



Alignment Healthcare Spotlights Improved Senior Health Outcomes, Greater Access to Care in 2nd Annual ESG Report

July 31, 2023

Latest data details how Medicare Advantage company drove greater reduction in members' blood sugar levels and diabetes-related deaths, provided more rides to care and healthy meals in 2022 compared to 2021

ORANGE, Calif., July 31, 2023 (GLOBE NEWSWIRE) -- Alignment Healthcare, Inc. (NASDAQ: ALHC), a tech-enabled Medicare Advantage company, today released its second annual [environmental, social and governance \(ESG\) report](#).

From double-digit percentage reductions in hospitalizations to a 1.5-point average reduction in blood sugar levels, the report highlights how Alignment continues to deliver better care at lower costs across key metrics in 2022 when compared to traditional Medicare fee-for-service (FFS). The company also helped reduce carbon dioxide emissions associated with clinical visits by 600 metric tons (or 1.5 million miles driven by an average gasoline-powered vehicle) by conducting over 120,000 telehealth visits. This is equivalent to removing 134 gasoline-powered vehicles from the road for one year, according to the Environmental Protection Agency.

"Our commitment to doing well by doing good is foundational to who we are and what we do, and this is reflected in our 2022 ESG report metrics and accomplishments," said John Kao, Alignment Healthcare founder and CEO. "We improved health outcomes for our seniors. We also introduced new products that address social determinants of health, expanded our mental health and psychiatric services and established an ESG steering committee to help elevate our sustainability efforts."

In 2022, Alignment continued to transform health care for its members by:

- **Driving better, more positive health outcomes:** Alignment's focus on high-quality, low-cost care resulted in a 48% reduction in 2022 emergency room (ER) visits among Alignment members compared to 2019 Medicare FFS ER visits; 37% reduction in hospital admissions among Alignment members compared to 2019 Medicare FFS admissions; and a 26% reduction in Alignment member 30-day readmission rates compared to 2019 Medicare FFS readmission rates.
- **Addressing unique health needs with coordinated care:** Proactive diabetes care through Alignment's Care Anywhere program drove a 1.5-point average reduction in members' average blood sugar levels (HbA1c) after 12 months of enrollment – up from the 1.2-point average reduction reported in Alignment's 2021 ESG report. This is estimated to drive a greater than 21% reduction in diabetes-related deaths – up from the 20% reported in Alignment's 2021 ESG report.
- **Increasing services that address social determinants of health (SDoH):** Alignment provided more than 147,600 rides (inclusive of wheelchair assistance) – an increase of 62% from the 91,000 rides Alignment provided in 2021 – reducing transportation barriers so members can get to the care they need. The company also delivered more than 23,600 meals to members to address food insecurity, up 42% from the 16,600 meals noted in Alignment's 2021 ESG report.
- **Improving health care access and quality:** According to Alignment's inaugural [Social Threats to Aging Well in America survey released in 2022](#), an estimated 14% of seniors cite the lack of responsive care from medical providers as one of the obstacles to health care. Alignment alleviates health care access and quality problems by considering a member's full health care journey. In 2022, there were 196,000 health care interactions and member touchpoints, 25,500 "just checking-in" calls and 12,000 new member welcome calls.
- **Providing proactive support to boost medication adherence and health screenings:** Continuous monitoring of members' health profiles and timely alerts are integral to Alignment's holistic approach to health care. In 2022, Alignment members had a 92% medication adherence for diabetes (4.89% higher than the average for Medicare Advantage Prescription Drug [MAPD] contracts), 92% medication adherence for hypertension (3.26% higher than the average for MAPD contracts) and 90% medication adherence for cholesterol (2.86% higher than the average for MAPD contracts). Additionally, among our California HMO contracts, 80% of Chronic Condition Special Needs Plan (C-SNP) and Dual-Eligible Special Needs Plan (D-SNP) enrollees completed a health risk assessment, 81% of female members completed breast cancer screenings, 72% of female members completed body/bone density scans and 80% of members completed colorectal screening.
- **Expanding mental health and psychiatric services:** Alignment offers a range of personalized therapy programs, including individual counseling and group therapy, to support a member's health journey.

Additionally in 2022, Alignment continued to operate responsibly and sustainably while promoting a diverse, inclusive culture by:

- **Increasing sustainability in its operations:** By engaging with eco-conscious partners and measuring company actions, Alignment generated 92% energy savings from the transition to cloud-based data platform computing resources and 79% energy savings from the transition to cloud-based data platform storage resources. Additionally, 100% of sales agent vehicles were hybrid in 2022.

- **Enhancing its commitment to ESG:** In the past year, Alignment hired a senior manager to oversee ESG efforts, established six major ESG goals the company will work toward through 2025 and created an ESG Steering Committee to regularly meet and track progress of the goals.
- **Serving through diversity of representation:** Sixty-six percent of Alignment employees, 50% of its executive team and 43% of its members are African American, Asian, Hispanic/Latino, Indigenous or of other non-white background, while 71% of its employees and 55% of its members are women.

“Since our inaugural ESG report, we have made great strides as an organization, but we will continue to aim higher and strive to do better by our environment and our members. We look forward to providing updates on our progress and innovation as we build a sustainable future,” Kao added.

To learn more about Alignment’s impact and its ongoing ESG work, visit www.alignmenthealthcare.com/esg.

About Alignment Health

Alignment Health is championing a new path in senior care that empowers members to age well and live their most vibrant lives. A consumer brand name of Alignment Healthcare (NASDAQ: ALHC), Alignment Health is a tech-enabled Medicare Advantage company that offers more than 40 benefits-rich, value-driven plans that serve 52 counties across six states. The company partners with nationally recognized and trusted local providers to deliver coordinated care, powered by its customized care model, 24/7 concierge care team and purpose-built technology, AVA®. Based in California, the company’s mission-focused team makes high-quality, low-cost care a reality for members every day. As it expands its offerings and grows its national footprint, Alignment upholds its core values of leading with a serving heart and putting the senior first. For more information, visit www.alignmenthealth.com.

Forward Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are subject to risks and uncertainties and are based on assumptions that may prove to be inaccurate, which could cause actual results to differ materially from those expected or implied by the forward-looking statements. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. Important risks and uncertainties that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: our ability to attract new members and enter new markets, including the need for certain governmental approvals; our ability to maintain a high rating for our plans on the Five Star Quality Rating System; our ability to develop and maintain satisfactory relationships with care providers that service our members; risks associated with being a government contractor; changes in laws and regulations applicable to our business model; risks related to our indebtedness, including the potential for rising interest rates; changes in market or industry conditions and receptivity to our technology and services; results of litigation or a security incident; the impact of shortages of qualified personnel and related increases in our labor costs; and the impact of COVID-19 on our business and results of operation. For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our Annual Report on Form 10-K for the year ended December 31, 2022, and the other periodic reports we file with the SEC. All information provided in this release and in the attachments is as of the date hereof, and we undertake no duty to update or revise this information unless required by law.

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