



2021 REPORT

Delivering Excellence for the
**Communities
We Serve**

UPMC
LIFE CHANGING MEDICINE

Leadership Message

A Culture of Innovation that Drives Medicine Forward

In a year where COVID-19 created unimagined health care challenges and revealed significant societal issues worldwide, we are looking back with pride on the many ways UPMC has stepped forward to serve patients and Health Plan members throughout this crisis. While we were put to the test in many ways, our fundamental principles and commitment to the community continue to carry us ahead.

Nothing but Opportunity Ahead

At UPMC, we're inspiring and encouraging health in new and uncommon ways, with the intent of changing the trajectory of medicine exponentially. To do that, we're focusing UPMC technology, scientific research, care, and access on a single goal: transforming health care as we know it. We're also working to address health care disparities, and taking our exceptional care and capabilities to the places they're needed most.

Executing on Our Strategies and Building on Our Strengths

We continue to learn from the dramatic changes we've experienced, and are mining the wide array of opportunities that lie before us. Our future will be fueled by the dedication and efforts of our exceptional people, the mobilization of our world-class clinical capabilities, and the deployment of our scientific infrastructure.

The past year has demonstrated that as a large organization — 92,000 strong with a total operating revenue of \$23 billion — we are agile, responsive, and dedicated to delivering our best. Moving into the future, we will continue to thrive through our diverse, inclusive, and innovative culture that's upholding our mission, improving access to world-class care and insurance products, and extending the benefits of Life Changing Medicine.



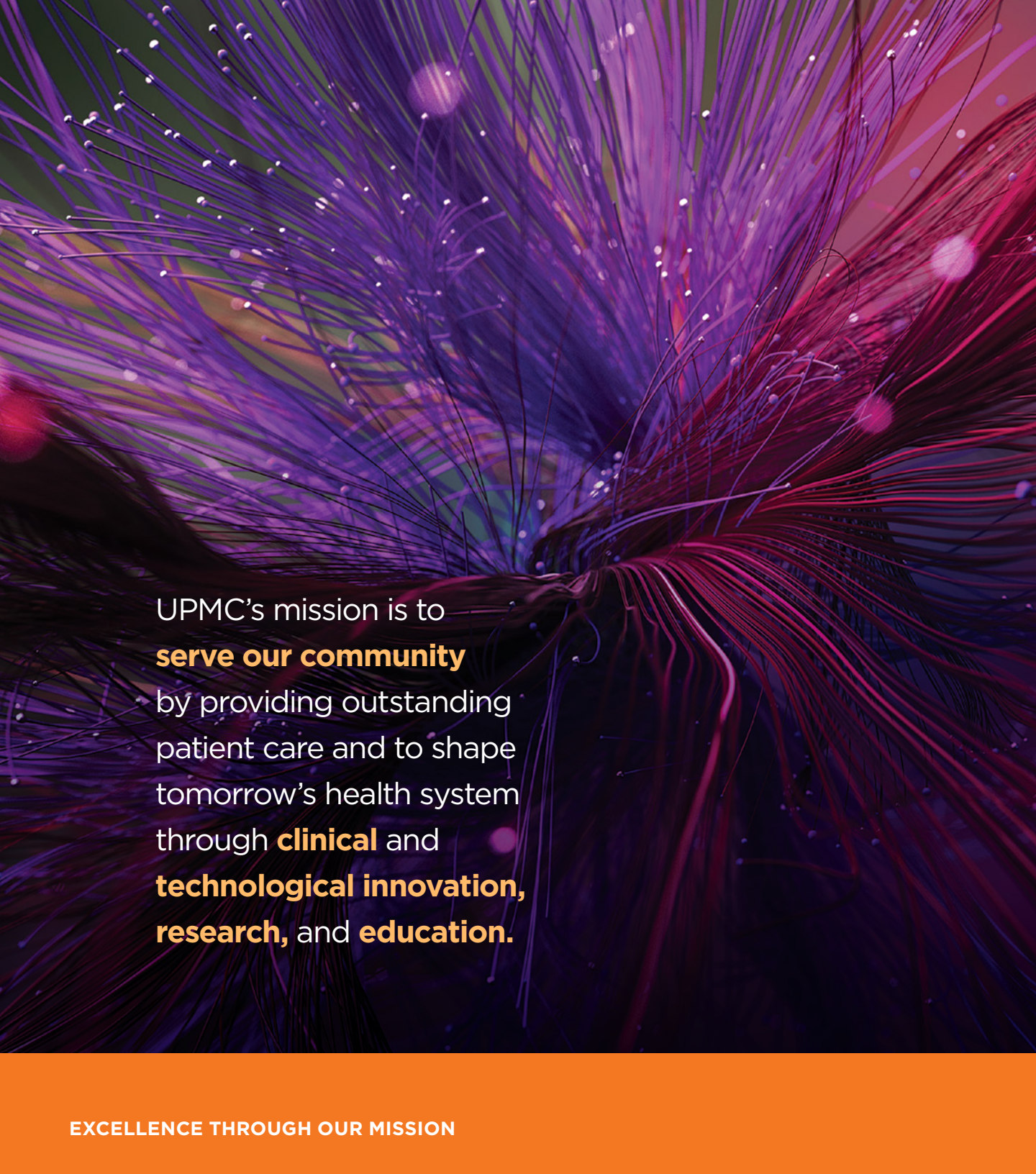
A blue ink signature of G. Nicholas Beckwith III.

G. Nicholas Beckwith III
Chairperson
UPMC Board of Directors



A blue ink signature of Leslie C. Davis.

Leslie C. Davis
President and CEO
UPMC

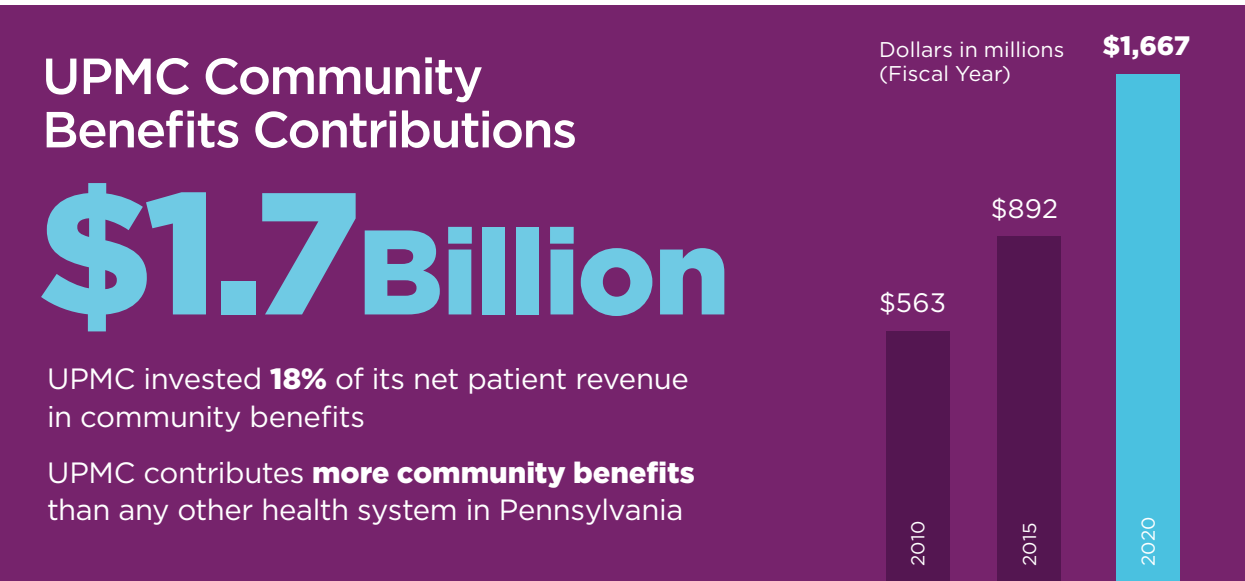


UPMC's mission is to
serve our community
by providing outstanding
patient care and to shape
tomorrow's health system
through **clinical** and
technological innovation,
research, and **education.**

EXCELLENCE THROUGH OUR MISSION

Excellence in the **Community**

At UPMC, our mission to serve positions us as both a resource and an asset for the community. By making investments that enhance the lives of individuals and improve the vibrancy of the places we call home, we're laying foundations for a more promising future.



Charity Care and Unreimbursed Medicaid Costs

\$509 Million

UPMC provided \$121 million in free or discounted health care to 20,000 patients in fiscal year 2020.

Medical Research and Education

\$599 Million

UPMC contributes more than half of all hospital funded research in Pennsylvania—\$373 million in 2020—to advance breakthrough treatments and cures.

Health and Wellness Programs and Charitable Contributions

\$558 Million

Supporting more than 3,000 free and subsidized programs, UPMC is the leading hospital contributor to community health improvement efforts in Pennsylvania.

Addressing the Social Determinants of Health

The UPMC Center for Social Impact coordinates, evaluates, and expands social needs programs and innovations that impact health care quality and cost.



Core Initiatives in Progress



Leading **workforce development** efforts and creating job opportunities through Pathways to Work



Investing in **affordable housing** and addressing homelessness



Leveraging data to **improve coordination** with county services and state benefit programs



Developing partnerships and programs to better coordinate home and community services for Health Plan members with **intellectual disabilities and autism**



Supporting value-based payment strategies and transformation plans through the **Rural Health Initiative**

Responding to Health Disparities

COVID-19 spotlighted weaknesses in our national infrastructure and increased the visibility of disparities in health care. At UPMC, we're working to ensure that all patients receive **equitable, compassionate, and outstanding treatment**.

Supporting Diverse Populations

“Diversity makes us **better**. We are **powerful** together when we bond toward our **common goal**.”

— **G. Nicholas Beckwith III**, Chairperson, UPMC Board of Directors



Excellence in a **Time of Emergency**

UPMC leveraged clinical and scientific expertise to keep employees, patients, and communities safe, treat victims of COVID-19, and lead important international and scientific efforts.



Protecting the Most Vulnerable

EARLY PRECAUTIONS

UPMC took immediate action to protect the elderly, frail, and immunocompromised from COVID-19.

EXPANDED TESTING

UPMC expanded testing to asymptomatic residents in senior communities.

VACCINATION

UPMC administered hundreds of thousands of vaccines by extending outreach efforts deep into the community.

A Vital Resource for the Region and the World

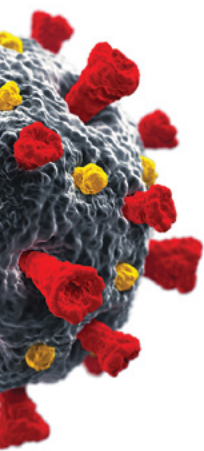
30+

Conducted **PRESS CONFERENCES**, providing a trusted source for clinical, scientific, and safety information

SCIENCE & HEALTH

- Potential vaccine
- Clinical trials
- Antibodies
- Reopening operations after stay-at-home order





Handling the Dramatic Surge in COVID-19 Patient Volume

In December 2020, COVID-19 patient volumes peaked across Pennsylvania and in UPMC medical facilities. We quickly redeployed hundreds of nurses and expanded critical care bed capacity—affirming our ability to meet the rising demand and maintain our leading-edge medical and surgical treatments. Telemedicine connected UPMC’s critical care specialists with providers hundreds of miles away—extending the reach of UPMC resources.



“THIS HAS BEEN AN EXTRAORDINARY YEAR, EXCEPTIONALLY DIFFICULT... BUT YOU, AT UPMC, HAVE DEMONSTRATED THAT YOU ARE **EXTRAORDINARY.**”

— **Jeffrey A. Romoff**
President Emeritus, UPMC



Supporting the Heroes Who Make It All Possible

PAY PROTECTION

We implemented initiatives to shield our workforce from the risk of infection, and from the danger of severe financial loss, while staffing was adjusted.



EMPLOYEE HEALTH

We rapidly expanded WorkPartners employee health programs to help our employees deal with the stresses of the pandemic.

TELEWORK

Our flexible IT infrastructure allowed 76,000 employees to work remotely.

A Legacy of Excellence in Forward-Looking Medicine

For more than three decades, UPMC and the University of Pittsburgh have worked together to overcome some of humanity's most difficult health challenges. By accelerating research, we are bringing treatments and cures to the bedside faster, to benefit the communities we serve.



As COVID-19 emerged, we quickly focused on the race for a vaccine, calling it

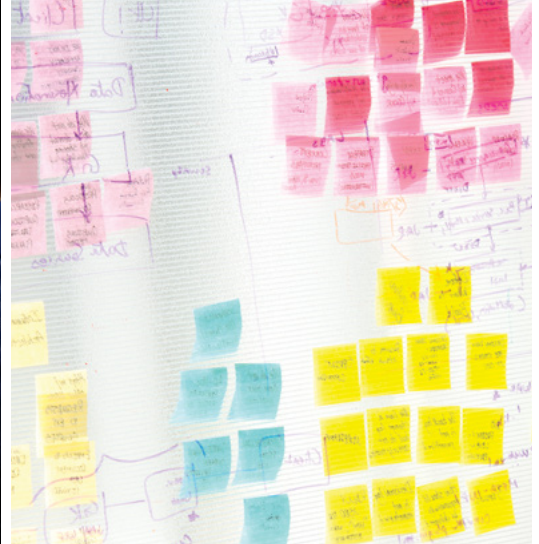
this generation's moonshot.

EARLY IN THE PANDEMIC, UPMC WAS AMONG THE FIRST TO DEVELOP A TRADITIONAL, MEASLES BASED **VACCINE** AGAINST SARS-COV-2.



Working Together with the University of Pittsburgh

- **Our virology team was among the first to develop an in-house COVID-19 diagnostic test** to overcome limited testing capabilities. Used throughout our service areas with our own 3-D printed swabs, the test tracked disease prevalence.
- **We deployed our REMAP adaptive clinical trial platform** to identify common, inexpensive steroids as the most effective therapy for severe COVID-19, helping to define treatment protocols worldwide. Adaptive clinical trials allow for “learning while doing” and position UPMC to determine what treatments help COVID-19 patients best.
- **We developed an antibody to treat and prevent the virus**, which holds potential to help seniors and the immunocompromised.
- **We are using an adaptive platform to compare monoclonal antibody treatments** and determining in real time which treatment works best.



Acting as Our Own Venture Capitalist

UPMC Enterprises advances commercialization opportunities

for both breakthrough science and digital solutions, and uses the UPMC organization as a laboratory for turning innovative ideas into thriving businesses.

In January 2020, UPMC Enterprises announced plans to deploy \$1 billion to develop new drugs, diagnostics, and devices by 2024. The commitment includes \$200 million that has funded an immunotherapy-focused partnership with the University of Pittsburgh. UPMC Enterprises will seek investments and partners globally that complement the scientific and commercial work already underway in Pittsburgh, and our expanded areas of focus in retinal and respiratory diseases, autoimmune diseases, neuroinflammation, and other therapeutic areas.



Advancing the Immune Transplant and Therapy Center

The Immune Transplant and Therapy Center (ITTC) serves as a discovery incubator to move ahead revolutionary science in the areas of cancer and autoimmune diseases, drug discovery, and antibody development targeted at SARS-CoV-2 related diseases. The Center currently has funded 46 projects.



Forging Ahead with Excellence

UPMC entered the new decade positioned as the region's leading provider and insurer. From this unique perspective, UPMC brings a wide range of specialized services and care closer to home.



Growing to Support the Community

Over the past year, UPMC made significant progress on new, state-of-the-art facilities and services, which will help us care for our communities for years to come.

- **Construction is progressing on the UPMC Vision and Rehabilitation Hospital at UPMC Mercy**, the first of three new specialty hospitals in Pittsburgh. The new facility positions UPMC as a global leader in rehabilitation and ophthalmic research and care.
- **Opened the new UPMC West Mifflin Outpatient Center**, bringing more than 20 patient-centered services to the Route 51 corridor south of Pittsburgh.
- **Significant enhancements were made to facilities throughout Pennsylvania** by introducing children's and women's services in new locations and expanding diagnostic capabilities and emergency facilities.
- **Opened UPMC Hamot's new \$111 million, five-story, 200,000 square-foot building.**



Caring for our communities through more than six million patient visits



Insuring more than four million members in Pennsylvania and beyond

Bringing Exceptional Care to Central Pennsylvania

In 2020, UPMC West Shore opened its newly expanded Emergency Department, UPMC Children's Harrisburg introduced nationally ranked care from UPMC Children's Hospital of Pittsburgh to central Pennsylvania, and UPMC Hillman Cancer Center extended its services to north central Pennsylvania.

Expanding Our Network to Western Maryland

In 2020, Western Maryland Health System became UPMC Western Maryland. To ensure a future of high-quality care for communities in the region, we committed to a five-year, \$90 million investment to enhance services and facilities.



Extending UPMC's Care Internationally

UPMC's international footprint is among the largest of any U.S.-based academic medical center. Despite the challenges of the COVID-19 pandemic, we continue to strengthen positions in our four countries of focus, allowing UPMC to give back to the communities we serve.

CHINA:

We broke ground on the 500-bed Wanda-UPMC Chengdu Hospital to be managed by UPMC.

ITALY:

Construction began on the Biomedical Research and Biotechnology Center. Managed by UPMC, the facility will focus on drug, vaccine, and biomedical device development.

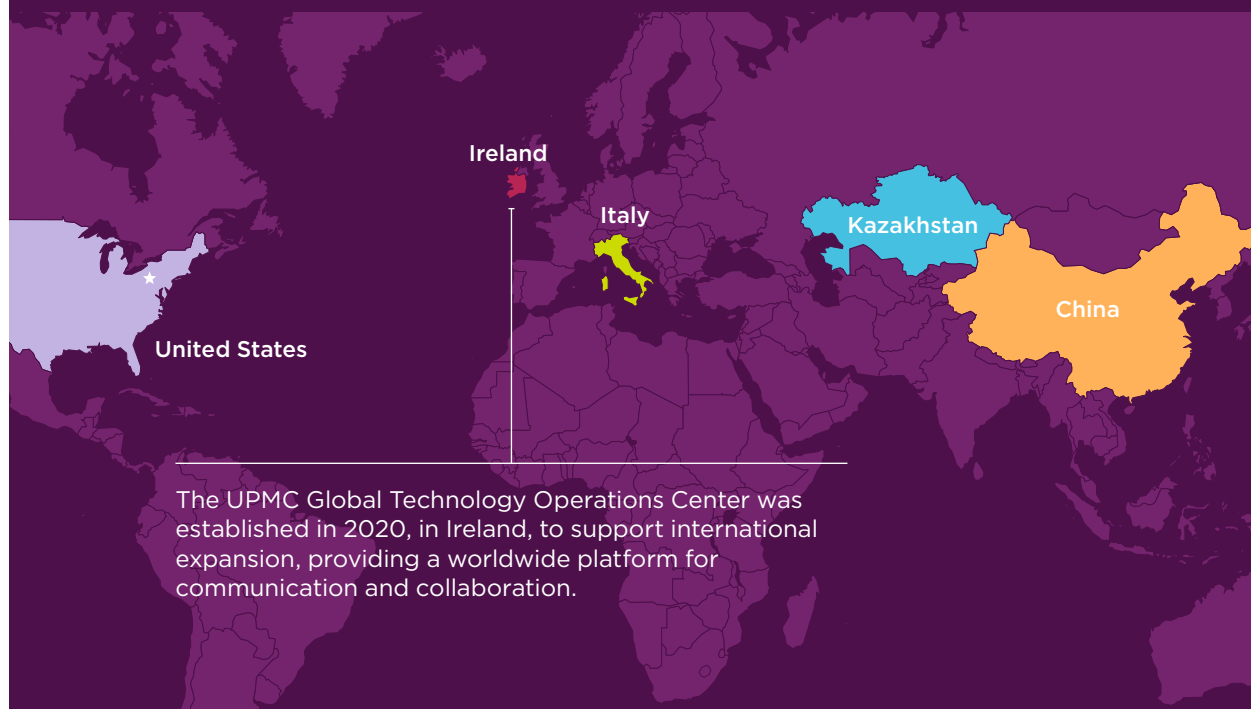
IRELAND:

We opened the UPMC Sports Medicine Clinic in Waterford, and acquired Aut Even Hospital in Kilkenny.

KAZAKHSTAN:

UPMC is helping to develop the first integrated academic medical center in Kazakhstan.

UPMC IS A LEADER WITH GLOBAL REACH





At the crossroads of **quality and cost**, the UPMC Insurance Services' Center for High-Value Health Care evaluates new paradigms to improve health outcomes.

In 2020, the Center funded projects to:

- Target capacity expansion of medication-assisted treatment for prescription drug and opioid addiction
- Launch Freedom House 2.0 to train displaced workers as Emergency Medical Technicians

The Strength of Our Diversified Business Model

UPMC Insurance Services covers more than 4 million lives statewide and nationally, and continues to serve our area's most vulnerable populations.

- **Employer-Sponsored and Individual Plans**—UPMC Health Plan grew to achieve the largest commercial individual market share in western Pennsylvania.
- **Medicare Advantage**—UPMC *for Life* remains the largest insurer in western Pennsylvania and ranks 11th in the nation based on premiums.
- **Medicaid**—UPMC *for You*, among the largest Medicaid managed care plans in Pennsylvania, experienced unprecedented membership growth, and will begin providing services statewide in 2022.
- **Community Care Behavioral Health**—Serving 41 counties in Pennsylvania, UPMC owns the largest Medicaid behavioral health company in the state.
- **Children's Health Insurance Program**—UPMC *for Kids* is Pennsylvania's largest insurer for children and has expanded to 16 additional counties across the commonwealth.
- **WorkPartners**—Expansion continued on the diverse range of WorkPartners products and services that manage benefits for more than 700,000 members in 48 states.

Implementing Community HealthChoices Statewide

In 2020, UPMC expanded its **Community HealthChoices** program to all five Pennsylvania zones, serving dually eligible Medicaid and Medicare individuals, including those in nursing facilities or receiving home and community-based services.



UPMC Community HealthChoices

Continued Reinvesting in Community-Focused Programs and Services

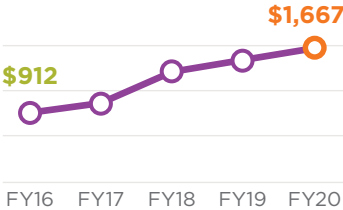
UPMC maintained financial stability during the pandemic through a diversified, **Integrated Delivery and Financing System (IDFS)** business model that includes both insurance and provider segments. Despite disruption to the nationwide health care system, including a government-mandated halt on elective care in Pennsylvania, our flexible payer-provider structure enabled us to quickly adapt and grow.

Financial Highlights (in millions) For the Twelve Months Ended December 31 (2019-2020)	2020	2019
Operating Revenues	\$23,093	\$20,609
Operating Income	\$836	\$239
Excess of Revenues over Expenses	\$1,073	\$420
Operating EBIDA	\$1,522	\$877
Unrestricted Cash and Investments over Long-Term Debt	\$2,036	\$912
Investment in Operational Infrastructure (in millions)		
Capital Expenditures	\$865	\$971

Over the
Past Five
Years, UPMC
Has Grown
in Many
Dimensions

COMMUNITY
BENEFITS

\$6.2 billion
over the past five years



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

EMPLOYEES

**MORE THAN
90,000**



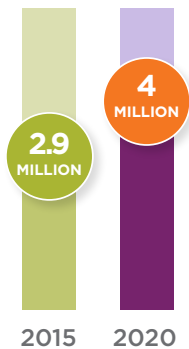
60,000

2015

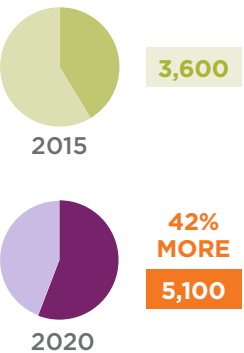
92,000

2020

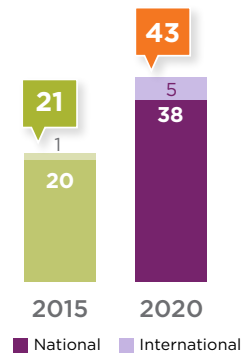
HEALTH PLAN
MEMBERS



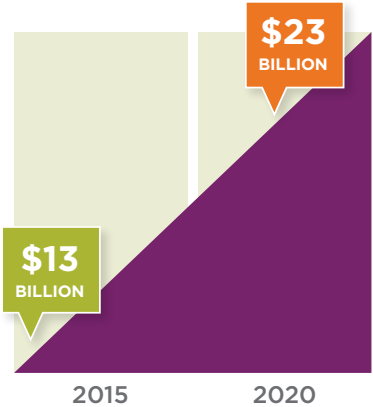
EMPLOYED
PHYSICIANS



HOSPITALS



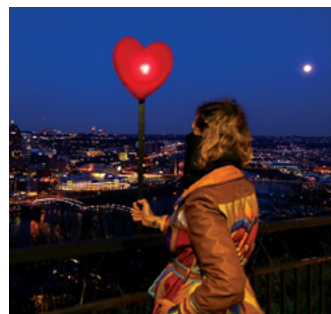
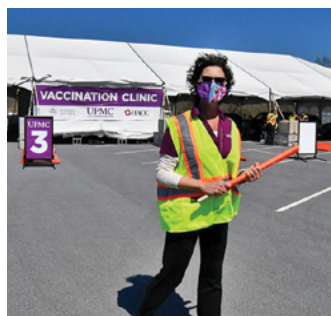
REVENUE



ECONOMIC
IMPACT



**UPMC
Growth
2015-2020**



Largest
Academic Medical Center
in the Country



**Largest
Medical
Insurer**
in Western
Pennsylvania



**Top Six of
All Providers,**
Not-For-Profit
and For-Profit

**UPMC
is Uniquely
Excellent**

#7

**In NIH
Funding**
with the
University
of Pittsburgh



Committed to the
Community



**Large
International
Footprint**
and Commercial
Enterprises

About UPMC

A \$23 billion health care provider and insurer, Pittsburgh-based UPMC is inventing new models of patient-centered, cost-effective, accountable care. The largest nongovernmental employer in Pennsylvania, UPMC integrates 92,000 employees, 40 hospitals, 800 doctors' offices and outpatient sites, and a more than 4 million-member Insurance Services Division, the largest medical insurer in western Pennsylvania. In the most recent fiscal year, UPMC contributed \$1.7 billion in benefits to its communities, including more care to the region's most vulnerable citizens than any other health care institution, and paid more than \$900 million in federal, state, and local taxes. Working in close collaboration with the University of Pittsburgh Schools of the Health Sciences, UPMC shares its clinical, managerial, and technological skills worldwide through its innovation and commercialization arm, UPMC Enterprises, and through UPMC International. *U.S. News* consistently ranks UPMC Presbyterian Shadyside among the nation's best hospitals in many specialties and ranks UPMC Children's Hospital of Pittsburgh on its Honor Roll of America's Best Children's Hospitals. For more information, go to [UPMC.com](https://www.upmc.com).

UPMC is an equal opportunity employer. UPMC policy prohibits discrimination or harassment on the basis of race, color, religion, ancestry, national origin, age, sex, genetics, sexual orientation, gender identity, marital status, familial status, disability, veteran status, or any other legally protected group status. Further, UPMC will continue to support and promote equal employment opportunity, human dignity, and racial, ethnic, and cultural diversity. This policy applies to admissions, employment, and access to treatment in UPMC programs and activities. This commitment is made by UPMC in accordance with federal, state, and/or local laws and regulations.

