

FINANCIAL RESULTS AND SYSTEM HIGHLIGHTS CALENDAR YEAR 2020

FEBRUARY 26, 2021

UPMC
LIFE CHANGING MEDICINE

SUMMARY

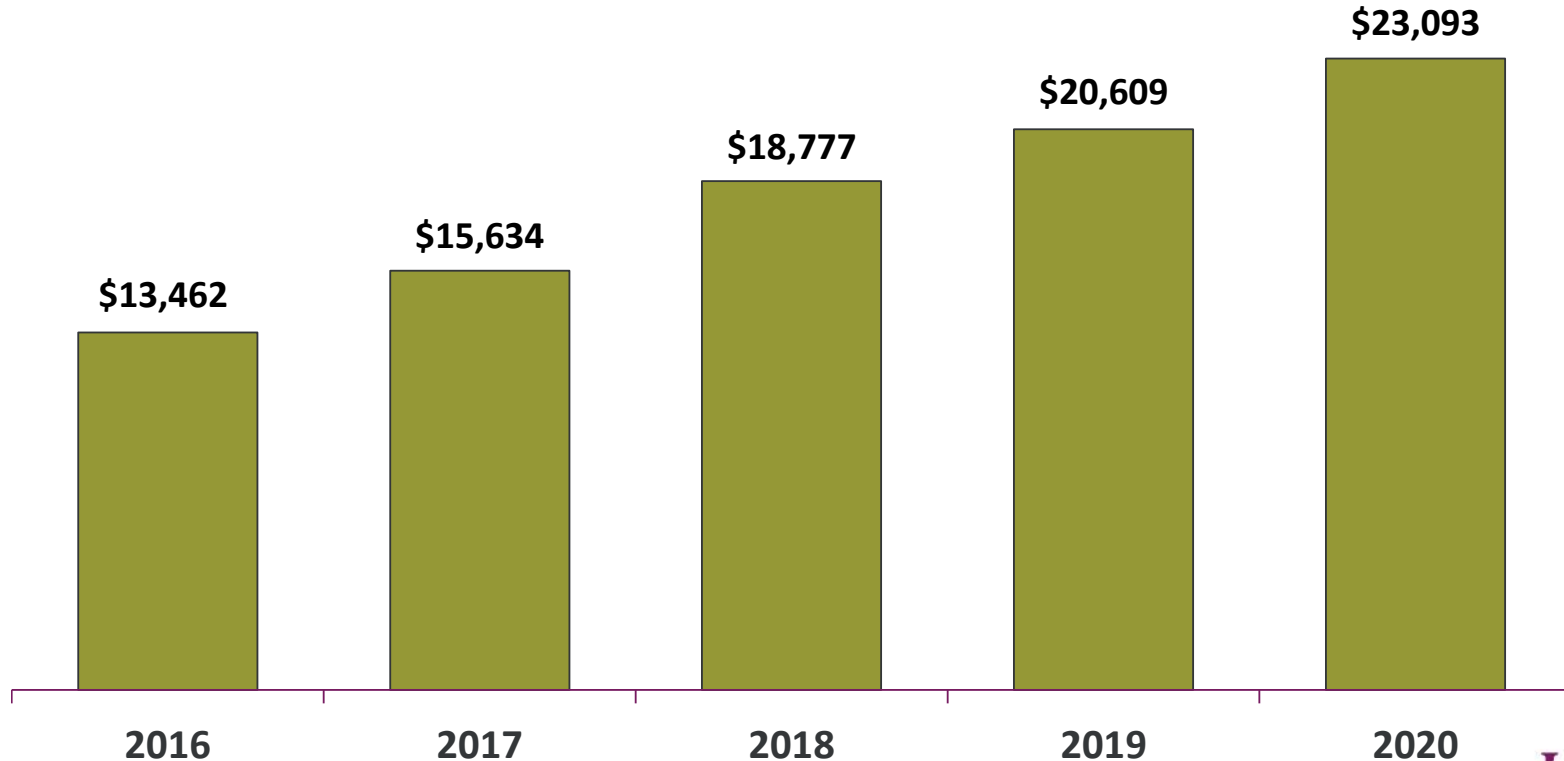
- UPMC remains strongly positioned as the region's **most preferred provider** and **most preferred insurer** best serving the needs of patients, members, businesses, and our communities during challenging times
- The largest medical insurer in western PA totaling **4 million members**, with among the lowest-cost products in the nation
- Continuing substantial reinvestment in the region and beyond
 - **\$865 million** in capital expenditures to enhance facilities and ensure continued quality of care

UPMC OVERVIEW

- Operating income of **\$836 million** needed to run operations, fund capital expenditures and create new programs
 - UPMC Health Plan membership **↑11%**
 - Outpatient revenue **↓3%**
 - Physician revenue **↓5%**
 - Admissions and observations **↓10%**
- **\$9.9 billion** cash and investments provides for long-term sustainability
 - Value rises and falls based on market conditions
 - UPMC's calendar year return **↑9.4%**

UPMC OPERATING REVENUE

Calendar Years Ended December 31 (Dollars in Millions)



UPMC HEALTH INSURANCE PRODUCTS GROWING

UPMC Insurance Services Membership CY 2020 vs. 2019:

By the Numbers:

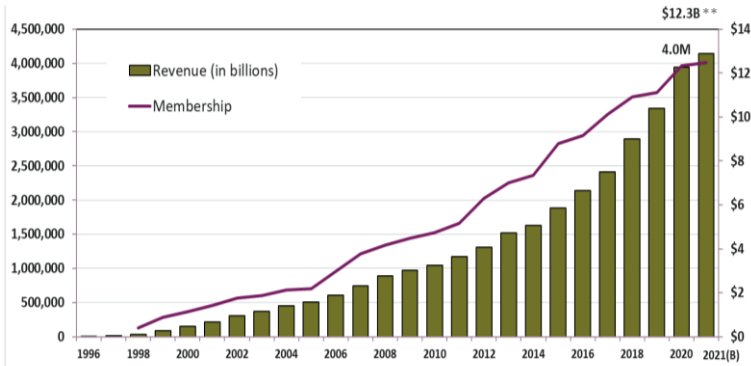
Membership CY 2020 vs. CY 2019 11%↑, ~4 million members

Employer Groups Offering UPMC Health Plan 7%↑

Government Products (Medicare, Medicaid, CHC) 17%↑

Workpartners National Client Membership 16%↑

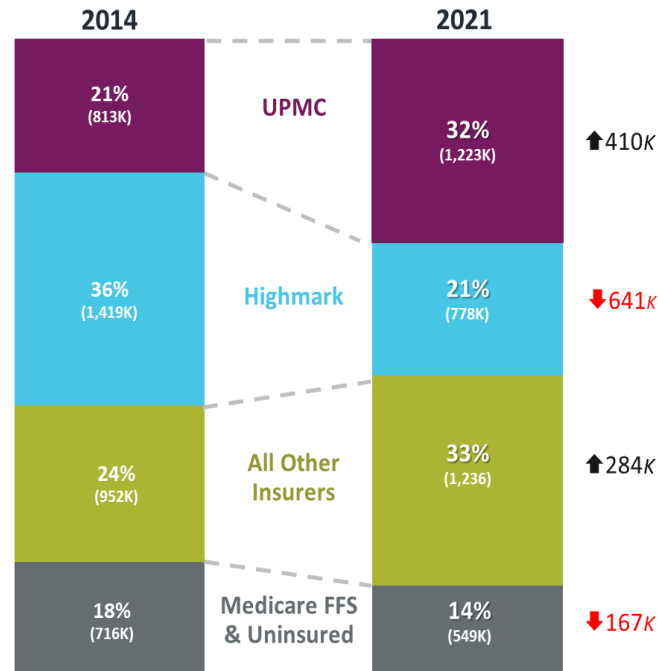
Revenue Growth (YOY): Grew top line revenue for CY 2020 to \$12.3 billion, adding more than \$1.79 billion YOY.



*December 2020

** Total Revenue

UPMC Largest Insurance Market Share WPA*



Total population 29-county western PA region

2014 = 3.90M; 2021 = 3.79M

Sources: CMS / PA DHS & DPW / Health Leaders / US Census / UPMC Enrollment

*February 2021

What is Community HealthChoices?

Community HealthChoices (CHC): Pennsylvania Department of Human Services program that contracts with managed care organizations to coordinate care for all adults who are dually eligible for Medicare and Medicaid services. This includes coordinating physical health care and Long-Term Services and Supports (LTSS) for people who are nursing home ***eligible but living in the community*** or ***residing in nursing home facilities***.

Program Goals: **Assisting people to live or work in the setting of their choice including their home, residential setting or nursing facility:** Focuses on restoring participants functional independence – not just treating their medical needs. Embodies whole-person care and support with broadened access beyond clinical care to housing, employment, and socialization services.

Programmatic Services :

Personal Assistance	Non-medical Transportation
Nursing Home Transition	Home and Vehicle Modification
Employment Supports	Adult Day Care
Education and Support	Care Planning and Coordination



Community HealthChoices Pennsylvania Program

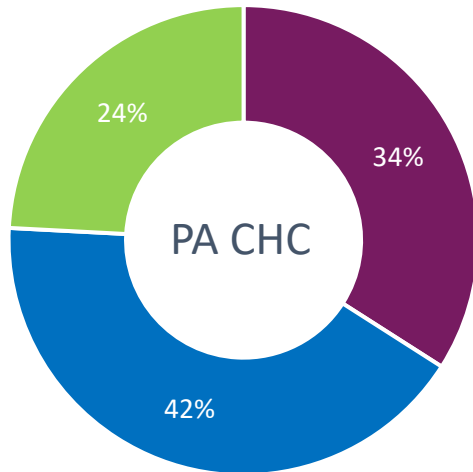


UPMC Community HealthChoices

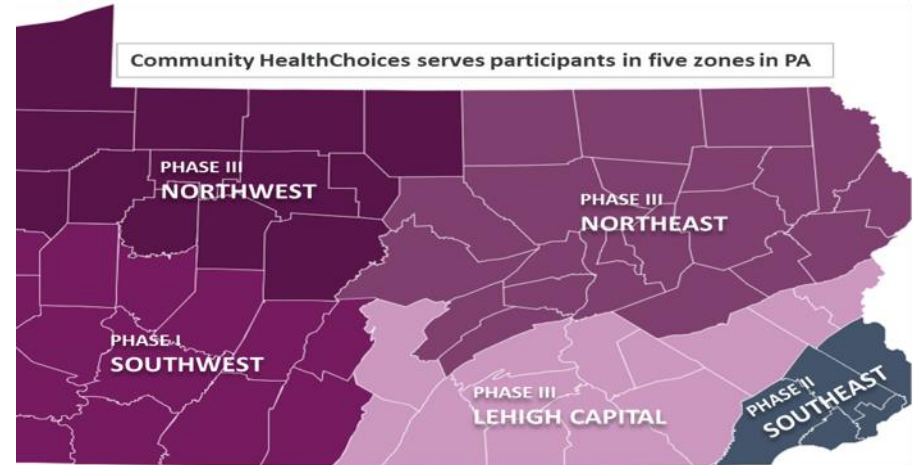
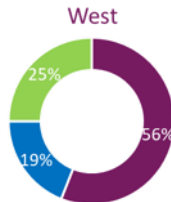
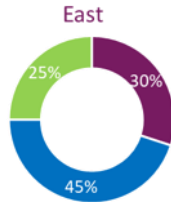
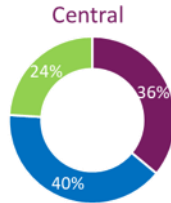


CHC covered 132,212 participants in Pennsylvania*

Statewide Market Share by MCO



- UPMC Community HealthChoices
- AmeriHealth Caritas/Keystone First (SE)
- PA Health & Wellness



*January 2021

Community HealthChoices Governor's Budget = \$11.8B (2021-2022)

NOTABLE AWARDS AND RECOGNITIONS

NCQA Star Ratings 2020

2018 Rating	2019 Rating*	2020 Accreditation Status**	Product Line	Plan
4.5	4.5	Accredited	Commercial	HMO/UPMC Health Plan, Inc.
4.5	4.5	Accredited	Commercial	HMO/UPMC Health Coverage, Inc.
4.5	4.5	Accredited	Commercial	HMO/UPMC Benefit Management Services, Inc.
4.0	4.0	Accredited	Commercial	PPO/UPMC Benefit Management Services, Inc.
4.0	4.0	Accredited	Commercial	PPO/UPMC Health Options, Inc.
4.0	4.0	Accredited	Medicare	HMO/UPMC Health Plan, Inc.
4.0	4.0	Accredited	Medicare	PPO/UPMC Health Network, Inc.
4.0	4.0	Accredited	Medicaid	UPMC For You
NA	NA	Accredited	Exchange	UPMC Health Options

UPMC named to the Ethisphere Institute's 2021 ***"World's Most Ethical Companies"*** (WMEC) list third straight year.

Ethisphere is the global Compliance & Ethics industry's most prestigious organizational award.



J.D. Power & Associates
- #1 in Commercial Member Satisfaction in WPA

J.D. Power Call Center Certification



Grand Stevie Award Winner 2021

Out of 2,300 nominations from organizations in 50 different countries, **UPMC Health Plan** awarded Top 10 Grand Stevie Awards winner for Sales and Customer Service 2021. We are in great company with IBM, DHL and seven others.



UPMC Health Plan & Community Care Behavioral Health earn distinction ***"The Best Place to Work for LGBTQ Equality"*** from the Human Rights Campaign Foundation's 2020 Corporate Equality Index.



icmi GLOBAL CONTACT CENTER AWARDS

PEOPLE'S CHOICE STEVIE AWARDS
FOR FAVORITE CUSTOMER SERVICE
2020 WINNER

CCW EXCELLENCE AWARDS



UPMC Employer Awarded National Business Group on Health Platinum Award



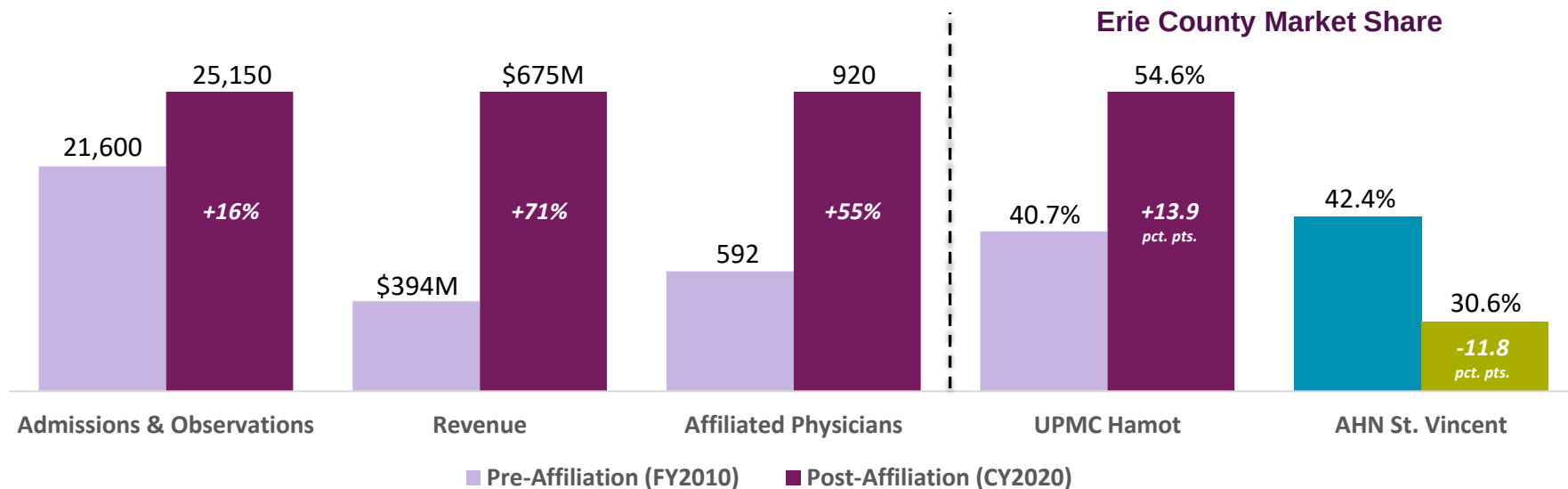
UPMC HAMOT



More complex care delivered locally, bolstering UPMC Hamot as tertiary care hub

UPMC HAMOT

10 Years of Growth and Improved Access to Tertiary Care



Local residents leaving Erie County for care: ↓12%

Patients coming from outside Erie County to UPMC Hamot for care: ↑56%

UPMC HAMOT

\$400 million invested since affiliation



Recruited 230 physicians and 98 advanced practice providers

Upgraded surgical suites and technologies as part of a **\$30 million renovation**

Grew a network of UPMC Magee-Womens Specialty Services OB/GYN practices across the region

Brought UPMC Children's Hospital of Pittsburgh **pediatric specialists to Erie**

Expanded women's and children's services at Magee-Womens, UPMC Hamot

UPMC HAMOT

\$400 million invested since affiliation



Extending UPMC Signature Specialty Services and Programs — Close to Home, Across the Erie Region

UPMC Hillman Cancer Center, Erie

UPMC Western Behavioral Health at Safe Harbor

Magee-Womens Research Institute, Erie

UPMC Jameson School of Nursing at UPMC Hamot

\$12 million new business operations center for UPMC Health Plan and UPMC hospital support services

UPMC HAMOT

Many “first” and “only” innovations over the past 10 years



First in the nation to use robotic bronchoscopy for early lung cancer detection

First UPMC kidney transplant center outside of Pittsburgh

Only Magnet® certified hospital in the region

Only Comprehensive Stroke Center in the area

UPMC HAMOT

Many “first” and “only” innovations over the past 10 years



First in the region to perform TAVR

First in the region to use WATCHMAN™ device

First to introduce cardiac MRI

Only two-time recipient of Emergency Department Lantern Award in UPMC system

UPMC HAMOT

New Patient Tower – Opened February 2021



A **\$111 million** investment for our community

Meets increasing critical care demand with **32 Cardiac Intensive Care Unit and Trauma-Neuro ICU beds** and **32 Medical ICU beds**

Positions UPMC Hamot for **continued growth as the tertiary care hub** for the entire region

Designed to preserve long-term, high-quality care for many years to come

UPMC HAMOT

New Patient Tower – Opened February 2021



Largest, most substantial construction project
in the hospital's history

Completed ahead of schedule with **credit to
our dedicated, expert teams**

**Expanded, staff-designed space to create
an exceptional experience** for patients and
support persons

Equipped with two additional floors of space
to meet future health care needs

UPMC Hamot

Caring for the Community

Providing Care for the Region

In Fiscal Year 2019, UPMC Hamot contributed **\$35 million** in community benefits and dedicated **\$14.1 million** of that amount to care for those without means to pay.

Supporting Programs that Enhance the Health of the Community

Many of these programs address health priorities identified in UPMC Hamot's Community Health Needs Assessment.

Fueling the Region's Economy

UPMC Hamot's annual economic impact to the region is **\$680.2 million**.



UPMC HAMOT: The Region's Tertiary Care Hub

Extending clinical expertise across an expanding region



We continue expanding advanced health care access in northwest Pennsylvania and southwest New York.

UPMC Kane extends UPMC Hamot's physician specialists and remotely delivered care and consultations via telemedicine.

UPMC Northwest in Seneca, PA, and **UPMC Chautauqua** in Jamestown, NY, benefit from Hamot specialty providers and on-site clinics.

UPMC Horizon in Greenville, PA, is advancing incredibly subspecialized **UPMC Heart and Vascular Institute** services — through UPMC Hamot providers and expertise.

UPMC HAMOT

Pioneering the UPMC community vaccine approach



UPMC's community vaccine pilot was designed and debuted by UPMC Hamot.

It targets Erie County **ZIP codes with the highest rates of COVID-19.**

And prioritizes by age – starting with age 90 and above – **because older age is the biggest predictor of death from COVID-19.**

This month, more than 12,000 of our Erie region's most vulnerable senior citizens have been vaccinated by UPMC.

UNIQUE POSITION OF EXCELLENCE IN EVERY HEALTH CARE SECTOR

Highly Evolved Integrated Delivery & Finance System (IDFS)

Top Quality Clinical Care Provider

- UPMC Presbyterian Shadyside nationally ranked in 11 specialties, UPMC Children's on Honor Roll of nation's Best Children's Hospitals



Cutting-Edge Academic Medical Center

- #6 in NIH grants with \$582M for research with Pitt
- Fourth largest program in U.S. with 1,800 residents and fellows



Expanding Insurance Services

- 2nd largest provider-owned Health Plan nationally
- Largest medical insurer in western PA
 - 4 million members
 - Only insurer in PA ranked by *U.S. News & World Report* - *Best Medicare Advantage Plans*
- State-wide Community HealthChoices initiative
- NCQA "Excellent" rating



Entrepreneurial & Business Enterprises

- TRANSLATIONAL SCIENCES
 - Accelerate application of scientific discoveries to deliver new models of care, narrowing the gap between bench and bedside
- DIGITAL SOLUTIONS
 - Connect entire health system with technology empowering clinicians and payers to provide patient-centered, high-quality, compassionate care at the lowest cost



Unmatched International Expertise

- Offering patients high-quality health care close to home
 - More than 20 years managing international hospitals and cancer centers
 - Clinical operations and collaborations in Italy, Ireland, China and Kazakhstan