



**FIRST NINE MONTHS 2019
FINANCIAL RESULTS AND SYSTEM HIGHLIGHTS**

November 25, 2019

UPMC'S FINANCIAL PICTURE

- Thriving as the region's **most preferred provider**, best serving needs of patients and businesses
 - Expand top-ranked clinical care to meet increasing demand from more patients while operating efficiently
- The largest medical insurer in western PA with nearly **3.6 million members**
 - Provide affordable insurance choices and competition for the region, among the lowest costs in the nation
- Substantial reinvestment in the region and beyond
 - **\$737 million** in capital spending and business investments to enhance quality and care

RESULTS IN BRIEF:

\$93M operating income | \$298M net income | \$6.8B investment reserve portfolio

UPMC'S FINANCIAL PICTURE

Operations

- Operating income of **\$93 million** needed to run operations, fund capital expenditures and create new programs
 - Outpatient revenue **↑ 6%**
 - Physician revenue **↑ 8%**
 - Admissions & observations **↓ 1%**
 - UPMC Insurance Plan membership **↑ 5%**

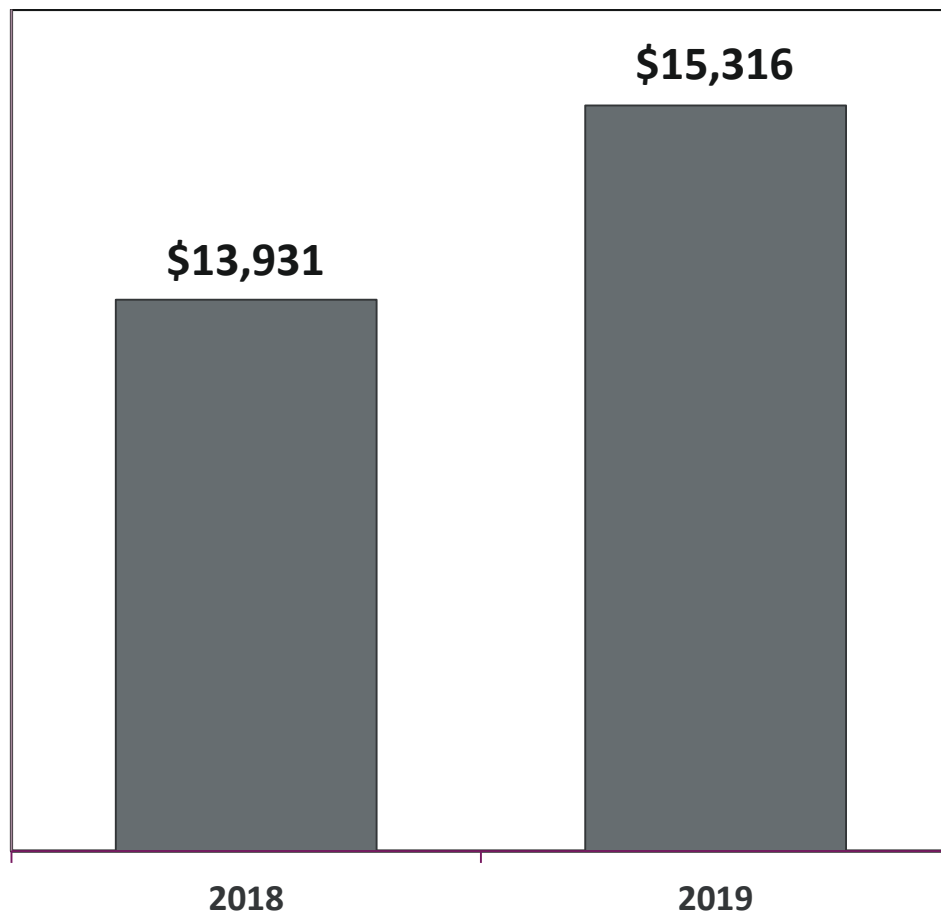
Investment Reserve Portfolio

- **\$6.8 billion** cash and investments provides for long-term sustainability
 - Value rises and falls based on market conditions
 - Calendar year return for UPMC **↑ 8.6%**

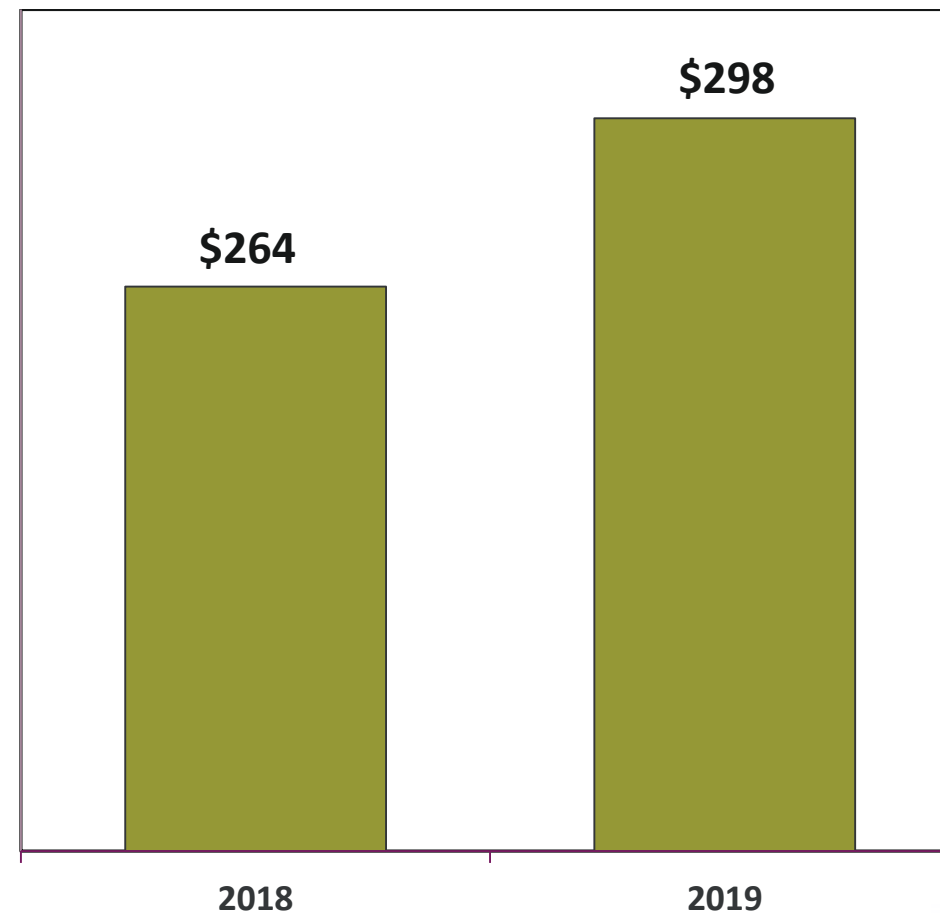
UPMC OPERATING RESULTS

First Nine Months Ended September 30 (Dollars in Millions)

REVENUE



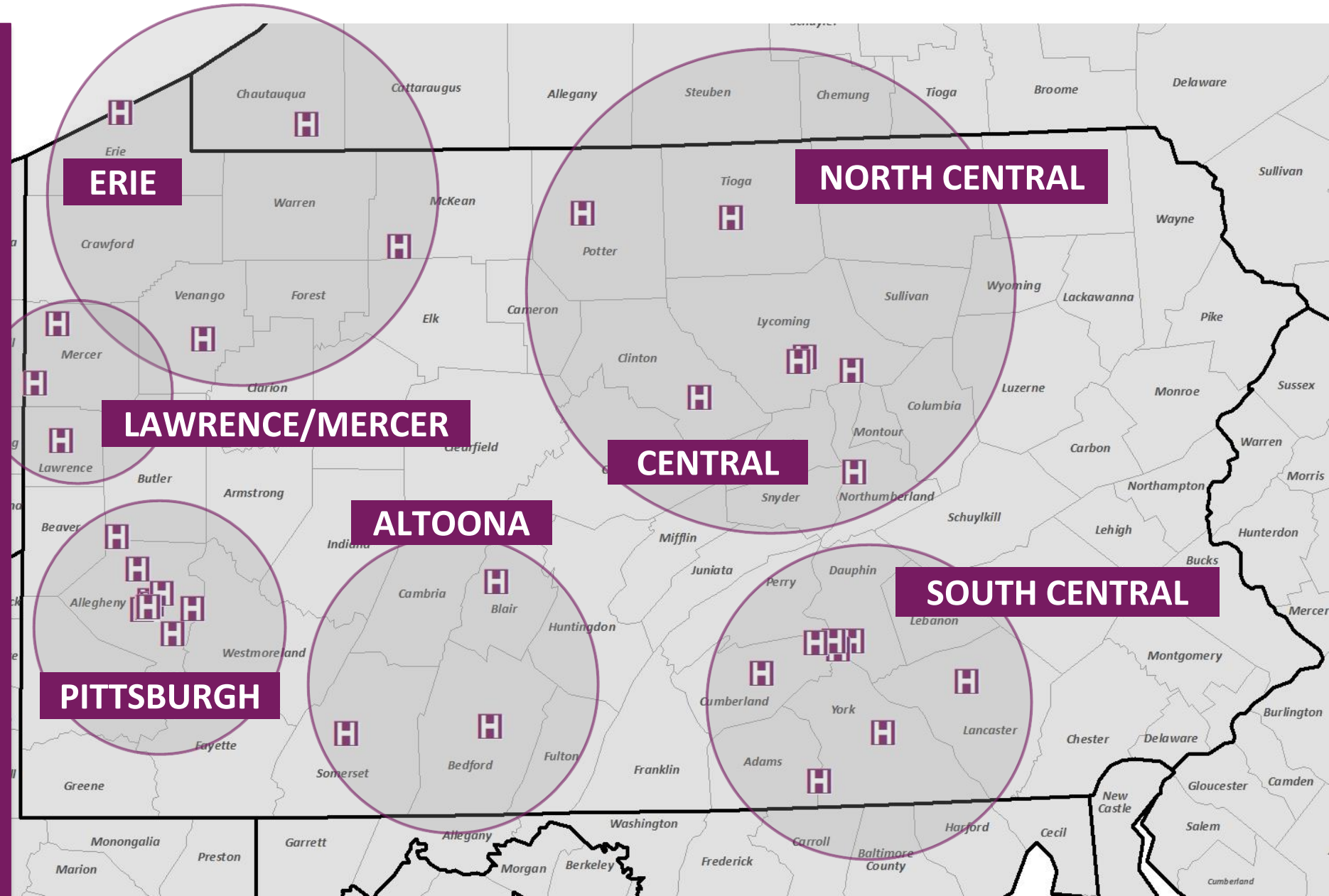
NET INCOME



UPMC HOSPITAL NETWORK HUBS

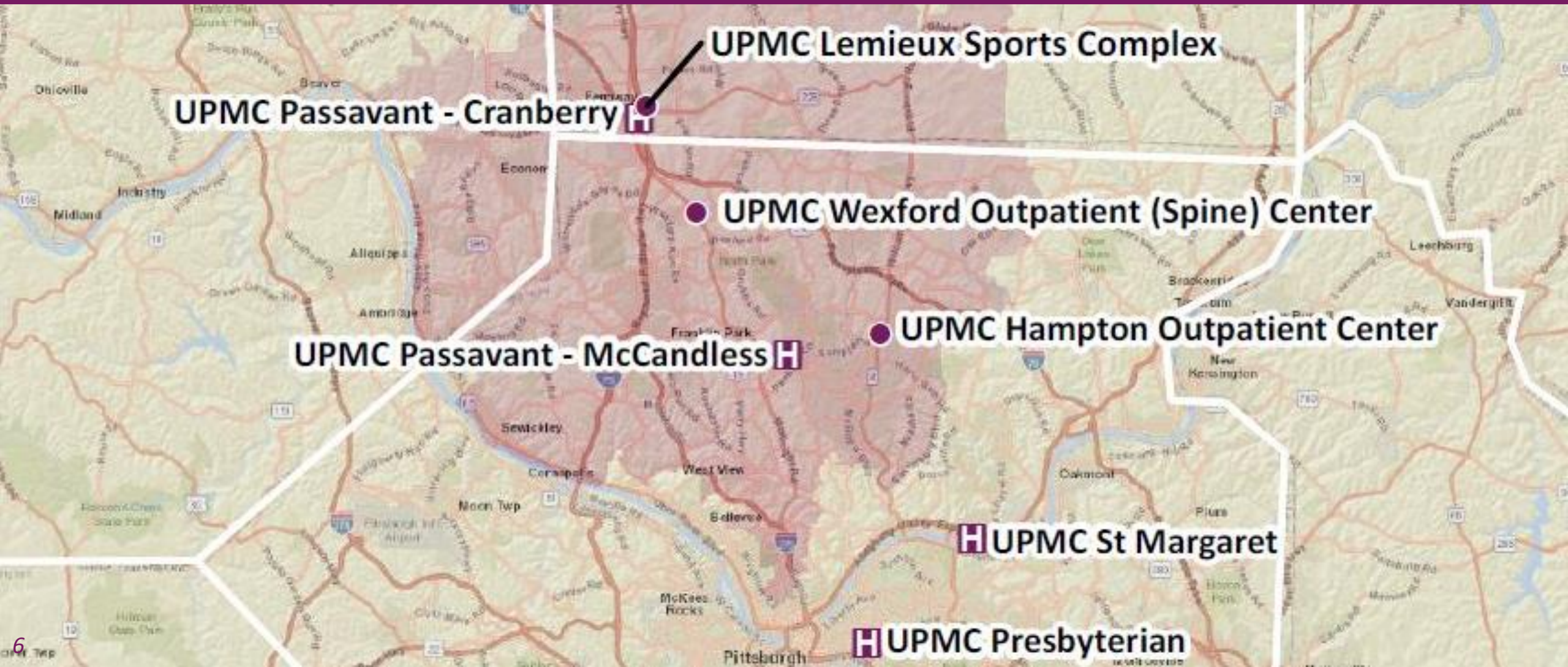
Extending world-class primary and specialty care to more communities.

Close-to-home access of advanced services.



UPMC'S SPECIALTY CARE HUB FOR PITTSBURGH'S NORTHERN REGION

northern Allegheny, Butler, Beaver and surrounding counties



UPMC PASSAVANT HISTORY OF GROWTH & SUCCESS

Key Statistics	Calendar Year 2010	Calendar Year 2019 (est)	% Increase
Total Operating Revenue	\$331M	\$372M	↑ 12%
Total Admissions and Observations	21,027	22,913	↑ 9%
Emergency Room Visits	56,981	64,905	↑ 14%
Capital Investment in Passavant Hub		\$358 million	

For **Cranberry** and **McCandless** campuses

UPMC PASSAVANT POSITIONED FOR FUTURE GROWTH

Creating the Tertiary Care Center of Pittsburgh's Northern Region



Expanding UPMC signature services

- **UPMC Magee-Womens services**
 - **UPMC Hillman Cancer Center**
 - **UPMC Heart and Vascular Institute**
-

Facility updates to reposition specialty services

- **Passavant Hospital Foundation \$12M** grant matched by UPMC for improvements at McCandless and Cranberry campuses
- Additional capital investments to advance services & patient experience

UPMC PASSAVANT IS ...



**THE EMPLOYER
OF CHOICE**



**THE PROVIDER
OF CHOICE**



Primary Stroke Center
Certification by
The Joint Commission



Patient Experience Ratings
Hospitals: Top 20% nationwide
Emergency Departments:
Top 10% nationwide



UPMC PASSAVANT HUB OF EXPANDING SPECIALTY SERVICES

UPMC Magee-
Womens Hospital

UPMC Hillman
Cancer Center

UPMC Heart and
Vascular Institute

Expanding Services

UPMC Lemieux Sports Complex
Hampton Outpatient Center
Cranberry campus
McCandless campus

Robotic Bronchoscopy

for early lung
cancer diagnosis

New LINAC with
stereotactic capabilities

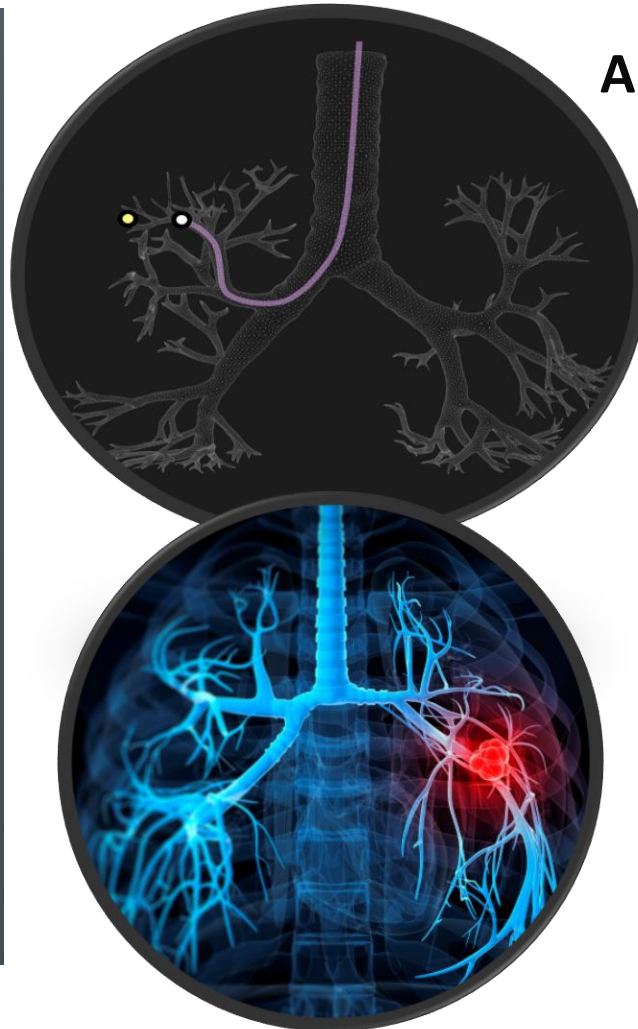
Adding Procedures

WATCHMAN™

Transcatheter aortic
valve replacement (TAVR)

UPMC PASSAVANT FIRST IN REGION WITH ROBOTIC BRONCHOSCOPY

Life-saving new technology detects lung cancer earlier



Auris Health's Monarch™ Platform:

- 90% of people with lung cancer don't survive because tumors are found at an advanced stage.
- Minimally-invasive robotic endoscope reaches deep inside the lungs to obtain tissue for biopsy, enabling earlier, more accurate diagnosis of small and hard-to-reach nodules in the lung periphery.
- Monarch has 100% early lung cancer diagnosis rate.

Celebrating UPMC Passavant's Clinical and Service Excellence



Advancing as UPMC's specialty care hub for Pittsburgh's northern region.



UPMC | PASSAVANT

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



Fastest Growing Insurance Services

- 2nd largest provider-owned Health Plan nationally
- Largest medical insurer in western PA
 - Nearly 3.6 million members
 - Only insurer in PA ranked by U.S. News & World Report - Best Medicare Advantage Plans
- NCQA "Excellent" rating



Large International Footprint

- Exporting clinical excellence
 - 20-year anniversary of ISMETT transplant hospital in Italy
 - Unmatched network of cancer centers overseas

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"
- Evolent Health IPO valued > \$1B

