

# Living Health: Together for a Purpose



**Our vision is a world where everyone embraces health.**

**Our mission is to create a remarkable health experience, freeing people to be their best.**

Highmark Health is committed to reinventing the health experience so that everything and everyone works together for the health of those we serve. Boldly challenging unsustainable health care models of the past, we are building a new model, Living Health, to simplify the customer experience, free up clinicians to focus on care, and leverage innovative technology and partnerships to deliver truly individualized health planning.

We believe that creating a remarkable health experience will drive better health outcomes and lower total cost of care. Like our work, our financial priorities also serve our social purpose of building stronger communities of healthier people. In 2020, that included more than \$750 million invested to support customers, providers, and communities during the pandemic, and another \$760 million in capital investments.

#### A DIVERSE PORTFOLIO OF LEADING HEALTH COMPANIES

Highmark Health's diverse portfolio of affiliates and subsidiaries meets a broad spectrum of health needs for consumers, business customers, and government entities.

**Highmark Inc.** and its Blue-branded affiliates (Highmark Health Plans) proudly cover the insurance needs of millions of individuals, families, and seniors, while also offering a variety of health-related products and services.

**Allegheny Health Network (AHN)** has more than 300 clinical facilities, including hospitals throughout western Pennsylvania and one in western New York; Health + Wellness Pavilions; a comprehensive research institute; ambulatory surgery centers; an employed physician organization; home- and community-based health services; a group purchasing organization; and nearly 2,600 affiliated physicians.

**HM Health Solutions** combines technology and leading industry knowledge to deliver business solutions to health plan payers so they can run their organizations efficiently in a competitive and ever-changing market.

**HM Home & Community Services**, doing business as Helion, specializes in population health management solutions that benefit payers, providers, and customers.

**HM Insurance Group** works to protect businesses and their employees from the financial risks associated with catastrophic health care costs.

**United Concordia Dental** delivers access to high-quality, cost-effective dental care through a network of 126,000 unique dentists across 398,000 access points.

“Whether it’s helping customers and communities through the pandemic or building out the Living Health model, our people know we have to make a difference, and they continuously step up to make sacrifices and do what’s right for the greater good.”

**David L. Holmberg**

President and Chief Executive Officer,  
Highmark Health

### FINANCIAL STRENGTH TO WITHSTAND COVID-19 AND BUILD FOR THE FUTURE

Highmark Health sustained its financial strength and stability through 2020, reporting \$18 billion in consolidated revenue, an operating gain of \$490 million, and excess revenue over expenses of \$450 million, excluding a one-time gain. The organization maintained a strong balance sheet, with about \$11 billion in cash and investments at year-end, and net assets of about \$9 billion. Because of this strength, Highmark Health and its subsidiaries and affiliates were able to invest more than \$750 million in 2020 to support customers, providers, and communities during the pandemic.

Highmark Health Plans reported an operating gain of about \$400 million for the 2020 fiscal year, excluding a one-time gain, primarily driven by effective performance in the commercial and government business and a continued focus on clinical transformation activities. Due to these favorable results, the Highmark Health Plans were able to provide benefits to members through rebates and premium credits. Membership remains steady, with approximately 5.6 million members through year-end, and total commercial retention rates at 93%.

Highmark remains the largest health insurer in Pennsylvania, West Virginia, and Delaware, and has a broad national reach. Welcoming HealthNow to its family in 2021, its footprint expands into New York, increasing total members served to more than 6 million.

Following three years of continued growth, Allegheny Health Network delivered an operating loss of \$136 million through December 31, due to volume declines associated with the pandemic and pandemic-related expenses. For 2020, patient volumes decreased year over year in several key categories, including a 9% decrease in inpatient discharges and observations, and a 7% decrease in physician visits. Patient volumes continued to recover through year-end after experiencing a low point in second quarter 2020.

Diversified businesses reported combined earnings of approximately \$370 million through December 31, an improvement of more than \$180 million from prior year earnings. United Concordia Dental and a Blue-branded dental business continue to perform well, delivering an operating gain of \$254 million. The stop loss business, HM Insurance Group, reported an operating gain of \$101 million. And HM Health Solutions, an information technology services company whose platform serves more than 10 million lives across the country, reported an operating gain of approximately \$14 million driven by internal transformation initiatives.

# Geographic footprint

## MILLIONS OF AMERICANS SERVED

Highmark Health, as well as its subsidiaries and affiliates, comprise a national blended health organization proudly serving millions of Americans across the country.

Highmark Health serves millions of Americans through a diverse portfolio of health-related businesses. Our Blue-branded health plan businesses serve more than 6 million customers in Pennsylvania, West Virginia, and Delaware, along with western and northeastern New York. Our health care delivery network, led by Allegheny Health Network, serves patients throughout western Pennsylvania and parts of neighboring states. Our diversified businesses — including HM Health Solutions, HM Home & Community Services (doing business as Helion), HM Insurance Group, and United Concordia Dental — proudly serve customers and businesses across America.



### HEADQUARTERS

- Health Plans\*
- Dental Solutions
- Reinsurance Solutions
- Health Care Delivery
- Innovative Technology-Based Solutions
- Post-Acute Management Solutions
- Family Grieving Centers



Health Plans\*



Highmark Direct Stores



Hospitals



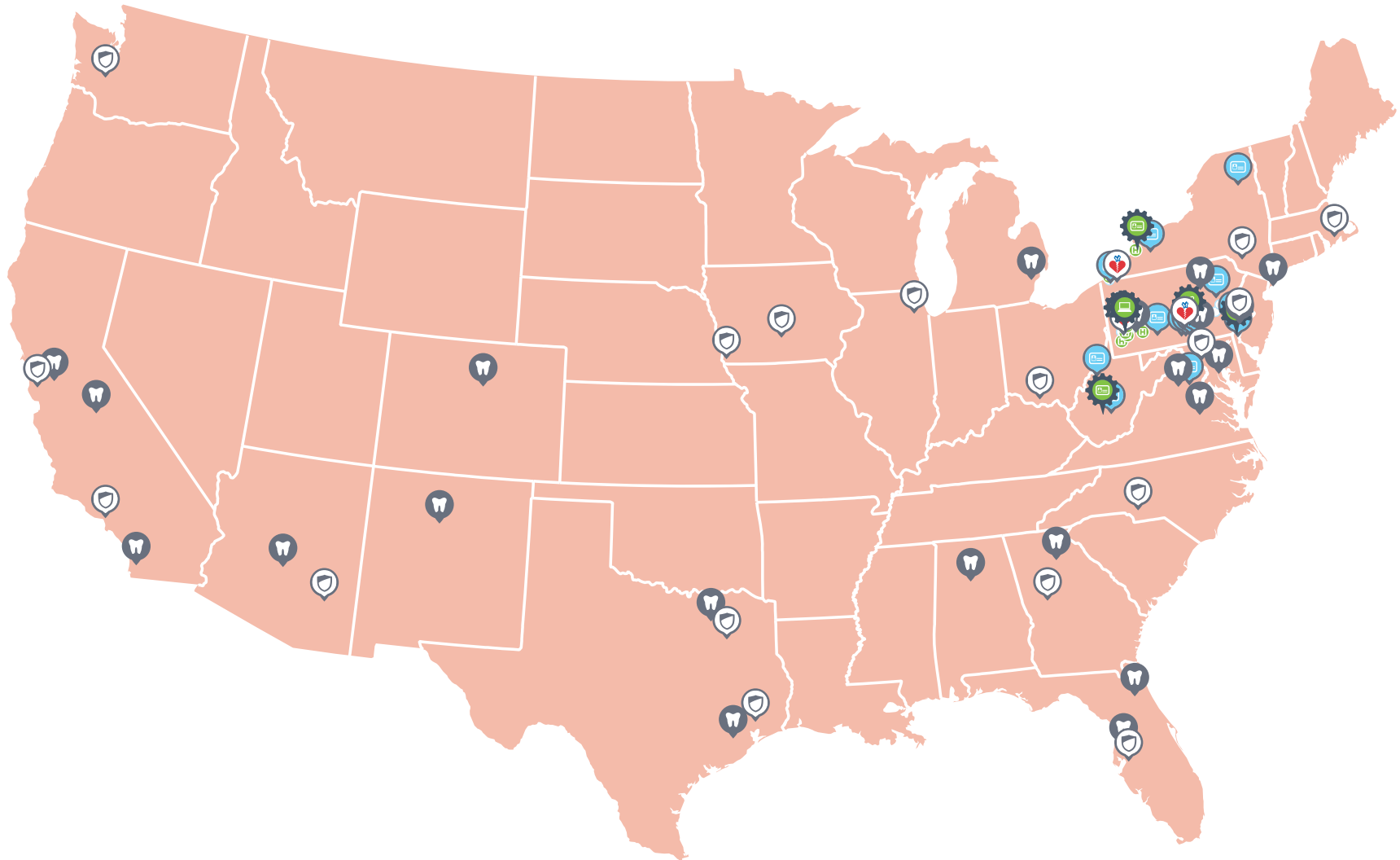
Dental Solutions



Reinsurance Solutions



Family Grieving Centers



\*Highmark Inc. and its affiliates offer health insurance products in Pennsylvania, Delaware, West Virginia, and western and northeastern New York, and are independent licensees of the Blue Cross Blue Shield Association. The companies' participation in the BlueCard® program offers members access to plans that include benefits through provider networks of other independent Blue Cross and Blue Shield plans nationally and worldwide. Most, but not all, plans include Blue Card benefits.

# The enterprise at a glance



**Headquarters:** Pittsburgh, Pennsylvania

**Description:** Employing more than 35,000 people who serve millions of Americans across the country, Highmark Health is the parent company of Highmark Inc., Allegheny Health Network (AHN), and other businesses. Highmark Inc. and its subsidiaries and affiliates provide health insurance to more than 6 million members in Pennsylvania, West Virginia, Delaware, and New York, as well as dental insurance and related health products through a national network of diversified businesses.

Highmark Health’s other subsidiaries and affiliates include AHN, a health care delivery network that has more than 300 clinical facilities, including hospitals throughout western Pennsylvania and one in western New York; Health + Wellness Pavilions; a comprehensive research institute; ambulatory surgery centers; an employed physician organization; home- and community-based health services; a group purchasing organization; and nearly 2,600 physicians on its medical staff. Also included is HM Health Solutions, Inc., an information technology business focused on meeting the information technology platform and other business needs of the Highmark Health enterprise, as well as unaffiliated health insurance plans, by providing proven business processes, expert knowledge, and integrated cloud-based platforms.

**Mission:** To create a remarkable health experience, freeing people to be their best

**Number of Employees:** 35,000+ across the organization

**Leadership:** David L. Holmberg, president and chief executive officer

**2020 Consolidated Revenues:** \$18 billion

[highmarkhealth.org](http://highmarkhealth.org)



**Headquarters:**

- Highmark Inc., doing business as Highmark Blue Cross Blue Shield in the 42 counties of western and northeastern Pennsylvania and as Highmark Blue Shield elsewhere in the state — Pittsburgh, Pennsylvania
- Highmark West Virginia Inc., doing business as Highmark Blue Cross Blue Shield West Virginia — Parkersburg, West Virginia
- Highmark BCBSD Inc., doing business as Highmark Blue Cross Blue Shield Delaware — Wilmington, Delaware
- Highmark Western and Northeastern New York, doing business as Highmark Blue Cross Blue Shield of Western New York and Highmark Blue Shield of Northeastern New York — Buffalo, New York

**Description:** An independent licensee of the Blue Cross Blue Shield Association, Highmark Inc., together with its Blue-branded affiliates, collectively comprise the fourth-largest overall Blue Cross Blue Shield-affiliated organization in the country.

**Customers:** Consumers, businesses, and government entities

**Products and Services:** Individual and group health insurance; Medicare Advantage plans for seniors

**Brands Offered:** Blue Cross Blue Shield and/or Blue Shield

**Geographic Service Area:** Pennsylvania, West Virginia, Delaware, and New York

**Number of Employees:** Approximately 7,800

**Leadership:** Deborah L. Rice-Johnson, president, Highmark Inc.

[highmark.com](http://highmark.com)



**Headquarters:** Pittsburgh, Pennsylvania

**Description:** Allegheny Health Network is a \$3.6 billion health and wellness organization that has more than 300 clinical facilities, including hospitals throughout western Pennsylvania and one in western New York; Health + Wellness Pavilions; a comprehensive research institute; ambulatory surgery centers; an employed physician organization; home- and community-based health services; a group purchasing organization; and nearly 2,600 affiliated physicians. While AHN began operations in 2013, AHN’s member hospitals share legacies of charitable care that date back more than 160 years.

**Customers:** Patients

**Products and Services:** Integrated health care delivery, health care research, medical education, wellness services

**Brands Offered:** Allegheny Health Network, Allegheny General Hospital, Allegheny Valley Hospital, Canonsburg Hospital, Forbes Hospital, AHN Grove City, Jefferson Hospital, Saint Vincent Hospital, West Penn Hospital, Westfield Memorial Hospital, AHN McCandless, AHN Hempfield, AHN Brentwood, and AHN Harmar

**Geographic Service Area:** Western Pennsylvania and portions of New York, Ohio, and West Virginia

**Number of Employees:** 21,000

**Leadership:** Cynthia D. Hundorfean, president and chief executive officer, Allegheny Health Network

[ahn.org](http://ahn.org)





**Headquarters:** Pittsburgh, Pennsylvania

**Description:** HM Health Solutions Inc. (HMHS) delivers business solutions to health plan payers so they can run their organizations more efficiently in a competitive and ever-changing market. By offering leading technology and industry expertise, HMHS meets the many operational needs of health plan payers. A wholly owned subsidiary of Highmark Health, HMHS is partnered with 12 health plans serving more than 10 million members.

**Customers:** Health plans

**Products and Services:** Advanced, end-to-end health insurance solutions, including the Enterprise Health Solution and HM Document Solutions

**Geographic Service Area:** Global

**Number of Employees:** 3,000

**Leadership:** Mick Malec, president, HM Health Solutions Inc., and enterprise technology officer, Highmark Health

[hmhs.com](http://hmhs.com)



**Headquarters:** Pittsburgh, Pennsylvania

**Description:** HM Home & Community Services LLC, doing business as Helion, is one of Highmark Health’s subsidiaries. It specializes in population health management solutions that benefit payers, providers, and customers.

**Customers:** Health care organizations accountable for managing populations in home and community settings, including integrated delivery and financing systems, health plans, accountable care organizations, hospitals, and health systems

**Products and Services:** HM Home & Community Services LLC, doing business as Helion, provides health care organizations that are accountable for managing populations in home and community settings with customized solutions for the entire episode of care. These solutions uniquely focus on collaboration, evidence-based pathways of care, automation, innovation, and value-based incentives to transform the networks of skilled nursing facilities and home health agencies, enabling a higher level of performance, lower cost, better health outcomes, and a better patient experience.

**Leadership:** Monique Reese, DNP, ARNP, FNP, senior vice president, Home and Community Care, Highmark Health

[helion.health](http://helion.health)



**Headquarters:** Pittsburgh, Pennsylvania

**Description:** HM Insurance Group works to protect businesses and their employees from the financial risks associated with catastrophic health care costs. The companies in the group provide reinsurance solutions that address risk situations confronting employers, providers, and payers. A recognized leader in employer stop loss, HM also offers managed care reinsurance nationally.

**Customers:** Benefits brokers, consultants, and third-party administrators on behalf of group policyholders; HMOs, health plans, and provider organizations

**Products and Services:** Stop Loss and Managed Care Reinsurance

**Geographic Service Area:** National

**Number of Employees:** 325

**Leadership:** Mark Lawrence, president, HM Insurance Group

[hmig.com](http://hmig.com)



**Headquarters:** Harrisburg, Pennsylvania

**Description:** United Concordia Companies, Inc. and its subsidiaries — collectively referred to as United Concordia Dental — is a leading dental solutions organization that delivers access to high-quality, cost-effective dental care through its network of 126,000 unique dentists across 398,000 access points.

**Customers:** Consumers, businesses, and government organizations

**Products and Services:** Dental solutions, including insurance products and services

**Brands Offered:** Concordia Preferred (PPO), Concordia Flex (PPO), Concordia Plus (DHMO), Smile for Health® Value Plan

**Geographic Service Area:** All 50 states, the District of Columbia, and Puerto Rico

**Number of Employees:** 1,000

**Leadership:** Tim Constantine, president and chief executive officer, United Concordia Dental

[unitedconcordia.com](http://unitedconcordia.com)

# Enterprise Fast Facts

TO LEARN MORE, VISIT [highmarkhealth.org/annualreport2020](https://highmarkhealth.org/annualreport2020)



## \$18B OPERATING REVENUE

**\$18 billion** — Operating revenue in 2020



## MORE THAN \$750M IN COMMUNITY INVESTMENT

In 2020, Highmark Health and its subsidiaries and affiliates invested more than **\$750 million** to support customers, providers, and communities during the pandemic.



## FOURTH-LARGEST BCBS-AFFILIATED ORGANIZATION

An independent licensee of the Blue Cross Blue Shield Association, Highmark Inc., together with its Blue-branded affiliates, collectively comprise the **fourth-largest** overall Blue Cross Blue Shield-affiliated organization in the country.



## 188 MILLION CLAIMS PROCESSED

The Health Plans are supported by more than 92,200 in-network physicians; in 2020, the Health Plans processed more than **188 million claims** on behalf of customers.



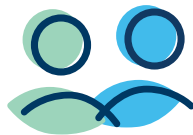
## 500,000 TELEHEALTH ENCOUNTERS

To meet increased patient demand during COVID-19 for virtual medicine and online care, in 2020, AHN carried out nearly **500,000 telehealth encounters**.



## 107,000 COVID-19 TESTS

In 2020, AHN administered about **107,000 COVID-19 tests**.



## 10 MILLION MEMBERS

HMHS serviced more than **10 million members** of separate health plans via the Enterprise Health Solution.



## 64 CLAIMS OF MORE THAN \$1M

In 2020, HM Insurance Group paid out \$541.1 million in total claims, including **64 claims of more than \$1 million**.



## 9.1M MEMBERS

United Concordia Dental has **9.1 million members** and more than 22,000 commercial clients.