We’re Making Life Changing Medicine Happen
The UPMC Mission

UPMC’s mission is to serve our community by providing outstanding patient care and to shape tomorrow’s health system through clinical and technological innovation, research, and education.
2016 Year in Review

UPMC Is Making Life Changing Medicine Happen Every Day Through...

Clinical Excellence, Compassionate Care

Affordably Priced Health Plans

Convenient, Coordinated Services

Growth and Expansion

Healthy, Empowered Consumers

Health Care Innovation
Fiscal Year 2016 continued UPMC’s outstanding record of service to the region. The organization’s accomplishments as a world-class provider and academic medical center are now complemented by its standing as a market-leading insurer. Based in western Pennsylvania, these capabilities create a solid and secure platform to support dynamic transformation, fuel growth, and stoke innovation.

EXTENDING THE OUTLOOK
Through evolution, expansion, and achievement, UPMC maintained its leadership position in a changing marketplace while pivoting toward the future. Emerging from challenges posed by the implementation of the Affordable Care Act, intense competition, industry consolidation, and the ongoing diversification of the regional health insurance market, the organization continues to thrive.

Today, the boundaries of UPMC’s life-changing care are extending to new locations across the Commonwealth and beyond. UPMC Insurance Services is experiencing explosive growth, allowing the organization to prevail in a highly competitive insurance and provider marketplace that clearly values access to high-quality, affordable care. Transformation on a global scale is seen through UPMC’s international locations in more than a dozen countries around the world — sharing the expertise and knowledge of UPMC and elevating the standard of care.

As UPMC pursues value over volume and continuously streamlines costs, the organization’s investments in unique and specialized care — coupled with its conversion to a leading health care software enterprise — position us to excel well into the future.

CHANGING HEALTH CARE FOR THE BETTER
Drawing on an extensive history of putting scientific discovery into practice, UPMC and its academic partner, the University of Pittsburgh, are collaborating on breakthrough advances that are revolutionizing health care. This work has far-reaching potential to enhance the effectiveness of care, conquer a wide variety of diseases, and ultimately, extend longevity.

Similarly, by combining a commitment to technological advancement with the organization’s entrepreneurial spirit, UPMC is assembling a consumer-facing software platform to empower and transform individuals’ health care experiences. This product has enormous potential to change the way health care services are accessed and care is provided, and will be developed by leveraging close collaboration with the University of Pittsburgh, Carnegie Mellon University, and the Pittsburgh Health Data Alliance.

This leading-edge work — all based in Pittsburgh — is building the next generation of health care solutions, and positions the city as a vibrant laboratory at the inflection point of change.

MOVING AHEAD WITH PROMISE AND PURPOSE
UPMC continues to prosper through a compelling strategic vision and the ability of the organization — supported by more than 60,000 employees — to make great things happen. On the following pages, we are pleased to share with you a number of accomplishments that showcase UPMC’s growth, achievements, and commitment to caring for the community.
Fueling Growth and Innovation

By incorporating integrity, excellence, and innovation into all that it does, UPMC arrives at a health care solution that’s significantly greater than the sum of its parts.

UPMC is the only national institution that together is in the top tier of the highest ranked clinical providers, is an integrated delivery and finance system with a major health insurer, and has a cutting-edge academic medical center, a center for entrepreneurial innovation, and an international presence.

Reinvestment back into the core mission of UPMC

UPMC innovations build the next generation of health care solutions

Integrated Delivery and Finance System
Health Services  Insurance Services
Entrepreneurial Future
Enterprises  International

Academic Core of Clinical Excellence and Cutting-Edge Research

Growth and Success of UPMC: 2001–2016

11 percent Average Annual Growth in Revenues

5 percent Average Annual Growth in Employees

#12 U.S. News & World Report Honor Roll Hospital
UPMC Is Making
Clinical Excellence and
Compassionate Care Happen
Clinical Excellence, Compassionate Care

Throughout western Pennsylvania, consumers overwhelmingly choose UPMC for its exceptional care and its wide array of service offerings. In fact, when clinical services are combined with insurance offerings and employment, UPMC reaches residents of the region in a way no other organization does.

In doctors’ offices and senior communities — or at pediatric urgent care centers or during a visit from a nurse at home — UPMC cares for individuals and families across the health care continuum. UPMC is constantly working to enhance the lives of patients and health plan members in numerous ways.

Nationally Recognized
Out of 5,000 hospitals, UPMC is honored to be ranked 12th in the nation by U.S. News & World Report.

UPMC touches 7 out of 10 people in western Pennsylvania.
For the first time in modern medicine, an international panel led by UPMC and the University of Pittsburgh strips a type of tumor of its ‘cancer’ title, potentially saving patients from unnecessary and painful treatment.

Breakthrough Achievements That Redefine Health Care

Through a long-term collaborative relationship with the University of Pittsburgh — UPMC’s academic partner, and one of the nation’s top five medical research institutions with more than $475 million in National Institutes of Health funding this past year — UPMC is redefining the way care is delivered locally and around the world, by translating scientific discoveries into new breakthrough therapies, and quickly bringing them to the bedside.

It’s Not Cancer: Doctors Reclassify a Thyroid Tumor
SOWING SEEDS FOR NEW DISCOVERIES

Whether it’s mitigating the effects of aging; creating tolerance for organ transplants; treating cancer, cardiac disease, or cognitive disorders; or slowing or stopping the naturally occurring immune system dysfunction that comes with aging, UPMC and the University of Pittsburgh are leading the way to the next discovery.

<table>
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<th>Curbing Overdiagnosis and Overtreatment</th>
<th>Building Innovative Solutions</th>
<th>Defining the Future in Immunotherapy</th>
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<tr>
<td>Shifting the paradigm of what cancer is by reclassifying a type of thyroid tumor as noncancerous, with the intent to curb overdiagnosis and overtreatment of cancer</td>
<td>Connecting two of UPMC’s strengths in clinical and research efforts — cancer and transplant — to advance immunotherapy research</td>
<td>Bridging UPMC’s experience and knowledge around transplant and organ rejection, and applying them to other disciplines</td>
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PEOPLE THROUGHOUT THE REGION AND THE WORLD TURN TO UPMC FOR COMPLEX AND INNOVATIVE CLINICAL CARE

UPMC actively invests in new therapies, creatively working to leverage the potential of clinical research and drive transformative medical breakthroughs.

- UPMC continued to grow its Living Donor Transplantation program as a national and international referral center.
- UPMC reached the clinical milestone of 500 minimally invasive heart valve repairs — more than any other heart program regionally — making it one of the leading programs in the country. An early adopter of robotic surgery, UPMC is also a major referral center — performing approximately half the total robotic Whipple procedures in the nation.
- The University of Pittsburgh Cancer Institute, in partnership with UPMC CancerCenter, revealed a discovery that could significantly enhance the performance of breakthrough immunotherapy drugs, and is now one of only a handful of centers funded by the National Cancer Institute for all phases of clinical trials.
- Using analytics to marry population health with personalized medicine, UPMC is reducing variations in care for specific populations, while individualizing care by harnessing information from large amounts of phenotypic, genotypic, claims, and financial data.
- UPMC realigned the Health Services division into a unified entity that combines physician and hospital functions, reduces variation, enhances productivity, and ensures the delivery of consistent, high-quality care.

UPMC CancerCenter treats 74,000 individuals each year, and — with more than 40 locations — is one of the largest integrated community cancer networks in the United States.
UPMC Is Making Affordably
Priced Health Plans Happen
In a market that rewards superior quality, convenient access, and overall value, UPMC Insurance Services experienced tremendous growth.

**GROWTH AND EXPANDING MARKETS**

Demand for UPMC Insurance Services — including the commercial, Medicare, Medicaid, health insurance exchange, behavioral health, and workers’ compensation segments of the market — is expanding quickly in and beyond western Pennsylvania. Statewide offerings are being developed, and UPMC Health Plan products are expanding into peripheral markets.

UPMC is a leader in the government insurance market. UPMC for Life Medicare Advantage membership led the western Pennsylvania market in enrollment gain. Additionally, more than 50 percent of the region’s enrollees in Medicaid and Children’s Health Insurance Program select UPMC insurance products.

UPMC’s individual commercial and exchange products experienced a tenfold increase in membership over the past two years, exceeding 100,000 new members.

On the 20th anniversary of UPMC Insurance Services, membership soared to 3 million, exhibiting remarkable 10 percent year-over-year growth – more than 250,000 new members.

**UPMC is now the largest medical and behavioral health insurer in western Pennsylvania.**

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**Market Share: 29-County Western Pennsylvania**
RECOGNIZED FOR EXCELLENCE

UPMC Health Plan received high scores from the National Committee for Quality Assurance, was ranked “Highest Member Satisfaction Among Commercial Health Plans in Pennsylvania” according to J.D. Power, and received customer service excellence recognition that is rare for an insurance plan.

PASSING ALONG SAVINGS TO CONSUMERS THROUGH AFFORDABLY PRICED HEALTH PLANS

As both the insurance company and the provider, UPMC’s incentive is to not over-treat. Managing large populations and providing the highest quality, most efficient, and appropriate care, is critical. UPMC is positioned to keep premiums low and serve the community at the best cost, while still reinvesting for the future.

Membership retention in most UPMC insurance products exceeds 90 percent, and reflects high levels of member satisfaction.

UPMC’s integrated payer-provider model continues to transform the ways care is delivered and paid for. It’s also making lower premiums possible, while providing greater consumer choice. Today, residents of western Pennsylvania have access to world-class care at affordable prices. UPMC offers some of the lowest priced health plans in the United States.
UPMC CONTINUES TO IMPLEMENT INDUSTRY-LEADING POPULATION HEALTH STRATEGIES

Embracing Change from Volume to Value: Through a culture where clinicians question everything, UPMC feeds innovation and actively strives to eliminate “no value” care. By emphasizing palliative and supportive care consultations when appropriate, and using internally developed tools such as a frailty index to evaluate surgical options, UPMC clinicians are improving outcomes and satisfaction while actively involving patients and caregivers in their care.

Applying Technology, Analytics, and New Care Models: UPMC created and deployed intelligent technology solutions to advance clinical care models that support patient engagement, promote team-based care, and personalize care to keep individual patients as healthy as possible.

IMPROVING POPULATION HEALTH AND CONSUMER VALUE

UPMC is fully integrating as a consumer-centric health care system, proactively intervening as needed for patients with chronic conditions, including hundreds of patients in programs for inflammatory bowel disease, musculoskeletal health, and respiratory care. Other population health initiatives include:

Conducting “Hot Spotting” Analysis: UPMC highlighted eight neighborhoods where about one third of high-need Medicare members live. Community health workers were embedded in these communities to help support those members.

Streamlining Primary Care Centers of Excellence: UPMC consolidated its presence by deploying hub-based pods for more efficient use of resources.

Managing Transitions from Hospital to Home: In addition to providing inpatient rehabilitation at nine locations, UPMC now offers transitional rehabilitation at four Senior Communities. These sites offer effective, short-term rehabilitation to help patients recover quickly before returning home.

Integrating Home Health Care: UPMC’s extensive home health nursing and rehabilitation capabilities extend through 31 counties. UPMC enhanced its hospice capabilities through the acquisition and integration of Family Hospice and Palliative Care, the largest nonprofit hospice in Pennsylvania.

Enhancing Medication Delivery for Patients with Complex Conditions: UPMC’s subsidiary, Chartwell Pennsylvania, partnered with UPMC Health Plan on a home host program to internalize and enhance specialty pharmacy and home infusion therapy services.

UPMC makes health care accessible. Accessible because it’s more affordable, accessible because it’s always available, accessible because it’s anywhere you are.
UPMC Is Making
Convenient,
Coordinated Services Happen
GROWING TO EXPAND THE REACH OF LIFE CHANGING MEDICINE

By systematically infusing strong governance, integrating cohesive systems, and enhancing operations, outstanding individual organizations become even stronger, and evolve in ways that were previously not possible. Today, UPMC offers more than 500 care locations providing convenient access to world-class primary and specialty care.

EXTENDING UPMC’S HIGH-PERFORMANCE NETWORK

Fiscal Year 2016 provided UPMC with opportunities to grow within and outside of western Pennsylvania. These include:

Welcoming UPMC Jameson: On May 1, 2016, Jameson Health System in New Castle, Pennsylvania officially merged into the UPMC network and became UPMC Jameson.

The integration underway includes facility and technology enhancement, and physician recruitment. A regionally coordinated approach to health care for Lawrence and Mercer counties delivered through UPMC Jameson and UPMC Horizon will ensure local access to comprehensive services aligned to the needs of the region.

UPMC Plans Entry into New York: In October 2016, the New York State Department of Health cleared the way for WCA Hospital in Jamestown, New York, to integrate into the UPMC network, marking UPMC’s first U.S. hospital outside of Pennsylvania. The 317-bed hospital, to be known as UPMC Chautauqua, will expand access to quality health care services and resources in southwestern New York.

UPMC Susquehanna Is a Major Hub for Care in Northcentral Pennsylvania: On October 1, 2016, UPMC finalized an affiliation with Susquehanna Health, a four-hospital, $562 million, Catholic-sponsored system based in Williamsport, Pennsylvania. The agreement expands health care services for the 200,000 people of northcentral Pennsylvania.

Convenient, Coordinated Services

UPMC’s model of exceptional care at an affordable price is in demand in communities throughout western Pennsylvania and beyond. This year, UPMC continued to grow by adding new locations to extend world-class patient care, and keep it close to home in the communities where it is needed most.

Pictured at right:
New UPMC locations in Williamsport, Pennsylvania; New Castle, Pennsylvania; and Jamestown, New York.
UPMC has a long-standing track record of creating successful affiliations with community hospitals and physician groups.
Anchoring World-Class Care in More Communities

UPMC continued to invest in technology and clinical services to bring world-class care to patients where they live. The organization is establishing hubs in central and northwestern Pennsylvania to extend convenient access to UPMC services.

NOTABLE ACHIEVEMENTS INCLUDE:

• Partnership with Washington Health System: A new partnership between Washington Health System and the UPMC Heart and Vascular Institute was formed to expand cardiac services in the Washington, Pennsylvania area.

• UPMC CancerCenter: One of the largest clinical oncology networks in the United States continued to grow with the addition of locations in Hagerstown, Maryland, and in Westmoreland and Butler counties.

• UPMC Hamot Offering New Services in Erie: The hospital gained approval to commence performing kidney transplants, allowing kidney recipients in northwestern Pennsylvania to have access to the same world-class care offered at UPMC hospitals in Pittsburgh.

• UPMC Altoona Blossoming in Central Pennsylvania: UPMC Altoona opened a new comprehensive breast care center and collaborated with Magee-Womens Hospital of UPMC to offer advanced fertility treatments and maternal-fetal medicine. UPMC also expanded access to highly specialized services through telemedicine, which includes a partnership with Western Psychiatric Institute and Clinic of UPMC to provide inpatient telepsychiatric care in areas where service would not otherwise be available.

• Children’s South Bringing Advanced Pediatric Care to Pittsburgh’s South Hills: Since moving to South Fayette in 2014, volume at the facility has grown by nearly 20 percent. New services include hematology/oncology, ophthalmology, behavioral health, and sports medicine.
- **Streamlining and Expanding the Ambulatory Footprint**: UPMC announced plans to consolidate ambulatory services in Pittsburgh’s northern neighborhoods in a new, 43,500 square foot ambulatory care center. Located in Hampton, this one-stop care destination will offer primary care, women’s services, and specialty clinics for chronic disease management, radiology, and laboratory diagnostics.

- **UPMC Lemieux Sports Complex Opening**: Completed this year, this new facility consolidates UPMC’s advanced sports medicine and research programs with hockey performance training for the Pittsburgh Penguins and the general public.
UPMC Is Making International Growth
and Expansion
Happen
UPMC's international initiatives create new streams of revenue to support product development in Pittsburgh. UPMC does business in more than a dozen countries, and its footprint continues to grow.
ITALY
UPMC’s high-quality results at ISMETT — a complex transplant center and associated research facility in Palermo, Italy — continued to be reinforced through an extension of its management contract with the government, and approval of plans to expand beds by more than 20 percent. ISMETT performed its first liver transplant in 1999. This year, ISMETT surgeons reached the milestone of transplanting 1,000 livers — with outcomes ranking among the best both nationally and internationally.

KAZAKHSTAN
UPMC secured a multi-year extension of its contract to develop and manage the National Research Oncology Center, an integrated academic medical center in Kazakhstan.

LATIN AMERICA
This year marked a significant expansion of UPMC’s presence in Latin America. The new 200-bed Oncology Institute at the Hospital Internacional de Colombia (HIC) opened, and will serve pediatric and adult oncology patients. UPMC developed and will manage the oncology center through a partnership with Fundación Cardiovascular de Colombia (FCV).

IRELAND
UPMC was selected by Bon Secours Health System, Ireland’s largest network of private hospitals, to establish radiation oncology services at their hospital in Cork. This grows UPMC’s existing oncology presence in Ireland, where UPMC Whitfield Cancer Centre is celebrating its 10th anniversary and continues to be a key provider to public and private patients in southeast Ireland. In October, UPMC conducted its first National Concussion Symposium at Croke Park Stadium in Dublin with the Bon Secours Health System and the Gaelic Athletic Association.

ASIA
UPMC’s footprint in China and southeast Asia continued to expand through a new agreement with First Chengmei Medical Industry Group (FCMG), to develop health services on Hainan Island in southern China. This is UPMC’s third partnership in China. In addition to its work with KingMed Diagnostics in Guangzhou that provides second-opinion telepathology services, UPMC helped to develop and supports the operation of the Xiangya International Medical Center in Changsha, with Xiangya Hospital and Central South University.

UPMC INTERNATIONAL TRAINING CENTER OF EXCELLENCE
UPMC launched the International Training Center of Excellence at UPMC East, welcoming the inaugural class in July 2016 to the Monroeville, Pennsylvania facility. The center grew out of requests from existing international clients, and spreads UPMC’s expertise and brand overseas. It also received the Chinese government’s agreement to jointly promote it as part of facilitating education subsidies for future program participants.

ADVISORY SERVICES
Work under UPMC’s Advisory Services umbrella spans the globe and continues to grow. This year, UPMC completed 16 International Advisory Services engagements, and launched a strategy to provide high-quality, affordable cancer care in emerging markets.

Notable progress was also made in expanding UPMC’s virtual telehealth capabilities internationally — which bridges specialty care, avoids unnecessary travel, reduces wait times, and improves customer satisfaction. UPMC’s Smart Technology capabilities are now exported to five countries.
UPMC Is Making a Healthy Population of
Empowered Consumers Happen
UPMC is aggressively leading the way in delivering a truly customer-focused health care experience.
Healthy, Empowered Consumers

As both a provider and payer, the organization is solving health care’s most pressing business challenges while bringing about wellness for the entire population.

**EMPOWERING CONSUMERS AND CREATING BETTER EXPERIENCES**

Consumers want access, quality, and affordability. UPMC is delivering. By leveraging Smart Technology throughout UPMC — and creating exciting developments in virtual care that are bridging gaps for consumers and providers across western Pennsylvania — the organization is changing the fundamental ways health care is provided. These solutions have the potential to be commercialized into products that can be used by other participants in the health care system, including consumers, providers, and payers.

**UPMC Care, Anytime and Anywhere**

UPMC continues to expand its online services, and more than 500,000 active users rely on MyUPMC to help manage their health care. In Fiscal Year 2016, MyUPMC introduced e-dermatology visits and increased telemedicine interactions by nearly 40 percent. Approximately 22,000 online interactions were completed through consult centers, e-visits, and remote monitoring.
In Fiscal Year 2016, UPMC continued its ongoing mission of transparency, and became one of the largest networks in the United States to publicly publish its physician ratings. More than 50 percent of UPMC-employed physicians are rated in the 95th percentile in patient satisfaction.

OFFERING A RANGE OF SERVICES TO SENIORS

UPMC Senior Communities provide support to seniors in a wide variety of ways — from independent living facilities, to assisted living or personal care. Initiatives include:

Helping Seniors Stay at Home: UPMC’s established Living-At-Home Program, launched nearly 30 years ago, continues to help seniors remain independent in their own homes.

Improving Resident Satisfaction: This year, several major facility renovations were completed in skilled nursing buildings, and resident engagement in social and educational activities continued to thrive. Resident satisfaction remains high.

The Aging Institute: The efforts of the Institute, a collaboration between UPMC Senior Services and the University of Pittsburgh to advance new care models for the elderly, resulted in a four-year renewal of the RAVEN project, and a new $20 million award from the Centers for Medicare & Medicaid Services to test payment models that reduce unnecessary hospitalizations.

CREATING A CULTURE OF SERVICE EXCELLENCE

UPMC attracts and maintains a highly skilled, motivated, and culturally competent workforce — more than 60,000 strong — that includes 3,500 employed physicians and 14,000 nurses.

This year, UPMC continued the final phase of a systemwide rollout of the Culture of Service Excellence Training — an important cultural movement to focus on the experiences of our patients, health plan members, employees, and community through a commitment to living UPMC’s core values.

Every Employee Makes a Difference: Throughout UPMC, the values of Dignity and Respect unify an engaged, cohesive workforce, and support the delivery of a customer-centered experience.
UPMC Is Making the Future of Health
Care Innovation Happen
UPMC is transforming health care ideas and solutions through a culture of change, bold ambition, and pioneering innovations.
Health Care Innovation

Leveraging unique expertise in all aspects of the health care business, UPMC is pioneering the next generation of health care solutions. UPMC Enterprises, the commercialization arm of UPMC, draws on UPMC’s expertise as a provider and payer to solve health care’s most pressing business challenges.

Now structured as a separate division, UPMC Enterprises is building and investing in the next generation of health technologies to address key health care drivers — including measuring and improving quality, reducing costs, managing increasing amounts of data, and managing risks.

**CONNECTION AS THE KEY TO EMPOWERMENT**

UPMC is investing in a future where physicians are evaluated not for the number of procedures they perform, but instead on how quickly their patients return to full health. It’s a future where individuals could have terabytes of personal health information at their fingertips, and where computers may help physicians diagnose and treat patients.

UPMC Enterprises leverages the organization’s clinical and technological expertise to develop products and services that are at the forefront of health care technology. In 2016, UPMC created or invested in five companies worldwide to advance a vision focused on the intersection of health care and technology.

**BUILDING HEALTH CARE SOLUTIONS**

- Using data-driven and patient-centric clinical tools that reinvent care delivery
- Using data to manage risk and address new revenue models
- Developing ways to use technology to streamline business process delivery and improve operational efficiency
- Reinventing how we engage with consumers to improve care and build relationships

**TURNING UPMC’S INNOVATIVE SOLUTIONS INTO GROWING, THRIVING BUSINESSES**

- **Health Catalyst**: Bringing activity-based costing to health care with a product developed at UPMC.
- **medCPU**: Providing clinical decision-support tools to providers through a unique technology solution.
- **lantern**: Translating clinical research into web and mobile programs based in cognitive behavioral therapy.
- **CURAVI**: Offering custom-designed technology solutions for skilled nursing facilities.
- **vivifyhealth**: Enabling providers to treat patients in the home through remote patient monitoring.
UPMC’s commercialization activities create jobs and generate new, diversified, and sustainable sources of revenue.
PIONEERING INNOVATIONS AT THE FOREFRONT OF HEALTH CARE TECHNOLOGY

The Pittsburgh Health Data Alliance — a one-of-a-kind alliance between UPMC, the University of Pittsburgh, and Carnegie Mellon University — is focused on leveraging big data to revolutionize health care and wellness.

Announced in 2015, the Alliance provides a unique environment that allows clinical experts to closely collaborate with technology innovators.

This year, funding was announced for the first six projects of the Alliance, which include a clinical genomics modeling platform, improving the accuracy of cancer diagnosis, and providing personalized treatment recommendations.

Pittsburgh Health Data Alliance

UPMC’s enterprise analytics data warehouse contains more than 20 million encounter records for patients seen at UPMC. The data are used to conduct predictive modeling and analytics.

UPMC Health Plan was awarded the International Institute for Analytics’ annual Excellence in Analytics Award, which recognizes companies for developing trailblazing analytics capabilities.

For the 18th consecutive year, UPMC was named one of the nation’s “Most Wired Advanced” health systems by Hospitals & Health Networks, the journal of the American Hospital Association.

UPMC and four of its individual hospitals were recognized as being among the “most connected hospitals” for 2015-16 by U.S. News & World Report.

“There is a reason that U.S. Steel Tower is now also the corporate home of the University of Pittsburgh Medical Center — because the Steel City is now home to groundbreaking medical research.”

President Barack Obama
White House Frontiers Conference
Pittsburgh, PA
October 13, 2016
UPMC Achieved Strong Financial Results

UPMC continued to build on its record of strong financial and operational management, enabling ongoing investment in the organization and in the future of western Pennsylvania.

Financial and Operational Results Sustain UPMC’s Ability to Reinvest in the Future

• UPMC’s operating revenue reached $12.8 billion, up by 26 percent since Fiscal Year 2013.
• Operating income was $310 million, representing a 2.4 percent positive operating margin.
• Excess of revenues over expenses was $134 million.
• Operating EBIDA reached $767 million and topped $500 million for the 12th consecutive year.
• Upgrades to technology, facilities, infrastructure, and business investments were $428 million.

Diversified Revenues

• UPMC’s insurance enrollment revenue increased by more than 40 percent since Fiscal Year 2013 and now accounts for over $6 billion.
• UPMC continued to foster an inclusive insurance model resulting in revenue and volume growth from national payers including Aetna/Health America, United, and Cigna.

Operating Revenue Trends
(dollars in billions)


8% Annual Growth
13% Annual Growth

Continued Growth in a Competitive Marketplace

• UPMC inpatient market share in western Pennsylvania exceeded 40 percent.
• Hospital Admissions and Observations grew to 283,640.

Substantial Monetary Reserves

• Unrestricted Cash and Investments over Debt reached $1.4 billion — more than tripling since Fiscal Year 2013.
• Cash and investments — $5.1 billion

Attained Positive Rating Agency Reviews in a Challenging Environment

• Aa3 Rating by Moody’s Investors Service
• Rated AA- by Fitch Ratings
• Rated A+ by Standard & Poor’s

Demonstrated Commitment to Public Transparency

• UPMC achieved Sarbanes-Oxley certification for the 11th consecutive year — the only nonprofit health care system to do so.
UPMC Is Changing Lives for the Better

UPMC’s community contributions — nearly $900 million each year in IRS-defined community benefits — are among the highest of all top medical centers in the country.

UPMC Provides More Care to the Region’s Poor and Underserved Than Any Other Institution

- UPMC provides nearly 70 percent of all hospital charity care in western Pennsylvania, far exceeding its 40 percent market share.
- More than 63,000 community members accessed UPMC’s financial assistance program in the last year.
- UPMC cares for nine out of 10 children from low-income families in Allegheny County.

Improving Community Health Through More Than 3,000 Programs

- UPMC is dedicating resources where they are needed most — on health concerns such as obesity, behavioral health, opioid addiction, and senior health.
- UPMC invited 1,500 community stakeholders to participate in best-practice Community Health Needs Assessments.

UPMC Makes a $26.5 Billion Annual Economic Impact on the Regional Economy

- UPMC is the largest non-governmental employer in Pennsylvania and supports nearly 130,000 jobs (directly and indirectly).
UPMC Awarded Top Quality Ratings

- **Heart Disease:** The Society of Thoracic Surgeons (STS) awarded UPMC the maximum three-star quality rating for coronary artery bypass grafting (CABG) procedures.
- **Cancer Treatment:** UPMC CancerCenter received American College of Radiation Oncology (ACRO) reaccreditation, maintaining its position as the largest comprehensive cancer network in the country to be accredited in radiation oncology.

UPMC Doctors and Nurses Are Delivering Expert Care

- **Nursing Excellence:** UPMC Hamot, UPMC St. Margaret, UPMC Shadyside, and Children’s Hospital of Pittsburgh of UPMC received Magnet designation for excellence in nursing.
- **Top-Ranked Medical Residency Program:** UPMC is home to the third-largest medical residency program in the nation. Nearly 1,800 medical residents and clinical fellows are trained each year — ranking the program among the top five nationally in obstetrics-gynecology, otolaryngology, and plastic surgery.

ALL UPMC Health Plans Scored Highly in Quality

NCQA Ratings

- Commercial HMO achieved NCQA 5-star rating — placing it in the top two percent of health plans nationally
- Medicaid and Medicare HMO achieved 4-star rating

CMS Star Scoring

- Medicare Advantage HMO achieved 4.5 stars out of a possible 5 stars
Champions of Service Excellence

UPMC prides itself on quality and concierge-based service. UPMC health plans are committed to helping members navigate the complex world of health care.

UPMC Insurance Products Earn National Acclaim

Member Satisfaction: According to the J.D. Power 2016 Member Health Plan Study, UPMC Health Plan ranks No. 1 in Pennsylvania in overall member satisfaction. UPMC Health Plan ranked ahead of eight other Pennsylvania health insurers in overall member satisfaction, and scored significantly higher than the regional average.

A Trifecta of Customer Service Excellence

UPMC Health Plan received national recognition from major service-industry trade organizations for proving its place as an industry leader.

Consumer Centric Services — UPMC Mobile App

- First health plan to offer a four-digit PIN for login and urgent care wait times
- One of the first health plans in the country to offer fingerprint login ID
- Only health plan to offer live chat with member services and health coaches
- Convenient access to self-service features

UPMC Delivers High-Touch Customer Service

UPMC puts patients, health plan members, and employees at the center of everything it does. UPMC health plans have received notable recognition across the industry for quality and service excellence.

2016 Highlights

UPMC delivers high-touch customer service. UPMC health plans have received notable recognition across the industry for quality and service excellence.

2016 Manager of the Year

Silver Stevie Contact Center of the Year

Silver Stevie Award for Innovation

2016 Best Large Contact Center

2016 Best Strategic Value to the Organization

2016 Gold Stevie Award for Sales and Customer Service
UPMC Never Stops Making Life
Changing Medicine Happen
BOARD OF DIRECTORS

UPMC is governed by a volunteer, unpaid Board of Directors that represents a broad cross-section of the communities and constituencies we serve.

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Eva Tansky Blum
First Vice Chairperson

Mark J. Laskow
Second Vice Chairperson

Robert M. Hernandez
Chairperson, Finance Committee

Jeffrey A. Romoff
President and CEO

Robert A. DeMichiei
Chief Financial Officer

W. Thomas McGough, Jr.
Chief Legal Officer

C. Talbot Heppenstall, Jr.
Treasurer

Michele P. Jegasothy
Corporate Secretary

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William E. Strickland, Jr.
John P. Surma
Stephen R. Tritch
Thomas A. Tupitza
John J. Verbanac

UPMC EXECUTIVE MANAGEMENT

The following individuals are responsible for policy implementation and management of programs, services, facilities, and support operations at UPMC.

Jeffrey A. Romoff
President and CEO, UPMC

Charles E. Bogosta
Executive Vice President, UPMC
President, International Services Division

Leslie C. Davis
Senior Vice President, UPMC
Executive Vice President and Chief Operating Officer, Health Services Division

Robert A. DeMichiei
Executive Vice President, UPMC and Chief Financial Officer

David M. Farner
Executive Vice President, UPMC and Chief Strategic and Transformation Officer

C. Talbot Heppenstall, Jr.
Executive Vice President, UPMC and Treasurer
President, UPMC Enterprises

Diane P. Holder
Executive Vice President, UPMC
President, Insurance Services Division
President and CEO, UPMC Health Plan

W. Thomas McGough, Jr.
Executive Vice President, UPMC and Chief Legal Officer

Gregory K. Peaslee
Executive Vice President, UPMC and Chief Administrative Officer

Steven D. Shapiro, MD
Executive Vice President, UPMC
Chief Medical and Scientific Officer
President, Health Services Division

Marshall W. Webster, MD
Senior Vice President, UPMC
ABOUT UPMC

A world-renowned health care provider and insurer, Pittsburgh-based UPMC is inventing new models of patient-centered, cost-effective, accountable care. It provides nearly $900 million a year in benefits to its communities, including more care to the region’s most vulnerable citizens than any other health care institution. The largest nongovernmental employer in Pennsylvania, UPMC integrates 60,000 employees, more than 20 hospitals, more than 500 doctors’ offices and outpatient sites, and a more than 3 million-member Insurance Services Division, the largest medical and behavioral health services insurer in western Pennsylvania. Affiliated with the University of Pittsburgh Schools of the Health Sciences, UPMC ranks No. 12 in the prestigious U.S. News & World Report annual Honor Roll of America’s Best Hospitals. UPMC Enterprises functions as the innovation and commercialization arm of UPMC, while UPMC International provides hands-on health care and management services with partners in 12 countries on four continents. For more information, go to UPMC.com.

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