
Highmark Health

3rd Quarter 2023 Financials

For Public Release



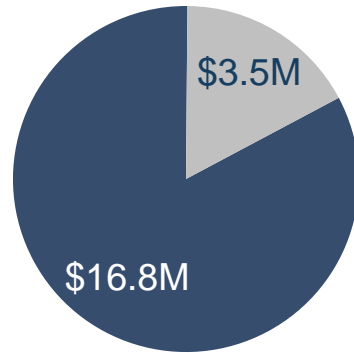
November 29, 2023

Highmark Health Q3 2023 Financial Overview

Financial Results

~\$20.3B
Operating Revenue

\$406M
Operating Gain



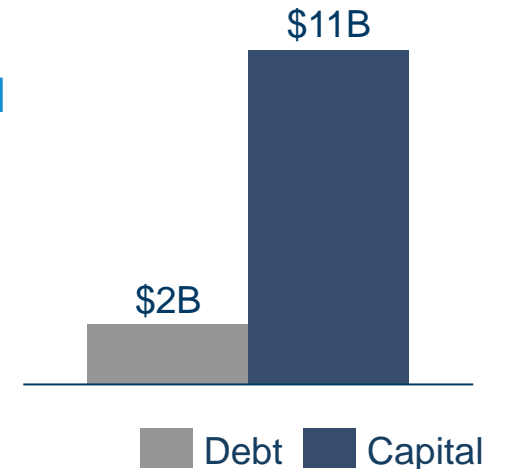
■ Insurance
■ Provider

\$431M
Net Income

Balance Sheet

~\$11B
Cash and Investments

~18%
Debt-to-Capital



Highmark Health membership* at-a-glance

Highmark Health Plans remain the **largest health insurer** in Pennsylvania, Delaware, West Virginia, and western New York.

- **Core Health Plan and BlueCard** membership 7 million.
- **United Concordia Dental** is the **6th largest dental company** in the United States with **>9M members** and licensed in **every state, the District of Columbia, and Puerto Rico**
- **HM Insurance Group** is the **9th largest stop loss business** in the United States and licensed in every state and the District of Columbia
- **enGen** platform provides IT and customer support services to numerous Blues plans



**Membership reported for January 2023.*

Business model diversity supports ongoing success



Highmark Health Plans: Operating gain ~\$430M

- Strong financial performance driven by strong annual membership.
- Increased claims utilization; insurer remains committed to ensuring members have access to the care they need.

Allegheny Health Network:

- EBITDA* \$64M
- Operating revenue ~\$3.5B
- Volume improvements in most areas as patient return to hospitals post pandemic.
- Consistent with industry and Highmark Health enterprise, provider system addressing ongoing cost pressures related to supply chain and inflation.
- Inpatient discharges and observations up 7%, outpatient registrations up 5%, physician visits up 4%, ER visits up 6%, births down 1% vs. Q3 YTD 2022



Diversified businesses strengthen Highmark Health

UNITED CONCORDIA®
DENTAL

- **>\$1.2B net revenue**
- **\$74M operating gain**
- Strong revenue due to solid results across both commercial and government lines of business

HM INSURANCE
GROUP

- **\$745M net revenue**
- **\$52M operating gain**
- Delivers strong revenue due to stop loss product performance

 enGen

- **~\$850M technology related revenue**
- **Solid operating gain** while investing in product evolution and platform modernization
- Strong revenue driven by higher platform enrollment and lower administrative costs driven by labor mix optimization

Key Takeaways

- Highmark Health experienced solid financial performance for the first nine months of 2023, strengthened by increased annual health plan membership and AHN patient volumes.
- Our diversified operating model is key to our financial strength and stability.
- Staffing challenges and inflation remain headwinds for organization.
- Our strong financial performance supports our strategy, strengthens our remarkable member experience and allows us to invest in our Living Health model.

