

FINANCIAL RESULTS AND SYSTEM HIGHLIGHTS

2021 FIRST THREE MONTHS

MAY 28, 2021

UPMC
LIFE CHANGING MEDICINE

SUMMARY

- UPMC thriving as the region's **most preferred provider** and **most preferred insurer** best serving the needs of patients, members, businesses, and our communities throughout challenging times
- The largest medical insurer in western PA totaling **more than 4 million members**, with among the lowest-cost products in the nation
- Continuing **substantial reinvestment** in the region and beyond
 - **\$186 million** in capital expenditures to enhance facilities and ensure continued quality of care
 - **\$1.7 billion** in IRS-defined charitable contributions and community benefits

RESULTS IN BRIEF:

\$288M operating income | \$574M net income | \$10.5B investment reserve portfolio

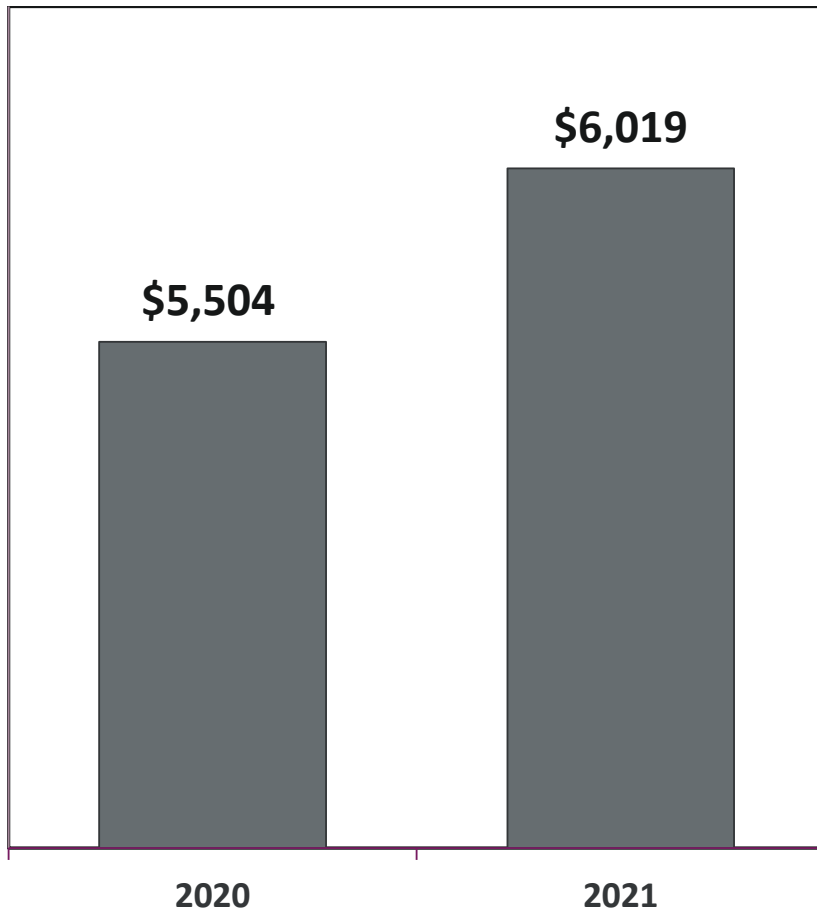
UPMC OVERVIEW

- Operating income of **\$288 million** needed to run operations, fund capital expenditures and create new programs
 - UPMC Health Plan membership **↑7%**
 - Outpatient revenue **↑8%**
 - Physician revenue **↑4%**
 - Admissions and observations **↓4%**
- **\$10.5 billion** cash and investments provides for long-term sustainability
 - Value rises and falls based on market conditions
 - Investment portfolio calendar year-to-date return **↑3%**

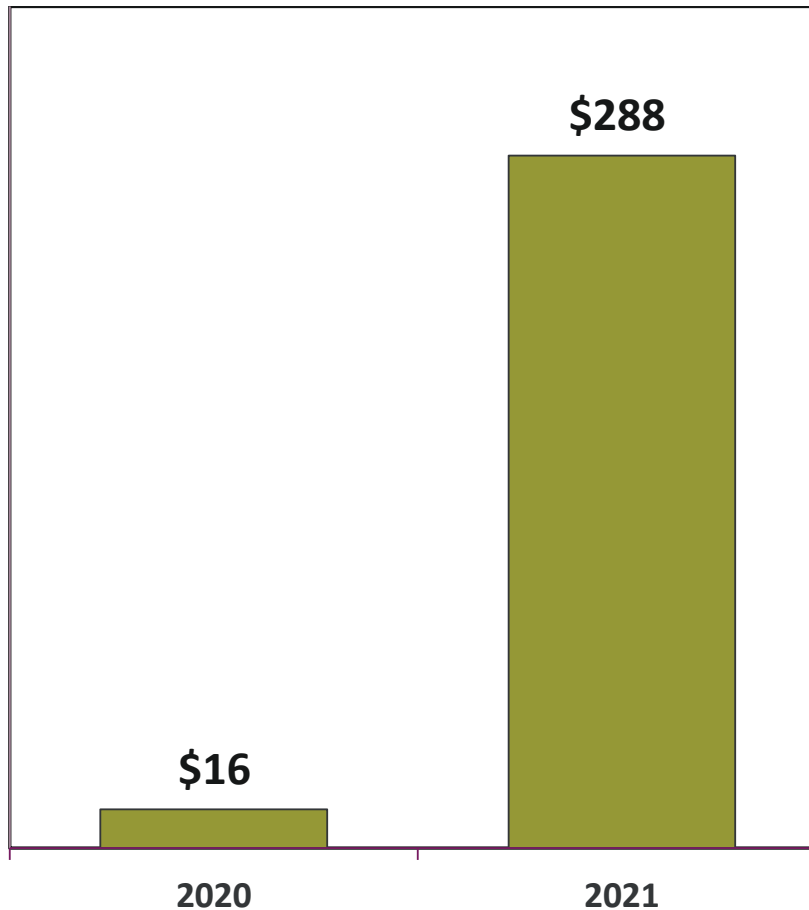
UPMC OPERATING RESULTS

First Three Months Ended March 31 (Dollars in Millions)

OPERATING REVENUE



OPERATING INCOME



OPERATING EBIDA



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

- #7 in NIH grants with nearly \$600M 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
 - More than 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



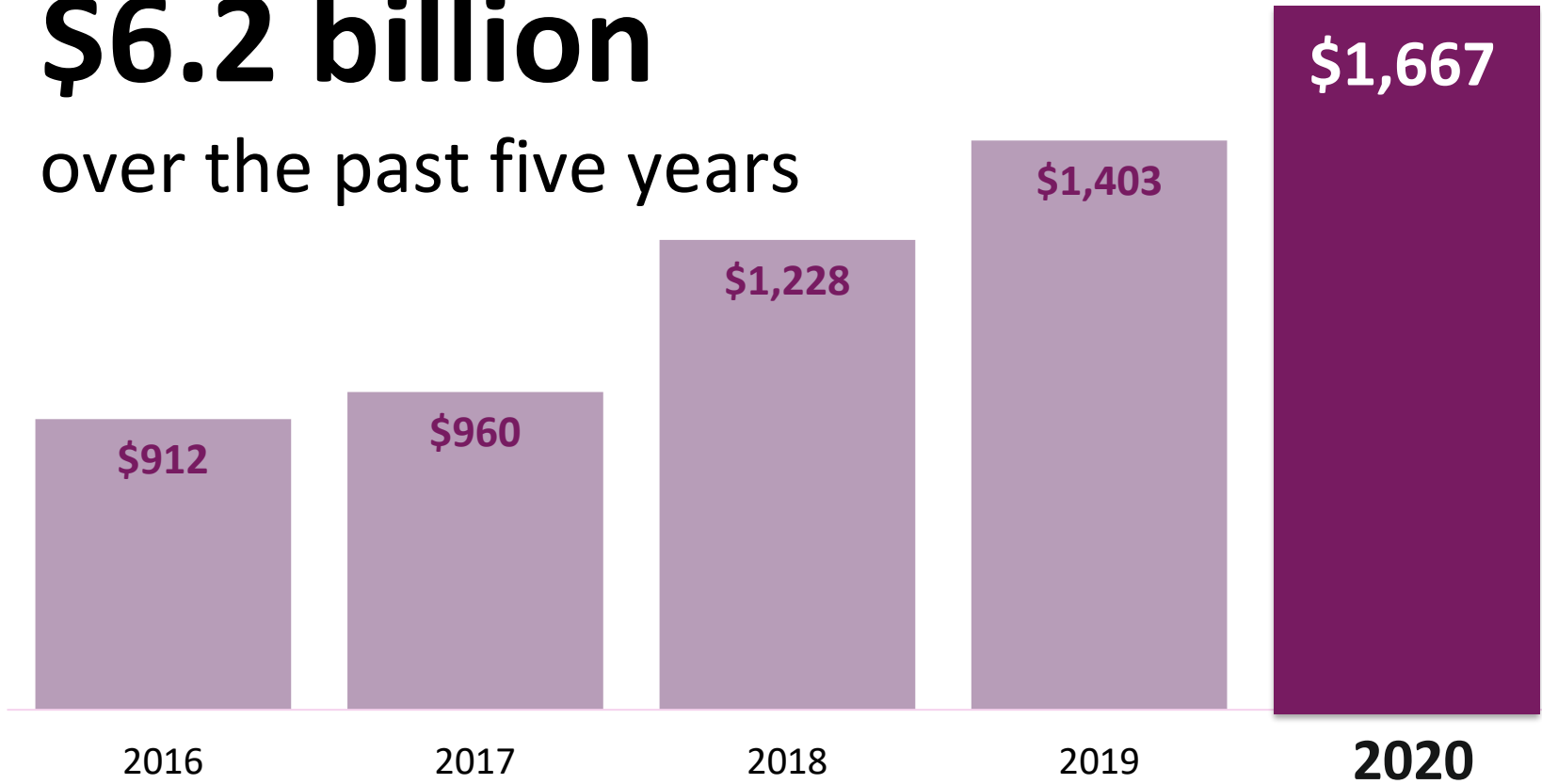
Unmatched International Expertise

- 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

\$1.7 BILLION IN COMMUNITY BENEFIT CONTRIBUTIONS

\$6.2 billion

over the past five years

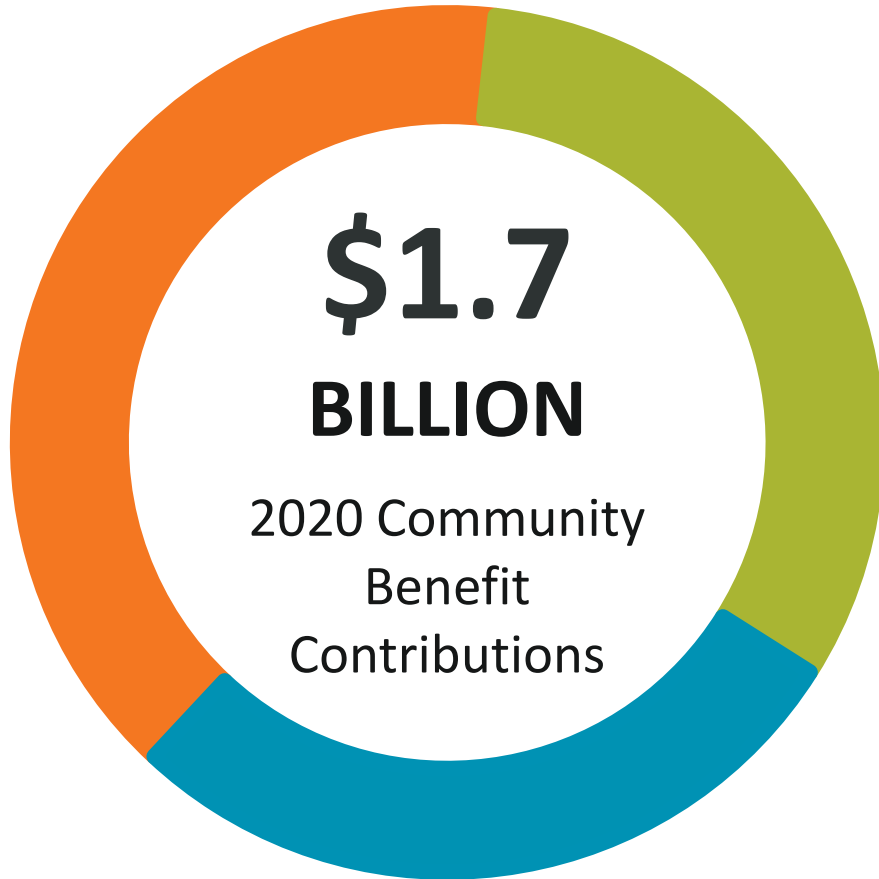


UPMC'S Community Benefit Contributions (millions), Fiscal Years

Our community investments amount to **18% of net patient revenue**

UPMC contributes **more community benefits than any other health system in Pennsylvania**

GIVING BACK TO OUR COMMUNITIES



**\$599
million**

Medical Research and Education

UPMC contributes more than half of all hospital funded research in Pennsylvania.

**\$558
million**

Health and Wellness Programs and Charitable Contributions

UPMC is the leading hospital contributor to community health improvement programs in Pennsylvania.

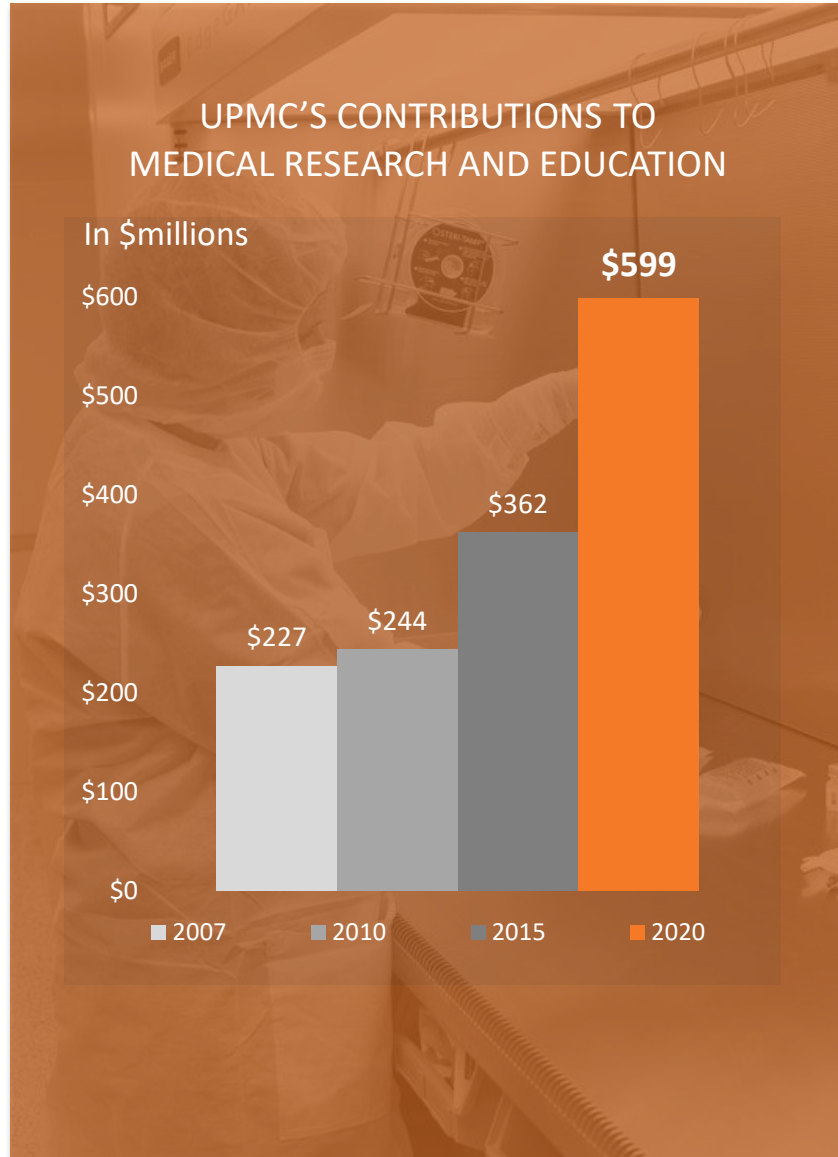
**\$509
million**

Charity Care and Costs for Those in Need

UPMC hospitals provide one out of every four charity care dollars in Pennsylvania.

\$599 MILLION – MEDICAL RESEARCH AND EDUCATION

AN INTERNATIONALLY RECOGNIZED MEDICAL EDUCATION AND RESEARCH POWERHOUSE



UPMC is advancing breakthrough treatments and cures

- UPMC contributes **more than half** of all hospital funded research in Pennsylvania — \$373 million in 2020

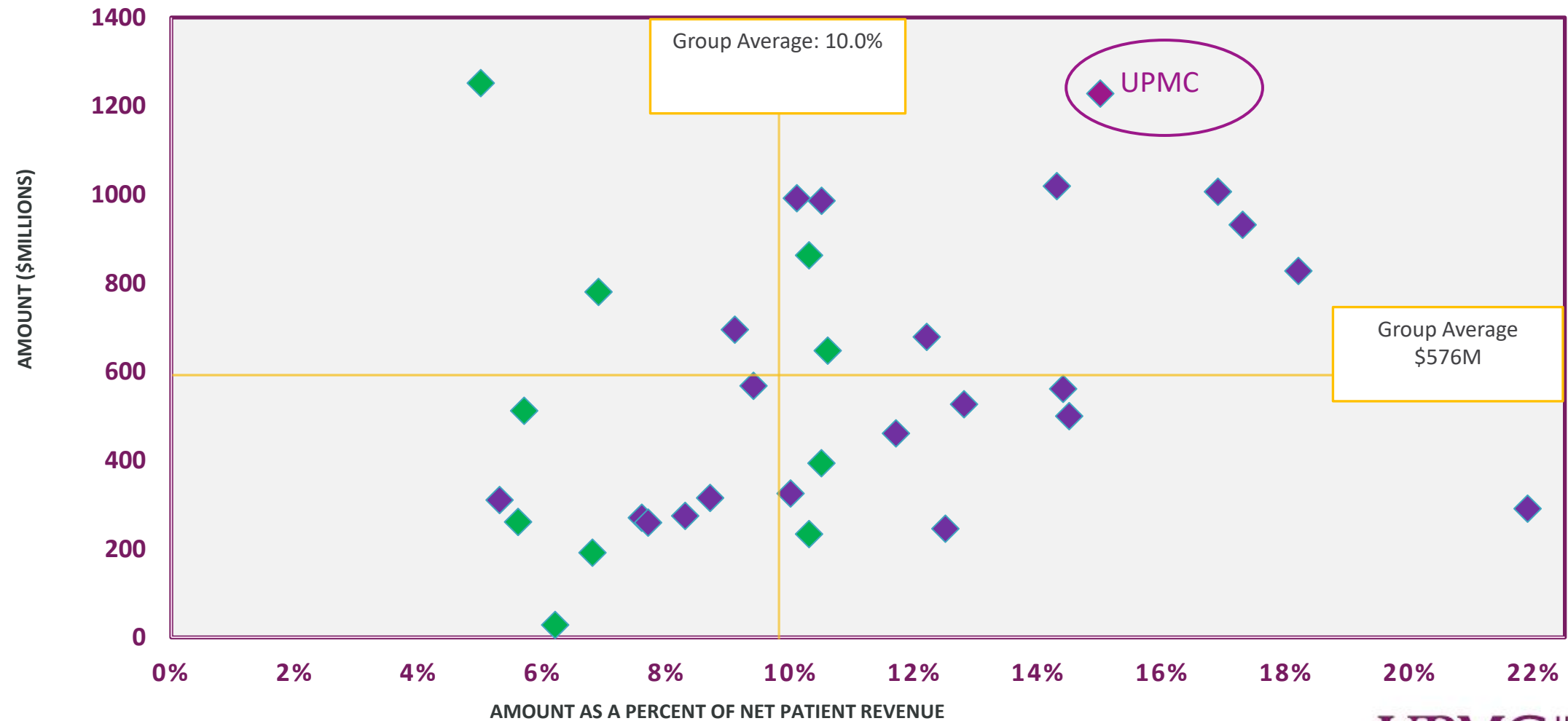
UPMC is training the next generation of physicians, nurses, pharmacists, and other health care professionals

- \$226 million in medical education programs in 2020

► In addition to UPMC's direct research funding...together with the University of Pittsburgh, our educational institution partner, we attracted nearly **\$600 million in National Institutes of Health funding** and **ranked 7th in the nation** in Federal Fiscal Year 2020.

UPMC LEADS IN COMMUNITY BENEFITS REGIONALLY AND NATIONALLY

- ◆ U.S. News Honor Roll Systems
- ◆ Other Academic & Regional Medical Center Peers

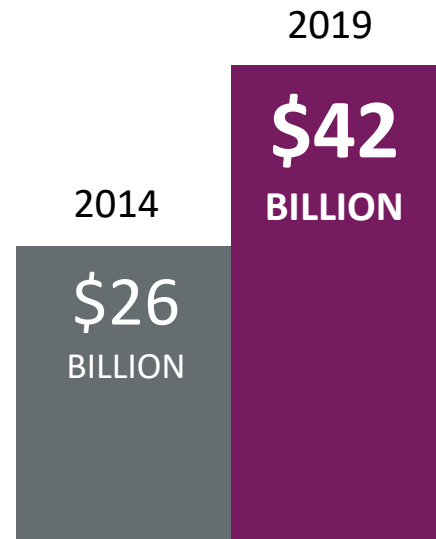


OPPORTUNITY WITHIN REACH

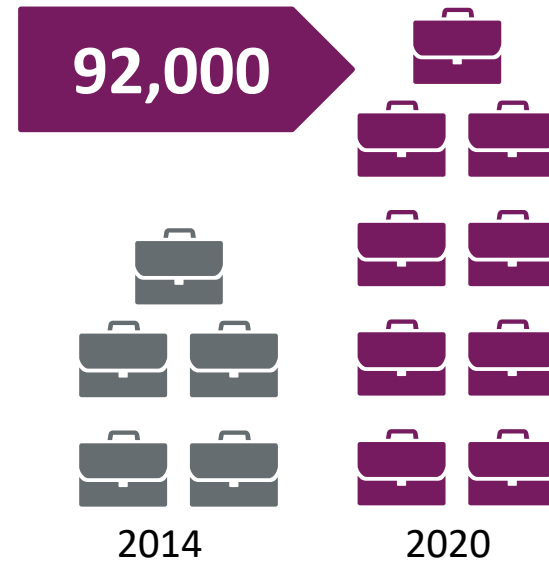
UPMC IS A POWERFUL ENGINE OF PROGRESS, GROWTH, AND PROSPERITY

UPMC'S IMPACT
ON THE REGION'S
ECONOMY
NEARLY DOUBLED
IN FIVE YEARS

ECONOMIC IMPACT



EMPLOYEES



TAXES

\$919 Million

- Federal \$455 million
- State \$419 million
- Local \$46 million

Re-Investing in the Future of Health Care Across All Our UPMC Regions

Northwest Pa.
and New York

North Central Pa.

West Central Pa.
and Maryland

Central Pa.

Southwest Pa.

UPMC in the Northwest Pa. and New York Region

UPMC Hamot \$111M new patient tower;
\$400M investment over the past 10 years

UPMC Jameson Five-year anniversary,
\$115M improvements; regionalized
synergistic care

We care for 7 out of 10 Medicaid patients in Lawrence and Mercer counties; and 7 out of 10 babies are born to low-income families in the Erie region.



UPMC in the North Central Pa. Region

UPMC Williamsport Divine Providence

\$15M investment in UPMC Hillman Cancer Center

UPMC Children's Hospital ER affiliation connects patients with 24-7 access to experts in Pittsburgh

We care for 7 out of 10 seniors in the region.



UPMC in the Central Pa. Region

UPMC West Shore A much-needed expansion of ER, cardiac, and surgical services to meet increasing volumes, a **\$74.5M** overall investment

UPMC Children's Harrisburg \$16M investment expanding nationally ranked pediatric specialties and inpatient care closer to home

We care for nearly half of all pediatric patients from low-income families in the Harrisburg region.



UPMC in the West Central Pa. and Maryland Region

UPMC Western Maryland \$90M commitment including expansion of specialty physician services and care

UPMC Altoona Enhancing high-end clinical specialties: trauma, stroke and neurology, cardiology, women's health, cancer, and pediatrics

UPMC Somerset Preserving local access to advanced UPMC Hillman cancer care

We care for 7 out of 10 seniors in Bedford, Blair and Somerset counties.



UPMC in the Southwest Pa. Region

UPMC Passavant and UPMC Lemieux
\$43M expansions for women's, cancer, pediatric, cardiology, surgical specialties

UPMC East **\$24M** investment doubling ER capacity, adding & advancing surgical subspecialties to address demand

UPMC Outpatient Center **\$36M** providing access to UPMC specialty care for local residents along Route 51 corridor

UPMC Vision and Rehabilitation Tower
\$510M investment, opening 2023

We care for 8 out of 10 substance use patients.



Re-Investing in the Future of Health Care Across All Our UPMC Regions

