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# Highmark Health Year-End/Q4 2024 Financials

For Public Release

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March 13, 2025

# Highmark Health 2024 Strategic Overview



## Quality

### 2025 Annual Star Ratings

- 100% of MA members are enrolled in a 4+ Star plan
- Highmark's PA HMO is one of only seven 5 Star rated plans in the U.S.

### AHN and Highmark health plan launched one of the largest shared risk programs in the country

- ~350K WPA lives are covered under the new payment model

**Allegheny General Hospital earned Magnet designation** for nursing excellence from the American Nurses Credentialing Center

5 AHN hospitals earned "A" Grades in **The Leapfrog Group's** national report.



## Access and Growth

**Expanded Highmark Health Plan into southeastern Pennsylvania**, adding >70,000 members and offering MA products

**Highmark Health Options WV**- the state's newest MCO and first BCBS branded MCO to serve West Virginians launched

**57K new Medicare Advantage (MA) members** (Group MA retention ~99%) and **37K new ACA members** (>100K increase 2022-25)

**Together Blue** most affordable and popular ACA plan in Western PA

**CivicaScript** lowered prescription costs for Highmark members by ~\$6M across our entire book of business

**\$5M commitment** to create the **Mario Lemieux Center for Heart Rhythm Care** at AGH

**AHN announced a \$1B investment in the AGH campus** as part of a 10-year development plan

**Invested >\$53M in our communities, ~\$200M of uncompensated care at AHN, and \$645M of capital investments**



## Operational Excellence and Living Health Progress

**AHN recorded ~4M physician visits in 2024** - highest number since the network was created in 2013

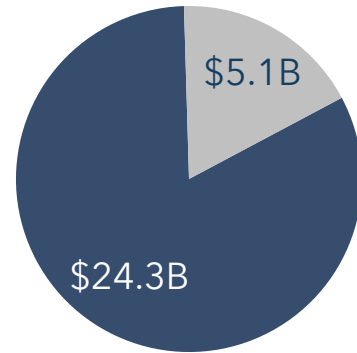
### Increased digital/virtual health options:

- **MyHighmark** digital experience -- 1.1M members activated on platform
- **Virtual Joint Health powered by Sword Health** -- 36K members enrolled; 92% engagement rate; \$112 PMPM cost savings
- **Mental Well Being** launched to 2.3M eligible Highmark Health Plan members
  - Appointments available in 5 days or less
  - Members achieved remission of depression symptoms 3x faster than national average
  - 4/5 users engaged in mental health care for first time in >1 year

# Highmark Health Year-End 2024 Consolidated Financials

## Financial Results

**\$29.4B**  
Operating Revenue



Insurance  
Provider

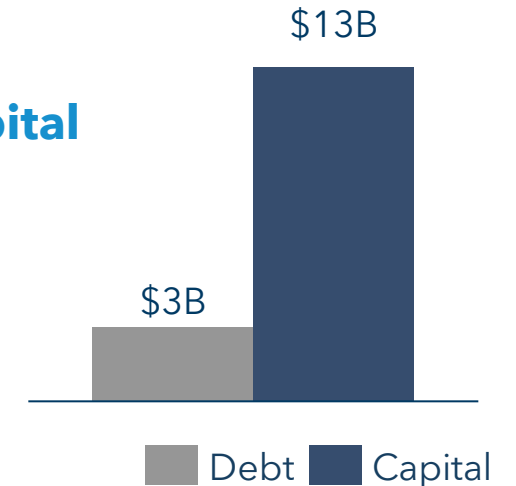
**(\$209M)**  
Operating Margin

**\$50M**  
Net Income

## Balance Sheet

**\$11.7B**  
Cash and Investments

**22%**  
Debt-to-Capital



# Highmark Health Membership\* Strength

Our Highmark Health Plan remains the **largest health insurer** in Pennsylvania, Delaware, West Virginia, and western New York.

- **Core Health Plan and BlueCard** membership 7.1M
- **United Concordia Dental** is a **top 10 largest dental company** in the US with **>10M global members** and licensed in **every state, the District of Columbia, and Puerto Rico**
- **HM Insurance Group** is a **top 10 largest stop-loss business** in the US and licensed in **every state and the District of Columbia.**
- **enGen** platform provides IT and customer support services to numerous Blues plans.

\*Membership reported as of January 2025.





# Highmark Health Plans

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**\$22B operating revenue**  
**(\$166M) operating margin**

- **Challenging performance** driven by industrywide headwinds in multiple categories.
- Higher pharmaceutical costs, including GLP-1 medications, contributing to medical cost trends
- Government business performance experiences challenges from utilization trends and ongoing Medicaid redeterminations impact
- 93% commercial **membership retention** in western PA
- Success in **southeastern PA** market entry; launching Medicare Advantage products in 2025
- Launched first BCBS-branded Medicaid product in West Virginia, **Highmark Health Options**



# Allegheny Health Network

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**\$5.1B operating revenue**

**\$115M EBITDA\***

**(\$147) operating margin**

- **Improvement in year-over-year revenue and margin** driven by increased clinical access and investments in clinical employees.
  - Moving more nursing staff to full-time employees, reducing dependence on high-cost agency staffing
  - Evolving clinical care model to ensure the right level of care for patient needs.
- **Investments** made in network access coupled with **increased clinical staff** led to ability to handle **increased patient volumes**.
- **Increased patient volumes year-over-year:** inpatient discharges and observations up 3%, outpatient registrations up 6%, physician visits up 5%, ER visits up 5% vs. 2023

\* Earnings before interest, taxes, depreciation and amortization





# Diversified businesses strengthen Highmark Health



United **Concordia**  
dental<sup>SM</sup>

**\$1.7B operating revenue**  
**\$105M operating margin**

- Strong 6% margins are consistent with prior year and driven by record enrollment



**HM** Insurance  
Group

**\$1.2B operating revenue**  
**\$56M operating margin**

- Solid ~5% margins are consistent with 2023 and due to strong top-line growth and favorable risk selection



 enGen

**\$1.2B operating revenue**

- Financial results driven by steady platform enrollment



# Key Takeaways

- Highmark Health faced **challenging industrywide headwinds** in 2024 which will linger into 2025, particularly impacting our Highmark Health Plans.
- **Overall membership and operating revenue increased**, but operating margin decreased due to medical cost trends.
- Our **diversified operating model** and **strong balance sheet** put us in a good position to weather this down cycle.
- Despite this challenging environment, we **continue to invest in and support our strategy** and invest in our Living Health model, creating value for the members and communities we serve.

