Bright Health Group™

Bright Health Group

2022 J.P. Morgan Healthcare Conference

January 11, 2022

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 and financial performance, access to financing, and descriptions of our business plan and strategies. These statements often include words such as “will,” “target,” “anticipate,” “expect,” “plan,” “believe,” “intend,” “project,” “forecast,” “estimates,” “projections,” “2022,” and financial performance, access to financing, and other similar expressions. These forward-looking statements include any statements regarding our plans and expectations with respect to Bright Health Group, Inc. and its component businesses and segments. 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; the impact of security incidents or breaches, loss of data and other related events on our members, patients, employees, and financial results; 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 and our other filings with the U.S. Securities and Exchange Commission. All forward-looking statements contained in this presentation reflect management's beliefs as of the date hereof and, except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations.

This presentation contains Adjusted EBITDA, which is a non-GAAP financial measure. This non-GAAP financial measure is an addition, and not a substitute for or superior to the most directly comparable GAAP financial measure, Net Income (Loss). Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow available for management’s discretionary use as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. The presentation of this measure has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Because not all companies use identical calculations, the presentation of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company. The reconciliation of this non-GAAP measure to the most directly comparable GAAP measure can be found in the appendix to this presentation.

A reconciliation of the projected Adjusted EBITDA, which are a forward-looking non-GAAP financial measure, to the most directly comparable GAAP financial measures, is not provided because the company is unable to provide such reconciliation without unreasonable effort. The inability to provide a reconciliation is due to the uncertainty and inherent difficulty predicting the occurrence, the financial impact and the periods in which the non-GAAP adjustments may be recognized. These GAAP measures may include the impact of such items as interest expense, income tax expense, depreciation and amortization, share-based compensation expense, transaction costs, changes in the fair value of contingent consideration, contract termination costs; and the tax effect of all such items. Historically, the company has excluded these items from non-GAAP financial measures. The company currently expects to continue to exclude these items in future disclosures of non-GAAP financial measures and may also exclude other items that may arise (collectively, “non-GAAP adjustments”). The decisions and events that typically lead to the recognition of non-GAAP adjustments, such as a decision to exit part of the business, are inherently unpredictable as to if or when they may occur. For the same reasons, the company is unable to address the probable significance of the unavailable information, which could be material to future results.

Our Mission

Making Healthcare Right. Together.

Our Vision

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

Positioned to Achieve Our Full Potential

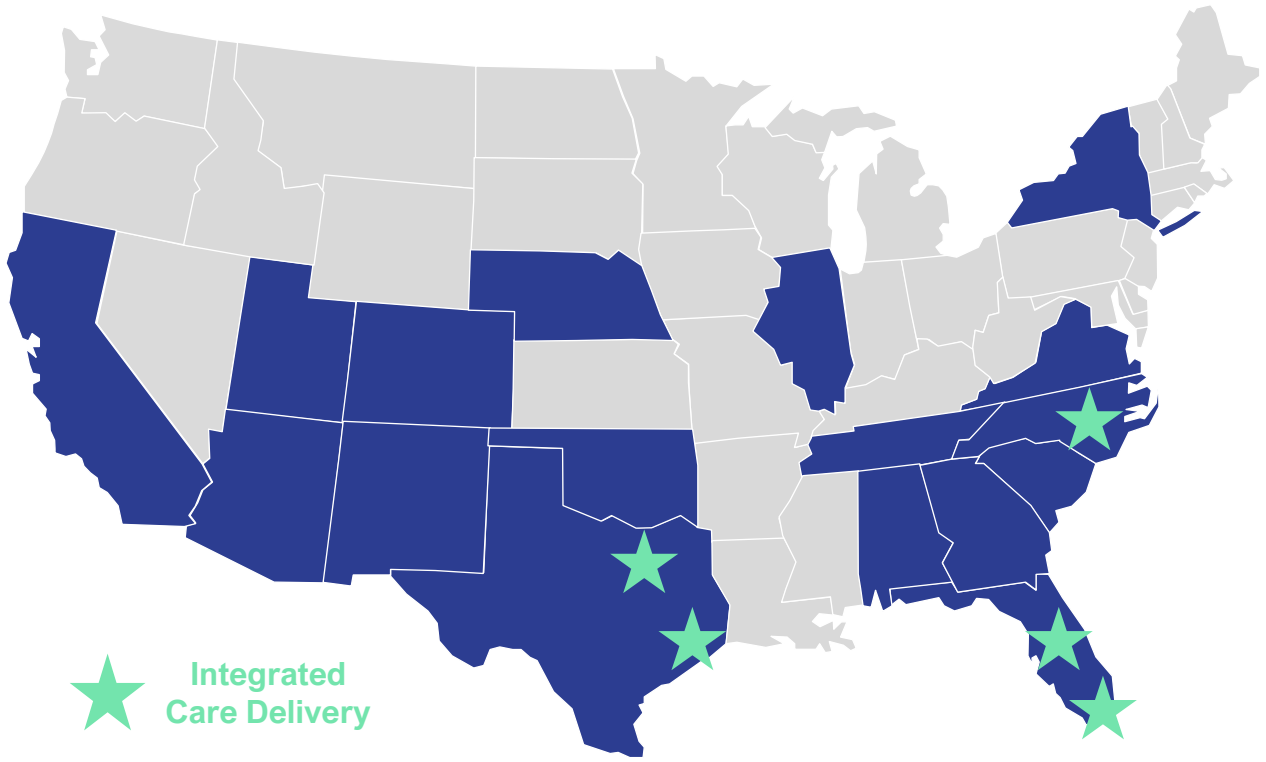
1. **Focus On Areas Where We Can Demonstrate the Greatest Impact**
2. **Deeply Align Payors And Providers Financially, Clinically, and Technologically**
3. **Leverage NeueHealth To Drive Profitable, Capital-Efficient Growth**

We strongly believe in our strategy and have the team, capital, and model to execute on it

Bright Health Group Overview

Building a technology-enabled, Fully Aligned national Integrated System of Care (ISoC) personalized for consumers

2022 Footprint Across 17 States



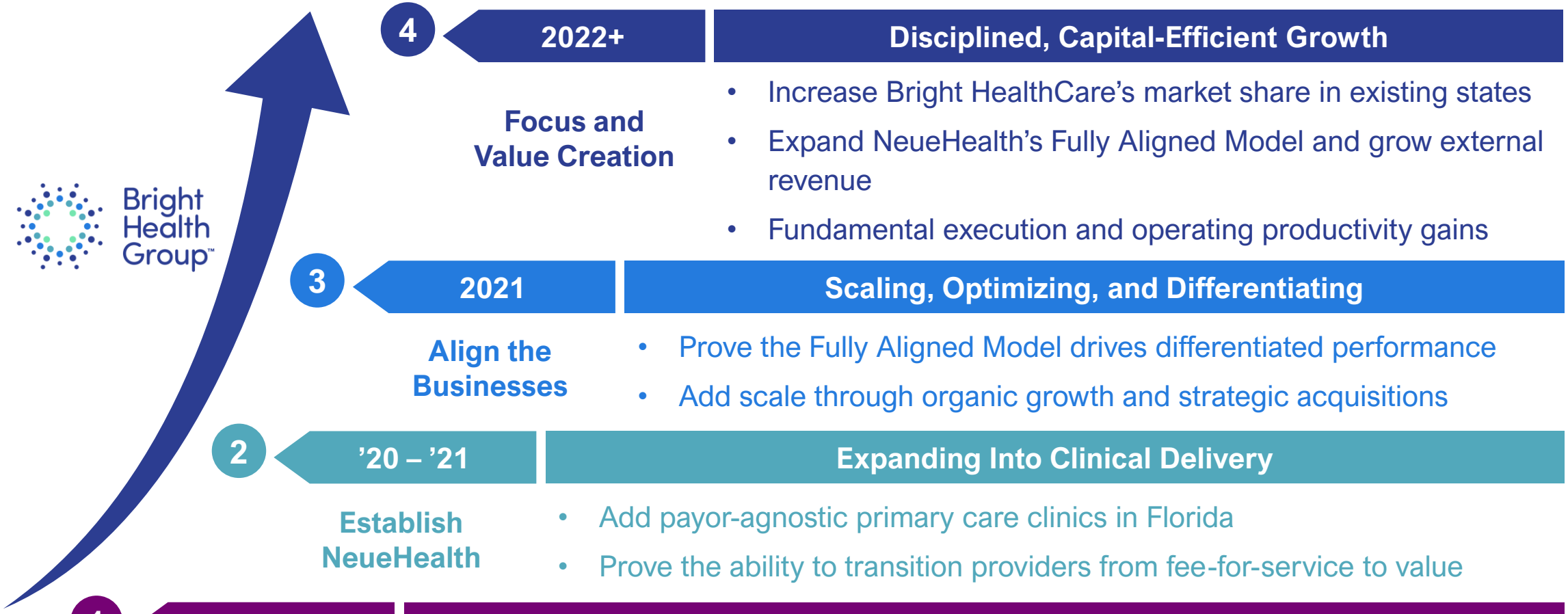
2022 By the Numbers(1)

$6.3 - $6.5 Billion	Bright Health Group 2022E Revenue
~1M	Bright HealthCare AEP/OEP Membership(2)
~400k	NeueHealth Value-Based Patients
~$2B	NeueHealth 2022E Revenue
~1/3	NeueHealth Revenue from External Payors

(1) 2022 outlook reflects guidance provided on and as of December 7, 2021, except Bright HealthCare AEP/OEP Membership.
(2) BHC enrollment reflects preliminary AEP / OEP results as of January 11, 2022.

The Outlook is “Bright”

Key pieces in place to drive value creation for all stakeholders



The Healthcare Business Model of the Future: Integrated System of Care

Our model is designed to serve the consumer's desire for increased involvement in healthcare decision-making

Bright HealthCare™

Healthcare Financing and Distribution

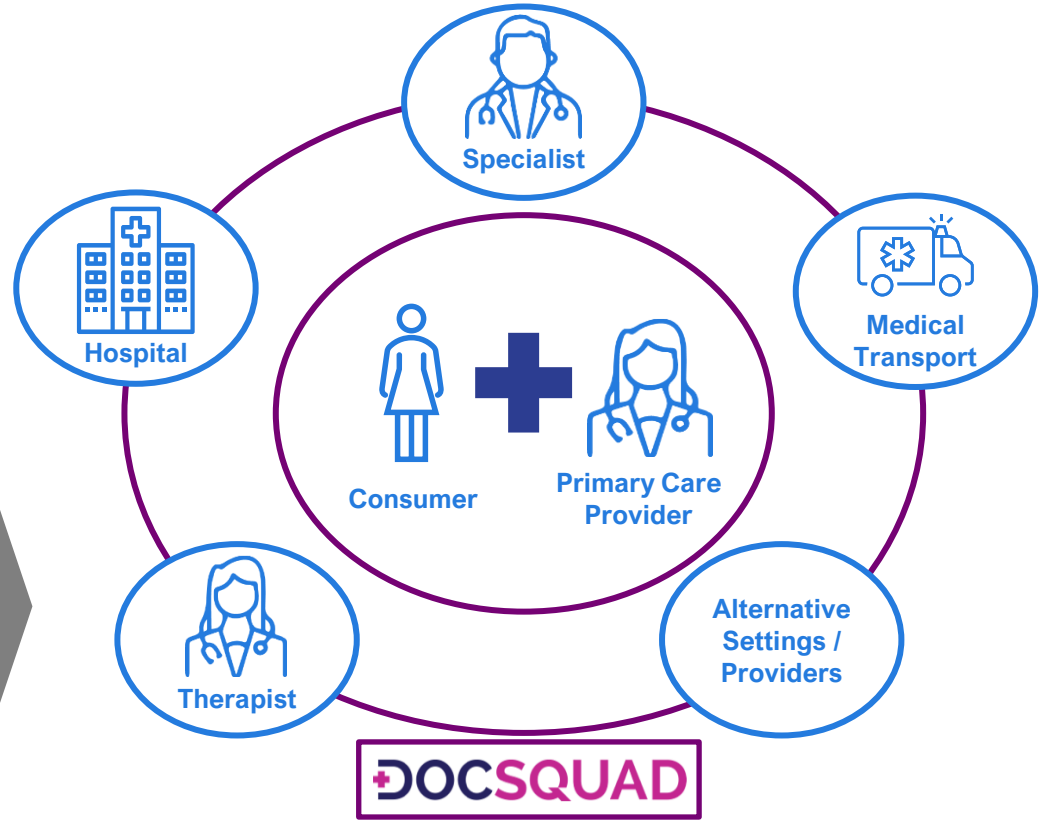
Care Partner and person-centric health plans that align consumer, provider, and payor interests to lower healthcare costs and improve quality and access

Connected by the Bright Health Intelligent Operating System (BiOS)

NeueHealth™

Personalized Care Delivery

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

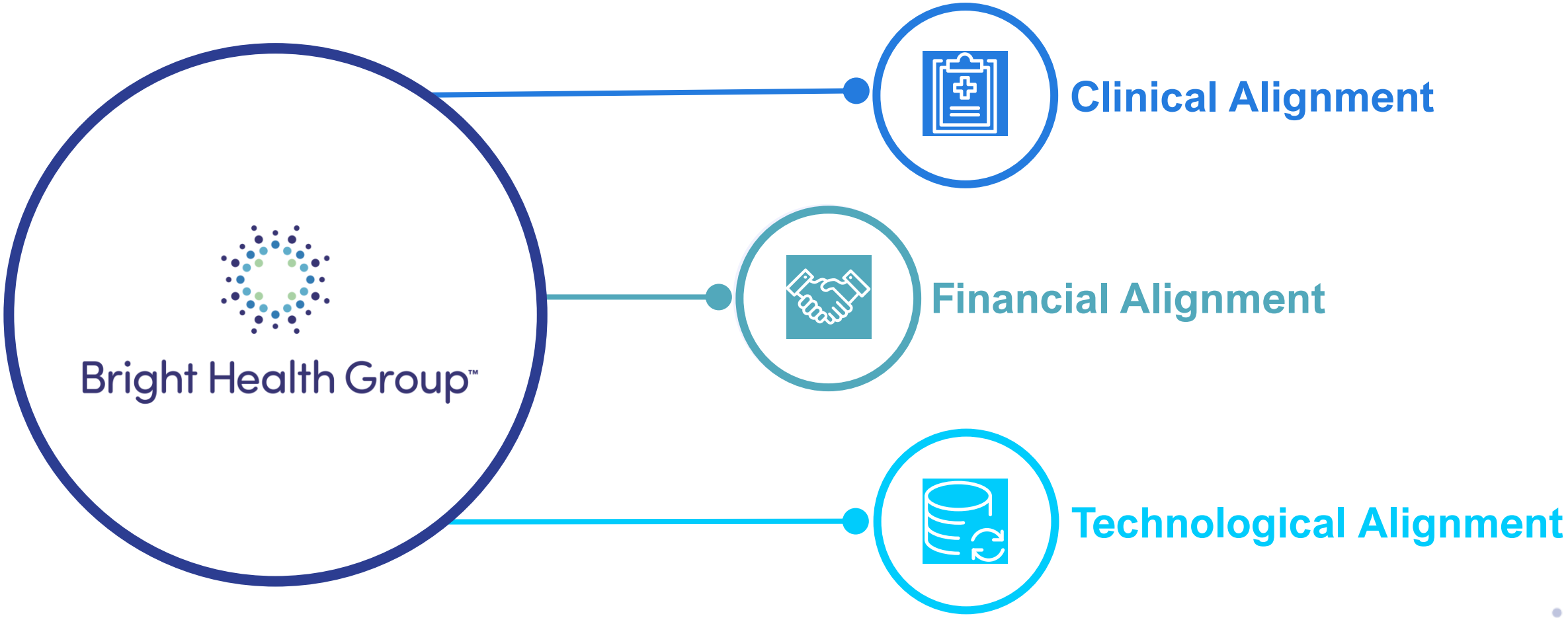


Personalized Care Designed for the Retail Marketplace

Note: Illustratively depicts a care team designed for the needs of a specific consumer. Each consumer's care team is tailored to their individual needs and preferences

Payor / Provider Alignment Consists of Three Core Elements

Three core pillars are at the center of Bright Health's differentiated approach



Focus on Areas of Differentiation Driving the Next Phase of Growth

Both businesses supported by strategic investments in our technology and corporate support infrastructure

Bright HealthCare™ | NeueHealth™ | Bright Health Group™

Focus on Where We Can Win

- *Individual and Family Plans (IFP)*: 16 state 2022 footprint serves 2/3 of nationwide TAM
- *Medicare Advantage (MA)*: Focused on five states (AZ, CA, CO, FL, NY)
- Increase percentage of membership Fully Aligned with NeueHealth
- Maintain pricing discipline

Differentiated Growth

- Execute on Integrated System of Care performance in FL, TX, and NC
- Expect to expand to ~100 owned clinics by year-end 2022
- Support affiliates as they move toward downside risk
- Diversify revenue with external payors allowing for capital-efficient growth
- Serve Medicare members at scale through Direct Contracting

Powers Fully Aligned Care

- Strengthen the technology foundation by insourcing critical vendors
- Integrate acquisitions and move to a single end-state operating platform
- Own the end-to-end consumer experience and deploy tools for Fully Aligned care
- Aim to drive operating efficiencies to reduce operating cost ratio to ~15% in 2024

Drive Growth Through Alignment with Strategic Payor Partners

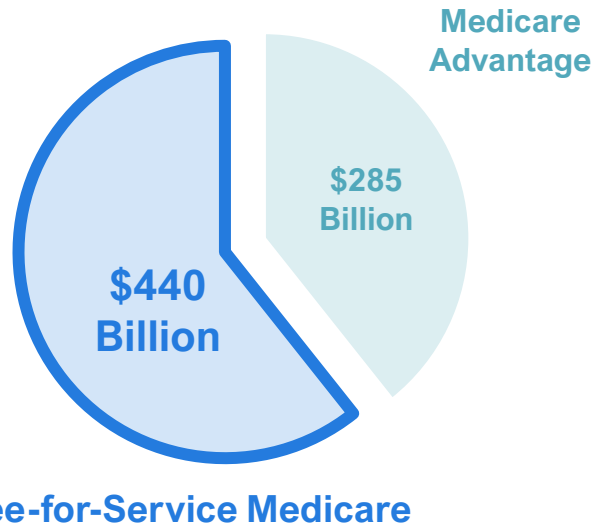
Targeting tight alignment with key national payors who are willing to grow in partnership with NeueHealth

	Bright HealthCare™	National Payors	Local and Regional Payors
NeueHealth Strategy	• Demonstrate proof points • Reduce time to breakeven on new clinics • Improve Bright Health Group enterprise performance	• Focus on core partnerships with broad incentive alignment • Capital-efficient way to rapidly grow external revenue	• Improve utilization of existing clinic capacity • Patients can maintain their PCP if they switch health plans
2022 Focus	• Increasing Fully Aligned Bright HealthCare membership • Support Care Partner transition to risk-bearing models	• Expanded partnership with Oscar Health in Miami-Dade County, FL • Pipeline of national payors looking for multi-product, risk-bearing care delivery	• Value-based contracts across Medicare Advantage, Commercial, and Medicaid

Direct Contracting Positions Us to Serve Medicare Beneficiaries at Scale

Direct Contracting brings Fully Aligned care to the Medicare fee-for-service population

Market Opportunity(1)



Direct Contracting enables us to address the 61% of Medicare spend in fee-for-service Medicare

Aligns Strategy With CMMI's Long-Term Vision Around Accountability For Quality And Total Cost of Care

Benefit Enhancements Enable More Responsive Care

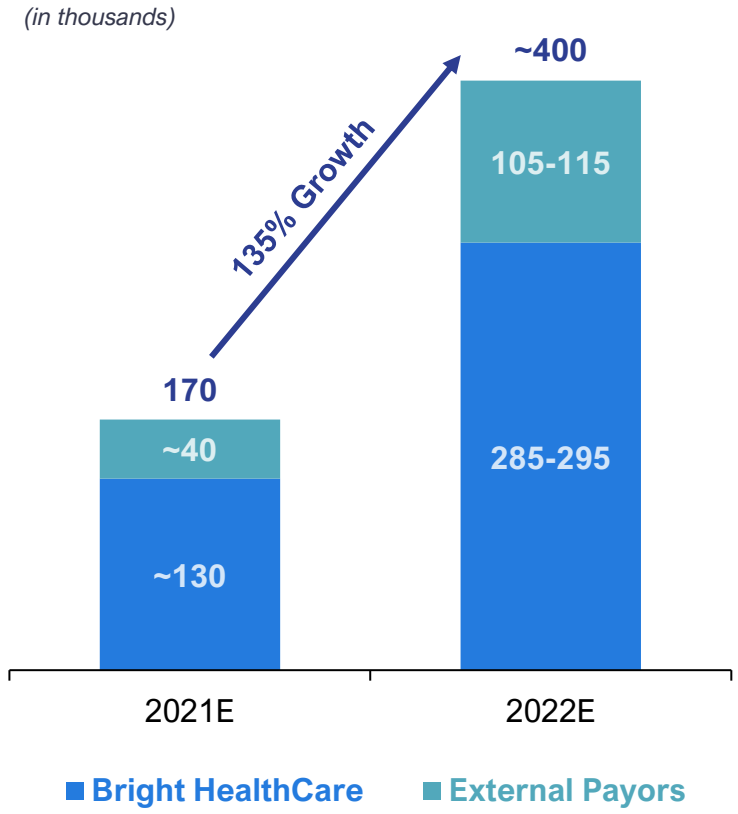
Potential to Serve Age-Ins From IFP And Improve Medicare Advantage Penetration

Targeted Approach Centered Around Tightly Aligned Provider Partners

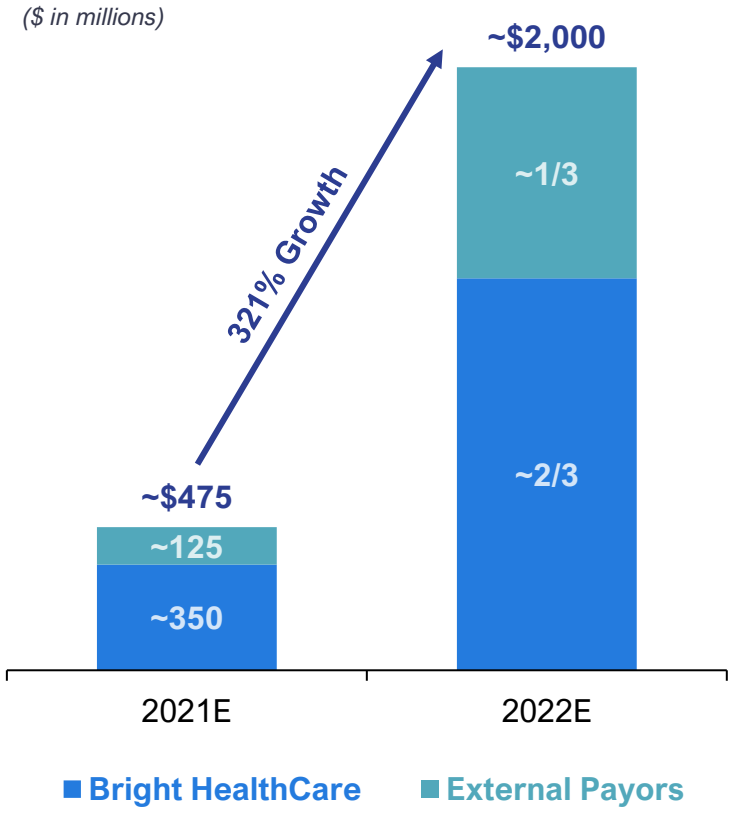
(1) Data reflects 2020 Medicare expenditures excluding Part D per Congressional Budget Office data from March 2020

Overview of NeueHealth Economics and Forecast for 2022

Value-Based Patients



Segment Revenue(1)



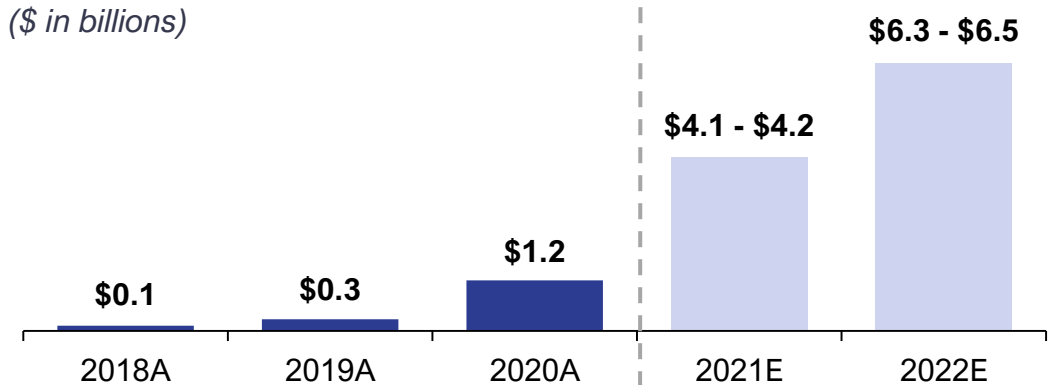
- 2022 reporting will focus on three key metrics:
  - ✓ Value-Based Patients
  - ✓ Segment Revenue
  - ✓ Segment Gross Margin
- Expecting meaningful contribution from new value-based patients, both from BHC and external payors
- Bright HealthCare membership delegated to NeueHealth expected to generate positive risk transfer in Florida, more than offset by an investment year in Texas
- Direct Contracting included within external payors with expectations for breakeven contribution in 2022 given the lack of historical data

(1) 2021E figure reflects reaffirmed guidance for NeueHealth segment premium and services revenue. 2021 NeueHealth segment total revenue guidance is ~$575 million, which includes investment income

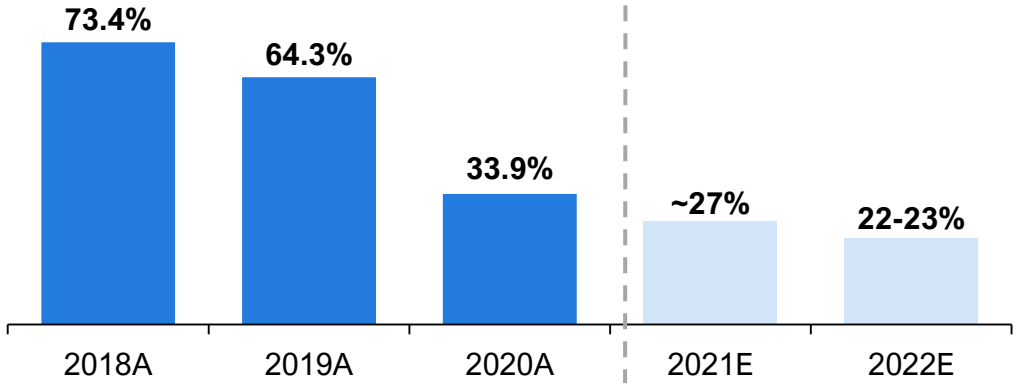
Path to 2024 Profitability

Achieving an operating cost ratio of ~15% in 2024 should support enterprise Adjusted EBITDA breakeven

Revenue Growth Driving Operating Leverage…



… with Operating Cost Ratio Declining Over Time



Drivers of Improved Profitability

Focused Growth

- Bright HealthCare Scale Within Existing States
- Increasing Contribution from NeueHealth

Shift to End-State Operating Model

- Vendor Insourcing and Platform Migration
- Acquisition Integration

Workflow Efficiencies Driven by Technology Investments

2022 Outlook

Bright Health Group Enterprise

- Revenue of $6.3 – $6.5 billion
- Medical Cost Ratio of 86.0% – 88.0%
- Adjusted EBITDA of ($400) – ($500) million
- Intercompany revenue elimination of $1.2 – $1.4 billion

Bright HealthCare

- AEP / OEP enrollment of ~1,000,000 members
- End of year membership of 950,000 to 1,000,000
- Medical Cost Ratio of 85.0% – 87.0%

NeueHealth

- Value-based patients of ~400,000
- Revenue of ~$2.0 billion(1) with ~1/3 from external sources

(1) Segment revenue before intercompany eliminations

Positioned for Long-Term Success

1 Strong Growth

- 2022E revenue of $6.3 to $6.5 billion reflects 54% growth from 2021[(1)]
- NeueHealth expected to grow to ~400,000 value-based patients and ~$2.0 billion revenue[(2)]

2 Diversified Business

- Medicare Advantage products focused on five key states and IFP products across states representing 2/3 of the nationwide TAM
- NeueHealth supported by both Bright HealthCare and external payors

3 Power of the Alignment Model

- Differentiated outcomes driving predictability and performance
- Expect ~40% of Bright HealthCare IFP members to be Fully Aligned with NeueHealth providers by the end of 2022

4 Executing Toward 2024 Targets

- Differentiated model, increasing scale, and productivity improvements drive us toward the 2024 target for breakeven Adjusted EBITDA

(1) Calculated based on growth from current 2021 guidance midpoint of $4.15 billion to current 2022 guidance midpoint of $6.40 billion
(2) Segment revenue before intercompany eliminations

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Q&A Session

