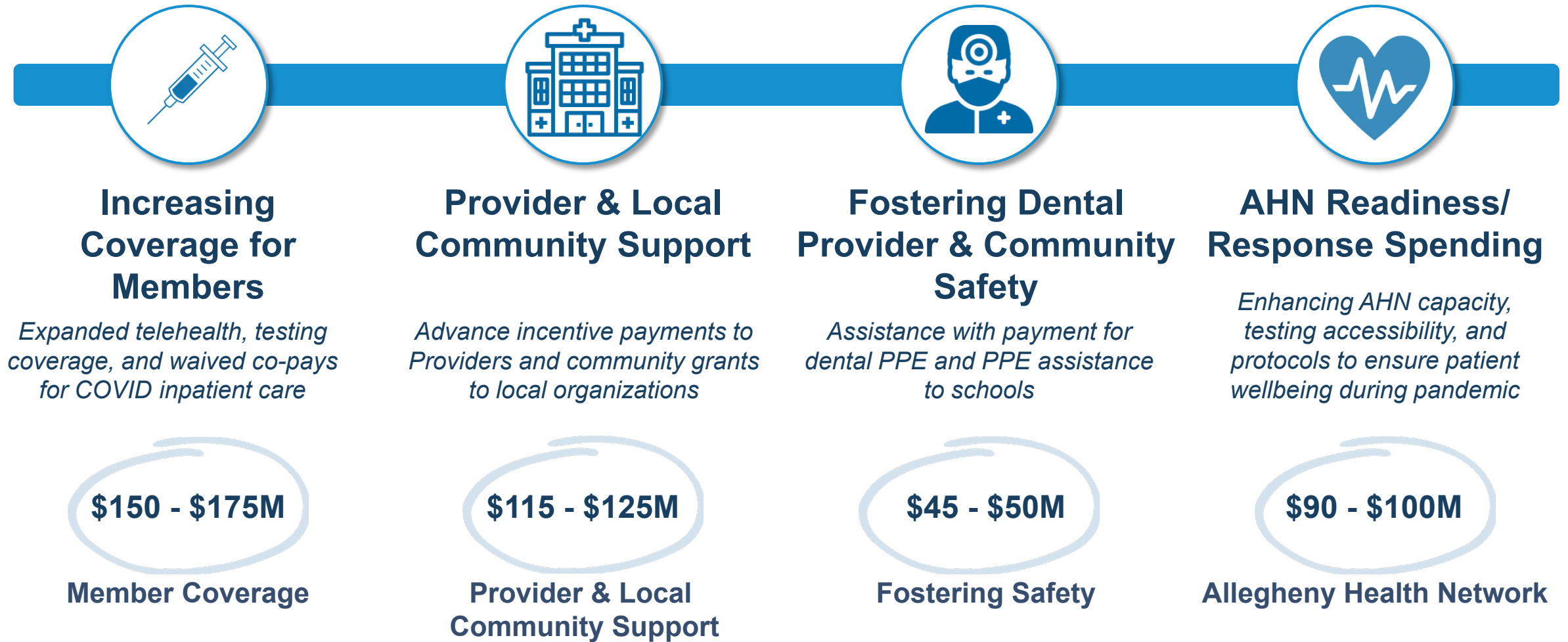

Highmark Health Mid-Year 2020 Financials

For Public Release



Highmark Health invested ~\$260M through June 2020 on COVID-19 related expenses; expects to invest ~\$450M by year-end



Investing in community access across the footprint



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

State-of-the-art Academic Center at AGH opened in July. Opened **5 Community Cancer Centers** over the past year.



Central PA partner location expansion and new locations (Lime Spring Outpatient Center, Hampden Hospital).

Partnering to make a difference

Growth



Affiliation



PennState Health

Geisinger



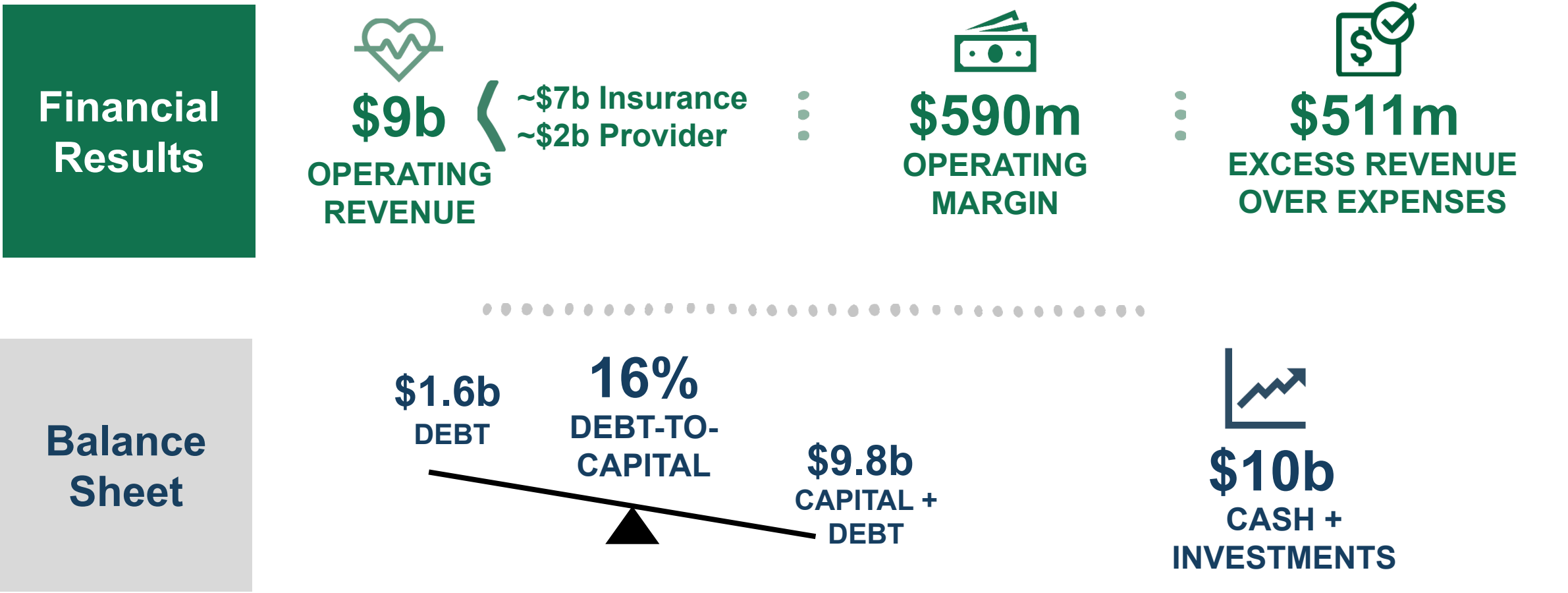
Pending regulatory approval.



JOHNS HOPKINS
M E D I C I N E

In the first half of 2020, Highmark Health financial results met expectations...

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



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

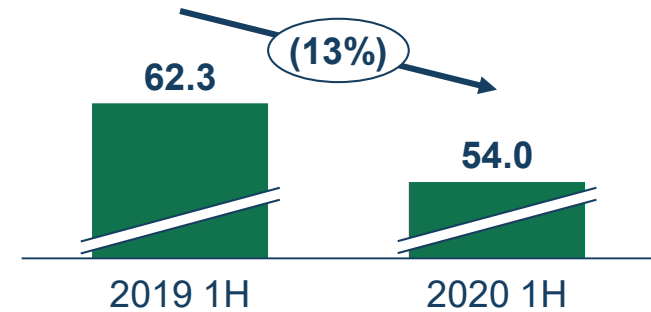
Highmark Health Plan remains the largest health insurer in PA, WV and DE.

Business Line	Lives under Contract
Core Health Plan & Bluecard	5.6m
UCD / HMIG / Other Ancillary	18.9m
HM Health Solutions <small>excludes Health Plan lives</small>	5.2m
TOTAL	~29m

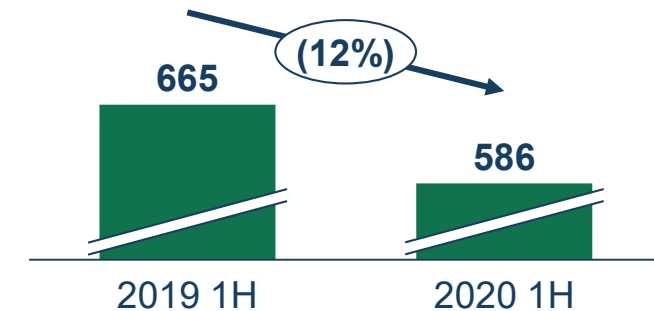
↑ **Core Health Plan Enrollment growth
~2% since December 2019**

Allegheny Health Network experienced COVID-19 related volume impact...

Discharges and Observations (000s)



Outpatient Registrations (000s)



... but volume has almost returned to pre-COVID-19 levels.

Highmark Health Plan

Strong Operating Performance
Largest Health Insurer in 3 States

- **5.6 million** core members across all markets
- **Commercial market share leader** in all core markets and retained **98% of commercial membership** YTD
- Strong **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 returning.**
- **(\$116m)** operating loss, a decrease of **(\$136m)** from 1H 2019
- Inpatient Discharges + Observations ↓(13%), Outpatient Registrations ↓ (12%), Physician Visits ↓(12%) vs. 2019 1H
- IP acute volumes recovered to 91% of baseline in June, OP same day surgeries were 97% of baseline in June
- Dramatic increase in Telehealth and video visits – from approximately 50/week (pre COVID) to ~20,000/week at peak
- Creation of **Heroes Appreciation Program** to help compensate AHN caregivers for personal sacrifices and extraordinary effort during pandemic



Affiliated Businesses



Affiliated Businesses contributed over \$200M of Combined Operating Earnings

UNITED CONCORDIA[®] DENTAL

- **\$193m Operating gain**
- **7th largest** US dental company with more than **\$775m in revenues**
- Licensed in **every state, DC, and PR** with **9m members**

HM INSURANCE GROUP

- **Operating gain of \$32m**
- Net **revenues of ~\$350m**
- Licensed in **every state and DC**

HM Health Solutions

- Operating loss ~(\$9m) while making significant **investment in platform capabilities**
- Technology related **revenues of ~\$350m**
- Platform membership of **~10m** across numerous Blues plans

*Dental results include United Concordia Dental and Blue Branded Dental.

Key Takeaways

- 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.

