

UPMC is an \$8 billion integrated global health enterprise headquartered in Pittsburgh, Pennsylvania, and 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 50,000 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 20 academic, community, and specialty hospitals and 400 outpatient sites, employs 2,700 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 is one of two UPMC facilities to reach HIMSS Stage 6 in electronic health record implementation.

UPMC's health insurance arm serves 1.4 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, two cancer centers and a hospital in Ireland, and an emergency medical system in Qatar; is implementing information technology solutions in the United Kingdom; and will manage a newly created hospital and cancer center in Cyprus and a biomedical research center in Italy.

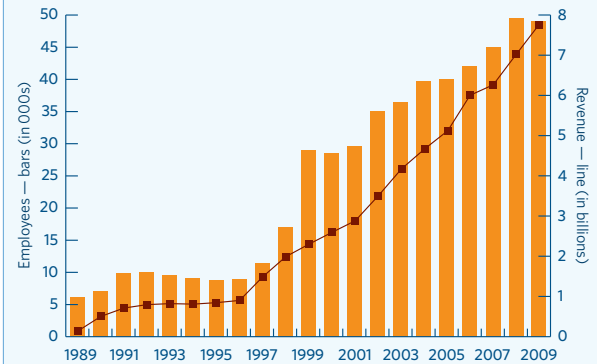
UPMC is committed to giving back and reinvesting in the community.

- In the most recent fiscal year, UPMC's community contributions topped \$500 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 NIH research funding.

20-Year Retrospective

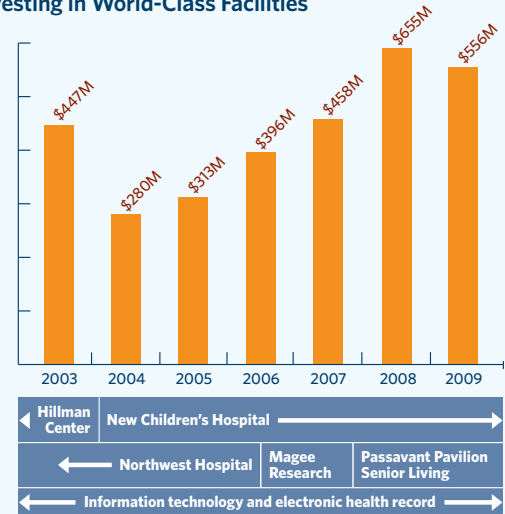
50+ Fold Increase in Revenue 1989-2009



Strong, Consistent Financial Performance

(\$ Mils.)	Fiscal Year Ending June 30, 2008	Fiscal Year Ending June 30, 2009
Operating Revenue	\$7,068	\$7,721
Operating Income	\$184	\$213
Operating Margin	2.6%	2.8%
Credit Rating	AA-	AA-

Investing in World-Class Facilities



Community Contributions (FY2008)

Uncompensated care (at cost)	\$169 million
Value of community service programs	\$99 million
Support for research and education	\$250 million

Creating a New Vision for a New Tomorrow

UPMC is creating a new economic future for western Pennsylvania — a future built on new ways of thinking about health care and sparked by leveraging the uniqueness of the integrated health enterprise.

By exporting excellence nationally and internationally, and fueling the development of new businesses that emerge from UPMC's intellectual capital, core capabilities, and management expertise, UPMC is a catalyst for a regional economic renaissance.

At the same time, UPMC remains steadfastly committed to providing premier health care services to our region and contributing to this community.

UPMC International and Commercial Services Division (ICSD)

- 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, emergency medicine, 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. Royal Berkshire NHS Foundation Trust in the United Kingdom has also signed an agreement with UPMC to create additional cancer centers.
- **UPMC Beacon Hospital**, an independent, full-service hospital in Dublin, is owned and operated by UPMC.
- **Qatar emergency medicine** benefits from an agreement for UPMC to provide training and technical services to three hospitals in Qatar. UPMC's Emergency Medicine Program is considered one of the top four in the U.S.
- UPMC will manage a newly created **hospital and cancer center in Cyprus**.

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 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 is partnering with dbMotion to implement and refine this technology.
- **Prodigo 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 2013, 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.

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 \$8 billion integrated global health enterprise to develop and evaluate products and services designed to improve health care delivery.

- **Alcatel-Lucent, Cerner, 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 large-scale 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.
- **TheraDoc** software provides real-time information and reporting of infection factors to help clinical staff and infection control specialists better assess infection risks and support infection reduction initiatives.
- **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 Radiation Planning** 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**, 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.

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 decisionmakers in government, national security, bioscience, medicine, public health and private industry.
- **21st Century Biodefense (21CB)** is UPMC's proposed model to create a flexible, multi-product vaccine development and production facility aimed at protecting the nation from bioterrorism and infectious disease pandemics.

UPMC Insurance Services Division

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. UPMC's Insurance Services Division is leading the way with innovative health plans for virtually all segments of society.

Over the past 10 years, Insurance Services has grown from about 300,000 members to 1.4 million. The division provides health plans to employers and their employees and dependents, as well as to Medicare beneficiaries, Medicaid members, and members of Children's Health Insurance Program (CHIP).

UPMC Insurance Services also offers workplace productivity and health programs in workers' compensation, disability management, and leave management, and some of the most comprehensive health improvement and health promotion programs anywhere in the United States. The Insurance Services Division 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

- 1.4 million total members served
- A network of 80 hospitals and more than 7,600 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, UPMC Health Plan has become one of the most innovative insurance plans in the nation, offering traditional HMOs, PPOs and EPOs, as well as new consumer-directed health plans like Health Savings Accounts and Health Reimbursement Arrangements. The insurer works with the region's employers and providers to develop better ways to deliver health care. UPMC 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 diseases like congestive heart failure, asthma, and diabetes. UPMC Health Plan was ranked in 2009 as the best in customer service in the region by J.D. Power and Associates. In its annual survey of health plans, *U.S. News & World Report* ranked UPMC Health Plan in the top 10 percent of all commercial plans across America.

Workplace Productivity and Health — UPMC was recently recognized by the National Business Group on Health as one of America's healthiest places to work, thanks to the *MyHealth* Program, an award-winning health and wellness program. Work Partners also offers employers integrated productivity management programs, helping employers manage workers' compensation, disability, and medical leave programs.

Employer Data Integration — Through eBenefits, UPMC Insurance Services offers the most sophisticated tools for integrating health plan and worker productivity data, which assists employers in managing recordkeeping and improving productivity/efficiency. The bottom line is significant savings to employers.

Medicare Advantage Plans — UPMC Insurance Services provides coverage to Medicare beneficiaries through its *UPMC for Life* program, which offers benefits beyond those of traditional Medicare at affordable rates. The *UPMC for Life* plan was ranked in the top 20 Medicare Advantage plans in the nation for 2008 by *U.S. News & World Report*.

Medical Assistance and CHIP Programs — *UPMC for You* offers physical health care benefits to Medicaid recipients in western Pennsylvania. Recognized as a model program, *UPMC for You* was ranked in the top 15 of all Medicaid programs in the United States in 2008. *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, a subsidiary of UPMC Insurance Services, is the largest insurance provider of behavioral health services for Medicaid recipients in Pennsylvania, and it was awarded the Moffic Award for Ethical Practice in Public Sector Managed Behavioral Healthcare in October 2003. In 2007, Community Care was awarded "full" accreditation by the National Committee for Quality Assurance (NCQA) for its commercial and Medicare product lines.

Askesis Development Group — This subsidiary of Insurance Services specializes in developing and deploying software for behavioral health practice management offices for provider services and managed care organizations. The software makes scheduling appointments, tracking patient activity and billing more efficient while improving quality and cost effectiveness.

Partners Program for Physicians — The UPMC Health Plan Partners 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

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 (WPIC)

- Part of UPMC's major academic hospital UPMC Presbyterian Shadyside, WPIC 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 Cyprus and 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 1,500 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 Cardiovascular Institute** — an international leader in cardiovascular medicine with 15 locations and more than 80 physicians and scientists
- **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 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, Lung, and Esophageal Surgery Institute** — leading developers of the latest diagnostic, surgical and medical techniques for minimally invasive surgery
- **UPMC Minimally Invasive endoNeurosurgery Center** — a world leader in life-saving minimally invasive brain and skull base surgery
- **UPMC Institute for Rehabilitation and Research** — the largest rehabilitation provider in western Pennsylvania with expertise in brain, spine and stroke
- **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
- **Lupus Center of Excellence** — the only center in the country that is a "one-stop-shop" for lupus patients
- **McGowan Institute for Regenerative Medicine** — a pioneer in tissue engineering, stem cell research, and medical devices development
- **Peter M. Winter Institute for Simulation, Education and Research** — one of the most advanced simulation centers in the country for medical professionals

- 20 academic, community, and regional hospitals with more than 4,200 licensed beds
- 400 clinical locations in western Pennsylvania
- 2,700 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
- 16 retirement and long-term care facilities, assisting more than 2,000 senior residents
- More than 50 hospital and outpatient physical rehabilitation facilities
- More than 187,000 inpatient admissions and 165,000 surgeries performed annually
- Each year, more than 4.5 million outpatient visits and 480,000 emergency visits