



Bright Health Group

Bright Health Group

Introduction and Business Overview

August 12th, 2021

Disclaimer



Statements made in this presentation that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements, and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These statements often include words such as “anticipate,” “expect,” “plan,” “believe,” “intend,” “project,” “forecast,” “estimates,” “projections,” and other similar expressions. These forward-looking statements include any statements regarding our plans and expectations with respect to Bright Health Group, Inc. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Factors that might materially affect such forward-looking statements include: a lack of acceptance or slow adoption of our business model; our ability to retain existing consumers and expand consumer enrollment; our ability to contract with care providers and arrange for the provision of quality care; our ability to accurately estimate our medical expenses, effectively manage our costs and claims liabilities or appropriately price our products and charge premiums; the impact of the COVID-19 pandemic on our business and results of operations; the risks associated with our reliance on third-party providers to operate our business; the impact of modifications or changes to the U.S. health insurance markets; our ability to manage the growth of our business; our ability to operate, update or implement our technology platform and other information technology systems; our ability to retain key executives; our ability to successfully pursue acquisitions and integrate acquired businesses; the occurrence of severe weather events, catastrophic health events, natural or man-made disasters, and social and political conditions or civil unrest; and the other factors set forth under the heading “Risk Factors” in Bright Health Group’s prospectus filed pursuant to Rule 424(b)(4) on June 25, 2021. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this release to conform these statements to actual results or to changes in our expectations.

This presentation contains Adjusted EBITDA and Adjusted Medical Cost Ratio, which are non-GAAP financial measures. These non-GAAP financial measures are an addition, and not a substitute for or superior to the most directly comparable GAAP financial measures, Net Income (Loss) and Reported Medical Cost Ratio. Bright Health Group believes these non-GAAP measures provide useful supplemental information to investors about our operating performance, and uses these measures provide a more complete understanding of the factors and trends affecting our business than GAAP results alone. The reconciliations of these non-GAAP measures to the most directly comparable GAAP measures, can be found in the appendix to this presentation.



Introduction to Bright Health Management Team

Senior leaders with prior experience at Fortune 100 companies across multiple sectors

Bob Sheehy

Co-Founder and Chairman
of the Board

Sam Srivastava

Chief Executive Officer,
NeueHealth

G. Mike Mikan

Chief Executive Officer,
President, and Vice-Chairman

Cathy Smith

Chief Financial and
Administrative Officer

Jon Porter

Chief Product Officer and
Chief Executive Officer, DocSquad

Simeon Schindelman

Chief Executive Officer,
Bright HealthCare

Keith Nelsen

General Counsel

Dr. Tomás Valdivia

Co-Founder and Chief Health
and Equity Officer

Brian Gambbs

Chief Technology Officer

Prior Experience Across a Range of Companies with Track Records of Profitable Growth

UNITEDHEALTH GROUP®



Magellan
HEALTH.

athenahealth



Our Mission

Making Healthcare Right. Together.

Our Vision

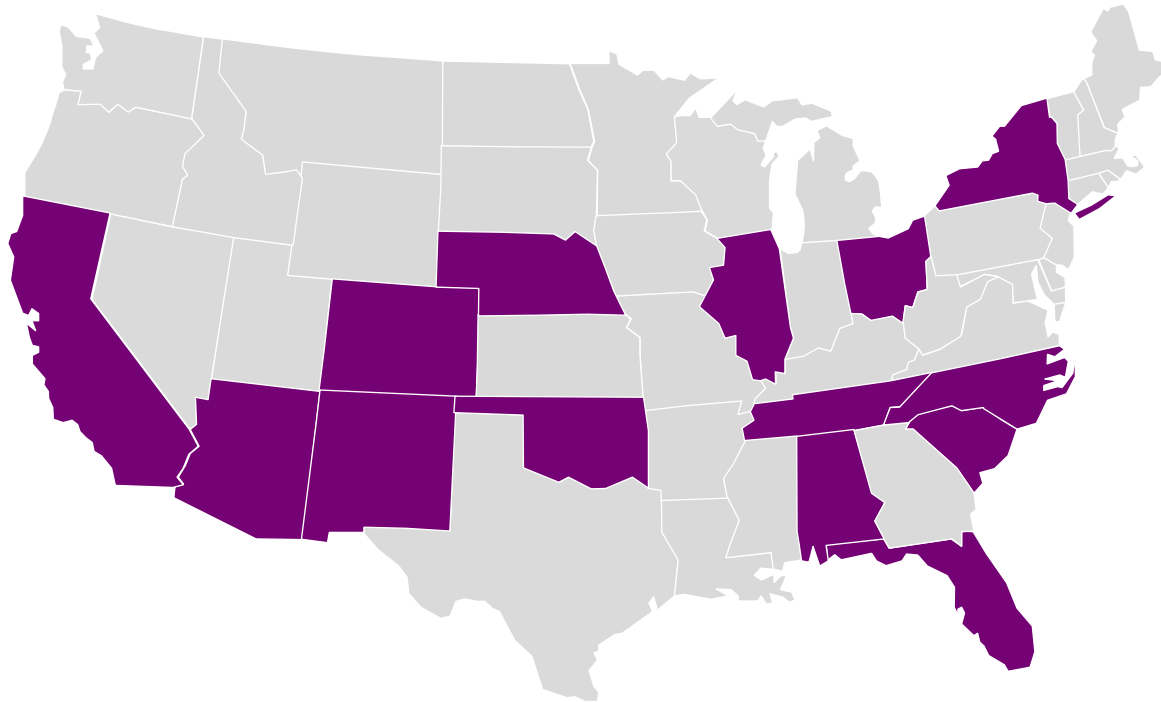
Through powerful relationships with **Care Partners**, we help all people live healthy and brighter lives.



Bright Health Overview

Building a technology-enabled, national Integrated System of Care

National Scale Across 99 Markets and 14 States



By the Numbers

As of June 30th, 2021

**\$4.0+
Billion**

2021E Revenue⁽¹⁾

553k

Bright HealthCare
Commercial Consumers

110k

Bright HealthCare Medicare
Advantage Consumers

131

NeueHealth Owned and Affiliated
Primary Care Clinics⁽²⁾

170k

NeueHealth Value-Based Patients⁽²⁾

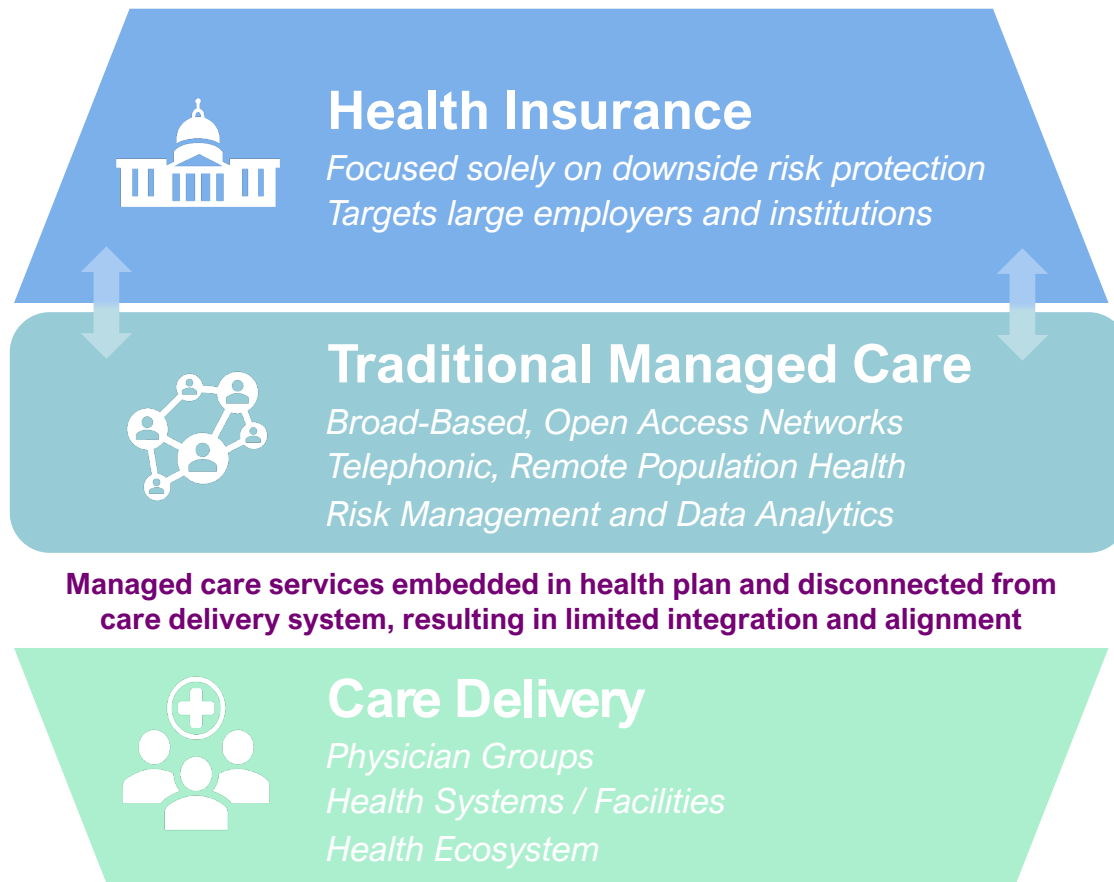
(1) Based on 2021 guidance range provided on August 3, 2021

(2) Adjusted for the acquisition of a majority interest in Centrum Medical Holdings, which closed on July 1, 2021

Delivering Better Outcomes Through Stakeholder Alignment

Differentiated approach aligning the financing, optimization, and personalized delivery of healthcare

The Current Healthcare System



The Future of Integrated Healthcare



The Bright Health Group Business Model

Market-facing businesses working together to operate local Integrated Systems of Care



Personalized Care Delivery

A high-performing care delivery system leveraging intelligence to deliver personalized healthcare and Care Partner enablement solutions

Healthcare Financing and Distribution

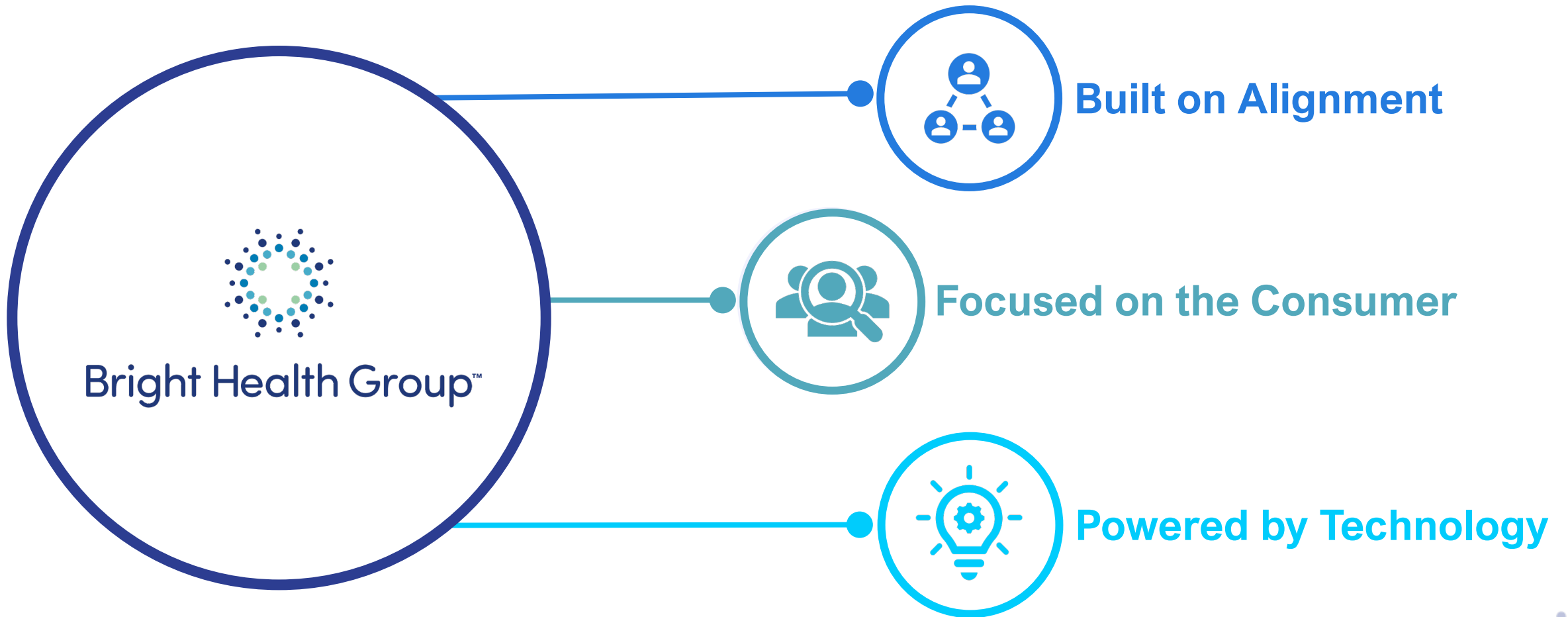
Care Partner and person-centric health plans that align consumer, provider, and payor interests to lower healthcare costs and improve quality and access

Unified by our technology platform

The Bright Health Intelligent Operating System (BIOS), and its provider and consumer-facing **DOCSQUAD** solutions

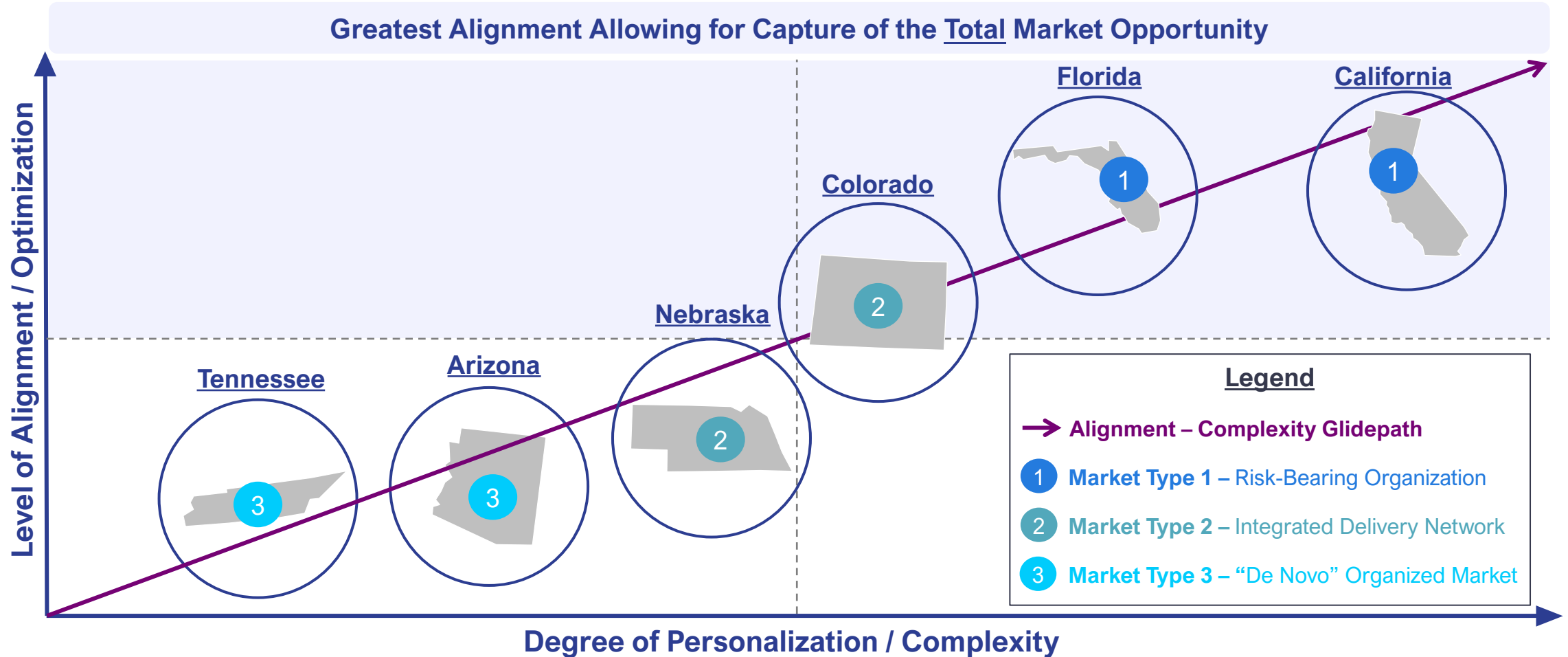
Our Approach to Healthcare Transformation

Delivering on the future of integrated healthcare



Constructing Integrated Delivery Systems Built to Care for All Populations

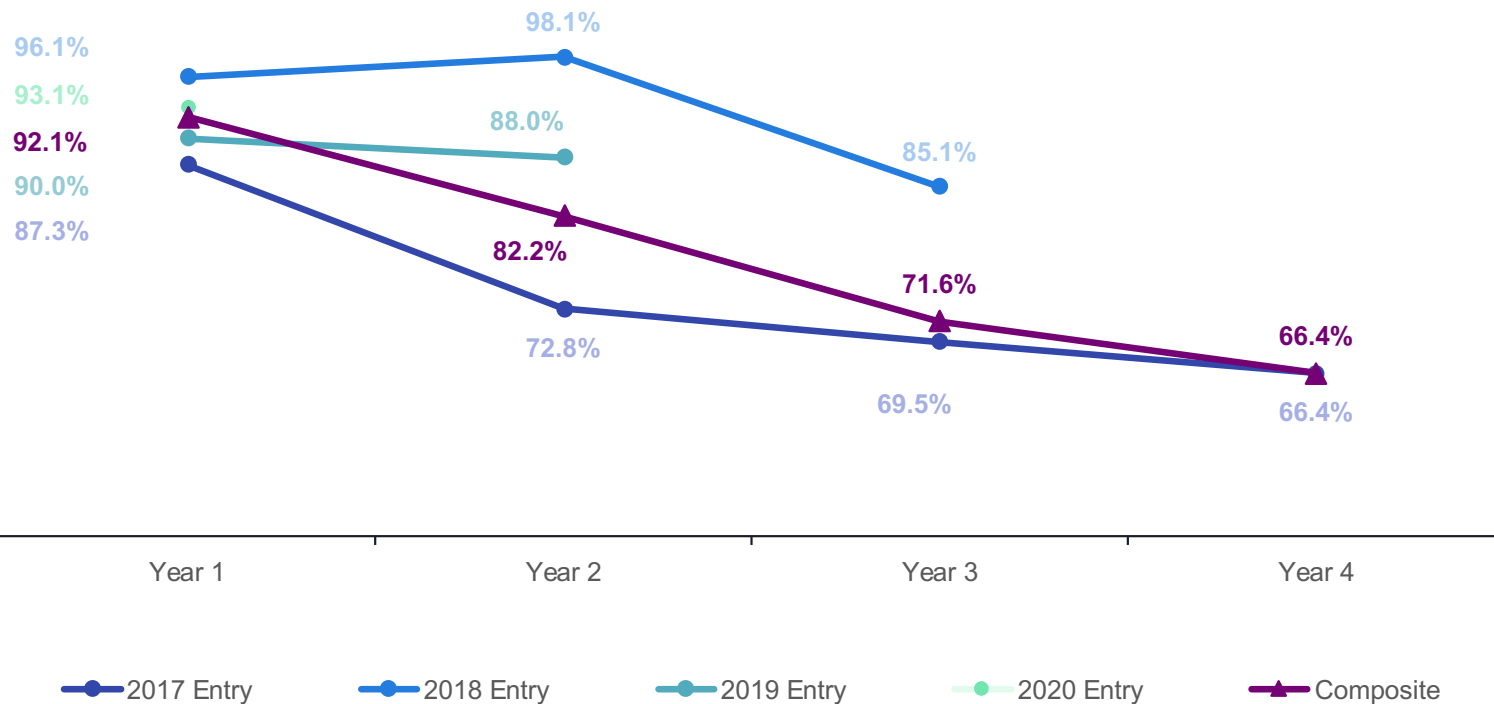
We augment the local market capabilities of our Care Partners as they evolve to manage increasingly complex populations



Demonstrated Ability to Repeatedly Drive Favorable IFP MCR Performance

Across IFP market launch “cohorts”, we have demonstrated the ability to achieve favorable and declining MCRs over time

Historical IFP MCR Evolution Over Time



IFP Product Launch Timeline

2017

- Colorado

2018

- Alabama

2019

- Arizona, Tennessee

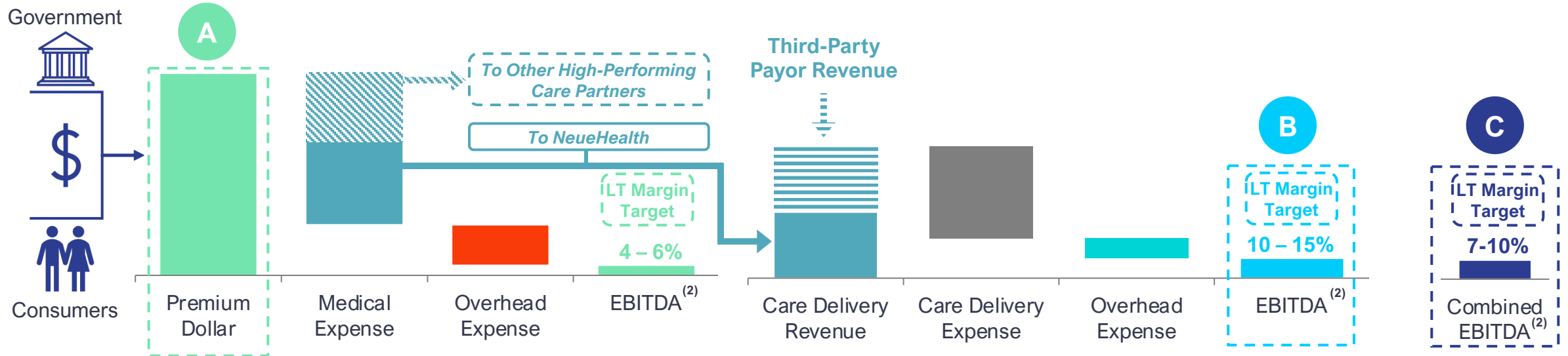
2020

- Florida, Nebraska, North Carolina, Oklahoma, South Carolina



Our Approach Enables Us to Capture Both Growth and Margin⁽¹⁾

Together, Bright HealthCare and NeueHealth benefit from a value proposition that improves outcomes and reduces costs



A

“Growth Engine”
Maximize dollars flowing through Bright HealthCare via consumer aggregation

B

“Margin Accelerator”
Capture margin by closely aligning with the delivery system to serve both captive (BHC) as well as third-party payors

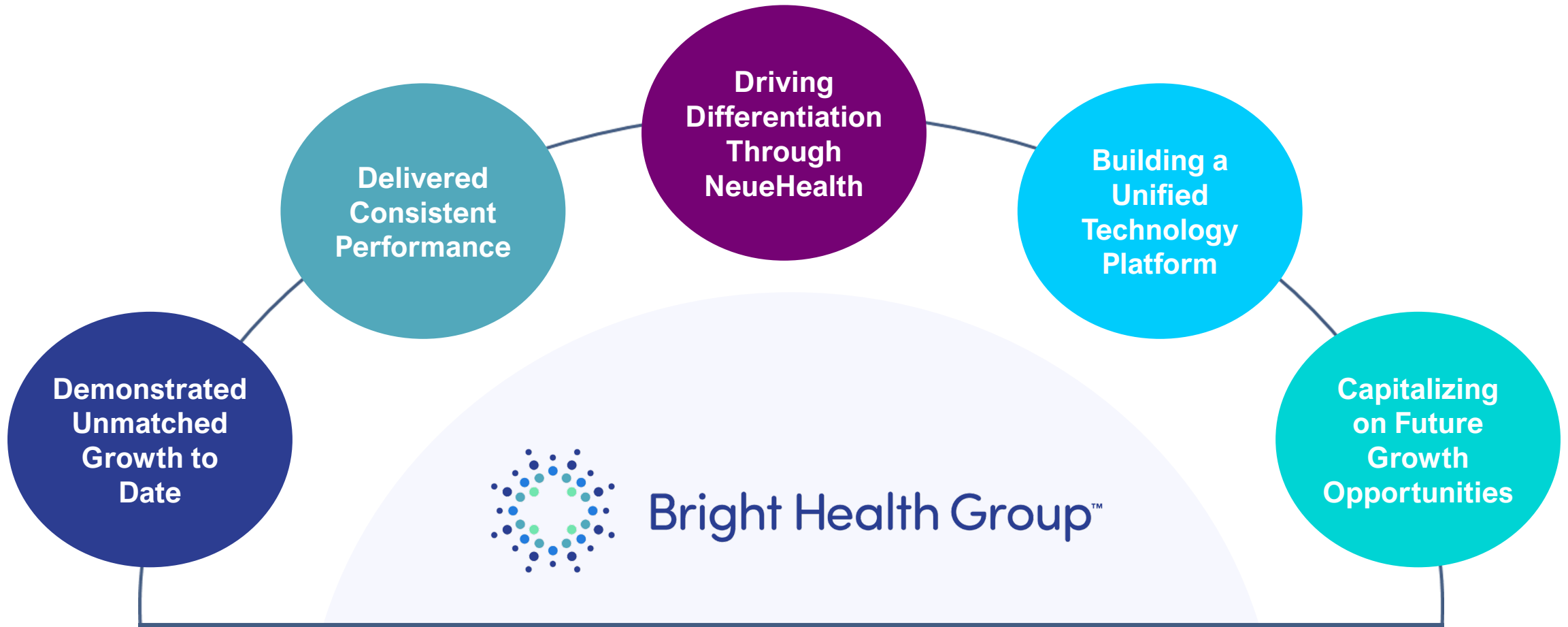
C

Capture a greater share of the healthcare dollar and optimize clinical outcomes

(1) Please see Appendix for detail on illustrative calculations as shown

(2) Please see Appendix for additional detail on EBITDA

Key Themes

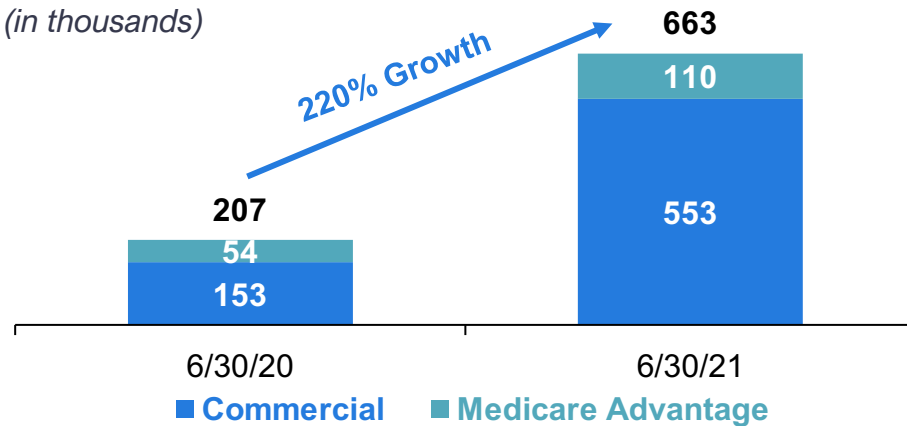


Year-Over-Year Growth

Significant uptick in membership and value-based patients reflect the increasing market recognition of our business

Bright HealthCare Membership

(in thousands)



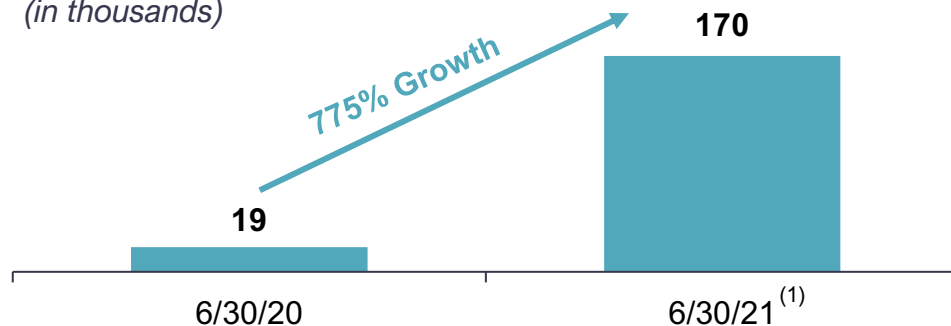
Organic growth driven by strong AEP / OEP performance across both IFP and Medicare Advantage

Strategic acquisitions completed at attractive valuations, adding new geographies and capabilities

Special Enrollment Period (SEP) growth in all but one state in which we offer IFP plans

NeueHealth Value-Based Patients

(in thousands)



Value-based patient growth driven by continued care delivery investments and organic growth

(1) Adjusted for acquisition of a majority interest in Centrum Medical Holdings, which closed on July 1, 2021



Delivering Consistent Performance Across Bright HealthCare

Our IFP population is slightly healthier than expectations, with our 2021 membership consistent across our book of business

Key Drivers of Performance

- We price to our underlying capabilities and cost structure
 - Our aligned Care Partner networks provide a unit cost advantage
- Our Integrated Systems of Care allow us to effectively manage medical costs, while improving outcomes
 - Improve in-network utilization rates
 - Accurately capture membership risk profile by forming tight relationships between consumers and their PCPs

Early 2021 Data Points Validate Our Approach

Demographics

Average age and gender mix of our new 2021 membership is consistent with our broader book of business

Utilization

Non-COVID trends tracking at or below expectations year-to-date across both Commercial and Medicare Advantage

IFP Metal Mix

Reflects underlying capabilities and pricing strategy, with the majority of our membership in Silver plans

Infrastructure in Place for Medicare Advantage Expansion


Our three-pronged Medicare Advantage growth strategy builds upon a platform serving over 110,000 MA consumers

Foundation for Medicare Advantage Growth

Build Upon Commercial Footprint

- Leading with IFP creates Care Partner relationships, builds brand awareness, and provides a market foothold

Extend Acquired Capabilities

- **brand new day** HEALTHCARE YOU CAN FEEL GOOD ABOUT acquisition provided a proven special needs platform
-  **CENTRAL HEALTH MEDICARE PLAN** acquisition added capabilities for managing specific ethnic populations

Partner with NeueHealth

- Leverage Integrated Systems of Care, in partnership with NeueHealth, to drive membership growth through a comprehensive model of senior care

1

Capitalize on Significant Age-In Opportunity From IFP

~11% of IFP consumers between ages 60 and 65

~13 million total MA members across our 14 states

2

Deploy Robust Special Needs Platform Into New Markets

3rd largest provider of C-SNP plans nationwide

35% organic membership growth at BND since acquisition

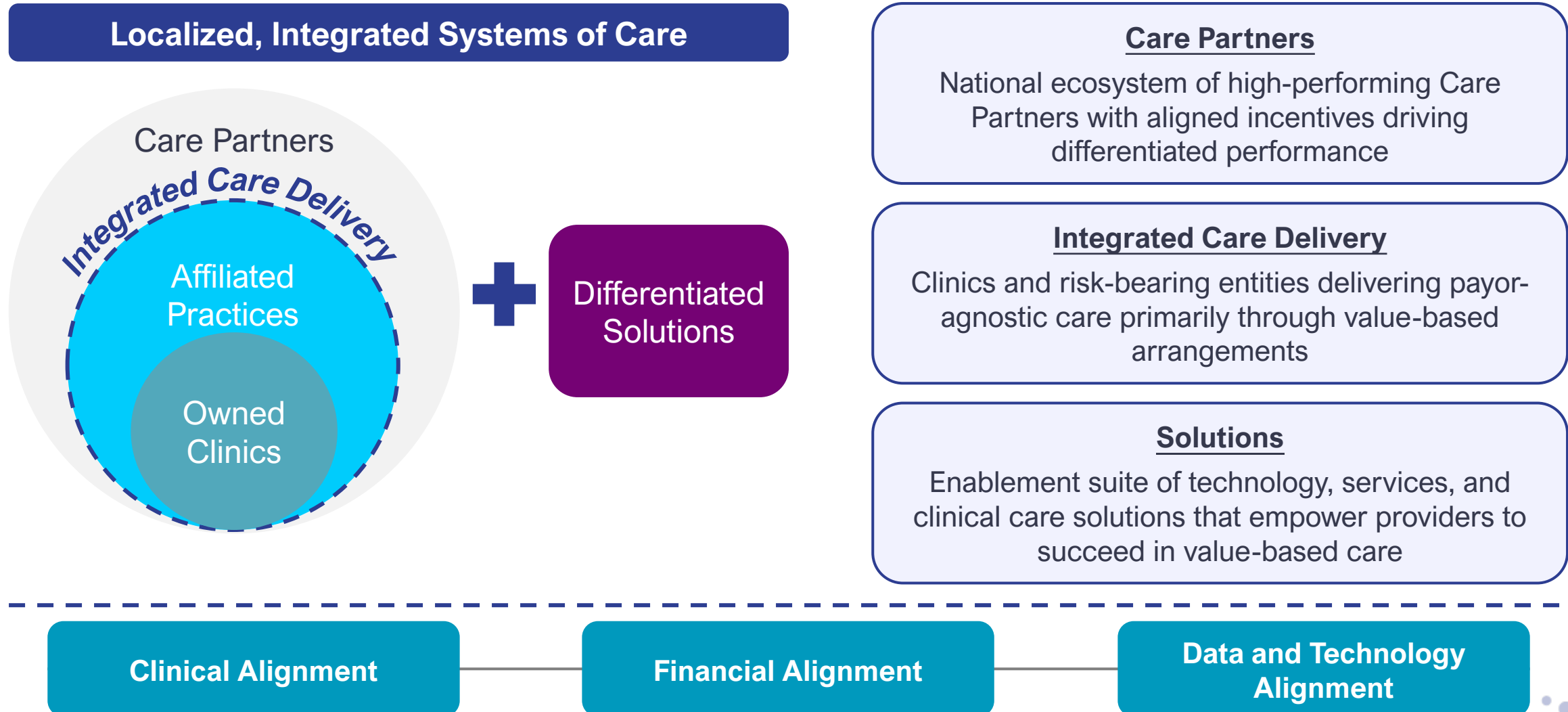
3

“Go Deep” in Selected Local Markets Targeting Specific Populations

~17,000 non-BHC, Medicare-eligible value-based patients served by NeueHealth clinics

NeueHealth's Go-to-Market Approach

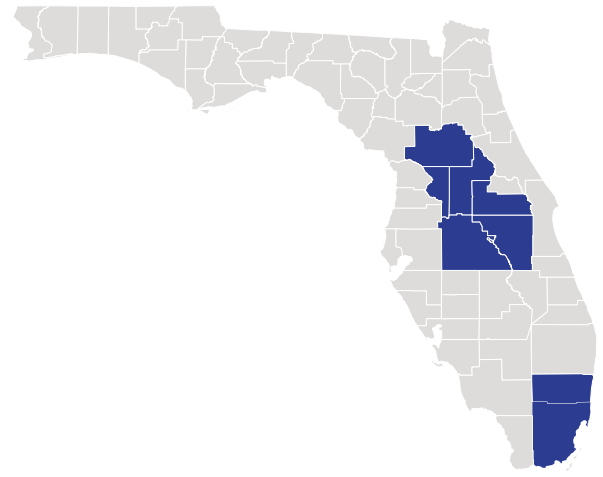
Improving provider performance, patient experience, and overall outcomes through stakeholder alignment



Expanding Our Integrated Care Delivery Offering

Entering two new states in 2022, with additional opportunities in the pipeline for further growth

Geographic Footprint Today



44

NeueHealth Owned Primary Care Clinics

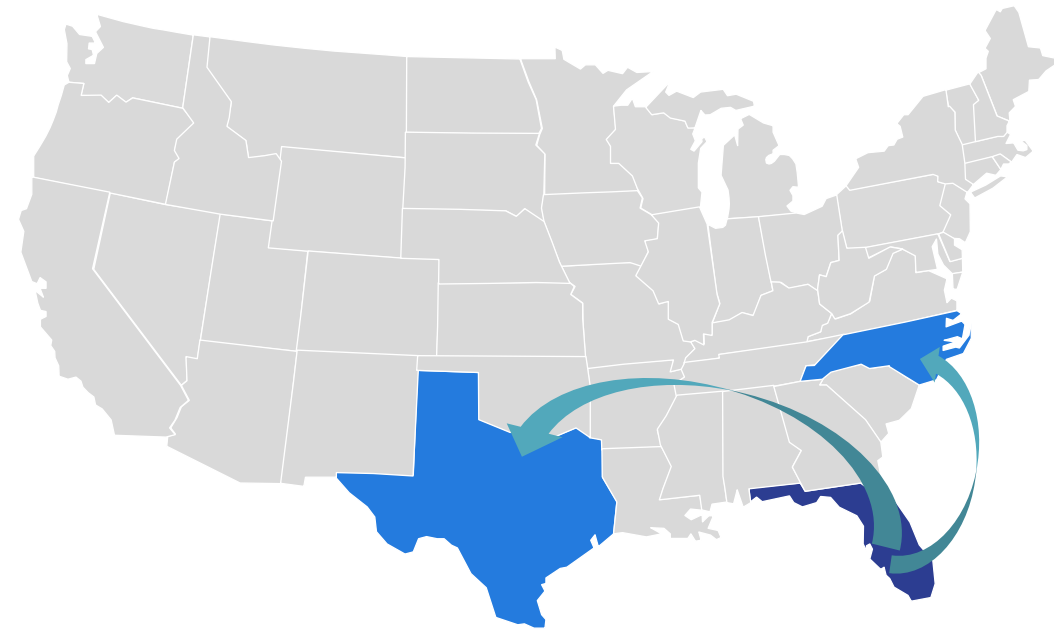
87

NeueHealth Affiliated Primary Care Clinics

169,983

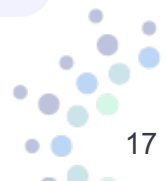
Value-Based Patients

2022 Expansion Plans



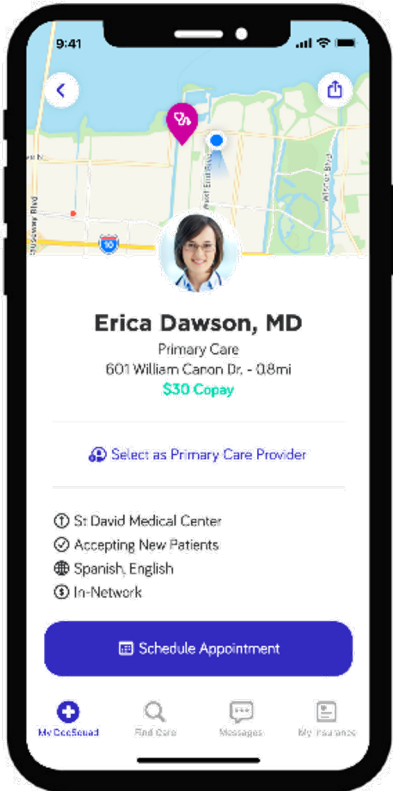
We are building clinics complementary to our existing Bright HealthCare membership in **Texas** and **North Carolina**, with site selection underway

Note: Figures as of June 30, 2021, adjusted for the acquisition of a majority interest in Centrum Medical Holdings which closed on July 1, 2021



Purpose-Built Consumer and Provider Technology Platform Connected at Scale

We believe that individual healthcare consumers and providers connected at scale have significant power to drive change

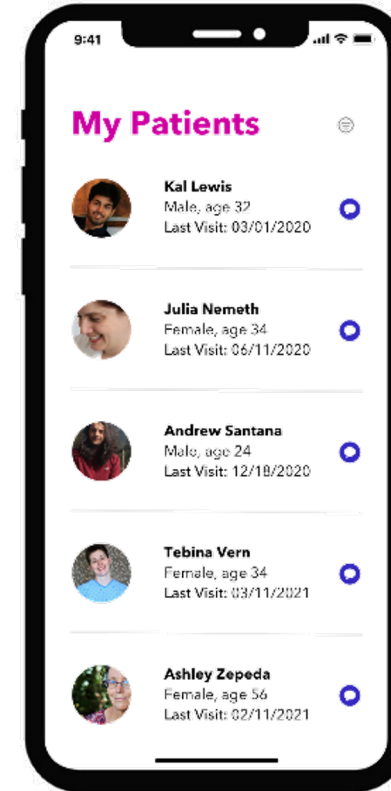


For the Consumer

My Front Door to Healthcare

- Access my healthcare data
- Find, access, and pay for healthcare
- Get questions answered quickly and effectively
- Make informed, affordable healthcare decisions

**Over 4.0 million
virtual visits⁽¹⁾**



For the Provider

The Operating Platform for My Business

- Attract consumers and get paid for my services
- Understand how to deliver great care and get paid more for doing so
- Reduce non-clinical work in my everyday life

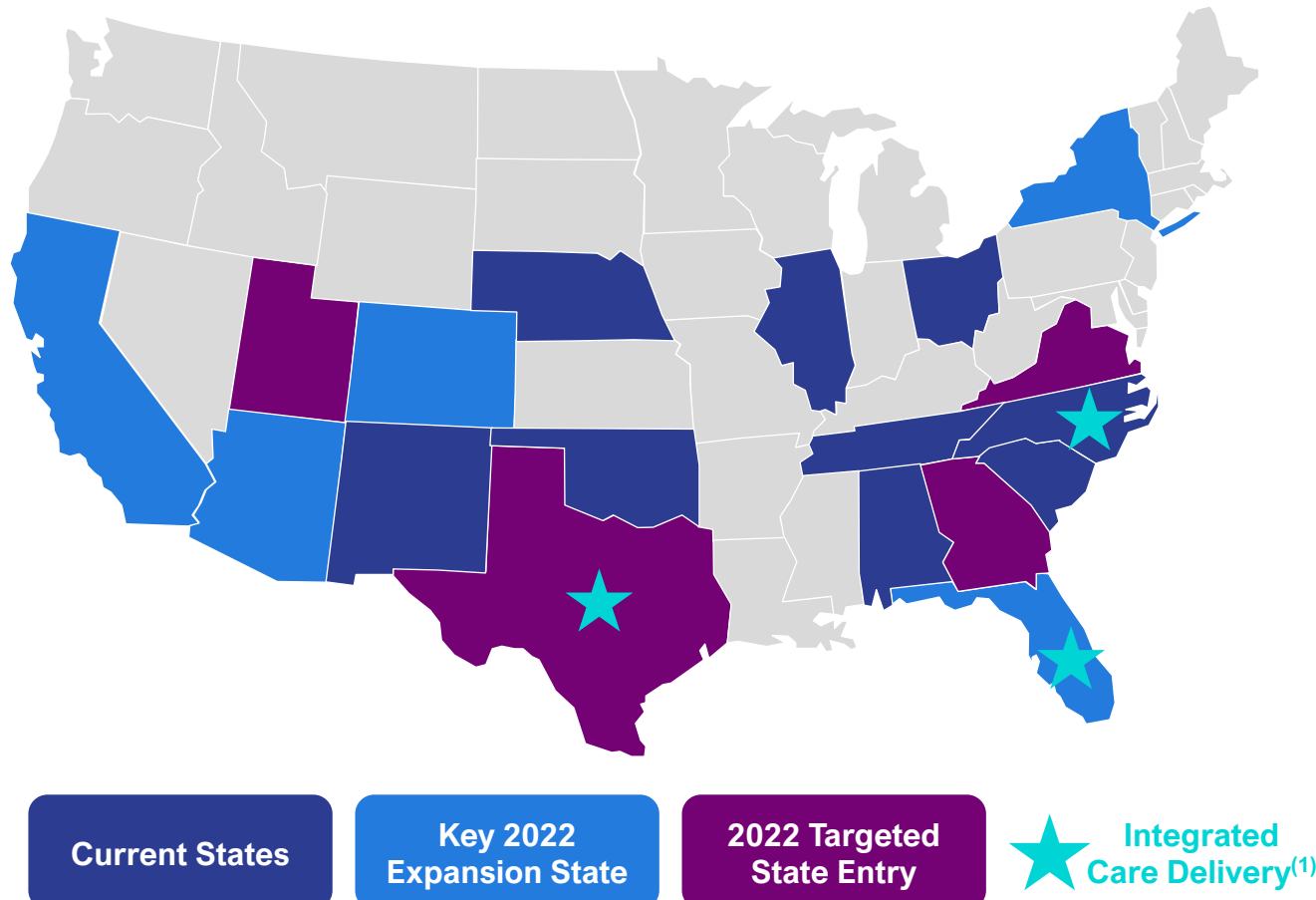
**Over 87%
In-Network Utilization⁽²⁾**

(1) Have delivered approximately 4.0 million visits through March 31, 2021

(2) Reflects in-network utilization across all of our IFP markets in 2020

Our Business is Well-Positioned for Continued Growth in 2022 and Beyond

Key priorities include further footprint expansion and diversification of the business



1

Product Diversification in Existing States

- *Medicare Advantage*: Increasing market depth in key states: Arizona, California, Colorado, Florida, and New York
- *IFP*: Launch in California (second largest statewide IFP addressable market)

2

Accelerating New State Entry

4 new states planned for 2022 including Texas, which has the third largest IFP population

3

NeueHealth Integrated Delivery Growth

Expanding footprint beyond Florida, with future growth expected to come from both de novo builds and strategic M&A

(1) Includes planned 2022 expansion into Texas and North Carolina



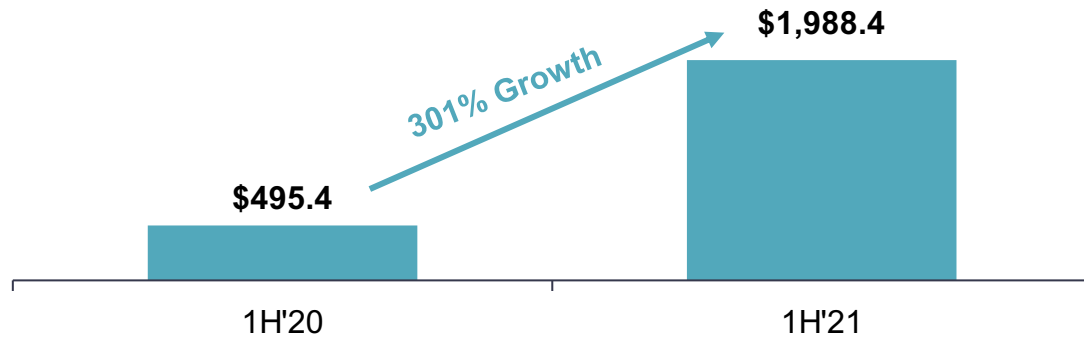
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Performance Update

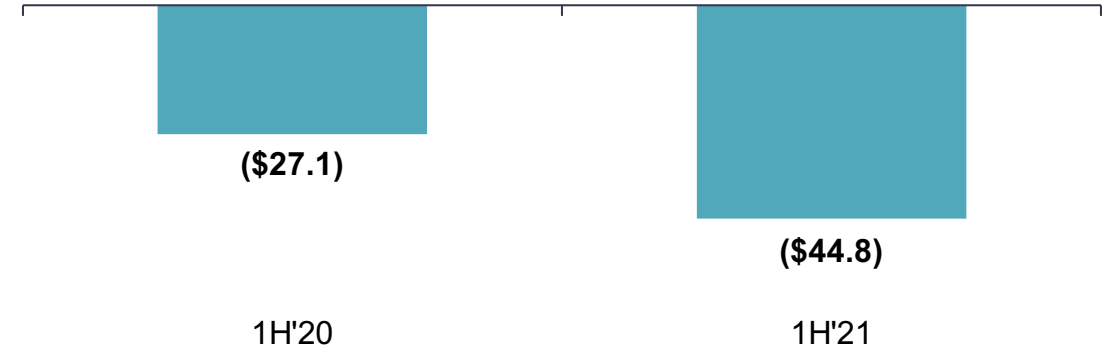
YTD 2021 Results

Significant growth, effective medical management, and operating efficiencies driving overall business performance

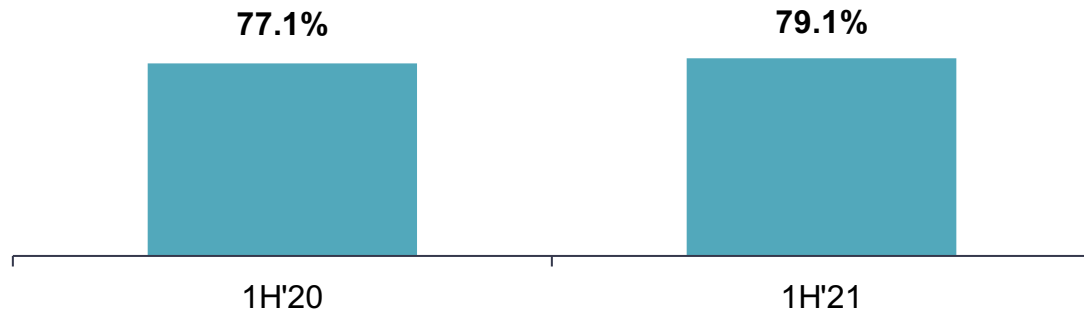
Bright Health Group Revenue (\$M)



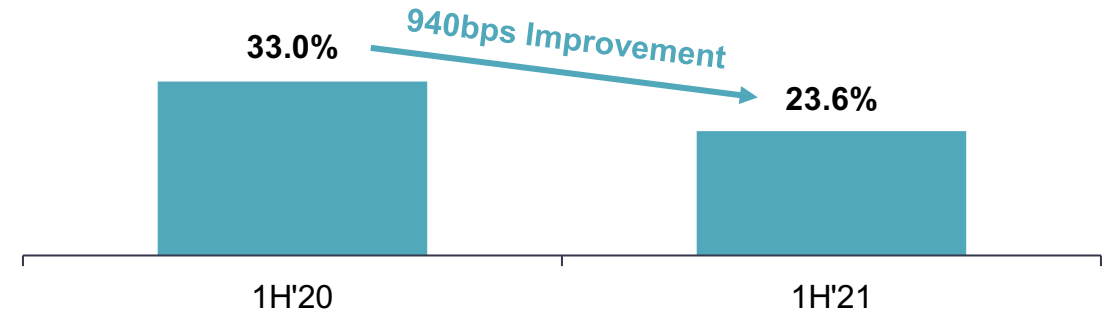
Bright Health Group Adj. EBITDA (\$M)



Bright Health Group Adjusted MCR



Bright Health Group Operating Cost Ratio



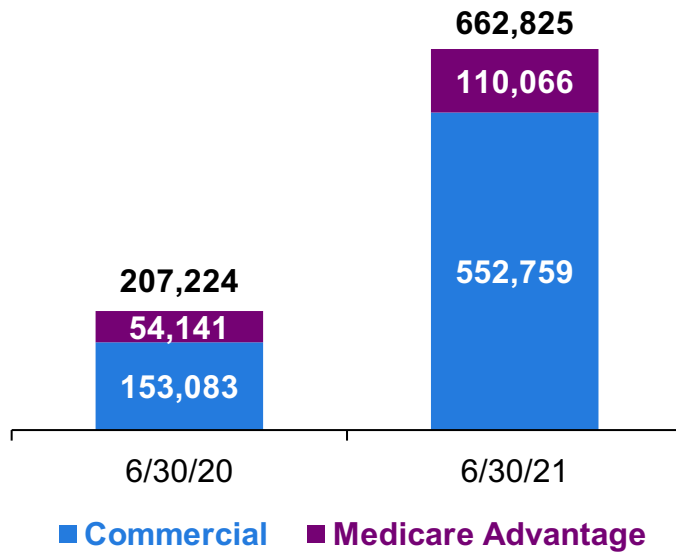
Note: A reconciliation of Adjusted EBITDA to Net Income (Loss) and Adjusted MCR to reported MCR for applicable periods is contained in the appendix to this presentation



Bright HealthCare Growth Detail

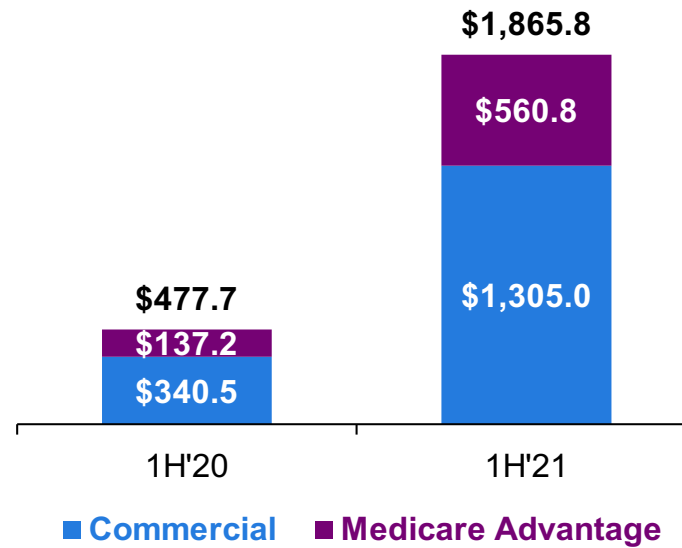
Year-over-year performance driven primarily by organic growth, with support from strategic capital deployment

Membership Mix Evolution



220% total membership growth
261% Commercial growth
103% Medicare Advantage growth

Premium Revenue Evolution (\$M)



291% premium revenue growth
283% Commercial growth
309% Medicare Advantage growth

New markets in 2021 represented 63% of total membership growth

Of the 455,601 net new consumers, 84% resulted from organic growth

30% of 1H'21 Bright HealthCare premium revenue generated from Medicare Advantage membership

Demographic mix for new consumers in line with expectations

Rapid Expansion of Our NeueHealth Business

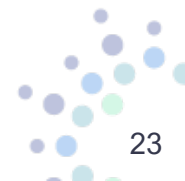
Integrated care delivery platform established in Florida now expanding into new states to drive the next phase of growth

(\$ in millions)

	1H'20	1H'21	YoY Growth
Premium Revenue	\$4.0	\$37.0	827%
Services Revenue	8.4	20.4	143%
Investment Income	-	62.8	NM
Unaffiliated Revenue	\$12.4	\$120.2	868%
Affiliated Revenue	5.4	42.6	682%
Total NeueHealth Revenue	\$17.9	\$162.9	811%

- 459% growth excluding investment income, driven by inorganic growth in Central Florida and expansion of integrated care delivery offering in South Florida
- Investment income is a result of a mark-to-market gain on a passive investment
- Closed acquisition of Centrum Medical Holdings on July 1, 2021, adding 17 clinics and 127,678 value-based patients
- 2021 full-year expectations for NeueHealth segment revenue of \$425 million, with growth driven by the partial year contribution of Centrum along with organic growth in the base business

Note: Totals may not tie to the sum of the components due to rounding





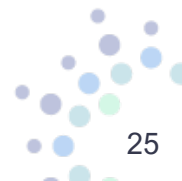
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Appendix

Non-GAAP Reconciliation: Adjusted EBITDA

Adjusted EBITDA

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021
<i>(\$ in thousands)</i>				
Net Loss	(\$18,074)	(\$43,723)	(\$25,354)	(\$68,268)
Interest Expense	--	4,142	--	4,688
Income Tax (Benefit) Expense	(9,162)	(19,464)	(9,162)	(18,298)
Depreciation and Amortization	2,085	7,195	2,872	11,776
Transaction Costs	653	3,130	2,347	5,150
Share-Based Compensation Expense	1,250	13,878	2,193	19,054
Change in Fair Value of Contingent Consideration	--	(413)	--	1,059
Adjusted EBITDA	(\$23,248)	(\$35,255)	(\$27,104)	(\$44,839)



Non-GAAP Reconciliation: Adjusted Medical Cost Ratio

Adjusted Medical Cost Ratio

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021
Reported Medical Cost Ratio	80.1%	86.8%	75.5%	83.5%
Non-COVID Prior Period Developments	0.3%	(1.6%)	0.3%	(0.9%)
COVID Impact	(2.2%)	(3.2%)	(1.3%)	(3.6%)
Deferred Utilization	4.4%	--	2.6%	--
Adjusted Medical Cost Ratio	82.7%	82.0%	77.1%	79.1%

Year-to-Date Commentary on Key Prior Period Developments (non-COVID)

- Medicare Advantage (“MA”) prior period development (“PPD”) primarily related to unfavorable developments at acquired assets, with net non-COVID PPD gross margin impact to MA unfavorable by (\$19.1) million
- Individual and Family Plan (“IFP”) PPD primarily related to favorable non-COVID IFP medical cost PPD of \$21.7 million driven by a population that was slightly healthier than expectations, offset by an unfavorable risk adjustment impact to revenue of (\$22.3) million driven by the same population dynamic

Note: Totals may not tie to the sum of the components due to rounding

