

FINANCIAL RESULTS AND SYSTEM HIGHLIGHTS FIRST THREE MONTHS 2022

MAY 26, 2022

UPMC
LIFE CHANGING MEDICINE

UPMC FIRST THREE MONTHS 2022

FINANCIAL AND OPERATIONAL RESULTS

- Region's **most preferred provider** and **most preferred insurer**
- Strategic reinvestments to **ensure advanced patient care** and **needed community services**
 - **\$250 million** in capital expenditures this quarter to enhance facilities and ensure continued quality of care
 - **\$1.7 billion** in IRS-defined community benefits in most recent fiscal year
- Financial/operational snapshot:
 - Operating Revenue **\$6.1 billion**
 - Operating Income **\$50 million**
 - Excess of expenses over revenue **\$221 million**
 - More than 4 million UPMC Health Plan members **↑ 1%**
 - Outpatient Revenue **↑ 9%**
 - Physician Services Revenue **↑ 6%**
 - Admissions/Observations **↓ 8%**

PAYOR-PROVIDER STRUCTURE DRIVES HIGH-QUALITY CARE AT AMONG THE LOWEST COSTS IN THE NATION

LIVING OUR MISSION

- We **rescued hospital-based health care** for this region.
- Our strategic regional care approach has **preserved and elevated care and services locally.**
- We've invested **more than \$150 million in UPMC Jameson and UPMC Horizon** since the 2016 affiliation.

A Regional Approach

UPMC Horizon and UPMC Jameson are bringing advanced health care technology and specialized medical care right to our patients in Lawrence and Mercer counties.



PRESERVING AND ADVANCING COMMUNITY HEALTH CARE

Operating in the red, Jameson still hopes for UPMC merger

By Jessica Shelenberger
New Castle News Jul 13, 2015



Despite three new bids, Jameson reaffirms UPMC deal is best option

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Denied UPMC merger remains best option, Jameson contends



BEN SCHMITT | Thursday, Oct. 29, 2015 11:37 p.m.



Jameson Health System, forced by the state to consider partners other than UPMC for a merger, said Thursday that bids it received from three of them wouldn't ensure the success of the hospital.

"We continue to believe that the agreement with UPMC would position Jameson for long-term success and ensure Lawrence County has the resources and services it needs," Lisa Lombardo, spokeswoman for New Castle-based health provider said in a statement. "While this merger is still a possibility, it is clear that the Pennsylvania attorney general is not supportive of this agreement and has continued to request that we consider other partners."

UPMC planned to invest up to \$80 million into Jameson to help pay off debt, improve aging facilities and purchase equipment for clinical programs.

With Merger Stalled, Jameson to Stop Delivering Babies

NEW CASTLE, Pa. – Jameson Hospital will stop delivering babies Sept. 1, a decision made amid "uncertainty of our future merger with UPMC," said Jameson president and CEO, Doug Danko, and the hospital's board of directors.



By Justin Davis - Reporter, Pittsburgh Business Times
Oct 29, 2015

Jameson Health System has received three new bids for its operations, but none have topped the initial proposal from UPMC, the Lawrence County medical provider said Thursday.

UPMC and Jameson had signed an acquisition deal, which was expected to close in the spring, but the state Attorney General raised antitrust concerns recommended that Jameson again solicit bids from other providers.



Jameson merger highlights changed views on hospitals, impact on patients

KRIS B. MAMULA



It's a
beautiful
day to
save lives.

UPMC SIGNATURE SPECIALTY CENTERS

EMBEDDED IN LAWRENCE AND MERCER COUNTIES

UPMC | HILLMAN
CANCER CENTER

Cancer Care

- Medical oncology in New Castle, Farrell, Greenville
- Radiation oncology in Farrell

UPMC | MAGEE-WOMENS
HOSPITAL

Women's Health

- UPMC Magee-Womens Specialty Center in New Castle, Farrell, Hermitage, Greenville, Grove City
- UPMC Magee-Womens Imaging Center in New Castle, Hermitage, and Greenville
- The Birth Place at UPMC Horizon-Shenango in Farrell

UPMC | CHILDREN'S
HOSPITAL OF PITTSBURGH

Pediatric Services

- UPMC Children's Community Pediatrics in New Castle – Neshannock and Shenango, Butler, Greenville, Grove City, Hermitage, Farrell, Slippery Rock
- ***COMING SOON*** UPMC Children's Hospital Emergency Department Affiliation with UPMC Jameson

UPMC | HEART AND
VASCULAR INSTITUTE

Heart and Stroke

- 24-7 interventional cardiology
- Advanced heart failure, special disorders



Davon Taylor

MORE ADVANCED CARE, RIGHT HERE
AT UPMC JAMESON

**Robotic
Surgery**

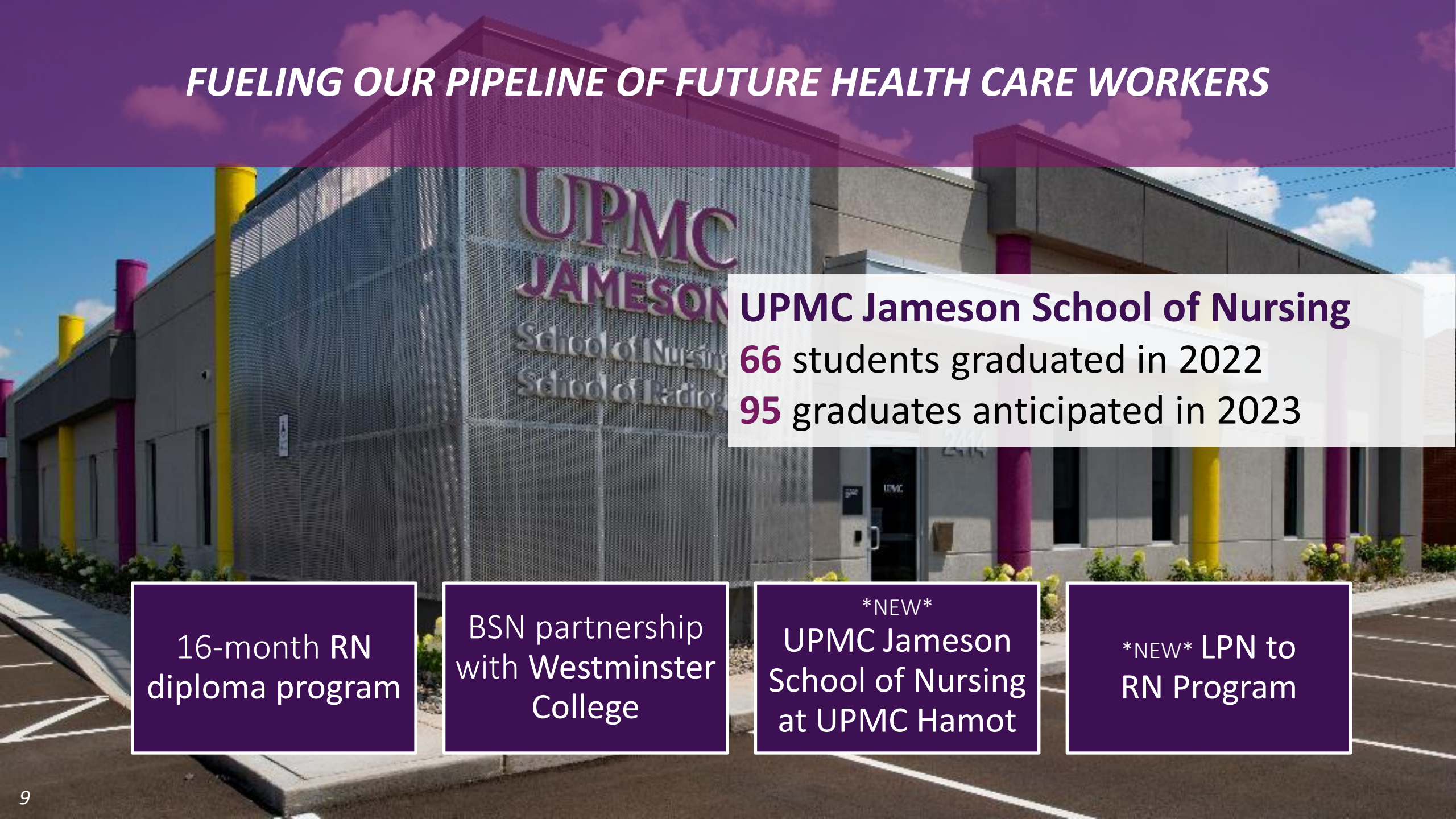
**ICU
Services**

**Pre- and
post-care
delivered
locally**

**Cardiology
Expansion**

Enhancing
the
Experience

FUELING OUR PIPELINE OF FUTURE HEALTH CARE WORKERS



UPMC Jameson School of Nursing
66 students graduated in 2022
95 graduates anticipated in 2023

16-month RN diploma program

BSN partnership with Westminster College

NEW
UPMC Jameson School of Nursing at UPMC Hamot

NEW LPN to RN Program

UPMC JAMESON: CARING FOR OUR COMMUNITY

Providing Care for the Region

In Fiscal Year 2020, UPMC Jameson contributed **\$17.7 million** in community benefits and dedicated **\$6.5 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 Jameson's Community Health Needs Assessment.



Fueling the Region's Economy

UPMC Jameson's annual economic impact to the region is **\$185.4 million**.



UPMC HORIZON: COORDINATED CARE FOR OUR REGION

Providing Care for the Region

In Fiscal Year 2020, UPMC Horizon contributed **\$16.4 million** in community benefits and dedicated **\$10.2 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 Horizon's Community Health Needs Assessment.



Fueling the Region's Economy

UPMC Horizon's annual economic impact to the region is **\$241.8 million**.



POSITION OF EXCELLENCE IN EVERY HEALTH CARE SECTOR

Unique Integrated Delivery & Financing System (IDFS)

Top Quality Clinical Care Provider

- UPMC Presbyterian Shadyside nationally ranked in 10 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 \$600 million for research with Pitt
- Fourth largest program in U.S. with 1,900 residents and fellows



Expanding Insurance Services

- 2nd largest provider-owned Health Plan nationally
- More than 4 million members
- NCQA "Excellent" rating



Global Reach

- More than 20 years managing international hospitals and cancer centers
- Clinical operations and collaborations in Italy, Ireland, China, and Kazakhstan

Innovation-Driven Business Enterprises

- ACCELERATING THE TRANSLATION OF SCIENCES** *from Discoveries to Bedside*
- DIGITAL SOLUTIONS** *Connecting Health with Patient-Centered, High-Quality, Compassionate Care at the Lowest Cost*

