

**Buchanan Ingersoll & Rooney PC**

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**RECEIVED**  
Corporate & Financial Regulation

APR 30 2018

Pennsylvania  
Insurance Department

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April 30, 2018

**VIA HAND DELIVERY**

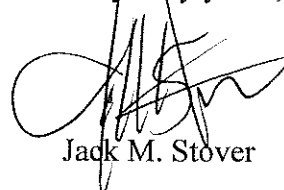
Joseph DiMemmo, CPA  
Deputy Insurance Commissioner  
Office of Corporate and Financial Regulation  
Pennsylvania Insurance Department  
1345 Strawberry Square  
Harrisburg, PA 17120

**Re: Non-confidential Allegheny Health Network Financial Information  
Condition 14(C)  
Order No. ID-RC-13-06 as modified**

Dear Deputy Commissioner DiMemmo:

Pursuant to Section 14(C) of the above-captioned Order as modified, Highmark Health is filing the enclosed financial information for Allegheny Health Network for the period ending March 31, 2018 on a non-confidential basis. I have forwarded a copy of the reports to Mr. Beaser and Mr. DeLacey by electronic means.

Very truly yours,



Jack M. Stover

JMS/jls

Enclosure

cc: Lawrence J. Beaser, Esquire (via email)  
Patrick T. DeLacey (via email)

**Allegheny Health Network**  
**Key Financial Indicators**  
**Period Ended March 31, 2018**

	QTD	
	ACTUAL	PLAN
<b>Financial Metrics</b>		
FTEs	18,738	17,729
Net EBITDA (in thousands)	\$ 49,636	\$ 32,000
Operating Margin %	0.2%	0.0%
Net Income %	0.1%	(2.0%)
Net EBITDA %	6.3%	4.0%
Days Cash on Hand	91.7	70.1
Days in A/R	42.8	38.7
Total Debt (in thousands)	\$ 1,070,026	\$ 920,000
<b>Statistical Metrics</b>		
Discharges	22,027	23,144
Adjusted Discharges	45,213	46,862
Emergency Department Visits	69,278	74,284
Outpatient Registrations	311,138	335,159
Physician Office Visits	713,533	744,405

**Allegheny Health Network**  
**Consolidated Statement of Operations - UNAUDITED**  
**Period Ended March 31, 2018**  
(Dollars in Thousands)

	QTD	
	ACTUAL	PLAN
Total Operating Revenue	\$ 790,338	\$ 802,000
Total Operating Expense	788,870	802,000
Operating Income	\$ 1,468	\$ -
Net Income (Loss)	<u>\$ 983</u>	<u>\$ (16,000)</u>

**Allegheny Health Network**  
**Consolidated Balance Sheet - UNAUDITED**  
**March 31, 2018**  
(Dollars in Thousands)

	<b>ACTUAL</b>	<b>PLAN</b>
<b><u>ASSETS</u></b>		
Cash & Cash Equivalents	\$ 148,696	\$ 179,000
Receivables	425,798	384,000
PPE, Net	1,149,527	1,268,000
Goodwill and Other Intangible Assets, Net	114,577	112,000
Other Assets	1,175,366	974,000
<b>TOTAL ASSETS</b>	<b><u>\$ 3,013,964</u></b>	<b><u>\$ 2,917,000</u></b>
<b><u>LIABILITIES &amp; NET ASSETS</u></b>		
Debt	\$ 1,070,026	\$ 920,000
Other Liabilities	961,256	948,000
Total Liabilities	<u>2,031,282</u>	<u>1,868,000</u>
Total Net Assets	<u>982,682</u>	<u>1,049,000</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$ 3,013,964</u></b>	<b><u>\$ 2,917,000</u></b>

**Allegheny Health Network**  
**Consolidated Statement of Cash Flows - UNAUDITED**  
**Period Ended March 31, 2018**  
(Dollars in Thousands)

	QTD	
	ACTUAL	PLAN
Cash Flow from Operating Activities:	\$ (36,878)	\$ 3,000
Cash Flow from Investing Activities:	(72,810)	(76,000)
Cash Flow from Financing Activities:	38,367	80,000
Net Change in Cash and Cash Equivalents	(71,321)	7,000
Beginning Cash and Cash Equivalents	220,017	172,000
Ending Cash and Cash Equivalents	\$ 148,696	\$ 179,000