



2023

INCLUSION AND DIVERSITY ANNUAL REPORT



Commitment | Curiosity | Courage | Collaboration | Cultural Intelligence | Cognizance

A FOCUS ON CULTURE

Inclusion and Diversity has been a strategic focus for Blue Cross Blue Shield of Michigan for more than 17 years. This is demonstrated by the high engagement of the board of directors in understanding and providing direction on inclusion and diversity practices, and the leadership of President and CEO Daniel J. Loepf in lifting up inclusion, diversity, equality and equity for employees, our customers and members, and the broader community.

Cultural competency is a cornerstone for Blue Cross. From Inclusion and Diversity executive sponsors and employee champions, to volunteer employee resource network leaders, to our entire workforce, employees are connecting both virtually and in person through our inclusion and diversity initiatives.

We are proud of our commitment that grows stronger every year.



A MESSAGE FROM DANIEL J. LOEPF | PRESIDENT AND CEO, BLUE CROSS BLUE SHIELD OF MICHIGAN

At Blue Cross Blue Shield of Michigan, we've long known that we can best meet the needs of the people we serve by reflecting their great diversity within our workforce and ensuring that we are aware of the differences among people who form strong and stable communities.

As President and CEO for nearly two decades, I'm proud that our inclusion and diversity efforts have grown and deepened to stand among the best in the country. In 2023, we continued to lead by creating and showcasing best practices in addressing diversity, equality, equity and inclusion.

At Blue Cross, we recognize that our differences expand and strengthen our perspective. We're not all the same. Embracing our employees' differences, and empowering our employees to bring those diverse experiences and perspectives into their collective work, allows us to serve our members well. Blue Cross remains committed to building cultural competencies among our employees through diverse hiring and mentoring practices, ongoing learning sessions and a robust employee resource network. Our culture of inclusion allows us to reflect and support our colleagues, and we are better able to ensure quality health care and provide the best service experiences for everyone.

We're focused on health equity for our members and all Michiganders, and we're working to advance equity across race, ethnicity, geography and other populations. Our Office of Health and Health Care Disparities continues to advance its mission to address needs in areas such as access to care, behavioral health and maternal health. And we continue to address the social determinants of health that — if unbalanced — form the root of health inequities.

I am proud of the progress we've made over the years — and we strive to make a bigger impact within our organization and across Michigan in the years to come.

A handwritten signature in black ink that reads "Daniel J. Loepf". The signature is written in a cursive, flowing style.



A MESSAGE FROM BRIDGET G. HURD | VICE PRESIDENT OF INCLUSION AND DIVERSITY AND CHIEF DIVERSITY OFFICER,
BLUE CROSS BLUE SHIELD OF MICHIGAN

When I think about the word “culture,” I think about how connections are created among the people in a shared space. Our workplace community is a reflection of shared values and the way we choose to come together to share experiences, learn from one another and demonstrate empathy and compassion in our daily interactions. We all have a story to share, and we bring those experiences to our shared space.

We foster an inclusive culture by tapping into curiosity to learn more about different cultures, communities, generations, work styles and perspectives; demonstrating cognizance of biases; strengthening our cultural intelligence through experiential learning; collaborating to hear diverse perspectives and experiences; making a commitment to growing; and demonstrating courage to engage in conversations where we learn about others and ourselves. Through all of this, we recognize that showing respect to another individual doesn’t change what you believe. It’s simply an opportunity to practice active listening and demonstrate mutual respect.

When I pause to think about the Blue Cross Blue Shield of Michigan culture, I often think about impact and the feedback I receive from employees. One message, in particular, puts the exclamation point on the power of cultivating a culture that connects people and helps everyone flourish: “I feel safe here. I feel like I can contribute.” That is what a focus on culture, an inclusive culture, is all about.

The board of directors supports the corporate inclusion and diversity strategy, and is committed to equality and equity. The board of directors is provided with an update on our progress and commitment to diversity, equity and inclusion at least once a year. The Diversity Leadership Council meets six times a year, receives regular updates on progress and provides insight on best practices.

Year Two of our Be the Change campaign was executed in 2023. It builds upon the Be Inclusive campaign. The Be the Change campaign emphasizes the importance of empathy and compassion when engaging with one another and serving our members.

VISION

For Blue Cross to be a mosaic built on a foundation of respect, understanding and appreciation

MISSION

To create a diverse and inclusive culture for our workforce, marketplace and community that furthers the Blue Cross mission by providing valued guidance, education and partnerships

OBJECTIVES

- Attract, develop and retain a diverse and culturally competent workforce.
- Integrate and embed inclusion and diversity into the business.
- Promote a culture of inclusion and belonging.
- Advance health equity.

BLUE CROSS IS A LEADER IN INCLUSION AND DIVERSITY

Be Inclusive
BE THE CHANGE



No. 3 out of 50



100 out of 100 points



Disability Employment Tracker
Met and exceeded six out of six measures; recognized in 2023, for fifth consecutive time, as a National Leading Disability Employer



84 out of 100 points



Corporate Equality Index
80 out of 100 points



D&I Best Practices
4.89 out of 5 points



Blue Cross was recognized at the 17th Annual Disability Matters North American Conference as a **2023 Disability Matters North America Honoree**. The award is presented to corporations around the globe that are leading the way in mainstreaming disability in the workforce, workplace or marketplace.

Blue Cross received the **Elite Award for Diversity, Equity and Inclusion** at the 2023 West Michigan Best and Brightest Companies to Work For® celebration. The 21st annual celebration recognized organizations that display a commitment to excellence in their human resource practices and employee enrichment.

CULTURAL INTELLIGENCE AND COGNIZANCE

LEARNING SESSIONS OPEN THE DOOR TO AN INCLUSIVE CULTURE

Building cultural intelligence and learning about what we believe and why we believe it are fundamental aspects of building cultural competency. At Blue Cross, employees are encouraged to learn about both similarities and differences among different cultures, communities, generations, work styles and perspectives.

Developing self-awareness as we learn about others helps to open the door to an inclusive culture. It enables an understanding and appreciation of the rich qualities and experiences that each and every person brings to the workplace community.

91% of new employees
completed required cultural competency learning sessions

90% of leaders
completed required unconscious bias education

120 learning sessions held with
more than 29,000 employees attending



SESSIONS IN 2023 INCLUDED:

Irish History and Culture

Employees learned about the rich cultural history of Irish Americans and engaged in dialogue that celebrated the vast contributions of Irish culture and traditions.

I Stutter. But I Need You to Listen.

This thought-provoking session provided a raw, intimate look at life with a stutter, broke down misconceptions and harmful behaviors, and taught us how to be better listeners.

Equally Blue: LGBTQ+ Youth & Mental Health: Lived Experiences, Advocacy, & Allyship

In this session, we explored the unique mental health experiences faced by LGBTQ+ youth and how others can partner with them to advocate for better experiences.

Code Talkers

This learning session featured a podcast and discussion about the story of the Navajo Code Talkers, their role in the military and the remarkable success they achieved. It was a journey into history and the bravery of these veterans.

Reducing Disparities Through Organ and Tissue Donation

Blue Cross partnered with Gift of Life Michigan to spread awareness of the disparities regarding the need for organ donations among different communities. We also learned more about the significant disparities many populations have in accessing much-needed donations and what we can do to help.

CELEBRATE DIVERSITY! RECOGNIZES VARIOUS CULTURES AND COMMUNITIES

Each year in August, Celebrate Diversity! is held to recognize the richness of our workplace culture. It starts with a kickoff session featuring a question-and-answer segment with Blue Cross' president and CEO, and ends with an in-person culminating event that brings employees together at various office sites.



Employees join to "Build Culture Together" during the Celebrate Diversity! culminating event.



As part of Celebrate Diversity!, employees learned about dances from around the world, including the Indian dance styles Dandiya/Garba and Bhangra.



Panel members share their stories during the kickoff event.



President and CEO Daniel J. Loepp speaks about his commitment to inclusion and diversity during the in-person kickoff event for Celebrate Diversity!

BOOK CLUB ENCOURAGES READERS TO CONSIDER OTHER PERSPECTIVES

We hosted Year Three of the Voice for Change Book Club with more than 300 employees attending in 2023.

Our theme was “Be the Change — Experiencing life through a lens of empathy and compassion.” Executive facilitators and employees engaged in rich conversation around the subject matter in the books, including *Sally Hemings* and *The Night Watchman*, and encouraged perspective sharing around the topic that change isn’t possible without our ability to see and feel life from another person’s perspective.



COLLABORATION

EMPLOYEE RESOURCE NETWORKS BRING PEOPLE TOGETHER



Employee resource networks enable collaboration and connection across the company and help to promote a culture of inclusion. The ERNs:

- Provide a collective voice
- Encourage interaction among employees and the sharing of lived experiences
- Create a sense of community and belonging
- Provide an opportunity to demonstrate allyship
- Support the community by engaging with nonprofit organizations
- Provide insight to support business initiatives
- Assist with recruitment and retention activities

Members of the Equally Blue ERN engage with community members during the Motor City Pride Festival at our Blue Cross booth.



In 2023, the Native American and Indigenous Peoples employee resource network was established with a mission to provide awareness about the history and culture of Native American people, share the ongoing stories of Indigenous culture and uphold seven core values – love, respect, bravery, honesty, wisdom, humility and truth.

A member of the Native American and Indigenous Peoples ERN wears orange in support of Orange Shirt Day, also known as the National Day of Remembrance.





Members of the Veterans ERN recognize Veterans Day as participants of the Veterans Day Parade held in Detroit.

5,161 in overall **employee resource network membership;**
2,379 unique members, representing 32% of employees participating
(This is above the national standard 27% benchmark for companies with ERN programs.)

851 new members across our ERNs

85 ERN learning sessions with more than **15,935** employees attending

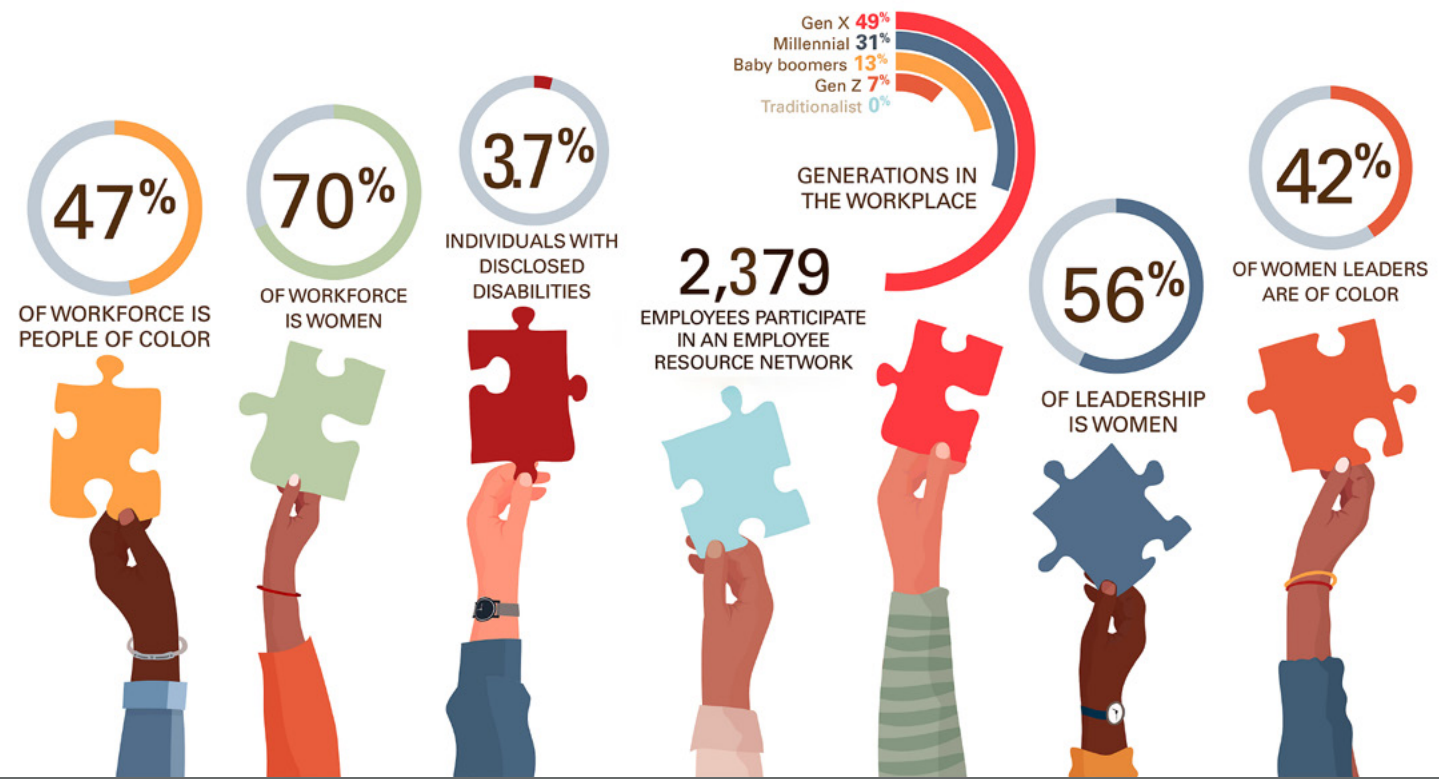
59 volunteer ERN leaders attended the 6th Annual Employee Resource Network retreat
to encourage best practice sharing and professional development

COMMITMENT

UNDERSTANDING REPRESENTATION HELPS ALL EMPLOYEES FLOURISH

Building and sustaining a culturally competent and inclusive workforce includes bringing together people of various races, ethnicities, nationalities, cultures, religions, gender identities and sexual orientations, ages, experiences, physical abilities, mental abilities, military service and perspectives.

At Blue Cross, inclusion and diversity are about everyone and creating an environment where all can flourish. Understanding the diverse representation of the workplace community creates the space where we can be responsive to and provide support to employees. One example of that is recognizing the needs of employees who are on a journey of gender transition. In 2023, the Equally Blue employee resource network helped us create Gender Transition Guidelines to help people transitioning and give leaders and co-workers the tools to understand the process and the resources available.



In 2023, we continued to look closely at representation across the company. In addition to what is often referred to as traditional formats for recruitment, Blue Cross strengthened recruitment efforts from historically Black colleges and universities, predominantly Black professional fraternities and sororities, and our partnerships with the Association of Latino Professionals for America, National Migrant Scholars and Grow Detroit's Young Talent to reach talent that is typically underrepresented in the workplace. Additionally, Blue Cross nurtured existing relationships and established new partnerships with organizations to establish a diverse pipeline of early career talent for in-demand information technology roles.

We continued to deepen our connection with emerging future talent at the middle school and high school levels in Michigan through partnerships with Junior Achievement and Wolverine Pathways. The Blue Paths program also continued to support college students with disabilities, including neurodiversity, for the seventh year.

COACHING PROGRAMS PROVIDE PATHWAYS FOR PROFESSIONAL SUPPORT, GROWTH AND DEVELOPMENT

Coaching programs provide support to employees by helping them create connections with co-workers, get better in their current roles, develop aspirations to grow in their careers and develop competencies to help them on their career journeys. Through Inclusion and Diversity, several programs provide pathways for professional support, growth and development, and help build cultural competency.

Coaching programs are held in groups or one-on-one formats.



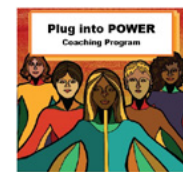
Mentoring Circles
Group mentoring program designed to promote leadership development



Cross Cultural Coaching
One-on-one exchange experience designed to foster cultural and social awareness



Sankofa Coaching
Group coaching experience for two tiers (aspiring leaders and existing leaders)



Plug into POWER
One-on-one coaching experience



ERN Veterans Coaching
One-on-one coaching experience to support the onboarding process for newly hired veterans



BLUE CROSS IS TRANSFORMING ITS CULTURE TO BUILD A STRONG FRAMEWORK TO ADVANCE HEALTH EQUITY

Blue Cross has sustained a focus on addressing health and health care disparities for nearly a decade. In 2023, we continued to fully implement the **Office of Health and Health Care Disparities**, which is engaging and working with cross-functional teams across the enterprise to address primary focus areas:

- Primary care access and quality
- Behavioral health
- Maternal health
- Chronic disease prevention and health promotion
- Social determinants of health

Recognizing the importance of clarifying terminology, building a health equity framework and taking a systemic approach, Blue Cross continued to provide local and national thought leadership for health equity. At the same time, we built the capacity for internal stakeholders to drive health equity work and execute a multiyear strategy.

The results included the launch of a maternal health strategy, working with health care providers and leveraging our value-based reimbursement program to improve quality in health care delivery and remove disparities, and supporting local nonprofit organizations to address social determinants of health.



KEY HEALTH EQUITY MILESTONES IN 2023

Established the Senior Health Services Health Equity Committee

Implemented initiative to fund community health workers to work with providers and patients to address social determinants of health

Initiated incentive to support increase of social determinants of health screening and infrastructure for data aggregation

Established process for digital literacy assessment and education

Added unconscious bias education requirement for Blue Distinction® Center designation for maternity care

Engaged physician organizations using the Area Deprivation Index score to provide funding support for practices caring for patients with high levels of social needs

Established new practice- and physician organization-level incentive to expand Patient-Centered Medical Home capabilities to address the needs of at-risk communities

Implemented Physician Group Incentive Program Centering Program Initiative



Other milestones and outcomes include:

- Held a Meet the Mandate session to help Blue Cross health professionals meet the State of Michigan requirement for unconscious bias education
- Held meetings addressing gender inclusivity for internal stakeholders to identify pain points, areas that require attention and a path for integrating systems and processes to target needed resources
- Held five Physician Diversity Council meetings on topics that included people with disabilities and access to health care; aging, older adults and access to health care; and the health care workforce, the workforce shortage and innovative approaches to workforce pipeline programs. The meetings provided important insights for our health equity strategy and initiatives.
- Expanded the Value-Based Partnership and Physician Group Incentive Program LGBTQ+ Inclusivity initiative
- Expanded and implemented new PGIP Social Needs and Health Equity initiatives

- Executed the Maternal Health Disparities strategy, which included:
 - Launching the Maven menopause digital tool as part of the women’s health solution, supporting Michigan’s Perinatal Quality Collaboratives and the completion of a severe maternal morbidities scorecard
 - Adding a requirement for unconscious bias education to achieve the Blue Distinction® Center designation for all staff in facilities providing OB-GYN and maternal health services
 - Leveraging PGIP and working in partnership with the Centering Healthcare Institute to increase adoption of the Centering Pregnancy Model that focuses on group prenatal care, health assessment, interactive learning and community-building
 - Holding an “Aftershock” documentary learning session in recognition of Black Maternal Health Awareness Week to increase awareness of how unconscious bias shows up in maternal health care and encourage dialogue. The families featured in the documentary joined employees for a panel discussion.

In addition, the Blue Cross Blue Shield of Michigan Foundation launched a second request for proposals for “Advancing Maternal Health Equity” for the regional perinatal quality collaboratives.



CURIOSITY

COMMUNITY SERVICE PROJECTS TAP CURIOSITY OF INTERNS THROUGH EXPERIENTIAL LEARNING

Skills such as empathy and listening are crucial in today's workplace communities. Through experiential community service and projects, interns have the opportunity to learn about different people, experiences and perspectives. In 2023, 100 interns participated in four Inclusion and Diversity community intern project teams. Blue Cross partnered with four nonprofit organizations – Corktown Health, The Senior Alliance, Allen Neighborhood Center and Cristo Rey Community Center – to address a business need. There was also a fifth intern project – the internal Intern Engagement team – that provided an opportunity for interns who were interested in event planning to learn new skills. The Young Professionals employee resource network also implemented the Mentor Me reciprocal mentoring program with 121 intern participants.



Interns volunteering at the Allen Neighborhood Center.

SUPPLIER DIVERSITY PROGRAM FORMS AND EDUCATES BOTH INTERNAL TEAM MEMBERS AND VENDORS

Our board of directors established Blue Cross' Supplier Diversity Program in 1992 to promote the use of minority-owned businesses. Since then, it has expanded to include enterprises owned by women, LGBTQ+, veterans, people with disabilities and other businesses that are historically disadvantaged. The program tracks both Tier I and Tier II diversity spending.

In 2023, supplier diversity spending totaled more than \$209 million.

The procurement department continued its annual Supplier Diversity Achievement Awards program in 2023 to recognize vendors and highlight the achievements of our suppliers, procurement staff and internal departments that play a key role in the procurement process. Those awarded have demonstrated a commitment to diversity in the way we buy our goods and services.

Building on its strong foundation and going beyond the traditional supplier relationship, enterprise procurement continues to execute a program that drives equity throughout the diverse communities we serve. We provide innovative business solutions to grow diverse suppliers while championing opportunities for economic growth.

In 2023, the Supplier Diversity Program at Blue Cross received the following awards:



- Excellence in Supplier Diversity Award in the "Best in Class" category from the Great Lakes Women's Business Council



- ACE (Ambassadors Championing Excellence) Award for Corporation of the Year in Finance and Insurance Services from the Michigan Minority Supplier Development Council

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