

**HCSC** Health  
Care  
Service  
Corporation<sup>SM</sup>



2025

**Annual  
Report**

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# CEO Message

For nearly a century, HCSC has been the partner of choice for the care coordination and health benefit needs for millions of people across the United States. Every day, our 34,000 employees are guided by a deep sense of caring and commitment that informs how we serve our 27 million members, engage in local communities, and deliver positive change to the health care industry.

In 2025, we expanded our national reach through the acquisition of The Cigna Group's Medicare and CareAllies businesses, continuing to pair our enterprise scale and capabilities with our proven community-first member and provider engagement model that values local relationships. Through our engagement with more than 500,000 providers and our partnership with community organizations with extensive local expertise, we continuously strengthen bonds of trust with our stakeholders and build a meaningful understanding of how to better meet their needs.

With our large impact comes a profound responsibility to ensure that we are delivering quality and value. Through our diverse family of affiliate companies, we have developed a unique, complementary set of capabilities that addresses evolving health needs and provides a pathway to care for people of every age and income. We also lead in the development of value-based care approaches to spur greater collaboration among health care stakeholders to improve outcomes and enable members to lead healthier lives.

In these pages you will see how we have continued to grow our membership, serve our communities, evolve our products and services, and ensure the durability of our enterprise through prudent financial management. Our experience, industry knowledge and culture form a foundation that provides an incredibly powerful promise for our future progress—driving innovations that further expand access, improve health outcomes, and provide quality, cost-effective care for those who depend on us.



**Maurice Smith**  
Chairman, President  
& Chief Executive Officer

**Every day, our 34,000 employees are guided by a deep sense of caring and commitment that informs how we serve our 27 million members, engage in local communities, and deliver positive change to the health care industry.**

## Serving Our Members

We are the largest mutual health insurer in the United States, serving 27 million members with prudent management of more than \$150 billion of medical spend in 2025. We offer products and services that empower our members' health with compassion and innovation. We are advancing our offerings by:

**Expanding Access to Care:** We offer a range of health benefit products to meet the various needs and care preferences of members across all stages of their lives and across all reimbursement types. We enable access to quality care for members no matter how they attain their health insurance — through employers, the Individual and Family Market, Medicare or Medicaid.

**Delivering Industry-Leading Medical Value:** Collaborating with doctors, hospitals and other providers, we establish provider networks that connect members with high-quality care, and we deliver high-quality administrative support with superior cost effectiveness.

**Enabling Better Health Outcomes:** We offer a range of solutions to optimize health outcomes for our members, including care coordination, behavioral health management, and pharmacy management. Our service model and digital tools are designed to provide a superior experience for our members and other stakeholders, fostering trust and collaboration.

**Driving Innovation in Care:** We continuously enhance our technology, capabilities and programs to improve our products and the member experience. Our broad view of health care needs, combined with long-term investments, provides quality and value to our members, providers, communities and other stakeholders.



# Our Plans and Subsidiaries

HCSC provides health care coverage options for employers large and small, individuals and families, and Medicare and Medicaid. We have a portfolio of wholly owned subsidiaries and strategic investments that offer solutions that complement our health insurance offerings, enabling us to deliver more to our stakeholders. Together, our health plans, subsidiaries and strategic investments further empower members to meet their evolving health care needs.

## Health Care Plans



HCSC, a Mutual Legal Reserve Company, is an independent licensee of the Blue Cross Blue Shield Association.



HCSC offers HealthSpring Medicare Advantage, Medicare Prescription Drug (PDP), and Medicare Supplement plans across the United States.

## Wholly Owned Subsidiaries



CareAllies accelerates the journey of physician organizations to more rewarding health care by providing business advisory, care coordination and management services that reduce administrative burden, empower physicians and promote financial success.



Dearborn Group provides ancillary products and services, including dental, critical illness and vision.



Luminare Health is a total benefits solution that helps self-funded employers manage their health care costs, supports clients' strategic growth goals through white-labeled back-office services, and empowers members to live their healthiest lives.



Medecision partners with health care leaders to modernize care delivery and operations through data-driven technology, consulting, and implementation expertise. By combining a connected ecosystem with strategic insight, it helps organizations move from legacy to leader-unlocking smarter decisions, streamlined operations, and better outcomes.

## Strategic Investments



Availity, LLC operates a health care clearinghouse and provides internet-based e-health information services.



Headway is a technology-enabled mental health care platform that connects members to a national network of licensed therapists and psychiatrists.



Prime Therapeutics, LLC is a pharmacy benefit management company for HCSC and other third-party companies.



Solera streamlines digital health care with a value-based, on-benefit solution that drives down the total cost of care.

## Meeting Member Needs

Members served ..... **27.3M**

### Relationships with care providers

Facilities/hospitals: ..... **Over 11,000**

Providers/physicians: ..... **Over 500,000**

Medical spend managed for our members ..... **\$150.4B**

Average number of claims handled each day ..... **1.7M**

People supported through our expanded Maternal and Infant Health program since 2023 ..... **Over 300,000**

Grants and sponsorships in support of communities ..... **\$32M**

## Recognition

- Computerworld Best Places To Work in IT 2025
- Ethisphere World's Most Ethical Companies 2025
- Modern Healthcare Top 100 Most Influential - Maurice Smith
- D CEO Magazine's 2025 Corporate Social Responsibility Award



# Our History

## Pioneering Access to Health Care

- HCSC's predecessor company, Hospital Service Corporation, was incorporated in **1936** in Chicago. The company was founded by visionaries who sought to offer solutions for access to health care using the Blue Cross and Blue Shield models.
- In **1966**, Hospital Service Corporation formed Fort Dearborn Life Insurance Company, which began operations in **1969**.
- The Blue Cross Plan for hospital services and the Blue Shield Plan for physician services operated separately until **1975** when they were merged as Health Care Service Corporation.
- By **1982**, all the smaller Blue Cross Plans in Illinois were also merged with the Chicago-based Plan, and the company operated as Blue Cross and Blue Shield of Illinois.
- In **1998**, Blue Cross and Blue Shield of Texas joined HCSC.
- In **2001**, Blue Cross and Blue Shield of New Mexico joined HCSC.
- In **2005**, Blue Cross and Blue Shield of Oklahoma joined HCSC.
- In **2008**, Medecision joined HCSC.
- In **2013**, Blue Cross and Blue Shield of Montana joined HCSC.
- In **2022**, Trustmark Health Benefits joined HCSC and was rebranded as Luminare Health in **2023**.
- In **2025**, HCSC acquired The Cigna Group's Medicare and CareAllies businesses.
- In **2025**, HCSC launched its newest national brand, HealthSpring, with Medicare offerings as initial products.

**We have been in business for nearly a century, with a deep heritage and long track record of promoting access to high-quality health care.**

# Our Values

## Integrity

### Always Do the Right Thing

- Always do the right thing in the right way, even when no one is watching.
- Model the Code of Ethics and Conduct.
- Be a team player, even when it's not the easy choice.

## Respect

### Everyone Deserves It

- Be thoughtful with our words and actions.
- Have honest conversations that encourage open communication.
- Be inclusive and welcoming of diverse perspectives.

## Commitment

### We Keep Our Promises

- Act with our members in mind.
- Manage our commitments and deliver on our promises.
- Lead by example in all that we say and do.

## Excellence

### We Drive Extraordinary Results

- Seek opportunities to learn, network, grow, and develop.
- Embrace change, challenges, and uncertainty through flexibility and resilience.
- Define high performance and then hold yourself accountable for achieving it.

## Caring

### We Put Our Heart into Our Work

- Place HCSC's members and the communities we serve at the heart of our work.
- Make relationships a priority.
- Think about how our actions and work impact others.

# Connection to Our Communities

For decades, we have collaborated closely with local partners, leveraging their knowledge, experience, and expertise to support the development of healthier communities.

In 2025, we awarded more than \$32 million in grants and sponsorships to community organizations, bringing our 10-year investment total to more than \$260 million to expand access to care across five strategic focus areas:

- Economic Opportunity and Stability
- Food Access and Nutrition
- Locally Defined Health Solutions
- Neighborhood and Local Assets
- Optimal Health Outcomes

By identifying barriers to high-quality health care in our communities, we improve lives and strengthen bonds of trust with our stakeholders in those communities. Our employees also support this work by volunteering in their communities. More than 9,200 employees contributed over 180,000 volunteer hours in 2025.

## Economic Opportunity and Stability

Many of our community investments aim to address poverty, employment barriers, job creation and skills development, further enabling our members and neighbors to achieve better health outcomes.



Since 2022, we have invested \$2.5 million in Hope Chicago, established to improve economic outcomes by expanding access to higher education. The organization empowers students and their families to pursue educational aspirations without student loans, enabling more than 2,600 students and 380 parents to date to enroll in postsecondary programs.

For more than two years, SidexSide, a major grant recipient, has served the Oklahoma City metropolitan area by connecting overlooked talent with employers seeking skilled workers. Through its train-and-retain model, it has achieved a 91% job placement rate, a 307% average income increase among alumni, a 28% reduction in state benefits usage, and an 87% career retention rate.

Other investments reinforce the importance of career pathways for students. In Texas, a grant awarded to BridgeYear is funding the costs for students to complete its career cohort track. The organization works with schools, employers and others to help students pursue careers as electricians, automotive and HVAC technicians, certified nursing assistants and other fields.

## **Food Access and Nutrition**

Reliable access to nutritious food is essential to health and wellness. In 2025, we invested more than \$2.8 million in grants to support organizations that deliver fresh food and provide nutrition education and related services.

At the heart of this commitment is our long-term collaboration with the national hunger relief organization Feeding America. A grant of \$300,000 was awarded in 2025, continuing the company's support for Feeding America's Good Jobs Challenge, which strengthens the in-house workforce training programs in the organization's network of food banks. Central Texas Food Bank in Austin — one of nine food banks participating in the

Good Jobs Challenge in 2025 — provides food bank volunteers and clients with instruction in cooking methods and food safety along with case management and job opportunities.

Many additional grants are helping local organizations strengthen their innovative approaches to fighting hunger in their communities. Garden City Harvest in Montana grows more than 120,000 pounds of food on four urban farms and distributes it to Missoula service organizations. Regional Food Bank of Oklahoma is using a grant to distribute 21,600 medically tailored meals to address the dietary needs of nearly 150 patients with diabetes and cardiovascular disease.

## **Locally Defined Health Solutions**

Health needs vary in each community we serve, making the experience and expertise of local organizations and professionals essential in addressing them effectively. In 2025, we invested more than \$4.1 million in grants to organizations working at the local level.

In Montana, nurse practitioners are the sole health care experts in many rural communities. Despite lack of specialized training, they provide emergency care until patients can be transported to medical centers for treatment. With support from our major grant program, leaders at Montana State University's Mark and Robyn Jones College of Nursing are developing a post-graduate, transition-to-practice program to improve nurse practitioners' competence, confidence and retention.

In New Mexico, a grant is enabling Fall Prevention Foundation, Inc. to offer critical services to reduce the risk of falls among seniors and individuals with mobility challenges. The foundation strives to improve clients' overall safety and quality of life by combining expert assessment of needs, tailored solutions, and thorough training.

## Neighborhood and Local Assets

The physical structure of our communities has profound effects on our health and well-being. We're all better able to thrive through access to safe and affordable housing, transportation, and exercise and recreation facilities.

Since 2022, HCSC has collaborated with the National Fitness Campaign through its Healthy Cities program to increase access to physical exercise with free, outdoor Fitness Courts®. As the lead sponsor in Illinois, Montana, New Mexico, Oklahoma and Texas, we helped launch 26 new fitness courts in 2025 and nearly 80 overall since 2022. The courts are accessible to more than 1.2 million people via a 10-minute walk or bike ride and have more than 880,000 estimated annual users.

In Chicago, we renewed our investment in the Center for Housing + Health's Flexible Housing Pool, which works with health care providers to secure permanent housing for people who frequently use Cook County emergency rooms and other crisis services. The program has achieved significant reductions in mortality, emergency room visits, hospitalizations and incarceration compared with similar homeless populations.

Other initiatives funded by 2025 grants include the United Way of Eastern Frontier Country's ride-hailing services for medical appointments and other essential needs in Shawnee, Oklahoma, a city with no public transportation system.

## Optimal Health Outcomes

Many of our community investments advance our efforts to close gaps in immunizations, diabetes care, cardiovascular care, behavioral health, early detection cancer screenings, and maternal and infant health.

Our Maternal and Infant Health program is in its third year, with nearly \$5 million awarded to 38 partners in 2025. The program is helping community and clinical partners to expand access to quality maternal and infant health care, reduce health disparities, and address social factors that influence the well-being of mothers and babies.

In 2025, the program served over 219,000 people and supported more than 3,700 births. Since its inception, it has reached more than 326,000 individuals, providing over 2 million services and supporting more than 7,600 births.

Our mobile health programs in Illinois, Montana, New Mexico, Oklahoma, and Texas collaborate with public health departments and nonprofit organizations to deliver no-cost immunizations, screenings, dental care, chronic disease education, and other services. In 2025, 28 care vans served more than 97,000 clients, providing nearly 44,000 immunizations and over 97,000 other health services. In 2025, our four neighborhood centers in Chicago and Albuquerque supported more than 8,700 visitors with in-person and virtual health and wellness programming at no cost.

# Partnering with Providers

Care is best delivered through close relationships between physicians and their patients. Our strong networks of community providers and our portfolio of health care solutions are key factors in our ability to provide members with access to high-quality care. We make it easy for providers to do business with us, enabling them to spend more time in the exam room and less on administrative activities.

## Engaging Providers through Clinical Data Exchange

Effective use of health care data has the power to improve quality, reduce costs, and make the experience of receiving and paying for care easier for patients, their doctors and other providers. Real-time data sharing through the Health Data Exchange has significantly improved our performance on Healthcare Effectiveness Data Information Set (HEDIS) measures of performance and service. The use of real-time data fosters collaboration among physicians, enables providers and HCSC teams to improve patient outcomes, enhances HCSC's operational effectiveness, and reduces the cost of care.

## Behavioral Health

As awareness of behavioral health issues and their impact has grown, such as depression, anxiety, substance use disorder, suicide, and domestic violence, the provider community has shifted to providing virtual care



to support the increasing number of patient visits. As we continue our commitment to providing broad and seamless access for behavioral health care, we are collaborating with strategic partner Headway to expand and enhance behavioral health care services. Headway offers easy-to-navigate provider access and uses outcome measures to demonstrate improvement. For more specialized and complex care, we offer additional programs for conditions such as obsessive-compulsive and substance use disorders, and are collaborating with Equip Health on treatment of eating disorders.

## Value-Based Care and Provider Enablement

HCSC is focused on creating holistic, value-based care models that address fragmentation and gaps in health care. We have a three-pronged approach to address value and increase access to coordinated, high-quality care for our members.

**1 We continue offering and improving our broad portfolio of VBC payment models aligned to clinical care models and medical cost drivers.**

We have worked closely with doctors, hospitals and other health care providers since value-based payments were established by the Medicare Access and CHIP Reauthorization Act in 2015. Using a data-driven approach, our VBC contracts positively impact key levers that support clinical best practice care models and care delivery transformation goals. With both primary care and specialty care models, our programs range from quality improvements, to savings- and risk-sharing arrangements, to full capitation. Depending on the market need, the business case, and provider maturity, we leverage the following models to deliver value for our members and providers.

- **Quality Bonus Programs** reward providers for quality performance, key utilization metrics and quality reporting data.
- **Accountable Care Organizations** bring together groups of doctors, hospitals and other health care providers to enhance the coordination, quality and cost effectiveness of patient care through an ongoing relationship with a primary care physician who coordinates a care team on the patient's behalf.
- **Episodes of Care-Based Reimbursement** compensates providers with quality incentives and shared savings and shared risk opportunities for all services related to a specific episode of care. Our Maternity Episode of Care program for both Medicaid and Group members utilizes key metrics from the prenatal through postpartum periods to assist in the reduction of maternal morbidity, mortality and health disparities.
- **Comprehensive Primary Care Initiative** is a multi-payer program to help primary care providers deliver higher quality, better coordinated care.
- **Capitation-Based Reimbursement** provides primary care physicians budgetary direction for patient health care services to manage costs.
- **Hospital and Specialty Performance Programs** are value-focused, clinical-supporting programs that align rate increases to performance improvement.

**2 We continually improve provider engagement and insights through enabling analytics and platform solutions that promote care collaboration.**

VBC provider services have evolved through investments in enhanced insights and reporting capabilities. This evolution includes an increased focus on data, analytics, actionable insights, and two-way connectivity that is required for providers to be successful in VBC. Our expanded analytics portfolio features single sign-on self-service tools spanning the VBC spectrum, including risk, cost, utilization, quality gaps, real-time admission and discharge data, and electronic medical record-driven clinical data. Actionable insights, when aligned with contract incentives and clinical goals, drive positive change across our provider groups and support collaboration. An example of our evolution is our wholly owned subsidiary CareAllies, which creates long-term partnerships to help providers better engage, support and manage populations with new value-based savings and shared-risk models.

**We are focused on creating holistic, value-based care models that address fragmentation and gaps in health care and increase members' access to coordinated, high-quality care.**

**3 We continue to increase provider participation in programs that tie network negotiations to performance**

Looking ahead, we are focused on increasing our providers' participation across all VBC programs. This ensures our population of providers, including primary care, integrated systems, and specialty care, focus on improving quality of care for our members and realize the many benefits of VBC compared to the fee-for-service model.

Two major initiatives supporting these efforts are our Hospital Performance Program (HPP) and expansion of our specialty VBC programs. The HPP program ensures hospitals focus on high-quality, appropriate care that lowers the total cost of care by resulting in lower readmissions. Given the significant scale and impact of emergency room, outpatient and inpatient costs, VBC is a major advancement for our members and customers.

Additionally, our specialty portfolio continues to grow, focusing on areas where VBC can better align provider payment with outcomes, such as our Total Joint Replacement model and new Cardiology, Gastroenterology and Orthopedics specialty performance programs.

As we pursue our vision of VBC expansion, we continue to invest in offerings and capabilities that enhance access, improve quality, maximize value, and elevate our members' experience.

# Enhancing Value Delivered to Stakeholders

## Solutions that Address Evolving Health Needs

In addition to health care coverage, we provide our members with access to a variety of programs to help them lead their healthiest lives. These personalized and data-driven experiences aim to provide them with the tools and resources needed to achieve their health care goals. Our market-leading solutions benefit employers by delivering access to quality care, driving innovation, improving health outcomes, and supporting effective cost management.

For all stakeholders – members, providers, brokers, and employers – we are committed to delivering a seamless and personalized experience that proactively addresses their needs. We strengthen these relationships by providing accurate and reliable solutions with a digital-first focus, making it easy for them to engage with us.

We effectively address evolving health needs through the following solutions.



**Advocacy:** Health Advocacy Solutions is designed to guide members through the complexities of health care, with the goal of helping them make more informed care decisions and getting them on the path to health faster while lowering costs.

**Consumer Education and Rewards:** Our educational outreach and rewards solutions help members make decisions that lead to healthier lives. Decision support tools and products like Provider Finder®, Member Rewards, and Evive Digital Member Hub enable members to strengthen engagement with their care plan, access quality care at a lower cost, and take greater control of their health and wellness.

**Wellbeing and Prevention:** Our comprehensive wellbeing and prevention services support both physical and mental health, helping members to stay healthy and detect health problems early to improve their quality of life. We offer members two wellbeing management packages – Enable and Empower+ – along with other solutions, such as Employee Assistance Program, Well onTarget®, and Worksite Wellness.

**Acute and Chronic Conditions:** To support members who have unique health needs and care preferences, we provide access to a wide range of services, including primary care, metabolic health, behavioral health, weight management, oncology care, and musculoskeletal treatment. Many of these services are available to our members through telehealth, providing flexibility and convenient access to care.

**Consumer Financial Solutions:** Our products BlueEdge HCA<sup>SM</sup> and BlueEdge HSA<sup>SM</sup> empower members to become more informed health care consumers. By utilizing a flexible spending account (FSA) and a health reimbursement arrangement (HRA), these solutions support smarter health

and budget decisions as well as encourage members to take a more active role in managing their care.

**National Networks:** Our relationship with the Blue Cross and Blue Shield Association permits access to the industry's largest national data resources. From this shared information, we have created a set of national products focused on solutions that guide members to high-quality, efficient facilities and physician-established centers of value-based care. These products use our broad BlueCard® PPO network and a smaller subset of select high performing providers who are committed to enhancing quality and lowering overall total cost of care.

**Employer Financial Protection:** Our employer financial protection products, which include Advanced Payment Review and Stop Loss, provide additional reviews to ensure billing accuracy, support members in budgeting for unexpected medical costs, and protect employers from catastrophic medical claims.

**In addition to health coverage,  
we provide our members  
with access to a variety of  
personalized and data-driven  
programs that provide tools and  
resources to help them achieve  
their health care goals.**

# Spotlight on Innovation

**We continue to invest in products and solutions that meet evolving employer and member needs, leveraging the latest technological innovations when possible. Our investments aim to provide a better member experience while improving health outcomes and lowering the overall cost of care.**

## Product Innovations

**Women's and Family Health:** Our Women's and Family Health product empowers women and families at every life stage. We connect members with personalized support throughout their entire journey, including fertility and family building, maternity, parenting and menopause, and provide additional support for high-risk members through our internal maternity management program. This solution can help attract and retain diverse talent, improve productivity, and increase return to work rates.

**Cancer Services and Support:** We are committed to supporting our members at every stage of their cancer journey. That's why we introduced the Cancer Support Hub, designed to simplify navigation and provide guidance for managing care and benefits. Our cancer services anticipate members' needs and proactively deliver care-related information. The Hub provides easily accessible and convenient digital tools, ensuring members receive timely, cost-effective, high-quality care.

**Behavioral Health:** Our approach to enhanced core behavioral health includes the comprehensive Mental Health Hub, a centralized resource to address the most pressing behavioral issues. This solution provides targeted support for substance use disorders, eating disorders, obsessive compulsive disorder, and pediatric behavioral health needs. We encourage use of behavioral health resources through a digital anti-stigma communications campaign and have expanded access to specialized providers, mental health first aid training, and critical incident stress management support.

**Metabolic Health Management:** Our comprehensive metabolic health solution is helping members address obesity and type-2 diabetes. Eligible members can choose the program that fits them best, starting with the highest acuity option and then connecting to other interventions as preferred. This solution leverages artificial intelligence, health data, and wearable device monitoring to help members optimize their lifestyle while lowering or eliminating long-term health costs related to medications and chronic disease care.

**Gene Therapy:** We support our members through the complex care journey associated with gene therapies, including enrollment, payment, education and travel. Our program provides improved network rates for gene therapy, reducing member and employer cost liability.

# Sustainability

As a health care company, we know that taking care of people includes taking care of the planet. We actively pursue ways to make a healthier world for our members and communities. These efforts include:

**Community Carbon Reduction:** We subscribed to three new community solar projects in northwest and central Illinois. These projects will collectively generate 16.5 megawatts of electricity to support Illinois communities.

Additionally, we signed a 3-year agreement to procure 15,000 metric tons of American Carbon Registry certified Improved Forest Management carbon credits. These offset our emissions while preserving forests, lowering carbon emissions, and improving the health of communities in the Mississippi Delta region.

**Building Design:** We subscribe to WELL At Scale, leveraging the International WELL Building Institute's health and wellbeing strategies across our entire building portfolio. Our commitment has increased our WELL score by 10 points in 2025. Our five headquarters buildings have earned the WELL Health-Safety Rating, and our Illinois, Montana, New Mexico and Texas headquarters are LEED-certified.

**Recycling and Waste Reduction:** We reduced our environmental impact by limiting paper consumption, recycling paper and electronics, and composting organics from our employee cafes.

**Supporting Biodiversity:** Our urban beekeeping program supports native bee populations through hosting native bee homes and honeybee hives. In 2025, we received our first biomonitoring reports, which provide insights on nature-related impacts and opportunities in environments where HCSC's offices are located.

**Optimizing Our Resources:** We focus on efficiency, as lowering our energy consumption reduces strain on the grid and energy generation. Electric power consumed is 100% matched with the retirement of Green-e Certified Renewable Energy Certificates.

**Transparency and Engagement:** We participate in the Carbon Disclosure Project to measure our environmental impact and support sustainable supply chain practices. In 2025, our climate-specific disclosure score was a "B", recognizing that HCSC is actively managing its environmental impacts.

## IN 2025, HCSC DEMONSTRATED ITS COMMITMENT TO SUSTAINABILITY BY:

- Uncovering opportunities for up to 760,000 gallons of water savings through water audits.
- Receiving recognition for 5 million plastic bottles saved through our bottleless water dispenser partnership.
- Increasing our WELL score by 10 points through onsite commitment to employee health and wellbeing.
- Earning a "B" on our CDP disclosure, indicating the effectiveness and impact of our environmental efforts.
- Matching 100% of electricity consumption with renewable energy through the retirement of Green-e Certified Renewable Energy Certificates.

## Ethics and Compliance

At HCSC, we strive to act ethically and honestly in everything we do. Working with integrity is one of our core values. We require all employees to operate ethically, with integrity, and according to all applicable laws, regulations and contractual obligations.

Our policy is to prevent unethical or unlawful behavior, detect such behavior as early as possible if it occurs, appropriately disclose to authorities when it happens, and to fully cooperate in any investigation or regulatory inquiry.

HCSC and its subsidiaries, under certain contracts, provide services to various agencies of federal, state, or local governments as either a prime contractor or as a subcontractor. We are committed to full and comprehensive compliance with all contractual obligations regarding these services. This includes, but is not limited to, adopting specific policies and procedures for employees who work on such contracts, providing appropriate training and resources, and operating an effective compliance program regarding such contracts.

As we serve our members, providers and other stakeholders with integrity and a focus on compliance, we are committed to minimizing fraud, waste and abuse and enabling a more sustainable health care system.



## Our Employees

Our strength lies in our workforce of over 34,000 employees who diligently serve our members by answering more than 67,000 phone inquiries and processing 1.7 million claims on average every day, helping to ensure that our members receive the right care in the right setting at the right time.

### Professional Growth

Blue University<sup>SM</sup>, an internal learning and development institution, equips our employees to build future-ready skills and strengthen capabilities while promoting their professional growth.

Blue University offers employees access to over 100,000 learning activities, ranging from leadership and professional development to courses in using the latest tools and technology.

### Values and Culture

We are intentional in cultivating an environment that creates a sense of belonging and recognizes employee contributions. Through our continued focus on our core values, we promote a culture of caring that is purpose- and values-driven and connects employees to the communities we serve. We invite employees to participate in employee groups, including employee experience councils and business resource groups, which are focused on supporting our organization and the communities we serve.



## Financial Results

As a customer-owned health insurer, we are not driven by the quarterly earnings cycle. Instead, we take a broad view of health care and make long-term investments in our customers, providers, communities and other stakeholders with the aim of making the health care system work better for everyone.

Our financial strength provides the foundation that allows us to meet and exceed member expectations today while continuing to innovate and grow in meeting the evolving health care needs of the future. In 2025, our financial performance reflected record membership and revenue growth related to our acquisition of our new Medicare and CareAllies businesses and the impact of continuing headwinds consistent across the managed care industry.

(\$ in millions)	2025	2024
Total revenue	66,763	62,824
Benefit expenses	63,114	56,962
Total administrative and other expenses	7,125	6,434
Net underwriting loss	(3,476)	(572)
Net investment income	1,672	1,085
Net capital loss and other	(325)	(103)
(Loss) income before federal income tax benefit	(2,129)	410
Federal income tax benefit	(212)	(249)
<b>Net (loss) income</b>	<b>(1,917)</b>	<b>659</b>

Source: HCSC statutory filings



# Our Leadership Team

## Executive Team

### **Maurice Smith**

Chairman, President &  
Chief Executive Officer

### **Opella Ernest, M.D.**

President, HCSC Markets

### **Michael Frank**

Executive Vice President,  
Chief Operating Officer

### **Catherine Nelson**

Executive Vice President,  
Chief Legal Officer

### **Arun Prasad**

President of IFM and  
Diversified Businesses  
& Chief Strategy Officer

### **James Walsh**

Executive Vice President,  
Chief Financial Officer

### **Jill Wolowitz**

Executive Vice President,  
Chief Administrative Officer,  
Chief Ethics & Compliance Officer

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## Corporate Leaders

### **Monica Berner, M.D.**

Senior Vice President,  
HCSC Markets

### **Flavia Duffy**

Senior Vice President,  
Chief Customer Service Officer

### **Kevin Cassidy**

President, HCSC National Accounts

### **Stephen Harris**

President, Government Markets

### **Scott Morgan**

Senior Vice President,  
Chief Information Officer

### **Manika Turnbull, Ph.D.**

Senior Vice President,  
Chief Human Resources Officer

### **Nancy Wohlhart**

President, Medicaid

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## Plan Presidents

### **Stephania Grober**

President, Oklahoma Plan  
& Western Markets

### **Lisa Kelley**

President, Montana Plan

### **Brian Snell**

Senior Vice President, Illinois Plan

### **James Springfield**

President, Texas Plan &  
Senior Vice President,  
Network Business Solutions

### **Janice Torrez**

President, New Mexico Plan

**HCSC**

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Health Care Service Corporation, a Mutual Legal Reserve Company

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