Strategy in Action: Access, Partnerships and Living Health

• 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](https://www.ahn.org) launched **online self-scheduling** for primary care and certain specialty appointments.

• Partnership with [Cedar](https://cedar.health) to launch integrated payer-provider platform for Highmark Inc. and AHN customers.

• Announced [collaboration with League and Google Cloud](https://cloud.google.com) to build an interoperable, digital health platform (“digital front door”).

• [AHN](https://www.ahn.org) 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](https://www.montourhealth.org) opened.

• [AHN](https://www.ahn.org) launched [mobile internal staffing model](https://www.ahn.org) 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
- **$2B** Operating Revenue
- **$16B** Net Income excl. Unrealized Investment Impact

Balance Sheet

- **~$11B** Cash and Investments
- **~18%** Debt-to-Capital

- **$19.5B** Insurance
- **$3B** Provider
- **$11B** Capital
Highmark Health Plan remains the largest health insurer in Pennsylvania, Delaware, West Virginia, and western New York.

### 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, HMI, 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 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

**HM 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
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.