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# Highmark Health Year-End 2020 Financials

*For Public Release*

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# Highmark Health invested >\$750M this year in support of members, providers, and the communities we serve



## Increasing Coverage / Benefits for Members

*Expanded telehealth, testing coverage, premium credits, and waived co-pays for COVID inpatient care*

**~\$300M**



## Provider & Local Community Support

*Advance incentive payments to providers, community grants to local organizations, and provider COVID relief payments*

**~\$320M**



## Fostering Dental Provider & Community Safety

*Assistance with payment for dental PPE and premium credits for dental clients*

**~\$40M**



## AHN Readiness/ Response Spending

*Enhancing AHN capacity, testing accessibility, and safety protocols to ensure patient wellbeing during pandemic*

**~\$115M**

# Hope on the Horizon: Vaccine Distribution

Allegheny Health Network administered more than 196k doses of the vaccine.\*

*“We believe these are the largest single-day vaccinations since the 50s in Pittsburgh. **We can do this anytime, anywhere.** Give us the vaccine and we can get it to literally tens of thousands of people.”*  
- David Holmberg

AHN hosted **COVID-19 vaccination clinics** for **>55,000** high-risk patients\*:

- PNC Park
- Dick’s Sporting Goods Corporate Office
- Monroeville Convention Center
- Erie Insurance Arena
- Jefferson Hospital
- Allegheny Valley Hospital
- Senior High Rise Units

\*as of March 22, 2021



# Investing in community access across the footprint



Opened Hempfield, McCandless, Brentwood, and Harmar Neighborhood Hospitals. AHN Wexford Hospital scheduled to open Fall 2021.

## Virtual health transition expanded access:

- ~500k AHN virtual visits  $\uparrow$ 5000% vs. 2019
- **Mercy Virtual:** established a total of **64 virtual ICU beds** across 4 of our community hospitals



Activated **mobile units** for COVID-19 testing and doctor's office on wheels to ensure all communities in the region had access to quality health care.

# Highmark Health financial results met expectations...

...fueling a commitment to keep patients, members, and employees safe & healthy.

## Financial Results

**~\$18B**  
OPERATING REVENUE



~\$14B Insurance  
~\$4B Provider



**\$490M**  
OPERATING MARGIN\*

**\$450M**  
EXCESS REVENUE OVER EXPENSES\*

\*Excluding a one-time gain



## ENABLED COMMUNITY INVESTMENT

*Financial results enabled us to invest in the community to ensure our members, providers, and the communities we serve were safe through the pandemic.*

## Balance Sheet



**~\$11B**  
CASH + INVESTMENTS

\$1.7B  
DEBT

**16%**  
DEBT-TO-CAPITAL

\$10.5B  
CAPITAL + DEBT



**>\$750M**

# Highmark Health is one of the largest and most diverse health organizations in the country

Highmark Health Plan is the largest health insurer in PA, WV and DE

...and welcomes HealthNow of NY into the Highmark family!

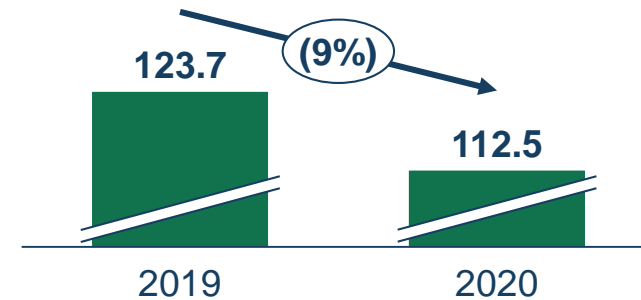
Business Line	Lives Under Contract*
Core Health Plan & BlueCard	5.6M
Core HealthNow & BlueCard	1.1M
HM Health Solutions <i>Excl. Health Plan lives</i>	5.1M
UCD / HMIG / Other Ancillary	17.6M
<b>TOTAL</b>	<b>~29M</b>

Highmark Medicare Advantage plan rated #1 by JD Power

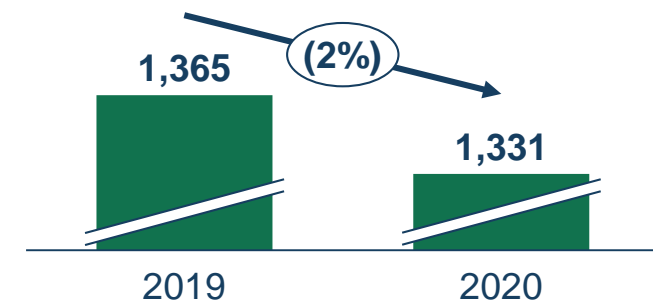
\*Enrollment as of Jan-21

Allegheny Health Network experienced COVID-19 related volume impact.

Discharges and Observations (000s)



Outpatient Registrations (000s)



# Highmark Health Plan

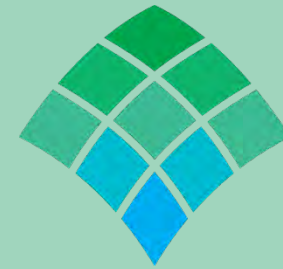
## Strong operating performance and continued growth

- **HealthNow** affiliation unites Blue Cross Blue Shield plans to serve DE, PA, WV, and Western and Northeastern NY.
- **Commercial market share leader** in all core markets and retained **93% of commercial membership despite COVID-19** impact on employment levels
- Continued **growth in High Performing Network Products**
- Continuing to **pass savings on to our members** through **smaller premium increases – or even decreases** in the ACA market



# Allegheny Health Network

- **AHN volumes under pressure due to COVID; telehealth has grown dramatically and in-person volumes are still rebounding**
- **(\$136M)** operating loss, a decrease of **(\$180M)** from 2019 mainly due to COVID-19 impact
- Inpatient Discharges + Observations ↓(9%), Outpatient Registrations ↓(2%), Physician Visits ↓(7%) vs. 2019
- AHN surgical volumes rebounding to pre-COVID levels in recent weeks
- Creation of **Heroes Appreciation Program** to help compensate AHN caregivers for personal sacrifices and extraordinary effort during pandemic
- Conducted **>370k home visits** to ensure patient safety and comfort during pandemic
- AHN administered **>196k COVID-19 vaccination doses** as of March 22, 2021



# AHN





# Diversified Businesses strengthen Highmark Health

Diversified Businesses contributed ~\$370M of combined operating earnings.

## UNITED CONCORDIA<sup>®</sup> DENTAL

- **6<sup>th</sup> largest** US dental company with more than **\$1.6B** in revenues
- **\$254M** Operating gain
- Licensed in **every state, DC, and PR** with **9M** members

## HM INSURANCE GROUP

- Net revenues of **~\$688M**
- **Operating gain of \$101M**
- Licensed in **every state and DC**

## HM Health Solutions

- Technology related revenues of **~\$700M**
- **Operating gain of ~\$14M** while making significant investment in platform capabilities
- Platform membership of **>10M** across numerous Blues plans

# Key Takeaways

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- Highmark Health has made the health and well being of its members, patients, and employees a priority by actively addressing COVID-19.
- Strong financial performance has enabled continued support of the provider system and our community.
- Highmark Health is well positioned to continue managing the pandemic and ensure members, patients, and employees receive the service and care they need.

