

UPMC is a \$10 billion integrated global health enterprise headquartered in Pittsburgh, Pennsylvania. Committed to developing and delivering Life Changing Medicine, it is one of the leading health systems in the United States.

- UPMC is a nonprofit that melds an unwavering community mission with entrepreneurial business models. UPMC is the first nonprofit health system to fully adopt Sarbanes-Oxley.
- UPMC is western Pennsylvania's largest employer, with more than 55,000 employees, and ranks as the No. 2 employer in the Commonwealth.
- A recognized innovator in information technology, UPMC has deployed an electronic health record across its hospitals and is developing a semantic interoperability solution to unify information from multiple systems. These capabilities, which are being developed in collaboration with industry leaders like Cerner, GE, and IBM, will result in products that are commercialized nationally and abroad.

UPMC operates more than 20 academic, community, and specialty hospitals and 400 outpatient sites, employs more than 3,000 physicians, and offers an array of rehabilitation, retirement, and long-term care facilities.

- UPMC has created a genuinely integrated health delivery system. With renowned centers of excellence in transplantation, cancer, neurosurgery, psychiatry, rehabilitation, geriatrics, and women's health, it is ranked among "America's Best Hospitals" by *U.S. News & World Report*.
- UPMC's facilities are among the most technologically advanced in the nation. The recently opened Children's Hospital of Pittsburgh of UPMC is one of only a handful of "paperless" hospitals in existence and has achieved HIMSS Stage 7—the highest level — in electronic health record implementation; seven other UPMC hospitals are at Stage 6.

UPMC's Insurance Services Division serves nearly 1.6 million members and has some of the fastest growing health plans in the region. It offers commercial, Medicare, Medical Assistance, CHIP, behavioral health, employee assistance, and workers' compensation products.

- It provides a "public-health" focused front door to a network that includes world-renowned medical experts, quality health promotion and health management programs, and unmatched service.
- It has been nationally recognized by business and industry groups for innovation and service excellence.

Through its International and Commercial Services Division, UPMC has launched a portfolio of new businesses and international ventures.

- UPMC is commercializing its expertise, bringing world-class health care, advanced technologies, and management skills to markets throughout the world through: clinical services management, infrastructure consultation, strategic and commercial product development partnerships, translational sciences, and national security and public health. Each component is designed to drive transformation of health care delivery worldwide.
- Internationally, UPMC operates a hospital specializing in transplant in Italy, and two cancer centers and a hospital in Ireland; has provided information technology solutions in the United Kingdom; will manage a biomedical research center in Italy; and is providing ongoing clinical teaching and training in family medicine at a 1,265-bed teaching hospital in Japan. UPMC also is partnering with KingMed Diagnostics, the largest independent medical diagnostic laboratory in China, to provide remote, second-opinion pathology consultations from Pittsburgh.

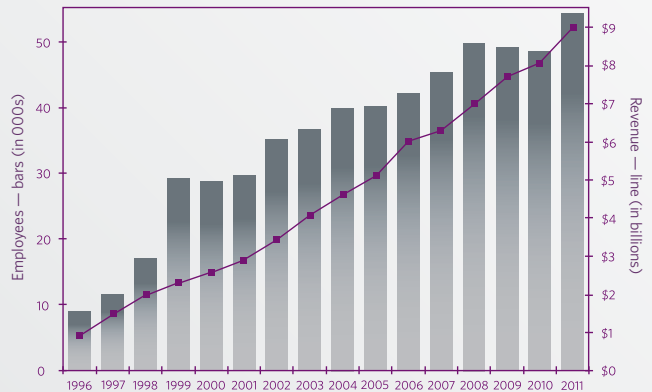
UPMC is committed to giving back and reinvesting in the community.

- In the most recent fiscal year, UPMC's community contributions topped \$560 million and represented 13 percent of net patient revenue.
- In 2007, UPMC made a \$100 million commitment to the Pittsburgh Promise to fund postsecondary education for Pittsburgh's high school graduates.

UPMC is closely affiliated with the University of Pittsburgh, which ranks fifth in National Institutes of Health research funding.

15-Year Retrospective

17% Average Annual Growth Rate in Employees
13% Average Annual Growth Rate in Revenue

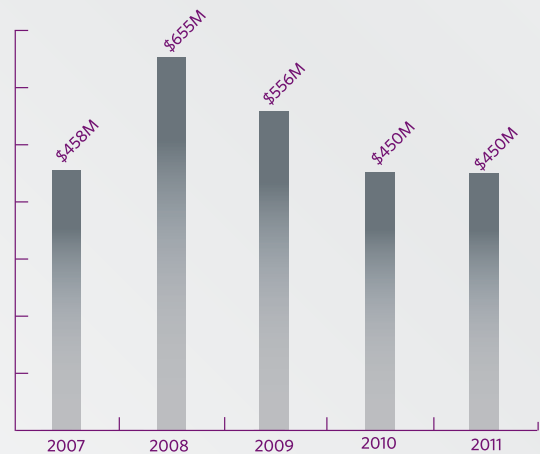


Strong, Consistent Financial Performance

(\$ millions)	Fiscal Year Ending June 30, 2010	Fiscal Year Ending June 30, 2011
Operating Revenue	\$8,046	\$9,001
Operating Income*	\$240	\$406
Operating Margin*	3.0%	4.5%
Operating Margin (rating agency)*	1.5%	3.1%
Credit Rating	AA-	AA-

* Excludes non-cash contributions, assets impairment, and separation costs.

Investing in World-Class Facilities



Community Contributions

Uncompensated care (at cost)	\$218 million
Value of community service programs	\$101 million
Support for research and education	\$244 million

LIFE CHANGING MEDICINE

UPMC is taking health care from where it is to where it needs to be by creating a future built on ideas, innovations, and care. An industry leader, UPMC exports excellence nationally and internationally, and fuels the development of new businesses that leverage our intellectual capital, core capabilities, and management expertise. UPMC is a catalyst for a regional economic renaissance, and remains steadfastly committed to providing premier health care services to our region while contributing to the community in meaningful ways.

UPMC International and Commercial Services Division (ICSD) Fast Facts

- UPMC is commercializing its expertise, bringing world-class health care, advanced technologies, and management skills to markets throughout the world.
- The goal is to advance UPMC’s mission of positively transforming the way health care is provided, while revitalizing the economy of western Pennsylvania. UPMC is building an integrated global health enterprise that will attract the best and brightest physicians, nurses, and researchers for the benefit of all of its patients.
- UPMC’s ICSD focuses on operations in five areas: clinical services management, infrastructure consultation, strategic and commercial product development partnerships, translational sciences, and national security and public health. Each component is designed to drive transformation of health care delivery worldwide.

Clinical Services Management

Working with private partners and governments around the world, UPMC provides hands-on management of clinical care and specialty services, leveraging the clinical and managerial expertise honed in Pittsburgh. Major areas of focus include cancer clinics, hospital management, and transplantation.

- UPMC’s Istituto Mediterraneo per i Trapianti e Terapie di Alta Specializzazione (ISMETT) in Sicily is now one of the leading organ transplant centers in Italy and the Mediterranean.
- UPMC is operating cancer centers in Waterford and Dublin, Ireland, to deliver high-quality radiotherapy services.
- UPMC Beacon Hospital, an independent, full-service hospital in Dublin, is owned and operated by UPMC.
- UPMC is providing family medicine clinical teaching and training in Japan for Aso Iizuka Hospital, a privately held 1,265-bed teaching hospital.

Infrastructure Consultation

As a leader in applying information technology to improve the quality and efficiency of health care, UPMC brings that expertise to the development of innovative IT products and services for customers worldwide.

- The Newcastle upon Tyne Hospitals and Royal Berkshire NHS Foundation Trust have engaged UPMC to support or design and implement comprehensive electronic medical records systems.
- dbMotion is a provider of Web-based technology that seamlessly integrates patient records from across disparate information systems, providing a single and meaningful record to clinicians. UPMC, which holds an investment interest in dbMotion, is partnering with the company to implement and refine this technology.
- Prodigio Solutions provides health care-focused supply chain management solutions. Powered by technology licensed from Vinimaya, this e-procurement solution enhances contract compliance, automates the requisition process, and through a user-friendly online shopping portal, helps drive end-user compliance.

Translational Sciences

UPMC is leading the way in speeding scientific research from the laboratory bench to the bedside — and to the health care marketplace. These efforts promote advances in patient care, while boosting local economies through the development of new biotechnology companies.

- Based on its success at ISMETT, UPMC has been chosen to develop and co-manage a Biomedical Research and Biotechnology Center (BRBC) in Sicily. Until the BRBC opens in 2015, postdoctoral scientists are training in University of Pittsburgh laboratories through a fellowship program sponsored by the Ricerca Mediterranea Foundation (Ri.MED).

- A state-of-the-art cell factory in Palermo, Italy, is one of the country’s most innovative research projects. It processes, stores, and distributes human cells to be used for regenerating damaged organs at transplantation centers throughout Europe.
- The McGowan Institute for Regenerative Medicine, based in Pittsburgh, is a pioneer in tissue engineering, stem cell research, and medical devices development used to repair or replace damaged or diseased tissue and organs.
- Working with the University of Pittsburgh’s Peter M. Winter Institute for Simulation, Education and Research (WISER), the Renato Fiandaca Simulation Center at ISMETT uses life-size, high-tech mannequins to prepare health care professionals for a variety of medical emergencies.

Strategic/Commercial Product Development Partnerships

UPMC is actively forging long-term partnerships with technology and health care industry leaders. UPMC acts as a hands-on equity partner, using its \$10 billion integrated global health enterprise to develop and evaluate products and services designed to improve health care delivery.

- Alcatel-Lucent, General Electric, and IBM have created joint development funds with UPMC to develop technologies and build businesses that will improve the quality of health care and reduce its costs. The strategic partnerships that UPMC has established collectively provide \$150 million to develop solutions to challenging problems facing health care today. These unique joint development funds are part of UPMC’s effort to commercialize leading-edge technologies and ideas that will bring real change to health care throughout the world.
- Omnyx, a new company jointly owned by GE and UPMC, will develop and market digital pathology solutions. This technology will transform diagnostic processes that traditionally have relied on outdated manual methodologies.
- ImPACT software, developed by doctors at the UPMC Sports Medicine Concussion Program for rapid concussion injury assessment, is now used by more than 2,000 schools, universities, professional sports programs, and sports medicine centers.
- D3 Oncology Solutions is a leader in rapidly implementing and supporting intensity-modulated radiation therapy (IMRT). Since 2001, D3’s expert physicists and physicians have assisted more than 80 clinics nationally with advanced radiotherapy and supported the treatment of more than 7,500 patients. Via Oncology, a division of D3 created by UPMC, uses Web-based technology to provide physicians with evidence-based treatment “pathways” for any given state and stage of cancer, thereby reducing variability and improving outcomes for patients.
- SmartRoom® is a health IT solutions company focused on improving clinical workflow and providing in-context information for clinicians at the bedside. Jointly funded by UPMC and IBM, SmartRoom innovates the delivery of health care by eliminating tasks and helping clinicians more easily navigate patient information.

National Security and Public Health

Protecting western Pennsylvania and the nation from threats to public health is a critical part of UPMC’s mission.

- The Center for Biosecurity of UPMC provides independent, critical research and analysis to inform decision makers in government, national security, bioscience, medicine, public health, and private industry.

UPMC Insurance Services Division Fast Facts

Western Pennsylvania is the proving ground for a new model of health insurance — a model in which the insurer serves as the front door to a wealth of renowned clinical services and delivers on the promise of using data to achieve better quality and lower costs. The UPMC Insurance Services Division is leading the way with innovative health plans for virtually all segments of society.

In just over a decade, Insurance Services has grown from about 300,000 to nearly 1.6 million members. The division provides health plans to employers and their employees and dependents, as well as to people eligible for Medicare, Medicaid, and the Children's Health Insurance Program (CHIP).

Insurance Services also offers workers' compensation, disability management, and leave management services, as well as some of the most comprehensive health improvement, wellness, and workplace productivity programs anywhere in the United States. Insurance Services also is the largest behavioral health insurance provider in Pennsylvania and operates two software development companies focused on helping health care providers and employers provide efficient health care and employee benefits.

By the Numbers

- Nearly 1.6 million total members served
- A network of more than 125 hospitals and other facilities and more than 11,500 physicians
- Serves more than 6,000 employers
- Behavioral health services provided by more than 10,000 clinicians in nearly 200 facilities

Commercial Insurance Products — Founded in 1998 on the premise that providers armed with complete data and evidence-based guidelines could produce the best clinical outcomes, the Insurance Services Division's UPMC Health Plan has become one of the most innovative insurance plans in the nation. UPMC Health Plan offers traditional HMOs, PPOs, and EPOs, as well as consumer-directed health plans, along with Health Savings Accounts and Health Reimbursement Arrangements. In addition, UPMC Health Plan offers an individual plan, UPMC Individual *Advantage*, and provides dental coverage through its UPMC Dental *Advantage* plan.

UPMC Health Plan works with the region's employers and providers to develop better ways to deliver health care. The Health Plan has designed programs and tools to help consumers manage their health on a day-to-day basis and has created programs for patients with chronic conditions such as congestive heart failure, asthma, and diabetes.

UPMC Health Plan was ranked in 2011 as the best in customer service in Pennsylvania by J.D. Power and Associates.

Worker Productivity and Health — Through UPMC WorkPartners, Insurance Services offers employers integrated productivity management programs, helping employers manage workers' compensation, disability, and medical leave programs, including comprehensive health and wellness services. UPMC was recognized by the National Business Group on Health for the third consecutive year as one of America's healthiest places to work, thanks to the *MyHealth* program, an award-winning health and wellness program.

Employer Data Integration — Through EBenefits, Insurance Services offers the most sophisticated tools for integrating health plan and worker productivity data to assist employers in managing recordkeeping and improving productivity and efficiency. The bottom line is significant savings to employers. EBenefits is an Internet-based human resources and benefits administration platform serving clients throughout the United States.

Employee Assistance Program — *LifeSolutions* has been providing EAP services to address the emotional and physical concerns of employees — and positively impacting organizational productivity — for more than 30 years. By addressing these employee needs, *LifeSolutions* decreases absenteeism and reduces the impact of presenteeism. Confidential services include personal counseling and coaching, chemical dependency triage, disability and leave management support programs, and access to work-life balance resources.

Medicare Advantage Plans — Insurance Services provides coverage to Medicare beneficiaries through its UPMC *for Life* program, which offers benefits beyond those of traditional Medicare at affordable rates. UPMC *for Life* experienced extraordinary growth in 2010, with a nearly 12 percent increase in membership.

Medical Assistance — UPMC *for You* offers physical health care benefits to Medicaid recipients in western Pennsylvania as well as in the Lehigh-Capital region of the state. Recognized as a model program, UPMC *for You* was ranked in the top 10 of all Medicaid programs in the United States in 2011 and was the top-ranked Medicaid plan in Pennsylvania for the seventh time in eight years, according to the National Committee for Quality Assurance (NCQA).

Children's Health Insurance Program (CHIP) — UPMC *for Kids* offers affordable plans to children in western Pennsylvania, no matter what their family's income level. UPMC *for Kids* is one of the fastest growing CHIP programs in Pennsylvania.

Behavioral Health — Community Care Behavioral Health Organization (Community Care), part of the UPMC Insurance Services Division, is a non-profit, recovery-focused, federally tax-exempt behavioral health managed care organization headquartered in Pittsburgh. Community Care manages mental health and substance abuse services for more than 600,000 members. Community Care's mission is to improve the health and well-being of the community through the delivery of effective, cost-efficient, and accessible behavioral health services. Community Care has been awarded "full" accreditation — the highest possible level — from the National Committee for Quality Assurance (NCQA) for its Medicaid, as well as its disease management program.

Askesis Development Group — Askesis designs and implements software solutions that support behavioral health practice management. Part of the UPMC Insurance Services Division, Askesis has sold its software to behavioral health providers in over 25 states. This software solution helps customers optimize staff productivity, decrease administrative errors, and demonstrate the favorable outcomes that prove clinical services are effective.

Partners in Excellence Program for Physicians — The UPMC Health Plan Partners in Excellence Program is designed to strengthen the doctor-patient relationship by encouraging coordinated care and guiding patients to make more informed health care choices. This model places the patient and physician at the center of care, with support from the family, the community, and UPMC Health Plan to more effectively meet the needs of patients.

UPMC Provider Services Division Fast Facts

UPMC has evolved over the last two decades into one of the nation’s leading integrated health enterprises advancing the quality and efficiency of health care. UPMC serves residents of western Pennsylvania as well as patients who travel from across the nation and around the world to receive many of UPMC’s highly specialized services.

Internationally Recognized Specialty Care

UPMC has developed regionally, nationally, and internationally renowned programs, earning its hospitals repeated recognition among “America’s Best Hospitals” by *U.S. News & World Report*. Among UPMC’s internationally recognized specialty services are:

Transplantation: Thomas E. Starzl Transplantation Institute

- Initiated a pathbreaking transplantation service in 1981.
- Pioneered antirejection medications and made once-experimental procedures, such as liver and bowel transplantation, a part of standard surgical practice.
- Performed more than 17,000 transplants, including liver, heart, kidney, multi-visceral and, recently, the nation’s first bilateral hand transplant.

Behavioral Health: Western Psychiatric Institute and Clinic of UPMC

- Part of UPMC’s major academic hospital UPMC Presbyterian Shadyside, Western Psychiatric is a national leader in the diagnosis, management, and treatment of mental health and addictive disorders.
- Is one of the nation’s foremost psychiatric care facilities and ranks first in research funding from the National Institutes of Health, with six federally funded Centers of Excellence.

Cancer Care: UPMC Cancer Centers

- Is one of the largest integrated community networks of cancer care specialists in the country, providing the latest advances in cancer prevention, detection, diagnosis, and treatment.
- Employs a hub-and-spoke model, anchored by UPMC’s Hillman Cancer Center, that uses telemedicine and other consultative technologies to cover a geographic area of more than 200 miles.
- Extends cancer care expertise abroad, with centers in Dublin and Waterford, Ireland; future sites in the United Kingdom.

Children’s Health: Children’s Hospital of Pittsburgh of UPMC

- Is one of the nation’s leading pediatric facilities and the region’s only hospital dedicated to the care of children.
- Is nationally recognized for expertise in pediatric cardiology, cardiothoracic surgery, critical care, diabetes, hematology/oncology, neurosurgery, organ and tissue transplantation, orthopaedics, otolaryngology, and pediatric surgery.
- The new \$622 million hospital and research facility is a paperless, environmentally sustainable, patient-friendly “hospital of the future” envisioned by many health care reformers, with the region’s only pediatric Cardiac Intensive Care Unit.

Women’s Health: Magee-Womens Hospital of UPMC

- Is ranked among the top hospitals in the nation for gynecological care and is a National Center of Excellence in Women’s Health — one of the first recognized by the U.S. Department of Health and Human Services.
- Its Neonatal Intensive Care Unit, the largest in Pennsylvania, treats more than 1,600 seriously or critically ill babies each year.
- The Department of Obstetrics, Gynecology, and Reproductive Sciences is among the nation’s top departments of its kind in funding from the National Institutes of Health.

Other specialty services available at UPMC include:

- **UPMC Center for Skull Base Surgery** — A world leader in life-saving minimally invasive brain and skull-base surgery.
- **UPMC Center for Sports Medicine** — Provides medical care for the six-time Super Bowl Champion Pittsburgh Steelers and the three-time Stanley Cup Champion Pittsburgh Penguins.
- **UPMC Comprehensive Lung Center** — Special expertise in transplantation, asthma and allergy, emphysema, cystic fibrosis, and interstitial lung disease.
- **UPMC Department of Cardiothoracic Surgery** — Leading developers of the latest diagnostic, surgical, and medical techniques for minimally invasive surgery.
- **UPMC Diabetes Centers** — Comprehensive support of diabetes prevention, education, treatment, and research.
- **UPMC Digestive Disorders Center** — Expert treatment of inflammatory bowel disease, swallowing disorders, cancer, pancreatic and biliary diseases, and other disorders.
- **UPMC Ear, Nose and Throat Specialists** — Top-ranked in comprehensive otolaryngology services ranging from minimally invasive surgery to conservative treatments for swallowing, voice, and balance disorders.
- **UPMC Eye Center** — A recognized leader in advanced technology for the diagnosis and treatment of eye diseases and disorders.
- **UPMC Heart and Vascular Institute** — An international leader in cardiovascular medicine with 12 hospital settings, 20 full-service locations, and more than 80 physicians and scientists.
- **UPMC Institute for Rehabilitation and Research** — The largest rehabilitation provider in western Pennsylvania with expertise in brain, spine, and stroke.
- **UPMC Lupus Center of Excellence** — The only center in the country that is a “one-stop-shop” for lupus patients.
- **UPMC Stroke Institute** — A leading provider of acute stroke management, including advanced telemedicine.
- **UPMC Urological Services** — From admission to discharge, providing a wide range of clinical services and innovative treatment strategies under one roof for both men and women, including those for prostate and urological cancers.
- **UPMC Voice Center** — Dedicated to the evaluation and care of voice disorders for both the general public and those who use their voices professionally.

By the Numbers

- More than 20 academic, community, and regional hospitals with more than 4,500 licensed beds
- 400 clinical locations in western Pennsylvania
- More than 3,000 employed physicians among the nearly 5,000 affiliated doctors
- More than 40 UPMC Cancer Centers with 180 affiliated oncologists
- More than 200 psychiatrists and psychologists providing behavioral health services at five hospitals and more than 50 outpatient and ambulatory locations
- 17 retirement and long-term care facilities, assisting more than 2,000 senior residents
- More than 50 hospital and outpatient physical rehabilitation facilities
- More than 220,000 inpatient admissions and 174,000 surgeries performed annually
- Each year, more than 4.5 million outpatient visits and more than 530,000 emergency visits