

## OUR 2024 FINANCIAL STEWARDSHIP STORY

# Making the most of your premiums is our responsibility

As a mission-driven, not-for-profit company, our first priority is to make quality healthcare accessible and affordable for our 3.3 million members and the communities we serve. It's also our responsibility to share how we're using your premium dollars.

**We used 89 cents from every premium dollar to pay for our members' medical needs.**

And we worked hard to lower our operating costs to offer better pricing for our customers.

### 89%

#### Direct Medical Costs

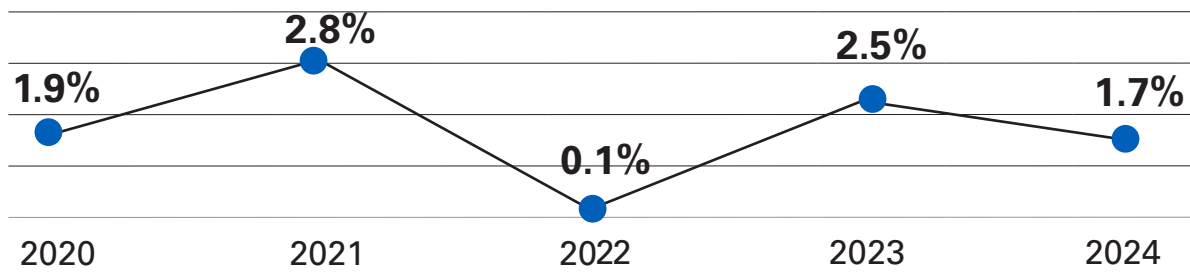
- 28¢ Physician services
- 23¢ Outpatient facility care
- 22¢ Inpatient facility care
- 8¢ Prescription drugs
- 8¢ Other medical services

**Our members' health care claims totaled \$20.1 billion in 2024.**

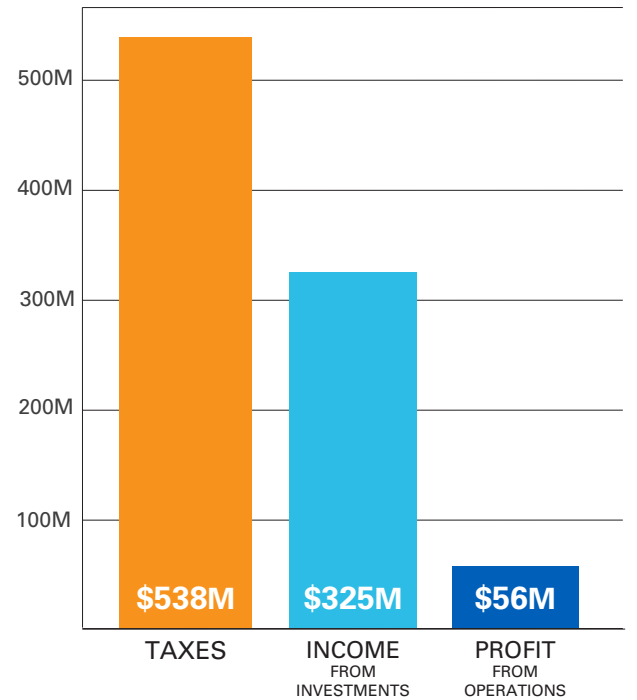


### OUR NET INCOME

We paid \$538 million in taxes that support programs and services benefitting Tennesseans, and we earned \$381 million in after-tax net income.



**Our net income represents 1.7% of our gross revenues, and our five-year average for net income is 1.8%.**



### OUR RESERVES

We maintain enough reserves to cover our members' claims for around 4 months.

Just as financial experts advise families save for about 4-6 months for unexpected expenses, we follow a similar approach, ensuring we're always ready to meet our member's needs, no matter what the future holds.



Our reserves – built over 80 years – now total \$5.2 billion, but \$3 billion of those are required based on how many members we have and how much we have to charge in premiums. These reserves are not excess profits. They are a responsible stability fund that protects members and ensures uninterrupted care.