Blue Shield of California Climate Resilience Plan

Background

At Blue Shield of California, our mission is to ensure all Californians have access to high-quality health care at an affordable price. As one of California's largest health plans, Blue Shield is uniquely positioned to make a positive impact in the communities where we live and work. We are transforming health care in a way that truly serves our nonprofit mission by lowering costs, improving quality, and enhancing the member and provider experience.

Blue Shield signed the White House Department of Health and Human Services Climate Pledge in 2022 and released its first climate resiliency plan in 2023. One of the pledge requirements is to "develop and release a climate resilience plan for continuous operations by the end of 2023 or within six months of signing the pledge, anticipating the needs of groups in their community that experience disproportionate risk of climate-related harm." This document is updated annually and summarizes Blue Shield's continuing climate resilience planning progress.

Blue Shield of California Risk Assessment and Resilience Planning Processes

Since 2021, the Blue Shield of California Sustainability team, in partnership with Enterprise Risk Management (ERM), has conducted an annual Climate Risk and Opportunity Assessment, using the Taskforce on Climate-Related Financial Disclosures (TCFD) framework. The assessment process includes both quantitative and qualitative risk assessment by cross-enterprise subject-matter-experts (SMEs) and also includes subsidiaries. The TCFD assessment helps us plan actions to mitigate or manage a range of business risks and opportunities associated with physical changes in the climate, and transitional changes which could impact our members and their health, our operations, markets, policy making and reputation. We disclose these climate-related risks in the annual NAIC Climate Risk Disclosure Survey. More information is available in Blue Shield of California's Mission Report and annual CDP, formerly Carbon Disclosure Project, Climate Change Questionnaire.

Building Climate Resilience in Blue Shield Operations

In 2023, Blue Shield performed a physical scenario analysis to understand the implications of extreme weather events on key locations under three warming scenarios (low <2°C, moderate 2-4°C, and high >4°C). Eight locations, comprising real estate and data center locations and representing high business importance and broad geographical coverage were identified. We utilized climate risk scenarios to model 1) drought, 2) heatwave, 3) extreme precipitation, and 4) wildfire attributes. The three warming scenarios of low, moderate, and high relative warming were modeled with the four climate risks. These scenarios illustrate the possible future risks to which Blue Shield's locations could be exposed. All eight locations experienced increased risks across these four modeled climate risks under all three warming scenarios.

Three of the eight key locations have noticeably higher aggregate exposure across the four climate risk scenarios:

- The models predict that the frequency of extreme precipitation (50-year, 100-year flood events) will cause the greatest pressure on infrastructure for these three high aggregate risk locations.
- The primary operational impact of increased precipitation will likely be increased frequency and duration of power outages resulting from severe climate events.

Blue Shield is evaluating these findings when planning and managing energy resiliency and business continuity at key sites; especially those that are most critical to member services.

By examining multiple scenarios, we can better understand the range of potential risks, opportunities, and uncertainties associated with different assumptions about critical driving forces. A future iteration of the physical scenario analysis should include work from home locations of employees.

Our operations and facilities throughout California are subjected to extreme weather and disaster events including extreme high temperatures, wildfires, and potential flooding. In the event of these potential incidents, the impact on our business services may include disruption to daily operations with the potential of closing our facilities in our high-risk locations.

Blue Shield maintains Business Continuity plans and performs business disruption scenarios to prepare our operations in the wake of building closures. In the event of fire, extreme temperatures, and flooding disasters, the execution of our Disaster Response Program may result in making temporary policy and operational changes around building evacuations, mail service and technology changes, heating, ventilation, and air conditioning (HVAC) infrastructure enhancement, and utility increases.

Our response to these climate-related risks is overseen by Corporate Real Estate in conjunction with Business Continuity to assess each event and resulting costs. Corporate Real Estate works with our owned sites, leased sites, and managed assets that are business critical to develop a plan to address overall employee safety, asset protection and business operations. The plan details practices to ensure continuity such as operating backup generators, purchasing backup generator fuel and ongoing repair/maintenance to maintain minimum operations, if electricity is shut down. The safety and wellbeing of our employees is also a priority. We schedule additional HVAC clean air filter changes to maintain healthy air in our buildings. In addition, our People and Engagement department broadcasts notifications (via email, text, and phone calls) to employees that may be impacted by an extreme weather event with resources and actively monitors phone calls coming in from employees seeking additional support via a dedicated emergency hotline. We have also set up a dedicated hub to support general employee safety and wellbeing.

Building Climate Resilience with our Members

Through our annual ERM and TCFD climate risk assessment processes, we have also identified risks to our members' health and ability to access care due to the climate crisis. We recognize the severity of extreme weather events that threaten our region and have dedicated resources to support impacted members during a crisis. As state of emergencies and/or mandatory evacuations are reported, Blue Shield communicates information on how to obtain care and access benefits to members in the affected areas.

Blue Shield shares reliable sources to get real-time information on climate events, such as wildfires and unfavorable air quality. These include:

- Fire status updates and locations via CalFire.
- Air quality via https://www.airnow.gov .

Here are some ways Blue Shield of California supports members residing in California during emergencies:

- Allows the immediate refill of prescriptions for members with pharmacy benefits in mandatory evacuation zones – even if the prescriptions are not due to be refilled.
- Blue Shield Medical Care Solutions reaches out to members enrolled in care and disease management programs, who are in mandatory evacuation zones to ensure continuity of care.
- There are various virtual care options that may differ slightly depending on the plan. Some of these telehealth options are Teladoc™ and NurseHelp 24/7℠.
- Blue Shield's mental health service administrator provides free access to resources, materials, and counseling services through its dedicated hotline: (800) 327-7451.
- Vision plan members that have lost or broken eyewear may be eligible for a replacement pair of eyewear. Members can call Vision Customer Service for assistance at (855) 492-9028.
- If a member identification card is lost, members can view a digital identification card and print an identification card from our website by logging in to online accounts at blueshieldca.com/login. The cards can also be emailed from the mobile app. Alternately, the Blue Shield of California mobile app provides access to ID cards on a mobile device.
- If a member needs assistance, they can call Commercial Customer Service (800) 393-6130 (TTY: 711), or Medicare Customer Service (800) 776-4466 (TTY:711).

The extended benefits for members in affected areas are required by California law, as is the associated communication to members. Current requirements, and internal processes for these emergency notices, only pertain to the state of emergencies declared in California.

More generally, to ensure health system resilience, Blue Shield is accelerating innovative models of health care delivery to enhance resilience of member services and health outcomes. Virtual care is currently available to our members to avoid disruption in services for their healthcare needs. We also introduced a new, virtual-first plan, Virtual Blue, offering members integrated primary care, specialty care, and mental and behavioural health support. Hybrid healthcare plans help build climate resilience within the healthcare system to ensure multiple channels for access to care, in the event of a climate emergency.

Mitigating Health Equity Impacts of the Climate Crisis and Other Risk Mitigation Work

We are committed to addressing health disparities and integrating health equity in all we do. Since 2020, Blue Shield has made environmental justice investments specifically focused on addressing climate impacts on marginalized communities. We have supported youth climate literacy, urban greening, community farming and access to healthy foods and clean energy projects across the state of California. Our signature BlueSky youth mental health initiative invests in youth mental health programs that incorporate youth voices to bridge the gap between stigma and empowerment, especially among youth of color.

We believe climate change is a public health crisis and are conducting research to understand the impacts of climate change on human health, including research on the mental health impacts of climate change on youth.

Lastly, our Community Health, Health Equity and Population Health teams work to address the underlying health disparities that make communities more vulnerable to the exacerbation effects of the climate crisis. These programs include data-informed resources like Community Health Advocates, Doulas, and medically-tailored meals, as well as grant investments and partnerships to enhance diversity among health professionals (UC Berkeley School of Public Health partnership).