



**FINANCIAL RESULTS AND SYSTEM HIGHLIGHTS
2020 FIRST SIX MONTHS**

August 26, 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 **3.9 million members**, with among the lowest-cost products in the nation
- Continuing substantial reinvestment in the region and beyond
 - **\$420 million** in capital expenditures to enhance facilities and quality of care

UPMC OVERVIEW

Operations

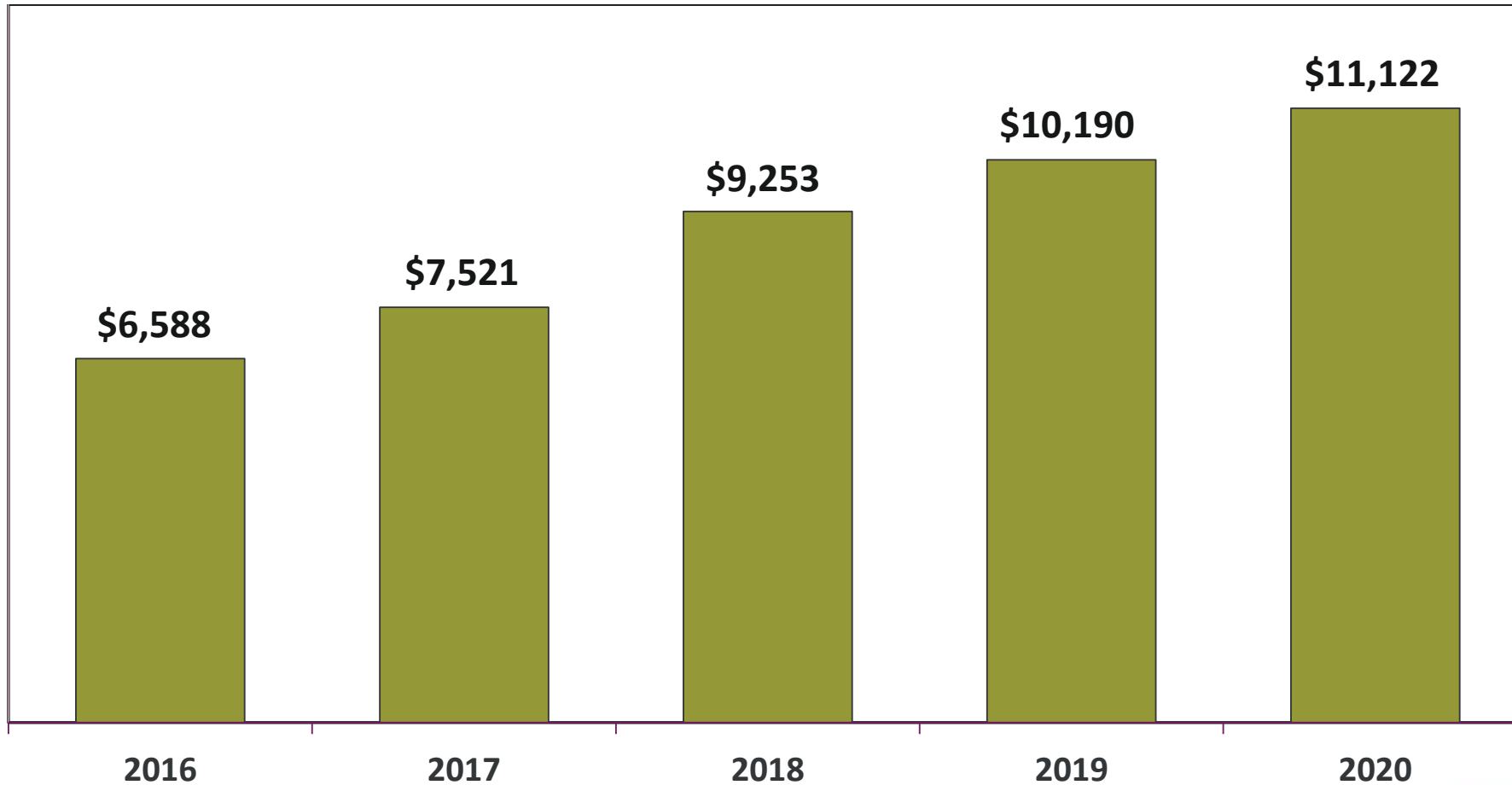
- Operating income of ***\$59 million*** needed to run operations, fund capital expenditures and create new programs
 - UPMC Insurance Plan membership **↑ 9%**
 - Outpatient revenue **↓ 4%**
 - Physician revenue **↓ 14%**
 - Admissions & observations **↓ 13%**

Balance Sheet Strength

- ***\$9.1 billion*** cash and investments provides for long-term sustainability
 - Value rises and falls based on market conditions
 - Investment portfolio calendar year-to-date return **↓ 4.0%**

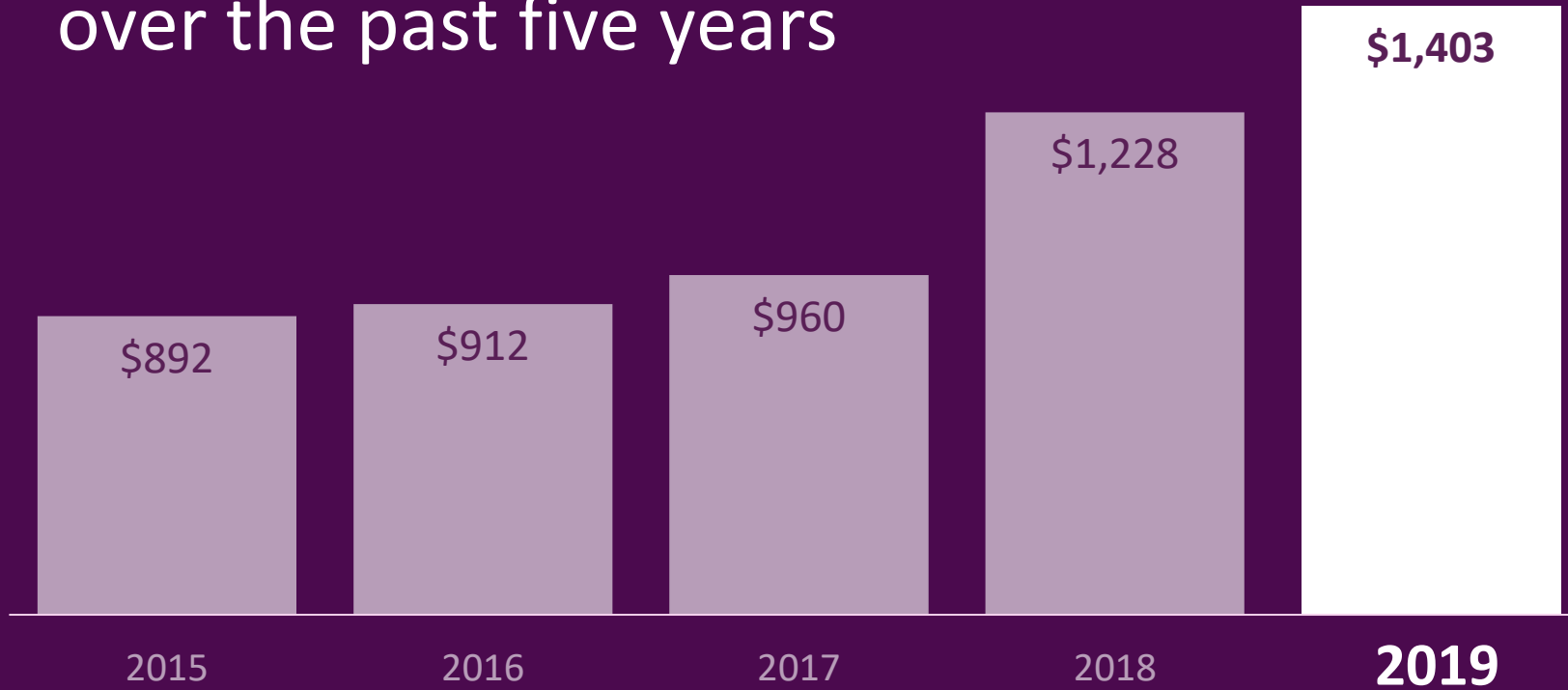
UPMC OPERATING REVENUE

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



\$1.4 BILLION IN COMMUNITY BENEFIT CONTRIBUTIONS

\$5.4 billion
over the past five years

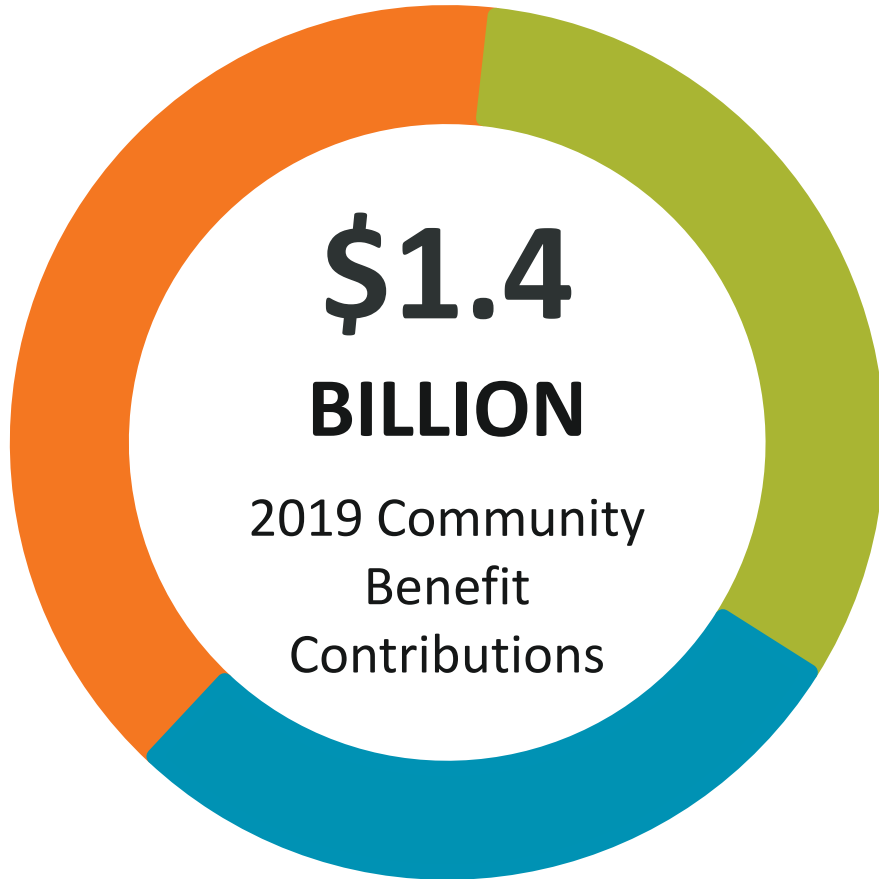


UPMC'S Community Benefit Contributions (millions), Fiscal Years

Our community investments amount to more than **15% of net patient revenue**

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

GIVING BACK TO OUR COMMUNITIES



**\$548
million**

Medical Research and Education

UPMC contributes nearly half of all hospital funded research in Pennsylvania

**\$376
million**

Health and Wellness Programs and Charitable Contributions

UPMC provides 50% of all hospital funding for community health programs statewide

**\$479
million**

Charity Care and Costs for Those in Need

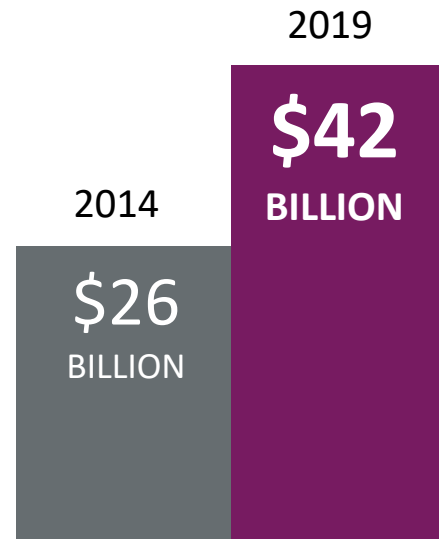
UPMC provides more than one-quarter of hospital charity care in the commonwealth

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

\$808 Million

- Federal \$410 million
- State \$355 million
- Local \$43 million

DIVERSITY SPEND

\$212 Million

UPMC PASSAVANT

Providing Care for the Region

In Fiscal Year 2019, UPMC Passavant contributed **\$25 million** in community benefits and dedicated **\$14.7 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 Passavant's Community Health Needs Assessment.

Fueling the Region's Economy

UPMC Passavant's annual economic impact to the region is **\$690.7 million**.





Heart and Stroke

- WATCHMAN™
- Transcatheter aortic valve replacement (TAVR)

UPMC | **HEART AND VASCULAR INSTITUTE**

Cancer Care

- Robotic bronchoscopy
early lung cancer
diagnosis
- New LINAC with
stereotactic capabilities

UPMC | **HILLMAN
CANCER CENTER**

Women's Health

- UPMC Outpatient Center –
Hampton
- UPMC Passavant – Cranberry
- UPMC Passavant – McCandless
- UPMC Lemieux Sports Complex

UPMC | **MAGEE-WOMENS
HOSPITAL**



Providing **specialized pediatric care** for your child or teen after hours and on weekends for **minor injuries and illnesses**.

- Opened August 1
- UPMC Children's board-certified pediatricians
- Conveniently open on evenings and weekends
- Treatment of minor injuries and illnesses
- In-person or video visits

Comprehensive Women's Care for
Pittsburgh's Northern Communities



UPMC Magee-Womens Specialty Services at UPMC Lemieux Sports Complex

Early cancer detection
diagnostics

\$3.7 million
investment

11,700 sq. feet
fully renovated suites

Surgery consultation

Obstetrics and Gynecology
sub-specialties



Increasing early detection of breast cancer with **Magee-Womens** expertise in our communities.

- 3D digital mammography
- Breast ultrasound
- Stereotactic breast biopsy with 3D mammo
- DEXA bone density scanning

A photograph of a modern, multi-story hospital building with a prominent glass facade and brick accents. The UPMC logo is visible on the left side of the building. The sky is clear and blue, suggesting a bright day. The building has a covered entrance area with glass railings and a small tree in front of it.

UPMC

Innovating treatments and improving outcomes with the expertise of **UPMC Magee-Womens** and **UPMC Hillman Cancer Center**.

- Surgical team focused specifically on breast care
- Highly specialized techniques, minimally invasive procedures for better outcomes
- Lymphedema clinic
- Full breast surgery care compliment at UPMC Lemieux Sports Complex and UPMC Passavant – Cranberry



Advancing patient care with access to **one of the nation's premier women's hospitals.**

- Obstetrics and Gynecology
- Midwifery
- Midlife health
- Minimally invasive gynecology surgery (MIGS), including endometriosis center
- Reproductive Endocrinology and Infertility (REI)
- Urogynecology

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
 - 3.9 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 & bedside
- DIGITAL SOLUTIONS
 - Connect entire health system with technology empowering clinicians & 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 & cancer centers
 - Clinical operations & collaborations in Italy, Ireland, China & Kazakhstan