Beacon
program a reality.**

A team effort

Our employees spent thousands of hours supporting the Beacon initiative, and they were often asked to undertake their Beacon assignments while also carrying out a number of other job functions. BCBSKS is proud of the hard work these employees put forth and know it reflects their dedication to the program and the organization.

The completion of the Beacon program allows us to take full advantage of the consolidation of benefit plan information, bringing consistency to the interpretation and presentation of benefits. Operations and technology teams will no longer be required to work within and maintain two platforms, which will give them more bandwidth to continue to improve service delivery and the new Blue Access platform.

“The Beacon leadership team is grateful for the endless efforts of all who have had a hand in making the program a success. The level of commitment and the desire to support all Kansans with the best healthcare experience is admirable and greatly appreciated.”

Matt Langdon
Vice President of Information Technology
and Services at BCBSKS

2020 balance sheet^A

Assets	2019	2020
Cash and Investments	\$1,734,698,922	\$1,946,291,554
Premiums and Other Receivables	133,586,265	176,361,914
Property and Equipment, Net	68,899,102	67,207,654
Investments in Subsidiaries ^B	—	—
Other Assets	194,192,908	251,499,643
Total Assets	\$2,131,377,197	\$2,441,360,765

Liabilities	2019	2020
Claims Incurred and Unpaid	\$338,421,883	\$345,755,392
Premiums Received in Advance	105,742,584	110,214,645
Accounts Payable and Other Liabilities	430,485,803	790,340,661
Total Liabilities	874,650,270	1,246,310,698
Policyholders' Reserves	1,256,726,927	1,195,050,067
Total Liabilities and Policyholders' Reserves	\$2,131,377,197	\$2,441,360,765

^A As derived from the audited financial statements of Blue Cross and Blue Shield of Kansas, Inc.

^B Investments in subsidiaries of \$127,443,438 and \$117,899,900 for 2020 and 2019 respectively, are eliminated for consolidated financial statements.

Corporate governance

Board of directors*



Matthew D. All, Lawrence
President/CEO
Blue Cross and Blue Shield of Kansas



Rick D. Baden, Pittsburg
President/CFO
Watco Companies, LLC



Carolyn R. Banning, Dodge City
CPA/PFS
Smoll & Banning CPA's, LLC



Gregory V. Binns, Hutchinson
Vice Chairman
First National Bank of Hutchinson



Jennifer L. Brull, M.D., Plainville
Physician Family Medicine
Prairie Star Family Practice



Leonard R. Hernandez, El Dorado
President & CEO
Susan B. Allen Memorial Hospital



Amanda D. Huelskamp, Andover
Vice President of Human Resources
Global Parts, Inc



Rick C. Jackson, Topeka
Executive Vice President and Chief Lending Officer
Capitol Federal®



Megan L. Jones, Topeka
Founder/President
Jones Advisory Group



James A. Klausman, Topeka
President/CEO
Midwest Health, Inc.



Jena K. Lysen, SHRM-SCP, SPHR, Andover
Director, Human Resources
Martin Pringle Attorneys at Law



Jeff D. Mullen, Wichita
President & CEO
Ritchie Development



Cathy Mih Taylor, M.D., Chanute
Physician (OB/GYN)
Neosho Memorial Regional Medical Center



Jeffrey R. Thompson, Salina
President/CEO
Vortex Corporation

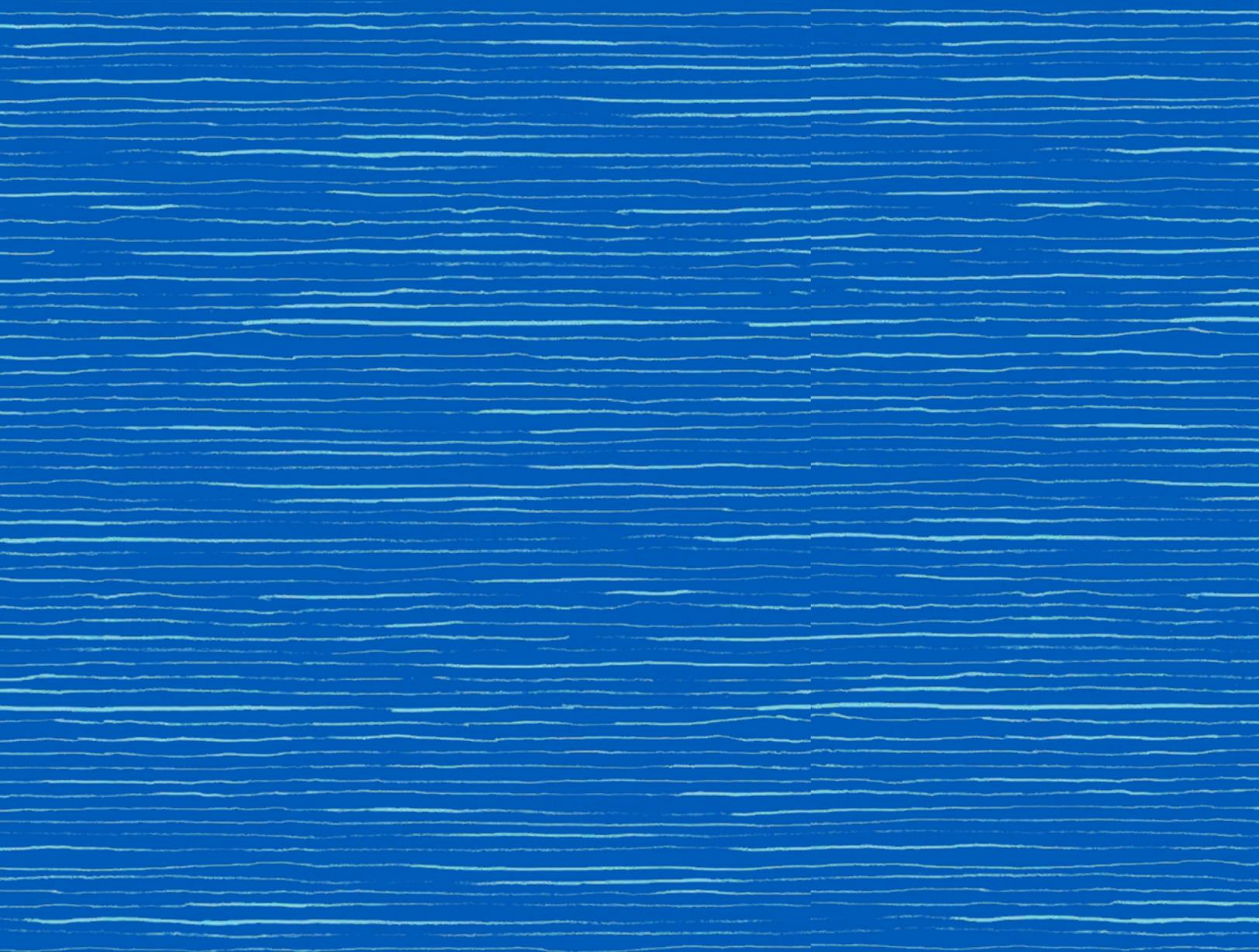


Angela N. Wilson, D.D.S., Lawrence
Periodontist
Edwards & Wilson Periodontics, P.A.



Kenneth W. Winter, Dodge City
General Manager
Lariat Feeders, LLC

*as of December 31, 2020



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