

Stock Price Progression Of Health Insurance Companies and Other Publicly Traded Health Organizations

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The Menges Group

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Introduction and Overview

- Health-focused publicly-traded companies have experienced a strong increase in their stock prices during COVID – with their price growth far exceeding the overall Dow Jones and NASDAQ averages.
- Within the health sector, health insurance companies have fared particularly well during the pandemic in terms of stock price progression.

Average Annual Increases

- Health Insurance Companies: Average annual stock price increase has been 19% during COVID versus 16% in the final pre-COVID year.
- Other Health Companies in Fortune 100: Average annual stock price increase was 15% during COVID versus 14% in the final pre-COVID year.
- All Companies on Dow Jones and NASDAQ Indices: Average annual stock price increase was 6% during COVID versus 29% in the final pre-COVID year.

Overview of Stock Price Progressions

- During the “COVID era” (defined in our tabulations as extending from January 1, 2020, to July 1, 2022), average stock prices of health-focused publicly traded companies have increased sharply – 55% for health insurance companies and 42% for other health companies in the Fortune 100. Companies on the Dow Jones and NASDAQ indices experienced an average stock price increase of 17% during this timeframe (giving equal weighting to these two indices).
- During the last pre-COVID year (January 2019 – January 2020), health related companies experienced a strong increase in their average stock price (around 15%). However, this increase was only half the increase that occurred across the DOW/NASDAQ companies during that year.

Group of Companies	Percent Change in Average Stock Price Across Company Group				
	Jan 1 2019 to Jan 1 2020	Jan 1 2020 to Jan 1 2021	Jan 1 2021 to Jan 1 2022	Jan 1 2022 to July 1 2022	Jan 1 2020 - July 1 2022
Dow Jones and NASDAQ (over 2,500 companies)	29%	26%	20%	-21%	17%
Health Insurance Entities (7 companies)	16%	13%	36%	2%	55%
Other Health Companies in Fortune 100 (10 companies)	14%	11%	25%	4%	42%

Health Insurance Company Stock Price Progression – Percentage Changes

Health Insurance Company (ordered by 2021 revenue)	Current Rank Among Fortune 500	Percent Change in Stock Price				
		Jan 1 2019 to Jan 1 2020	Jan 1 2020 to Jan 1 2021	Jan 1 2021 to Jan 1 2022	Jan 1 2022 to July 1 2022	Jan 1 2020 - July 1 2022
CVS (includes Aetna)	4	14%	-8%	51%	-9%	27%
United	5	19%	20%	43%	3%	76%
CIGNA	12	7%	2%	11%	20%	35%
Elevance (formerly Anthem)	20	16%	7%	45%	5%	61%
Centene	26	7%	-2%	37%	5%	41%
Humana	40	30%	11%	13%	3%	30%
Molina	125	18%	59%	49%	-11%	111%
Average (Unweighted)		16%	13%	36%	2%	55%

- All seven health insurance companies experienced large stock price increases during the COVID timeframe of January 1, 2020, through July 1, 2022.
- The *smallest* increase among these health insurance entities was 27%.

Other Fortune 100 Health Companies' Stock Price Progression – Percentage Changes

Company (ordered by 2021 revenue)	Current Rank Among Fortune 500	Percent Change in Stock Price				
		Jan 1 2019 to Jan 1 2020	Jan 1 2020 to Jan 1 2021	Jan 1 2021 to Jan 1 2022	Jan 1 2022 to July 1 2022	Jan 1 2020 - July 1 2022
McKesson	9	26%	25%	43%	29%	132%
AmerisourceBergen	10	14%	17%	36%	8%	70%
Cardinal Health	15	9%	10%	-6%	4%	8%
Johnson & Johnson	37	13%	9%	9%	5%	25%
Pfizer	43	-10%	0%	59%	-12%	41%
HCA Healthcare	62	20%	11%	57%	-32%	18%
AbbVie	63	-2%	20%	26%	14%	73%
Merck	71	21%	-10%	-1%	19%	6%
Bristol Myers Squibb	82	24%	-2%	0%	24%	22%
Abbot Laboratories	86	21%	27%	29%	-22%	28%
Average (Unweighted)		14%	11%	25%	4%	42%

- Across this group of 10 very large health-focused companies, McKesson had the largest stock price increase (132%) from January 1, 2020, to July 1, 2022. This was a much larger increase than two companies that introduced COVID vaccines – Johnson & Johnson had a 25% stock price increase and Pfizer a 41% increase. Pfizer experienced the largest stock price increase (59%) between January 1 of 2021 and January 1, 2022 but receded 12% during the first half of 2022.
- All ten companies experienced a stock price increase during this timeframe.

5 Slide Series Overview

Our 5 Slide Series is typically a monthly publication whereby we briefly discuss/address a selected topic outside the confines of our client engagements. The Menges Group has developed a variety of datasets that we use to support our 5 Slide Series and client projects.

To be added to our list to receive these as they are published (or to be removed), please email us at pcall@themengesgroup.com. If you have questions about the content or data sources we have available, please email us at jmenges@themengesgroup.com or call 571-312-2360.

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