



FINANCIAL RESULTS AND SYSTEM HIGHLIGHTS
2020 FIRST QUARTER

May 28, 2020

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 **nearly 3.8 million members**, with among the lowest-cost products in the nation
- Continuing substantial reinvestment in the region and beyond
 - **\$225 million** in capital expenditures to enhance facilities and quality of care

UPMC OVERVIEW

Operations

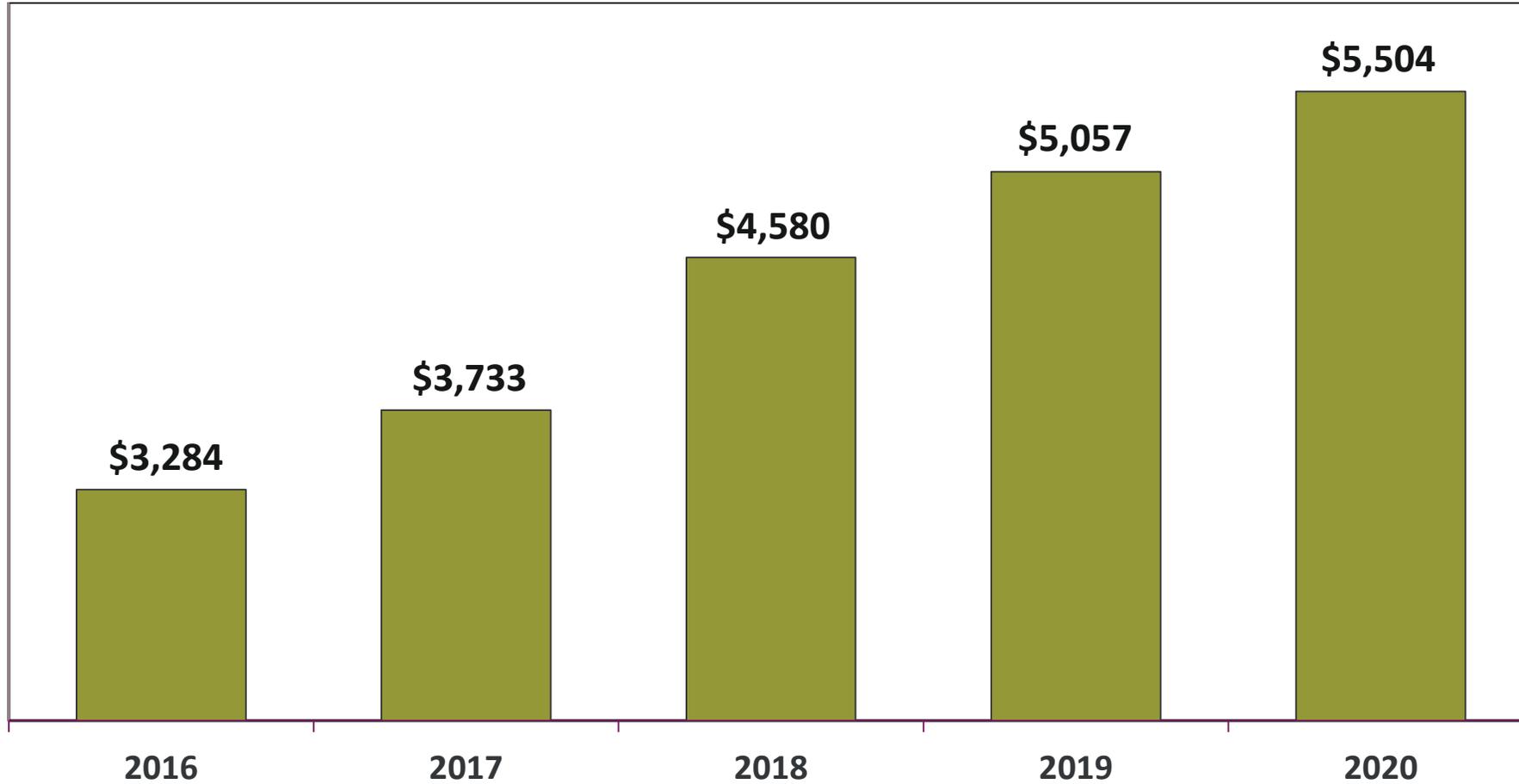
- Operating loss of **\$41 million** reflective of COVID-19 pandemic challenges
 - Outpatient revenue **↑ 1%**
 - Physician revenue **↓ 3%**
 - Admissions & observations **↓ 4%**
 - UPMC Insurance Plan membership **↑ 7%**

Investment Reserve Portfolio

- **\$7 billion** cash and investments provides for long-term sustainability
 - Value rises and falls based on market conditions
 - Calendar year to date return **↓ 11.2%**

UPMC OPERATING REVENUE

First Three Months Calendar Years Ended December 31 (Dollars in Millions)



UPMC SAFELY PROVIDING ESSENTIAL CARE

- UPMC prepared and transparent
 - Held 12 press briefings – providing valuable expertise to community & policymakers
 - Serving as advisors to public health & government officials
- Ensuring our hospitals and facilities are safe and supportive
 - Offering tests to asymptomatic patients
 - Screening of all patients, support persons, staff upon entry to all UPMC facilities
 - Supporting clinical teams with PPE and training
 - Each patient now allowed one essential support person on-site
- Addressing backlog of delayed, but essential, care critically important to our patients' health

ROUTINE & INNOVATIVE CARE FOR MOMS AND BABIES

- Routine Care
 - UPMC Magee is by far the busiest obstetric unit in the region
 - Projected to have over 10,000 births in 2020
- Hatch: Accelerating innovative care in women's health
 - Designed to champion clinical innovation in technology
 - Three successful programs thus far:
 - **MyHealthyPregnancy** ensures accessibility to OB care in at-risk populations through an app
 - **ConnectedCare** remote monitoring for postpartum hypertension and gestational diabetes
 - **Telelactation** provides breastfeeding guidance to patients without easy access to in-person consultations

UNIQUE POSITION OF EXCELLENCE IN EVERY HEALTH CARE SECTOR

Highly Evolved Integrated Delivery & Finance System (IDFS)

Top Quality Clinical Care Provider

- U.S. News & World Report - Honor Roll of Best Hospitals in the U.S.
- 4,900 employed physicians



Cutting-Edge Academic Medical Center

- #5 in NIH grants with \$577M for research with Pitt
- One of largest programs 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
 - 3.8 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 SCIENCE
 - Immune Transplant & Therapy Center attracting world-class talent
- DIGITAL INNOVATION
 - Developing & investing in technologies that empower clinicians, payers and patients in the pursuit of high-quality, patient-centered care
 - IT – "Most Wired"



Large International Footprint

- Exporting clinical excellence
 - More than 20 years managing ISMETT transplant hospital in Italy
 - Unmatched network of cancer centers overseas