

**HealthWell Foundation and Affiliate  
Consolidated Financial Statements  
December 31, 2024  
With Independent Auditor's Report**

**HealthWell Foundation and Affiliate**  
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**December 31, 2024**

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## Independent Auditor's Report

To the Board of Directors of the  
HealthWell Foundation and Affiliate:

### Opinion

We have audited the consolidated financial statements of HealthWell Foundation and Affiliate (the "Foundation"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of HealthWell Foundation and Affiliate as of December 31, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of HealthWell Foundation and Affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in blue ink that reads "Withum Smith & Brown, PC".

September 17, 2025

**HealthWell Foundation and Affiliate**  
**Consolidated Statement of Financial Position**  
**December 31, 2024**

**Assets**

Cash and cash equivalents	\$ 386,162,478
Investments	413,037,763
Contributions receivable	112,765,994
Prepays and other assets	884,386
Property and equipment, net	457,141
Right-of-use asset, operating	4,881,267

<b>Total assets</b>	<b>\$ 918,189,029</b>
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**Liabilities and net assets**

**Liabilities**

Accounts payable and accrued expenses	\$ 29,995,462
Copayments and premium assistance payable	7,069,516
Operating lease liabilities	5,144,574

<b>Total liabilities</b>	<b>42,209,552</b>
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**Net assets**

Without donor restrictions	65,114,241
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**With donor restrictions**

Committed to patients	407,604,207
Uncommitted	403,261,029

<b>Total with donor restrictions</b>	<b>810,865,236</b>
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<b>Total net assets</b>	<b>875,979,477</b>
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<b>Total liabilities and net assets</b>	<b>\$ 918,189,029</b>
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The Notes to Consolidated Financial Statements are an integral part of this statement.

**HealthWell Foundation and Affiliate  
Consolidated Statement of Activities  
Year Ended December 31, 2024**

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Operating revenue and support</b>			
Contributions	\$ 2,465,322	\$ 884,458,297	\$ 886,923,619
Service fees	42,036	-	42,036
<b>Net assets released from restrictions:</b>			
Satisfaction of program restrictions	592,183,940	(592,183,940)	-
<b>Total operating revenue and support</b>	<b>594,691,298</b>	<b>292,274,357</b>	<b>886,965,655</b>
<b>Expenses:</b>			
<b>Program services:</b>			
Multiple Myeloma - Medicare Access	142,156,347	-	142,156,347
Hypercholesterolemia - Medicare Access	77,390,431	-	77,390,431
Cardiomyopathy - Medicare Access	63,384,381	-	63,384,381
Neurocognitive Disease with Psychosis - Medicare Access	27,393,286	-	27,393,286
Chronic Lymphocytic Leukemia	26,375,477	-	26,375,477
Tardive Dyskinesia - Medicare Access	25,853,669	-	25,853,669
Renal Cell Carcinoma - Medicare Access	25,322,626	-	25,322,626
Myelodysplastic Syndromes - Medicare Access	21,730,137	-	21,730,137
Blepharitis	21,546,225	-	21,546,225
Hepatitis C	19,506,100	-	19,506,100
Cystic Fibrosis Treatments	19,404,178	-	19,404,178
Prostate Cancer - Medicare Access	13,267,538	-	13,267,538
Pulmonary Hypertension - Medicare Access	18,072,522	-	18,072,522
Acute Myeloid Leukemia	13,965,397	-	13,965,397
Pulmonary Fibrosis	8,469,850	-	8,469,850
Amyotrophic Lateral Sclerosis	8,322,339	-	8,322,339
Breast Cancer - Medicare Access	7,256,899	-	7,256,899
Cystic Fibrosis Vitamins and Supplements	5,491,327	-	5,491,327
Mantle Cell Lymphoma	5,342,892	-	5,342,892
Congenital Sucrase-Isomaltase Deficiency	4,301,231	-	4,301,231
Dupuytren's Disease	4,031,791	-	4,031,791
B-Cell Lymphoma - Medicare Access	3,745,908	-	3,745,908
Peyronie's Disease	3,602,674	-	3,602,674
Multiple Sclerosis - Medicare Access	2,877,230	-	2,877,230
Systemic Sclerosis with Interstitial Lung Disease	2,867,085	-	2,867,085
Cushing's Disease	2,477,928	-	2,477,928
Gout - Medicare Access	2,402,723	-	2,402,723
Waldenstrom Macroglobulinemia	2,005,623	-	2,005,623
Small Cell Lung Cancer - Medicare Access	1,997,690	-	1,997,690
Amyloidosis	1,685,713	-	1,685,713

The Notes to Consolidated Financial Statements are an integral part of this statement.

**HealthWell Foundation and Affiliate**  
**Consolidated Statement of Activities**  
**Year Ended December 31, 2024**

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Metabolic Dysfunction-Associated Steatohepatitis	\$ 1,529,768	\$ -	\$ 1,529,768
Pediatric Assistance	1,528,928	-	1,528,928
Urticaria	1,296,601	-	1,296,601
Type 2 Diabetes	1,231,589	-	1,231,589
Ovarian Cancer - Medicare Access	1,146,844	-	1,146,844
Giant Cell Arteritis or Temporal Arteritis - Medicare Access	813,486	-	813,486
Non-Small Cell Lung Cancer - Medicare Access	702,766	-	702,766
Colorectal Carcinoma - Medicare Access	634,498	-	634,498
Pancreatic Cancer - Medicare Access	605,497	-	605,497
IgA Nephropathy	459,311	-	459,311
Schizophrenia - Medicare Access	309,429	-	309,429
Chronic Obstructive Pulmonary Disease - Medicare Access	295,170	-	295,170
Chronic Myeloid Leukemia - Medicare Access	229,714	-	229,714
Unsupported Fund	220,000	-	220,000
ANCA-Assoc Vasculitis and Granulomatosis	176,347	-	176,347
Sickle Cell Disease	130,509	-	130,509
Other	125,067	-	125,067
Post Menopausal Osteoporosis - Medicare Access	96,423	-	96,423
Cancer-Related Behavioral Health	90,854	-	90,854
Movement Disorders - Medicare Access	73,707	-	73,707
Health Access	50,211	-	50,211
Porphyrias	58,896	-	58,896
COVID-19 Frontline Health Care Workers Behavioral Health	51,211	-	51,211
<b>Total program services</b>	<b>594,104,043</b>	<b>-</b>	<b>594,104,043</b>
<b>Supporting services</b>			
Marketing and communications	2,481,816	-	2,481,816
Management and general	4,805,678	-	4,805,678
Fundraising	1,498,297	-	1,498,297
<b>Total supporting services</b>	<b>8,785,791</b>	<b>-</b>	<b>8,785,791</b>
<b>Total expenses</b>	<b>602,889,834</b>	<b>-</b>	<b>602,889,834</b>
<b>Change in net assets from operations</b>	<b>(8,198,536)</b>	<b>292,274,357</b>	<b>284,075,821</b>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**HealthWell Foundation and Affiliate  
Consolidated Statement of Activities  
Year Ended December 31, 2024**

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Nonoperating activities:</b>			
Interest income	\$ 23,809,432	\$ -	\$ 23,809,432
Realized and unrealized investment gains, net	11,734,837	-	11,734,837
Other income	82,687	-	82,687
<b>Total nonoperating revenue</b>	<b>35,626,956</b>	<b>-</b>	<b>35,626,956</b>
<b>Change in net assets</b>	<b>27,428,420</b>	<b>292,274,357</b>	<b>319,702,777</b>
<b>Net assets</b>			
Beginning of year	37,685,821	518,590,879	556,276,700
<b>End of year</b>	<b>\$ 65,114,241</b>	<b>\$ 810,865,236</b>	<b>\$ 875,979,477</b>

The Notes to Consolidated Financial Statements are an integral part of this statement.



**HealthWell Foundation and Affiliate**  
**Consolidated Statement of Functional Expenses**  
**Year Ended December 31, 2024**

	Supporting Services					Total
	Program Services	Marketing & Communication	Management & General	Fundraising	Total Supporting Services	
Patient grants	\$ 570,228,276	\$ -	\$ -	\$ -	\$ -	\$ 570,228,276
Salaries and wages	14,326,698	1,280,204	1,396,815	556,298	3,233,317	17,560,015
Fringe benefits and payroll taxes	5,034,940	400,360	439,136	174,610	1,014,106	6,049,046
Professional fees	885,917	1,879	675,480	-	677,359	1,563,276
Occupancy	835,972	51,415	98,835	22,339	172,589	1,008,561
Contracted services	660,867	202,476	935,186	497,419	1,635,081	2,295,948
Telecommunications and systems	573,133	316	39,446	-	39,762	612,895
Taxes and license	570,305	55,625	109,813	52,327	217,765	788,070
Printing and postage	403,367	20,058	13,426	3,143	36,627	439,994
Bank charges	228,599	-	390	27,982	28,372	256,971
Employee development	124,390	7,171	13,763	69	21,003	145,393
Depreciation and amortization	121,329	27,765	28,672	11,582	68,019	189,348
Supplies	17,308	3,167	17,129	30	20,326	37,634
Miscellaneous	65,515	22,056	25,703	2,938	50,697	116,212
Travel and meals	25,330	110,060	27,391	61,223	198,674	224,004
Marketing and outreach	1,603	125,255	1,510	4,793	131,558	133,161
Dues and publications	494	12,798	10,932	1,047	24,777	25,271
Board honoraria	-	-	663,488	-	663,488	663,488
Conference and meeting	-	161,211	88,563	82,497	332,271	332,271
Sponsorship	-	-	220,000	-	220,000	220,000
<b>Total expenses</b>	<b>\$ 594,104,043</b>	<b>\$ 2,481,816</b>	<b>\$ 4,805,678</b>	<b>\$ 1,498,297</b>	<b>\$ 8,785,791</b>	<b>\$ 602,889,834</b>

The Notes to Consolidated Financial Statements are an integral part of this statement.

**HealthWell Foundation and Affiliate**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2024**

**Operating activities**

Change in net assets	\$ 319,702,777
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities</b>	
Depreciation and amortization	189,348
Net realized and unrealized gains on investments	(11,734,837)
Amortization of right-of-use assets, operating	870,026
<b>Change in operating assets</b>	
Contributions receivable	(58,012,323)
Prepays and other assets	106,561
<b>Change in operating liabilities</b>	
Accounts payable and accrued expenses	(38,486,507)
Copayments and premium assistance payable	(23,721)
Operating lease obligations	(836,294)
<b>Net cash provided by operating activities</b>	<u>211,775,030</u>

**Investing activities**

Purchase of investments	(13,762,456)
Purchase of property and equipment	(127,585)
<b>Net cash used in investing activities</b>	<u>(13,890,041)</u>

**Net change in cash and cash equivalents** 197,884,989

**Cash and cash equivalents**

Beginning of year	188,277,489
<b>End of year</b>	<u><u>\$ 386,162,478</u></u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

# HealthWell Foundation and Affiliate

## Notes to Consolidated Financial Statements

### December 31, 2024

#### 1. Nature of Operations

The HealthWell Foundation ("HealthWell") is an independent, nonprofit organization that provides financial assistance to underinsured adults and children living with chronic or life-altering diseases, such as cancer, asthma and autoimmune disorders. HealthWell helps eligible individuals afford out-of-pocket costs for prescription drug copayments, coinsurance, deductibles, premiums and other select out-of-pocket costs. HealthWell's primary source of revenue is contributions from corporations and individuals.

HWF – Direct, LLC ("HWF"), an affiliate of HealthWell, was organized on October 10, 2018, as a single-member limited liability corporation (LLC) to administer HealthWell's call-center functions. HealthWell is the sole member of HWF and funds its operations through intercompany service charges and service contracts.

#### 2. Summary of Significant Accounting Policies

##### a. Principles of Consolidation

The consolidated financial statements include the accounts of HealthWell and its wholly-owned, controlled subsidiary, HWF. The consolidated financial statements of HealthWell and HWF (collectively, the "Foundation") have been prepared on the accrual basis of accounting and include the accounts of both HealthWell and HWF. All intercompany accounts and transactions have been eliminated in consolidation.

##### b. Basis of Accounting and Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions.

The net assets of the Foundation are reported as follows:

**Net assets without donor restrictions:** Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Foundation. Net assets without donor restrictions may be designated for specific purposes by the Foundation or may be limited by contractual agreements with outside parties. In addition, net assets without donor restrictions includes board-designated endowment funds. As of December 31, 2024, there were no board-designated net assets.

**Net assets with donor restrictions:** Net assets subject to donor-imposed restrictions that will be met either by the actions of the Foundation or through the passage of time. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. As of December 31, 2024, net assets with donor restrictions totaled \$810,865,236.

##### c. Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

##### d. Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At December 31, 2024, cash equivalents consisted primarily of demand deposits and highly liquid money market funds.

## HealthWell Foundation and Affiliate

### Notes to Consolidated Financial Statements

#### December 31, 2024

The Foundation maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 for each institution. The Foundation's cash balances at times exceeded federally insured limits. Any loss incurred or lack of access to such funds could have a significant adverse impact on the Foundation's financial condition, results of operations, and cash flows. At December 31, 2024, the Foundation's cash accounts exceeded federally insured limits by approximately \$385,000,000.

#### **e. Investments**

The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statement of financial position. Net investment return is reported in the consolidated statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investment return is reported in net assets without donor restrictions unless its use is restricted by explicit donor stipulation or by law. Purchases and sales of investments are recorded on a settlement date basis and the cost of securities sold is determined using the specific identification method.

Dividends and interest are recognized as earned. Net realized gains or losses and changes in net appreciation or depreciation in fair value are determined by comparing cost to proceeds and fair market value, respectively. Gains and losses on sales of securities are recorded in the consolidated statement of activities in the period in which the securities are sold.

#### **f. Fair Value Measurements**

Financial Accounting Standards Board ("FASB") ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a fair value hierarchy and specifies that a valuation technique used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described below:

*Level 1* - Unadjusted quoted market prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.

*Level 2* - Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability.

*Level 3* - Significant unobservable prices or inputs (including the Foundation's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

As required by Topic 820, investments are classified within the level of the lowest significant input considered in determining fair value. The fair value measurement of investments classified within Level 3 can be derived from several inputs and may also include Level 1 or Level 2 inputs as components of the overall fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value as of December 31, 2024:

##### *Mutual funds*

These securities are valued using a quoted per-share price or net asset value for identical assets in active markets, generally obtained from the relevant exchange or dealer market.

##### *Fixed-income securities*

Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable characteristics as provided by a third party using a valuation formula. These are classified within Level 2 of the valuation hierarchy.

**HealthWell Foundation and Affiliate**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**

*Investments held in trust*

The Foundation considers the measurement of its investments held in trust to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted quoted fair values of the trust assets reported by the trustees, the Foundation will never receive those assets nor have the ability to direct the trustee to redeem them.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**g. Contributions Receivable**

Contributions receivable are recorded at net realizable value. The Foundation utilizes the allowance method to account for potentially uncollectible contributions receivable. The allowance is based on management's evaluation of the outstanding contributions receivable balance and subsequent collections. Management has determined that no allowance for uncollectible contributions receivable is considered necessary. All contributions receivable at December 31, 2024 are due within one year.

**h. Property and Equipment**

Property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from three to seven years. Expenditures for additions, improvements, and other enhancements to property and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the consolidated statement of activities.

**i. Leasehold Improvements**

Leasehold improvements are recorded as components of property and equipment. The cost of leasehold improvements is charged to earnings using the straight-line method over the shorter of (i) the remaining lease term or (ii) the estimated useful lives of the improvements. The Foundation considers renewal terms that are deemed reasonably assured when estimating remaining lease terms.

**j. Leases**

The Foundation is a lessee in multiple operating leases. Right-of-use ("ROU") assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The Foundation has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The lease liability is initially and subsequently recognized based on the present value of future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Changes to variable lease payments due to subsequent changes in an index or rate and variable lease payments not dependent on an index or a rate are recorded as variable lease expense in the period in which they are incurred.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (less) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

**HealthWell Foundation and Affiliate**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**

For all underlying classes of assets, the Foundation has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Foundation is reasonably certain to exercise. The Foundation recognizes all operating lease costs on a straight-line basis over the lease term.

The Foundation made an accounting policy election to not separate the lease and non-lease components of a contract. For all other underlying classes of assets, the Foundation separates lease and non-lease components to determine the lease payment.

**k. Revenue Recognition**

Unconditional contributions are recorded as revenue and support in the period in which the commitment is made and are recorded with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Donor-restricted revenue is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. Conditional promises to give, that is, those with a measurable performance or other measurable barrier, and a right of return or release, are not recognized in revenue until the conditions on which they depend have been substantially met.

Service fees are related to providing administrative support services and are recognized over time as the service is performed.

**l. Program Services**

The Foundation awards financial assistance to underinsured patients living with chronic or life-altering diseases. The Foundation records this financial assistance as program service expense when the services are provided, rather than when the assistance is awarded, as payments are contingent upon the patients obtaining the approved medications and/or services.

The Foundation has instituted a process for withdrawing and adjusting the original patient assistance committed to, but not subsequently used by, the patient so that the funds are available for new awards. Funds awarded to patients that have not yet been expended by the patients are classified as net assets with donor restrictions committed to patients on the accompanying consolidated statement of financial position.

**m. Copayments and Premium Assistance Payable**

An estimated liability for unpaid copayments and premium claims incurred, but not reported, as of year-end, based upon actual subsequent claims payments, is recorded in the accompanying consolidated statement of financial position.

**n. Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Expenses directly attributed to specific functional areas are reported as expenses of those functional areas. Indirect expenses, which include costs related to occupancy, depreciation and amortization, and various consultants, are allocated among the programs and supporting services based on patient activities conducted under each grant. Salaries, including those related to the executive, finance, human resources, marketing and technology functions, are allocated first on the basis of an annually prepared estimation of hours worked by employee in each function and then by patient grant expense.

**o. Income Taxes**

The Foundation recognizes the tax benefit from an uncertain tax position only if it is “more likely than not” that the tax position would be sustained on examination by the taxing authorities, based upon the technical merits of the position. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized upon examination. Interest and penalties related to unrecognized tax benefits are classified as income tax expense.

**HealthWell Foundation and Affiliate**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code and exempt from state income taxes under state law, and no provision for such income tax has been reflected in the accompanying consolidated financial statements. The Foundation has evaluated uncertain tax positions with respect to its operations and concluded there are no such positions at December 31, 2024. The Foundation did not recognize any tax-related interest or penalties during the period presented in these consolidated financial statements.

**p. Subsequent Events**

The Foundation's management evaluated events that occurred after December 31, 2024 through September 17, 2025, the date when the consolidated financial statements were available to be issued. See Note 9 for further discussion on subsequent events.

**3. Liquidity and Availability of Resources**

As of December 31, 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and fulfillment of liabilities, were as follows:

**Financial assets**

Cash and cash equivalents	\$ 386,162,478
Investments	413,037,763
Contributions receivable	112,765,994
<b>Total financial assets available</b>	<u>911,966,235</u>
<b>Less:</b>	
Disease funds	(810,652,423)
Time-restricted investments	(212,813)
<b>Total amounts unavailable for general expenditures within one year due to donor restriction</b>	<u>(810,865,236)</u>
<b>Total financial assets and liquidity resources available within one year for general expenditure</b>	<u>\$ 101,100,999</u>

The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Foundation throughout the year. This is done through monitoring and reviewing the Foundation's cash flow needs on a daily basis. As a result, management is aware of the cyclical nature of its cash flow related to the Foundation's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. As part of the Foundation's liquidity plan, excess cash is invested in publicly traded investments vehicles, including mutual funds and equity securities, to support organizational initiatives. The Foundation can liquidate its investments anytime, and therefore the investments are available to meet current cash flow needs.

**HealthWell Foundation and Affiliate**  
**Notes to Consolidated Financial Statements**  
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**4. Fair Value Measurements**

The following table summarizes the Foundation's assets measured at fair value on a recurring basis as of December 31, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
<b>Investments:</b>				
<b>Debt securities:</b>				
Government obligations	\$ -	\$ 47,224,608	\$ -	\$ 47,224,608
Mortgage-backed securities	-	6,831,811	-	6,831,811
Municipal bonds	-	1,113,528	-	1,113,528
Corporate obligations	-	39,790,479	-	39,790,479
Specialty fixed income	-	65,006	-	65,006
<b>Total debt securities</b>	-	95,025,432	-	95,025,432
<b>Mutual funds:</b>				
Domestic equity funds	70,569,875	-	-	70,569,875
International equity funds	23,473,707	-	-	23,473,707
Traditional bond funds	25,230,667	-	-	25,230,667
International bonds funds	43,750,063	-	-	43,750,063
Short term bond funds	140,063,673	-	-	140,063,673
Intermediate term bond funds	10,912,055	-	-	10,912,055
<b>Total mutual funds</b>	314,000,040	-	-	314,000,040
Investments held in trust	-	-	212,813	212,813
Cash and cash equivalents	3,799,478	-	-	3,799,478
<b>Total investments</b>	<b>\$ 317,799,518</b>	<b>\$ 95,025,432</b>	<b>\$ 212,813</b>	<b>\$ 413,037,763</b>

Investment income, including interest earned on cash and cash equivalents, is as follows for the year ended December 31, 2024:

Interest and dividends	\$ 23,809,432
Realized gains	643,793
Unrealized gains	11,406,588
Investment fees	(315,544)
<b>Investment income, net</b>	<b>\$ 35,544,269</b>



**HealthWell Foundation and Affiliate**  
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**5. Property and Equipment**

The historical costs of the Foundation's property and equipment and related accumulated depreciation balances at December 31, 2024 were as follows:

Computer equipment	\$ 649,192
Leasehold improvements	138,411
Furniture	584,447
Computer software	1,324,214
<b>Property and equipment, gross</b>	<u>2,696,264</u>
Less accumulated depreciation and amortization	(2,239,123)
<b>Property and equipment, net</b>	<u><u>\$ 457,141</u></u>

Depreciation and amortization expense related to property and equipment was \$189,348 for the year ended December 31, 2024.

**6. Leases**

The Foundation leases office space and equipment under several operating lease agreements which expire through June 2032. The office space leases have options for renewal which management is not reasonably certain to exercise. Therefore, payments associated with those extensions are not included in the right of use asset nor the lease liabilities as of December 31, 2024.

Components of lease expense were as follows for the year ended December 31, 2024:

Operating lease cost	<u><u>\$ 936,991</u></u>
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Information regarding lease terms and discount rates as of December 31, 2024 is as follows:

**Weighted-average remaining lease term (years):**

Operating leases	7.2
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**Weighted-average discount rate (%):**

Operating leases	3.0
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Supplemental cash flow information related to leases is as follows for the year ended December 31, 2024:

**Cash paid for amounts included in the measurement of lease liabilities:**

Operating cash flows from operating leases	<u><u>\$ 903,259</u></u>
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**HealthWell Foundation and Affiliate**  
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Maturities of lease liabilities are as follows as of December 31, 2024:

	<b>Operating Leases</b>
2025	\$ 919,264
2026	866,925
2027	744,698
2028	767,024
2029	790,047
Thereafter	2,076,988
<b>Total lease payments</b>	<b>6,164,946</b>
Less: Imputed interest	1,020,372
<b>Total lease liabilities</b>	<b>\$ 5,144,574</b>

**7. Releases and Net Assets With Donor Restrictions**

For the year ended December 31, 2024, releases and net assets with donor restrictions consisted of the following:

	<b>Released from Restriction</b>	<b>Net Assets Available</b>
Multiple Myeloma - Medicare Access	\$ 142,156,347	\$ 174,249,671
Hypercholesterolemia - Medicare Access	77,390,431	91,201,026
Cardiomyopathy - Medicare Access	63,384,381	63,812,716
Prostate Cancer - Medicare Access	13,267,538	51,439,246
Pulmonary Hypertension - Medicare Access	18,072,522	47,168,250
Chronic Lymphocytic Leukemia	26,375,477	39,024,621
Renal Cell Carcinoma - Medicare Access	25,322,626	35,843,755
Myelodysplastic Syndromes - Medicare Access	21,730,137	34,673,139
Tardive Dyskinesia - Medicare Access	25,853,669	33,215,814
Cystic Fibrosis Treatments	19,404,178	26,889,589
Neurocognitive Disease with Psychosis - Medicare Access	27,393,286	22,207,611
Breast Cancer - Medicare Access	7,256,899	18,926,417
Multiple Sclerosis - Medicare Access	2,877,230	14,698,703
Mantle Cell Lymphoma	5,342,892	13,758,659
Blepharitis	21,546,225	12,961,138
Acute Myeloid Leukemia	13,965,397	10,766,956
Carcinoid Tumors and Associated Symptoms - Medicare Access	-	10,560,968
Amyotrophic Lateral Sclerosis	8,322,339	10,507,136
Hepatitis C	19,506,100	10,324,420
Waldenstrom Macroglobulinemia	2,005,623	9,386,134
Pulmonary Fibrosis	8,469,850	9,380,543
Peyronie's Disease	3,602,674	7,726,535

**HealthWell Foundation and Affiliate**  
**Notes to Consolidated Financial Statements**  
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	<b>Released from Restriction</b>	<b>Net Assets Available</b>
Amyloidosis	\$ 1,685,713	\$ 7,583,254
Metabolic Dysfunction - Associated Steatohepatitis	1,529,768	7,470,553
Cushing's Disease	2,477,928	5,676,462
Congenital Sucrase-Isomaltase Deficiency	4,301,231	4,979,266
Systemic Sclerosis with Interstitial Lung Disease	2,867,085	3,913,001
Schizophrenia - Medicare Access	309,429	2,690,571
Gout - Medicare Access	2,402,723	2,689,353
Dupuytren's Disease	4,031,791	2,490,255
Colorectal Carcinoma - Medicare Access	634,498	2,284,313
Urticaria	1,296,601	2,261,035
Ovarian Cancer - Medicare Access	1,146,844	2,119,630
Giant Cell Arteritis or Temporal Arteritis - Medicare Access	813,486	1,398,395
Non-Hodgkin's Lymphoma - Medicare Access	2,179	1,308,737
B-Cell Lymphoma - Medicare Access	3,745,908	1,298,620
Non-Small Cell Lung Cancer - Medicare Access	702,766	1,261,122
Porphyrias	58,896	1,082,700
IgA Nephropathy	459,311	922,671
Pancreatic Cancer - Medicare Access	605,497	771,384
ANCA-Assoc Vasculitis, and Granulomatosis with Polyangiitis (formerly Wegeners)	176,347	692,383
Small Cell Lung Cancer - Medicare Access	1,997,690	685,455
Post Menopausal Osteoporosis - Medicare Access	96,423	589,238
Bone Metastases - Medicare Access	49,586	490,305
Systemic Lupus Erythematosus	(18,137)	489,637
Movement Disorders - Medicare Access	73,707	474,438
Other	5,503,689	472,446
Chronic Obstructive Pulmonary Disease - Medicare Access	295,170	457,215
Sickle Cell Disease	130,509	446,016
Chronic Myeloid Leukemia - Medicare Access	229,714	438,415
Hyperoxaluria	21,664	407,479
Type 2 Diabetes	1,231,589	388,534
Lambert-Eaton Myasthenic Syndrome	(1,612)	365,051
Chemotherapy Induced Neutropenia -Medicare Access	36,508	294,876
Cystic Fibrosis	-	252,742
Hepatocellular Carcinoma - Medicare Access	-	243,656
Melanoma - Medicare Access	5,188	231,534
Inflammatory Bowel Disease - Medicare Access	-	212,998
National Advisory Trust Beneficial Ownership FY 2024	-	212,813
Secondary Hyperparathyroidism	(1,169)	187,334
Idiopathic Thrombocytopenic Purpura	-	180,595

**HealthWell Foundation and Affiliate**  
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	<b>Released from Restriction</b>	<b>Net Assets Available</b>
Acromegaly	\$ 22,686	\$ 169,836
Glioblastoma Multiforme / Anaplastic Astrocytoma	(1,982)	164,569
Huntington's Disease - Medicare Access	(220)	155,918
AutoImmune - Medicare Access	-	155,893
Bladder and Urothelial Cancer - Medicare Access	(3,248)	148,184
Fungal Infections-Aspergillosis and Candidiasis	-	146,144
Melanoma	-	142,935
Macular Degeneration (Wet and Dry)	(2,849)	116,246
Breakthrough Cancer Pain - Medicare Access	-	107,111
Gout Travel Fund	15,955	96,080
Growth Hormone Deficiency	-	84,145
Iron Overload as a Result of Blood Transfusions	-	66,533
Migraine	-	66,236
Chronic Heart Failure - Medicare Access	-	55,004
Nontuberculous Mycobacterium - Medicare Access	9,257	52,873
	<u>\$ 592,183,940</u>	<u>\$ 810,865,236</u>

**8. Defined Contribution Plan**

The Foundation maintains a defined-contribution plan under Section 401(k) of the Internal Revenue Code. Under the 401(k) plan, participants may elect to contribute annually to the plan amounts up to the federal tax limit. The Foundation matches 100% of an employee's contributions, up to 6% of the employee's salary. Employees are vested in their own contributions and employer matching contributions at the time contributions are made. The Foundation's contribution expense totaled \$709,713 for the year ended December 31, 2024.

**9. Commitments and Contingencies**

At December 31, 2024, the Foundation had outstanding commitments to patients totaling \$407,604,207. These commitments are based upon amounts awarded by the Foundation for, but not yet expended on, copayments and premium assistance claims of patients as of December 31, 2024. As patients submit claims for approved medication and services, amounts committed to patients are transferred to copayments and premium assistance payable in the accompanying consolidated statement of financial position until the obligation is paid.

The Foundation was involved in various legal proceedings arising in the ordinary course of business during the year ended December 31, 2024. Subsequent to year-end, the Foundation became involved in additional legal proceedings. In the opinion of management, although the outcome of any legal proceedings cannot be predicted, the ultimate liability of the Foundation in connection with its legal proceedings will not have a material adverse effect on the consolidated statement of financial position or activities of the Foundation.

**10. Concentrations**

During the year ended December 31, 2024, the Foundation received approximately 50% of its total revenue and support from two donors.

## **Supplementary Information**

**HealthWell Foundation and Affiliate  
Consolidating Schedule of Financial Position  
December 31, 2024**

	HealthWell	HWF - Direct, LLC	Eliminations	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 383,478,930	\$ 2,683,548	\$ -	\$ 386,162,478
Investments	413,037,763	-	-	413,037,763
Investments in HWF Direct, LLC	(4,369,430)	-	4,369,430	-
Contributions receivable	112,765,994	-	-	112,765,994
Loan receivable from affiliate	5,500,000	-	(5,500,000)	-
Due from affiliate	75,560,493	75,723,512	(151,284,005)	-
Prepays and other assets	696,256	188,130	-	884,386
Property and equipment, net	178,847	278,294	-	457,141
Right-of-use asset, operating	246,742	4,634,525	-	4,881,267
<b>Total assets</b>	<b>\$ 987,095,595</b>	<b>\$ 83,508,009</b>	<b>\$ (152,414,575)</b>	<b>\$ 918,189,029</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 28,012,229	\$ 1,983,233	\$ -	\$ 29,995,462
Copayments and premium assistance payable	7,069,516	-	-	7,069,516
Loans payable due to affiliate	-	5,500,000	(5,500,000)	-
Due to affiliate	75,723,511	75,560,494	(151,284,005)	-
Operating lease liabilities	310,862	4,833,712	-	5,144,574
<b>Total liabilities</b>	<b>111,116,118</b>	<b>87,877,439</b>	<b>(156,784,005)</b>	<b>42,209,552</b>
<b>Net assets</b>				
Without donor restrictions	65,114,241	(4,369,430)	4,369,430	65,114,241
<b>With donor restrictions</b>				
Committed to patients	407,604,207	-	-	407,604,207
Uncommitted	403,261,029	-	-	403,261,029
<b>Total with donor restrictions</b>	<b>810,865,236</b>	<b>-</b>	<b>-</b>	<b>810,865,236</b>
<b>Total net assets</b>	<b>875,979,477</b>	<b>(4,369,430)</b>	<b>4,369,430</b>	<b>875,979,477</b>
<b>Total liabilities and net assets</b>	<b>\$ 987,095,595</b>	<b>\$ 83,508,009</b>	<b>\$ (152,414,575)</b>	<b>\$ 918,189,029</b>

See Independent Auditor's Report.

**HealthWell Foundation and Affiliate  
Consolidating Schedule of Activities  
Year Ended December 31, 2024**

	HealthWell	HWF - Direct, LLC	Eliminations	Total
<b>Operating revenue and support</b>				
Contributions	\$ 886,923,619	\$ -	\$ -	\$ 886,923,619
Service fees	-	19,830,722	(19,788,686)	42,036
Equity loss in subsidiary	(50,252)	-	50,252	-
<b>Total operating revenue and support</b>	<b>886,873,367</b>	<b>19,830,722</b>	<b>(19,738,434)</b>	<b>886,965,655</b>
<b>Expenses</b>				
Program services	594,126,995	19,765,734	(19,788,686)	594,104,043
<b>Supporting services</b>				
Marketing and communications	2,481,816	-	-	2,481,816
Management and general	4,805,678	-	-	4,805,678
Fundraising	1,498,297	-	-	1,498,297
<b>Total expenses</b>	<b>602,912,786</b>	<b>19,765,734</b>	<b>(19,788,686)</b>	<b>602,889,834</b>
<b>Change in net assets from operations</b>	<b>283,960,581</b>	<b>64,988</b>	<b>50,252</b>	<b>284,075,821</b>
<b>Nonoperating activities</b>				
Interest income	23,924,672	49,760	(165,000)	23,809,432
Realized and unrealized investment gains, net	11,734,837	-	-	11,734,837
Interest expense	-	(165,000)	165,000	-
Other income	82,687	-	-	82,687
<b>Total nonoperating revenue</b>	<b>35,742,196</b>	<b>(115,240)</b>	<b>-</b>	<b>35,626,956</b>
<b>Change in net assets</b>	<b>319,702,777</b>	<b>(50,252)</b>	<b>50,252</b>	<b>319,702,777</b>
<b>Net assets</b>				
Beginning of year	556,276,700	(4,319,178)	4,319,178	556,276,700
<b>End of year</b>	<b>\$ 875,979,477</b>	<b>\$ (4,369,430)</b>	<b>\$ 4,369,430</b>	<b>\$ 875,979,477</b>

See Independent Auditor's Report.