• Launched First Steps and Beyond, tackling health and well-being of African American parents and infants during delivery and through the first year after birth.
• Highmark West Virginia Charitable Fund for Health awards more than $600,000 in substance use disorder program grants.
• Stellar Health expanded value-based care initiative with Highmark Inc.
• Bridges Health Partners and Highmark Blue Cross Blue Shield announced value-based agreement.
• AHN launched online self-scheduling for primary care and certain specialty appointments.
• Partnership with Cedar to launch integrated payer-provider platform for Highmark Inc. and AHN customers.
• Announced collaboration with League and Google Cloud to build an interoperable, digital health platform (“digital front door”).
• AHN only western PA hospital system and one of 14 PA hospitals or health systems named “America’s Best Employer” by Forbes Magazine for 4th Consecutive year.
• AHN Montour Health + Sports Medicine Center opened.
• AHN launched mobile internal staffing model to improve nurse recruitment and retention.

*The Well360 Diabetes Management program is now available to most Highmark health insurance members who have been diagnosed with type 2 diabetes and are over 18 years of age.
Highmark Health Q3 YTD 2022 Financial Overview

**Financial Results**

- **$19.5B**
  - Operating Revenue

- **$594M**
  - Operating Margin

- **($268M)**
  - Net Income

- **~$287M**
  - Net Income excl. Unrealized Investment Impact

**Balance Sheet**

- **~$11B**
  - Cash and Investments

- **~18%**
  - Debt-to-Capital
## Highmark Health Membership

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Lives Under Contract*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Health Plan &amp; BlueCard</td>
<td>6.8M</td>
</tr>
<tr>
<td>enGen</td>
<td>5.1M</td>
</tr>
<tr>
<td>UCD, HMIG, and other ancillary</td>
<td>17.9M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>&gt;29M</strong></td>
</tr>
</tbody>
</table>

*Enrollment as of Jan-22

Highmark Health Plan remains the **largest health insurer** in Pennsylvania, Delaware, West Virginia, and western New York.
Business model diversity supports ongoing success

• **Highmark Health Plans**: Operating gain >$600M
• Positive performance driven by favorable claims performance and strong member enrollment
• 98% commercial membership retention

• **Allegheny Health Network**: EBITDA* ($1M), EBITDA (excluding unrealized investment impact) $108M, operating revenue $3.3B
• Addressing cost pressures related to labor shortage, supply chain and inflation.
• Inpatient discharges and observations down (1%), outpatient registrations up 12% (excluding YOY vaccination registrations), physician visits up 2%, ER visits up 10%, births up 6% vs. Q3 YTD 2021

*Earnings before Interest, Tax, Depreciation, and Amortization*
Diversified businesses strengthen Highmark Health

Diversified businesses contributed >$150M of combined operating earnings.

- **UNITED CONCORDIA DENTAL**
  - Ranks among the top 10 dental companies in the US with $1.2B in revenue
  - $103M operating margin
  - Licensed in every state, DC, and PR with >9M members

- **HMO INSURANCE GROUP**
  - Net Revenue of $674M
  - Operating margin of $51M
  - Licensed in every state and DC

- **enGen**
  - Technology related revenue of ~$800M
  - Strong operating margin while making investments in platform capabilities
  - Platform membership of ~11M across numerous Blues plans

Diversified businesses contributed >$150M of combined operating earnings.
Key Takeaways

• Highmark Health’s diversified business model is key to our financial strength and stability.

• Equity portfolio performance, supply chain challenges, inflation, and high labor costs remain headwinds for organization, especially Allegheny Health Network.

• Our strong financial performance supports our provider system, strengthens our remarkable member experience and allows us to invest in our Living Health model.