



What do you
Value?

UPMC Insurance Services Division
2013 Annual Report

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Access

Network

Partnership

Choice

Service

Value

Health

Well-Being

Affordability

Quality

Technology

Strength

Care

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Visit www.upmchealthplan.com to view our online version of this 2013 UPMC Insurance Services Division annual report.

These are the things we value.



Mark Laskow

Chair, UPMC Health Plan

Second Vice Chair, UPMC

Managing Director,
Greycourt & Co., Inc.

Simply put, there is a revolution now underway in health care. And like every revolution, this one promises great things, but has also created a wave of noise and distraction. At a time when it would be easy to lose focus on what is most important, UPMC Health Plan continues to be keenly aware of what matters most: delivering superior value to our members. We have always been, and will continue to be, tuned into the needs of those who count on us for affordable, high-quality care. So when we talk about what we value, the conversation always begins with what is best for our members.

Speaking of what is best, one of the features of the Affordable Care Act is the integration of health care providers and health care insurers as a way to provide the best care at the best value. This concept will be new for many health care organizations — across the region and the country. But for UPMC Health Plan and all the companies of the UPMC Insurance Services Division, it is simply a continuation of an endeavor that began more than 15 years ago.

Although it's not uncommon to hear people talk about "being ahead of the times," this is an instance where that truly is the case. While leaders in Washington have just recently seen the wisdom of having health systems and health plans work together as a way to contain costs without compromising care, we have been doing that very thing for well over a decade. The partnership between UPMC and UPMC Health Plan was pioneering. Today, it's one of the main reasons for our combined success. Knowing that their doctors, hospitals, and health plan are working together to deliver the best care at the best value is what gives our members peace of mind.



Diane P. Holder

President and Chief Executive
Officer, UPMC Health Plan

President, UPMC Insurance
Services Division

Executive Vice President, UPMC

Every day, new discoveries and improved methodologies can help our members live longer, healthier lives. High-quality, affordable health care is vital, and UPMC is at the forefront of the innovation that makes that possible. We begin this annual report with a very simple question: "What do you value?" Why? First, it emphasizes the importance that UPMC Health Plan and all the companies of UPMC Insurance Services Division place on asking our members what's important to them. We're always looking to learn from our members and partners, to understand their needs and concerns, all so we can better serve them.

The second reason we asked, "What do you value?" is that it reminds us that even in times of change, many of the things we value most remain unchanged. There is — and will always be — value in providing affordable, high-quality care. There is — and will always be — value in working together, living healthy, sharing information, and playing an active role in the community.

This year's annual report is about the value UPMC Insurance Services Division brings to our members, our employees, and our community. We continue to grow and are extremely proud that we now offer more than 2.2 million people affordable access to top-ranked care, programs, and services. We're proud of our recent awards for customer service, and of our innovative health and wellness programs that both inspire and guide people to live the healthiest lives possible. And we're more confident than ever in our ability to continue into the future what we have done in the past: provide a superior member experience that features access to the best care at the best value.

UPMC Insurance Services Division is part of UPMC. UPMC is an integrated global health enterprise with a top-ranked clinical delivery system and an actively expanding international and commercial services division.

The integrated partner companies of the Insurance Services Division include:

UPMC Health Plan, the second-largest health insurer based in western Pennsylvania, offers a full range of commercial group health insurance, including Preferred Provider Organization (PPO), Exclusive Provider Organization (EPO), Health Maintenance Organization (HMO), Enhanced Access Point of Service (EAPOS), consumer-directed, and flexible spending account (FSA) products and services, as well as government programs.

UPMC for Life, a suite of Medicare HMO and PPO plans, including a prescription drug program as well as health and disease management programs.

Special Needs Plans — three plans comprise our Special Needs suite of programs: UPMC for You Advantage, UPMC for Life Options, and UPMC Community Care. All of our Special Needs Plans received a three-year approval from CMS, the highest level given, for their respective Model of Care and Quality Improvement Program.

UPMC for You, the largest Medical Assistance program in western Pennsylvania and the number one quality plan in Pennsylvania for eight out of nine years in a row, according to the National Committee for Quality Assurance.

UPMC for Kids™, one of the fastest-growing Children's Health Insurance Programs (CHIP) in the state, provides health insurance for children and teens who are not eligible for Medical Assistance.

Community Care Behavioral Health, the largest nonprofit behavioral health managed care company in the U.S., supports Pennsylvania's HealthChoices program by managing behavioral health services for Medical Assistance recipients in 39 counties. Community Care also provides behavioral health management for UPMC Health Plan's commercial and Medicare members.

UPMC WorkPartners offers a comprehensive suite of health and productivity solutions — including health management, employee assistance, workers' compensation, leave management, short-term disability administration, on-site services, and return-to-work programs and services.

LifeSolutions® is part of UPMC WorkPartners and is a strategic employee assistance partner, offering customized and competitively priced plan designs based on an organization's needs, goals, and budget.

EBenefits strategies and technologies offer a comprehensive approach and can automate the selection, enrollment, communication, and administration of employee benefits and other HR functions from start to finish.

Askesis Development Group designs and implements innovative clinical software solutions that support behavioral health care services and products.

UPMC HEALTH PLAN

UPMC for Life

UPMC Health Plan Medicare Program

UPMC Community Care (HMO SNP)

Affiliate of UPMC Health Plan

UPMC for Life Options (HMO SNP)

UPMC Health Plan Medicare Program

UPMC for You Advantage (HMO SNP)

Affiliate of UPMC Health Plan

UPMC for You

Affiliate of UPMC Health Plan

UPMC for Kids™

A Product of UPMC Health Plan



UPMC WorkPartners

LifeSolutions®

EBENEFITS® Solutions

ASKESIS Development Group, Inc.



The
Value
of Working Together
as One.

The idea is simple: combine knowledge and expertise to provide the highest quality care at the most affordable price. It's the kind of partnership that health experts around the country have consistently said is among the keys to improving clinical outcomes and affordability.

As one of the leading integrated delivery systems in the country, the partnership between physicians and hospitals and UPMC Health Plan has served as a model across the nation for creating a high value network that puts patients and members at the center.

By working together, we are able to partner with our network of quality providers to share knowledge, expertise, and technology. We can efficiently coordinate care among doctors and specialists, and can leverage advanced information technology to quickly and securely exchange medical histories, lab results, x-rays, medications, and diagnoses to ensure quality care that is holistic and seamless.

Together, UPMC and UPMC Health Plan have partnered to provide award-winning health and wellness programs for members of UPMC Health Plan. UPMC Health Plan collaborates closely to develop its programs with the clinical professionals of UPMC. As a result, the knowledge and expertise of physicians, certified diabetes educators, exercise physiologists, certified health education specialists, and leading researchers enrich the programs we offer.

As part of the world-class academic medical center that is UPMC, we're able to offer our members the choice of the top-ranked care and world-renowned innovation of UPMC and high quality community providers.

The official term for our partnership is an "integrated delivery and financing system." In simple terms, that means a partnership to help bring better care, greater affordability, and an improved experience to our members.

To learn more about the team of health care experts who come with every UPMC Health Plan product and service, go to www.upmchealthplan.com/go.





The
Value
of a Network
Second to None.

Members who live, work, and travel outside the region have access to more than 5,000 facilities, 700,000 physicians, and 30,000 pharmacies nationwide. And members who travel 100 miles or more from home who need medical care can call upon Assist America® — the nation's largest provider of global emergency medical services for travelers.



When people think of quality care in western Pennsylvania, they think UPMC. Whether it's for routine services or cutting edge technology, the world-class tertiary and specialty hospitals of UPMC provide our members with exceptional care. In addition, UPMC Health Plan's network includes most of the region's independent community hospitals and physicians. This allows our members to have "the best of both": Care close to home as well as outstanding specialty services when needed.

The UPMC Health Plan network ensures an extraordinary level of convenience, quality, and affordability. Our growing provider network now includes 124 hospitals, 15,877 physicians, 1,950 dentists, and 1,000 vision providers. In addition to neighborhood doctors and world-renowned specialists, the UPMC Health Plan network offers a wide range of experts who help our members be as healthy as they can be — from health coaches and behavioral health specialists to physical therapists and dietitians.

Started in 2008, our innovative patient-centered medical homes touched the lives of more than 140,000 members last year and continue to be lauded nationally for their effectiveness at achieving the three critical objectives of the Institute for Healthcare Improvement's "Triple Aim." As part of this high-touch model, care managers located inside physician practices collaborate with members and their doctors to **improve outcomes, enhance satisfaction, and contain costs.**

Of course no network is complete without pharmacy services that are on par with the excellence of its doctors and hospitals. UPMC Health Plan pharmacists are an integral part of our care management strategy. Throughout the year, our Medication Therapy Management Program and Pharmacist Outreach Programs work to help our members manage complicated conditions and stay well.

"We want to give our employees all the options that UPMC offers."

*—Gary Weinstein
President and CEO
Washington Health System*

Few companies are savvier to the health needs of their employees than a health care system. So UPMC Health Plan is especially proud that a health system — Washington Health System — chooses them as their insurance carrier. "We periodically review proposals to see what's out there," says Gary Weinstein, president and CEO. "Each time, our evaluation shows that UPMC Health Plan is the best when we consider price, value, network, and administrative services."

Not only does Washington Health System receive insurance from the Health Plan, but it's also a provider in the UPMC Health Plan network. "It's a true partnership," says Gary. "We want to give our employees all the options that UPMC offers. But we want to deliver as much of their care as possible right here in Washington."

In fact, Washington Health System has several joint ventures with UPMC, including an assisted living facility, cancer center, and urgent care center. "These partnerships allow our residents to receive their care locally, but with the expertise that UPMC can offer, plus the benefits realized from economies of scale," Gary says. Both organizations benefit. The sign on the oncology facility may say it best: Washington Health System Radiation Oncology in partnership with UPMC CancerCenter.



The doctors and hospitals of UPMC represent the highest quality care. UPMC was ranked #1 in Pennsylvania and #10 in the country by *U.S. News & World Report* ... all of which adds up to top-ranked care for our members.



The
Value
of Making Health Care
Affordable.

UPMC Health Plan has retained over 90% of its small business clients each year — they clearly see the value of having us as a partner in offering affordable, high-quality health coverage.



At UPMC Health Plan, we don't limit the definition of affordability to what someone pays for health insurance. Affordability is the value you get for the money you spend. Affordability is the knowledge that the benefits you provide help your employees live their lives in the healthiest way possible. We work hard every day to deliver benefits and services to our employer groups and to our members that offer the **most** value and affordability.

We work closely with employers to fully understand and appreciate the impact of unscheduled sick days, leaves of absence, and workers' compensation claims on their businesses. Thereafter, we mobilize the knowledge and expertise of personnel from EBenefits, UPMC WorkPartners, and UPMC Health Plan to provide employers comprehensive solutions designed to control spending and empower employees to lead healthier lives.

The first step to achieving healthier lifestyles is for employees to **understand** their health, take steps to **improve** it, and **partner** with their doctors.

Built on exactly these three principles is our fastest-growing plan, UPMC *HealthyU*. This consumer-directed health plan lets employers control costs while still offering a rich benefit package to their employees. It combines a:

- High-deductible, lower premium plan
- Health incentive account (HIA) that gives employees an opportunity to earn financial rewards for healthy activities
- Robust online resource center with tools and information on how to stay healthy

Employees earn money in their HIA for engaging in healthy activities like having a preventive screening or getting a flu shot. They can then use that money to pay out-of-pocket health care expenses. Employees get healthier ... and employers get a healthier and more productive workforce.

All plans, including *HealthyU*, provide members with tools and resources through the award-winning MyHealth program, which includes the robust Web-based MyHealth OnLine.

If their employer chooses, members in all plan types can take advantage of incentivized wellness programs, like the very successful Take a Healthy Step program. Members lower their out-of-pocket health care costs by participating in healthy activities and using MyHealth OnLine to manage their health care spending and learn about their health.

"With UPMC Health Plan's help and our commitment to wellness, we've been able to keep our costs down."

—Michelle Miller, PhD

When Michelle Miller, PhD, Superintendent of the Blackhawk School District, was looking for a wellness partner, cost was an important factor. "Cost weighs heavily on everything we do," Michelle says. But controlling costs was not the only motivation.

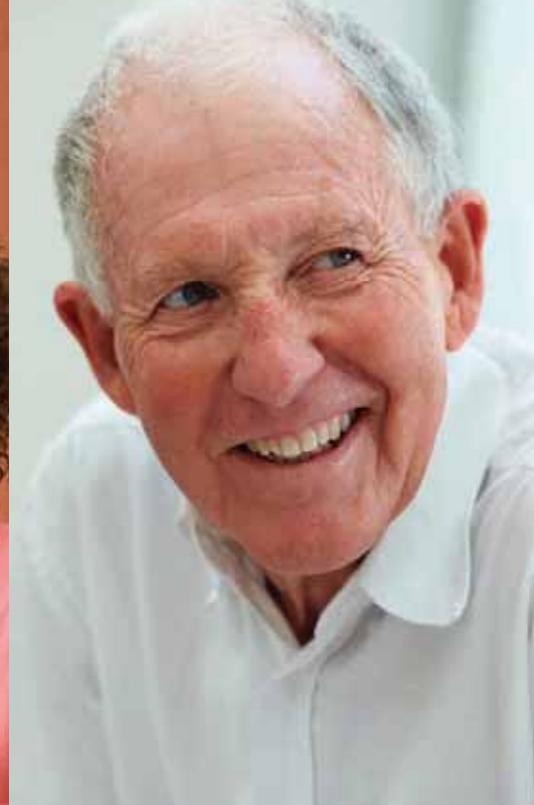
"We are role models for our students," says Michelle. "Making healthy choices is critical. We need to show our students that healthy living is important to us." That's exactly what Blackhawk's 380 employees have done since the school introduced the MyHealth wellness program from UPMC Health Plan six years ago.

Due to widespread participation in the program, fewer employees now have chronic conditions. And the percentage of employees with high blood pressure has decreased as well. Blackhawk School District's staff also outperformed UPMC Health Plan's membership in cancer screening rates, wellness visit compliance rates, and diabetic testing compliance rates.

In creating a "culture of health" in Blackhawk, the district has seen its participation increase each year, which has coincided with an extended period of cost containment. "The impetus for this was not costs," says Michelle. "But with UPMC Health Plan's help and our commitment to wellness, we've been able to keep our costs down."

75% OF HEALTH CARE COSTS ARE DRIVEN BY LIFESTYLE-RELATED CHRONIC ILLNESSES. MYHEALTH IS 100% FOCUSED ON HELPING MEMBERS MAKE HEALTHY LIFESTYLE CHOICES.

The Value of Choice.



By offering a wide range of health plans to meet various needs and budgets, UPMC Insurance Services Division now has more than 2.2 million members.

Providing employees with high-quality coverage at a cost they can afford can be a challenge. When employers partner with UPMC Health Plan — regardless of their company's size — they have access to a variety of plans at affordable rates. Our innovative plans offer superior health care solutions that both employees and employers will appreciate.

CHOICES FOR EMPLOYERS

New! Self Assure. UPMC Health Plan is now providing an administrative services only plan to mid-market organizations. In the past, these kinds of plans have been available only to large companies, but now, mid-sized companies can take advantage of the benefits as well ... including a large choice of plan designs, and competitive stop loss rates.

UPMC HealthyU. Employers are increasingly focused on the health and productivity of their employees as an essential business investment. Employers also need a cost-effective solution to the rising cost of health care. By combining a rich benefit plan with a healthy living incentive program, UPMC *HealthyU* is the solution to both.

UPMC Business Advantage and UPMC Small Business Advantage. Whether a company has two employees or 20,000, they all want the same thing — affordability, customer service they can count on, robust benefits, and plenty of value-added services. And with a group retention rate of 94.4% as of June 2013, it's clear that we deliver what our employer groups want.

UPMC Inside Advantage™. UPMC *Inside Advantage*™ is a tiered network plan for employer groups in northwestern Pennsylvania. The plan provides employees with the same type of coverage as other UPMC Health Plan offerings — but at a lower premium and with lower out-of-pocket costs when they choose quality hospitals in the 10-county *Inside Advantage* network.

CHOICES FOR INDIVIDUALS

UPMC Individual Advantage. Now more than ever, people have choices for their health care coverage. The key is to find a plan that offers value, quality, and service. Individual *Advantage* offers all three, along with a host of extra benefits and services. Members can choose from three types of plans — Value, Savings, or Goals — and all offer preventive care covered at 100%.

UPMC Advantage. This suite of plans for individuals includes both HMO and PPO options with a wide range of deductible options. Eight broad plan categories create a variety of options for every budget. All of the plans feature two key highlights: certain generic drugs are covered at no cost and preventive care is covered at 100%.

UPMC for Life. UPMC *for Life* maintains an “Excellent” accreditation from the National Committee for Quality Assurance (NCQA). This is the highest honor a managed care plan can receive. UPMC *for Life's* Medicare Advantage plans provide more benefits than Original Medicare alone. Our network includes 9,000 doctors and 74 hospitals. Members have coverage for primary care and specialist doctor visits, preventive services like an annual wellness exam, routine vision care, and brand-name and generic prescription drug coverage.

Members benefit from many value-added services, including:

- 24/7 worldwide emergency medical assistance while traveling
- Access to our award-winning Health Care Concierge team
- UPMC Resources *for Life*
- Silver&Fit Healthy Aging and Wellness Program
- Hearing Discount Program
- Dental Discount Program
- MyHealth OnLine
- MyHealth Advice Line

UPMC for Kids. With UPMC *for Kids*™, no child needs to be without exceptional health insurance. Regardless of family income, children under the age of 19 qualify for the Pennsylvania Children’s Health Insurance Program (CHIP) if they are not covered by private health insurance and are not eligible for or enrolled in Medical Assistance.

In addition to a broad array of medical, dental, and vision care benefits, UPMC *for Kids* covers nutritional counseling, tobacco cessation counseling, and Web-based tools and resources.

Special Needs Plans. Three plans fall under the Special Needs Plan umbrella:

- UPMC *for You* Advantage (HMO SNP) provides medical and prescription drug benefits for beneficiaries eligible for both Medicare Parts A and B and full Medical Assistance.
- UPMC *for Life* Options (HMO SNP) provides medical and prescription drug benefits for older beneficiaries who have long-term care needs. UPMC *for Life* Options uses a small network of specialized providers and facilities to help aging members remain in a setting they choose, and offers extra services and benefits to give them and their loved ones the peace of mind they deserve.

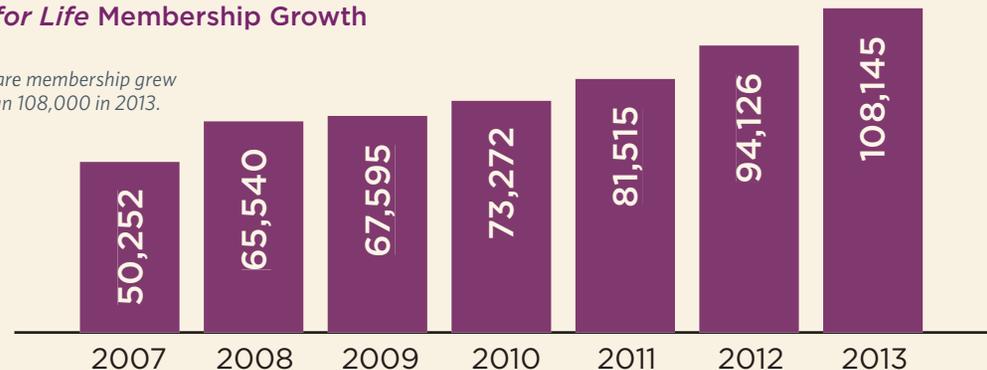
- UPMC *Community Care* (HMO SNP) is the newest Special Needs Plan and is designed specifically to coordinate physical and complex behavioral health care needs through a designated medical home. The purpose of the medical home is to improve provider communication in addition to supporting member wellness and recovery.

UPMC for You. The National Committee for Quality Assurance (NCQA) has ranked UPMC *for You* as the number 8 Medicaid plan in the nation for 2012, and as one of the top 10 plans for the last three years. It has also named UPMC *for You* as the No. 1 plan in Pennsylvania for 8 of the last 9 years.

The UPMC *for You* provider network includes both UPMC and community providers, totaling more than 86 hospitals and more than 10,000 physicians. The UPMC *for You* program expanded into four additional counties in the southwest region of the state, three additional counties in the Lehigh Capital region, and 13 counties in the northwest region.

UPMC for Life Membership Growth

Our Medicare membership grew to more than 108,000 in 2013.



WHERE TO BUY OUR PLANS

In October, UPMC Health Plan rolled out new portfolios of individual and small group plans that met all the new requirements of the Affordable Care Act (“ACA”).

Whether shoppers are looking for individual or employer group coverage, they will find that all of our plans provide:

- In-network access to world-class UPMC hospitals, providers, and community facilities
- Low copayments, coinsurance, and the ability to save toward future health care costs
- Access to our MyHealth programs
- A team of Health Care Concierges ready to answer questions quickly and expertly

The plans are available for purchase online, at www.upmchealthplan.com/coverage and www.upmchealthplan.com/employer.

Shoppers may also purchase the plans on the Marketplace, located at www.healthcare.gov.

UPMC High-Value Care for Kids

With grant-funding from the Robert Wood Johnson Foundation, UPMC *for You* is working to develop new payment methodologies to enhance the value of care provided to children with medically complex conditions. By first targeting four UPMC pediatrics practices, UPMC High-Value Care for Kids seeks to improve health care quality, efficiency, and the patient and family experience for Medicaid-enrolled children in Allegheny County. The project hopes to demonstrate and document a set of replicable strategies, methods, and tools that other stakeholders can use as a roadmap for undertaking related payment reform that moves beyond traditional Medicaid fee-for-service reimbursement to more value-based payment structures.

Allegheny County Maternal and Child Health Care Collaborative

Parental depression and childhood developmental delay are closely intertwined. Despite the connection between these issues, the systems that treat them often function autonomously. The Allegheny County Maternal and Child Health Care Collaborative strives to change this through groundbreaking efforts to connect multiple systems of care, and improve access to and engagement in treatment for Medicaid-eligible families. UPMC Health Plan, UPMC *for You*, Community Care Behavioral Health Organization and more than 30 other organizations played pivotal roles in the planning and execution of four phases of work between 2002-2013. At the conclusion of the fourth phase, more than 70% of parents who were referred into childhood early intervention or behavioral health treatment followed through with their treatment. The Collaborative proved that bridging the gap between systems of care and increasing parental engagement in treatment is not only possible — it is effective, replicable, and sustainable.



“It was comforting to know I could continue being a member ...”

–Cindy Fenske

When Cindy Fenske retired after more than 30 years as a surgical dental assistant, she felt no worry about her health insurance. “I had UPMC Health Plan insurance for many years at my job. I was very happy with the service, and it was comforting to know I could continue being a member with UPMC *for Life*.”

Retirement gave Cindy more time to spend with her 90-year-old mother — and focus on her own health, too. She was overdue for a mammogram, and the office she usually visited had closed. Cindy called the Health Care Concierge team for help finding a new location.

The Health Care Concierge researched and suggested an office nearby. “She was very nice, very understanding,” says Cindy.

But Cindy got even more than she expected. The Health Care Concierge also scheduled Cindy’s appointment during the call. “I could do that myself, but it was nice to have someone to talk to who took care of it for me.”

Wellness works! 98 — that's the percentage of UPMC employees who participate in incentivized healthy lifestyle activities. Their success is impressive. Over a five-year period, smoking prevalence decreased from 18.1% to 11.8%, and the prevalence of obesity decreased from 33.7% to 31.5%.



The Value of a Healthy Workforce.

UPMC WorkPartners provides integrated health and productivity solutions for high-performing companies in 32 states.

UPMC WorkPartners

The experts at UPMC WorkPartners offer a wide range of services — from wellness initiatives and on-site health centers to short-term disability, leave management services, and workers' compensation.

Reducing time spent away from work is critical for employers and employees. The WorkPartners MyHealth@Work on-site health management centers assist in these ends. With two locations in downtown Pittsburgh, one at UPMC East and one at UPMC Hamot, clinicians conveniently and quickly treat a variety of health conditions. Employees get care that they might otherwise avoid, and reduce time away from work.

In addition to providing care for employees who are sick, the centers also offer lifestyle and disease management programs to employees at risk for various health conditions. Employees can have their blood pressure checked or get a flu shot during flu season.

Many companies turn to WorkPartners' award-winning suite of customizable health and wellness programs. MyHealth is a comprehensive health management solution that helps identify risk factors in an employee population and then provides proven programs to help motivate healthy changes.

Bottom line? When companies partner with WorkPartners, they see real change. And real results. The National Business Group on Health has awarded UPMC its Platinum Award as a Best Employer for Healthy Lifestyles for five consecutive years (2009-2013). And our clients also achieve success with MyHealth — 14 have been recognized as the healthiest employers in Pittsburgh.

In 2012, MyHealth@Work made it convenient for thousands of employees to get treatment.

5,655

SICK VISITS

20,489

EMPLOYEE HEALTH VISITS

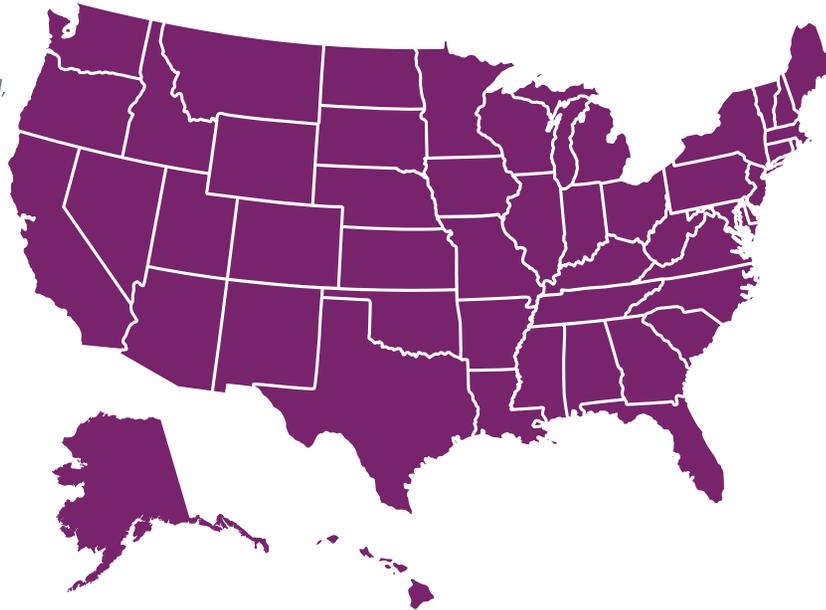
918

REFERRALS MADE TO PROVIDERS AND HEALTH AND WELLNESS PROGRAMS

92%

WOULD RECOMMEND THE CENTER TO A FRIEND

UPMC WorkPartners also offers EBenefits Solutions, which reduces the administrative burden on human resource personnel, and has expanded to include participants in all 50 states.



MyHealth helps keep UPMC's annual health care cost increases far below national and regional averages.

WorkPartners is recognized as the regional expert in integrated disability management. It is a rapidly growing third-party administrator service with:

- 47,396 lives covered by short-term disability administration
- 49,188 lives covered by FMLA administration
- 85,655 lives covered by workers' compensation TPA
- 100% customer retention!

Here's how UPMC employees benefit from the unique programs *MyHealth* offers:

- 94% of UPMC's 39,000 employees who elect medical benefits participate in health risk assessment surveys.
- More than 98% participate in Take a Healthy Step programs to boost healthy habits.
- Employees reduced their tobacco use by 38% over a five-year period.
- Almost 10,000 employees participated in a recent weight race; over the past four weight races, employees have lost 38 tons.
- During a physical activity campaign, employees logged activity equal to more than 212,000 miles — an equivalent of walking around the Earth 8.5 times!

UPMC's *LifeSolutions* is the first EAP in the country to offer the online behavioral therapy program, *Beating the BluesUS*®.



UPMC's *LifeSolutions* has provided employee assistance programs (EAP) for more than 35 years. As one of the key resources offered to members of UPMC Health Plan and WorkPartners' clients, *LifeSolutions* recently expanded in Erie with the acquisition of Northwest Beacon, and has seen membership grow over 7% this past year. While organizations have plenty of choices when it comes to selecting an EAP provider, *LifeSolutions* stands apart by offering a comprehensive employee assistance and work-life services program. Its strategic, consultative approach results in a customized and cost-effective plan design to incorporate innovative, effective services; address health and wellness employee concerns; and support bottom-line company profitability.

During 2012, *LifeSolutions* introduced two major new programs:

Member Assistance Program (MAP) for unions

The daily issues that many labor union members face, both on and off the job, can impact a member's health, well-being, and job performance. *LifeSolutions* MAP helps unions and their members stay healthy and productive by addressing personal and work-related issues before they impact a member's health and job performance. Union leaders learn new skills for dealing with complex work situations and get a MAP that is competitively priced and based on their organization's needs, goals, and budget.

Physician Assistance Services (PAS) program

Developed in 2005 with the leadership of the University of Pittsburgh Physicians, this program is now available to support external physicians and health systems to create a culture of collaboration, safety, and success. PAS provides physicians with easy-to-access resources to better manage their demanding lives at work and home. It enables both the health system and the physician to address problematic behavior. And it provides support for newly hired physicians. Its three programs span the employment cycle of the physician, from recruitment through the adjustment phase to becoming an active team member.



"Data is a critical piece in terms of telling us whether what we do has an impact."

*-Doug Muetzel, CEO
Wesley Spectrum*

When Doug Muetzel began his search for a health care partner, his most important criteria was finding a robust employee health and wellness program that would function well across multiple locations.

"At Wesley Spectrum, we are extremely focused on our mission of helping at-risk and underserved children progress," says Doug. "What I noticed in our talks with UPMC Health Plan and WorkPartners is that they are just as focused on progressing the health and wellness of their members."

Wesley Spectrum is engaged in all facets of employee health. And Doug has come to rely on the rich data he receives from UPMC Health Plan to indicate progress. "Data is critical for telling us if what we do has an impact. The data we get back from the Health Plan indicates it is. Knowledge, in this case, is truly powerful because it informs what we do next."

Wesley Spectrum also has engaged with *LifeSolutions* — an Employee Assistance Program that's part of WorkPartners. "Our people work intimately with families and children and get to know them. It's rewarding, but can be draining," says Doug. "Being able to rely on the EAP to bring relief to our employees when they need it has been another tremendous experience for us."



For employees looking for a quick dose of healthy support, WorkPartners offers Coach on Call. A 10-minute phone conversation with a health coach, followed by access to print materials on MyHealth OnLine, provides employees with the helpful support and information they need to answer their questions and better manage their health.

The Value of a Healthy Lifestyle.

Stick to an exercise plan. Find healthy ways to relax and de-stress. Put out that last cigarette. People know *what* to do. The question is ... *how do they stick to doing it?* UPMC Health Plan health coaches help our members answer that question every day.

It's called *population health management* and we bring it to life through *MyHealth*, an award-winning suite of programs and tools informed by the extensive medical, clinical, and behavioral resources of UPMC. *MyHealth* addresses chronic health conditions such as diabetes, asthma, and hypertension, as well as lifestyle behaviors such as overeating, lack of exercise, and poor stress management, that impact employee health and productivity and associated costs. Together, UPMC WorkPartners and *MyHealth* provide employers with a comprehensive, integrated, multi-year business strategy for implementing workplace health and productivity solutions.

Health coaching is one of the most effective and most utilized parts of *MyHealth*. Part cheerleaders, educators, trainers, and behavior change experts rolled into one, health coaches inspire members to make healthy changes in nutrition, stress management, and physical activity. Health coaches assist those with chronic conditions in working with their doctors to effectively manage heart disease, COPD, diabetes, depression, and low back pain.

Our members have several health coaching options from which to choose — from customized lifestyle improvement programs to on-site health coaching to online chat to a one-time call through Coach on Call. Members can also complete programs entirely online if they choose. The possibilities for getting healthier are endless.

The online component of *MyHealth* features interactive tools, videos, and hundreds of educational resources. Our mobile application includes much of the same content as our robust online resource, making the inspiration to live healthy as simple as logging on.



"When I heard that I could work with a health coach through UPMC Health Plan, I thought 'why not give it a try?' I set out to lose weight, and ended up changing my life."

-Adrienne Miller

Adrienne Miller of Clairton, Pennsylvania, decided to give herself a present: lose 50 pounds for turning 50. "I wanted to lose weight for my health, as I have diabetes and high blood pressure. Plus I wanted to fit into a smaller clothing size."

When she made the phone call that connected her to health coach Shellie Yeung, Adrienne had no idea it would set her on a path to lose more than twice her original goal. The two chatted about Adrienne's goals. They talked about her busy lifestyle. And together, Adrienne and Shellie developed a set of strategies that helped Adrienne get the ultimate gift: 100 pounds lost. And a new sense of self found.

Participation in on-site health coaching increased **800%** from 2011 to 2012.

Members of UPMC Health Plan enjoy the convenience of a confidential website that provides around-the-clock access to all their health care information.



The Value of Information.

Information at your fingertips. It's part of modern-day life, and part of the member experience at UPMC Health Plan. We offer a full range of online tools and resources that make it easy and convenient to get the information members need when they need it — 24/7. MyHealth OnLine is a free and fully secure website that allows members to manage their health, their health care dollars, and their health insurance. It's possible to complete a wellness profile, find a doctor, order a prescription, see information about an upcoming procedure, access an Explanation of Benefits, see a spending summary, add an immunization schedule and more ... all online.

Equal parts inspiration and information, the MyHealth Matters blog is a source of health news, nutrition tips, fitness how-tos, and more to help our members become happier and healthier. With the help of five expert bloggers, including two doctors and three health

coaches, new content is posted five days per week in an easy-to-digest format. Since its inception, blog readership has increased by 197%, receiving more than 7,000 blog views per month.

To help keep both our members and the entire community informed, Insurance Services Division introduced a website devoted to health care reform. The site's goal is to provide up-to-date information and guidance on what the Affordable Care Act means to individuals and their families.

Most of today's information is consumed "on the go," so we developed a series of intuitive consumer mobile applications for iPhone, Android, and Blackberry.



Located in malls throughout the region, our new Connect Service and Sales Centers provide the community with valuable information and plan options.



The UPMC Health Plan app was downloaded over 7,819 times since its introduction last year. And a new mobile texting platform is being introduced to further enhance communications with members.

Finally, in today's world of social media, UPMC Health Plan interacts with thousands of people through Twitter, Facebook, YouTube, foursquare, and Instagram. These are places where we connect with each other — sharing health tips, motivational reminders, informational videos, and individual success stories of people managing their health in ways they never thought possible.

The information people need, when they need it, however they need it. From websites to mobile apps, we're using technology to stay plugged in to the health care needs of the community.



The Value of Personal Service.

Excellence in customer service has been and always will be one of our core values. We take great pride in delivering a level of personal service that goes above and beyond. As a result, we're recognized by our more than 2.2 million members as well as outside institutions as a shining example of what customer service should be.

"I truly enjoy listening to and speaking with our members. I strive to create a 'kitchen table' atmosphere that puts everyone at ease. When I do this, it helps us resolve the issues and form a connection. No issue is ever too small or too big to handle when you use a sense of humor and a lot of empathy."

*-MaryLynn Reinecke
UPMC for Life Health Care Concierge*



Our call center was named a Global Call Center of the Year in 2012 by the International Customer Management Institute (ICMI). The ICMI honors teams that enhance the image of the call center profession and provide great customer service.



In addition, the ICMI recognized UPMC Health Plan with its 2013 Team Award for Best Customer Experience Program. ICMI recognized UPMC Health Plan's call center for being the best in leveraging its people, processes, and technology to drive customer satisfaction and loyalty.

We once again earned the distinction of being a 2012 J.D. Power and Associates Certified Call Center. This certification recognizes the call center for providing "An Outstanding Customer Service Experience." Of an estimated 75,000 call centers in North America, only 23 American companies earned certification in 2012.

What's our secret to success? By using the latest technology, our Health Care Concierges build personal relationships with our members. When a member calls, his or her call goes to the Health Care Concierge he or she has spoken with in the past. That extra effort builds relationships between Concierge and member, and makes a difference.

96.4%
AFTER-CALL MEMBER SATISFACTION RATE

92.3%
SATISFACTION WITH CUSTOMER SERVICE, THE MYERS GROUP SURVEY (2012)

By definition, a Concierge is someone who goes above and beyond for the person he or she is serving. The 96 hours of rigorous, mandatory training our representatives receive each year prepares them to do just that. In addition, our entire staff of Health Care Concierges are local, so when members call, they have the comfort of knowing they are talking to someone who understands the local environment.

"We are thrilled to recognize professionals who are as passionately committed to the art of customer service as we are. By winning this award, UPMC Health Plan truly qualifies as the 'best of the best' and is a shining example for the call center industry."

*-Sarah Stealy Reed
ICMI Content Director and
Head of Judges*

Our entire approach to the member experience is what differentiates us. Where many call centers focus on "calls per hour" as a measure of success, UPMC Health Plan measures success in an entirely different way — one call resolution. Our Health Care Concierges have a goal: the call does not end until the problem does. With this as our goal, our members are satisfied, our Concierges leave their jobs knowing they have made a difference, and future call volumes are reduced. All of these efforts show how UPMC Health Plan is continually raising the standard of member service.

Our new retail stores are called UPMC Health Plan Connect *Service and Sales Centers*. Six area malls now feature a Center where current and future UPMC Health Plan members can get answers and receive personal guidance in the face of the many changes occurring in health care.



DISTINGUISHED ADVOCATE AWARD

The Pennsylvania Association of Psychosocial Rehabilitation Services (PAPSRS) presented Community Care with the 2012 Distinguished Advocate Award. PAPSRS recognized Community Care for its efforts on behalf of people with behavioral health disorders to promote effective, accessible mental health and substance abuse services that support recovery.

The Value of Caring for the Mind as Well as the Body.

A person's complete health has many dimensions. Physical health is obviously one of them. No less important is a person's emotional well-being and outlook on life. His or her ability to cope. To interact. To gain support from friends, family, and community. A strong mind-body connection is also important because people are better able to cope with physical setbacks when their emotional health is strong.



Community Care Behavioral Health Organization facilitates outstanding care for people who suffer from depression, anxiety, and other behavioral health conditions as well as those struggling with addiction disorders.

Community Care is the largest nonprofit behavioral health managed care company in the U.S. It supports Pennsylvania's HealthChoices program by managing behavioral health services for 672,718 Medical Assistance recipients in 39 counties. And through integrated services, Community Care provides behavioral health management for UPMC Health Plan's commercial and Medicare members.



...change your world.

"A year ago, I never would have known I could come full circle like this. And I truly believe that the Beating the Blues program at UPMC Health Plan made the difference."

-Heidi

Beating the BluesUS™ is an online tool that UPMC Health Plan members can use to make positive changes in their thinking, their moods, and in some cases, their lives. During eight sessions of around 50 minutes each, participants learn how their existing thought patterns can lead to negative feelings and behaviors. Then the program helps them develop a different outlook through a more positive way of approaching situations.

UPMC Health Plan offers Beating the BluesUS through a partnership with Ultrasis, LLC, a successful United Kingdom-based company.

In July 2013, Beating the BluesUS was reviewed by the Substance Abuse and Mental Health Services Administration (SAMHSA), the agency that leads public health efforts to advance the behavioral health of the United States. SAMHSA stated that Beating the BluesUS " ... has been independently assessed and rated for Quality of Research and Readiness for Dissemination."

Beating the Blues is the only computerized cognitive behavioral therapy program to achieve this, which confirms that its evidence-based protocol sets the software apart from all other products on the market.

Community Care believes in more than just recovery principles. And its leaders take active steps to make business decisions that reflect this belief. The dedication to their mission can be seen clearly throughout 2013 — along with an unwavering commitment to continuous quality improvement through stakeholder partnerships that focus on outcomes.

Community Care continued to enhance Connected Care — a jointly designed program with UPMC *for You* and the Allegheny County Department of Human Services. The goal is to improve care coordination between physical and behavioral health providers. The results to date are impressive: better health outcomes for members and better access to community services with reduced need for emergency services or hospitalization. According to a report by Mathematica Policy Research, an independent research firm that has been assessing the effectiveness of policies and programs since 1968, "... mental health hospitalizations and readmissions improved for all Connected Care members, most likely because of targeted member outreach and education and concurrent initiatives focused on similar goals. Positive changes in (emergency department) use among members ... were likely due in part to improved processes and greater cross-staff familiarity," the report said.

Community Care introduced Behavioral Health Home Plus, a patient-centered health home, which is based in behavioral health care delivery settings. Using this model, Community Care was awarded funding by PCORI — the Patient-Centered Outcomes Research Institute — to expand Behavioral Health Home Plus within several community mental health centers.

The Integration Team at Community Care focuses on assuring that the physical health needs of people with significant behavioral health needs are met. To that end, together with UPMC Health Plan, Community Care implemented a special needs Medicare plan called UPMC *Community Care*. This plan is designed for members with serious mental illness. When members join, they go to one medical home that serves their behavioral and physical health needs — the result is better provider communication in addition to improved member wellness and recovery.

In July 2012, Community Care extended HealthChoices services to Blair, Clinton, and Lycoming counties to manage the behavioral health care for Medicaid members.

COMMUNITY CARE IS ...

- The largest not-for-profit behavioral health managed care organization in the country.
- Fully accredited by the National Committee for Quality Assurance at the highest possible level since 2004.
- A firm believer that recovery is possible and that all individuals should have a voice in their treatment.
- A Pennsylvania-based behavioral health services manager and deliverer since 1999.





UPMC HEALTH PLAN

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From promoting family activities in one of Pittsburgh's oldest parks as part of "Summer Fun at the Frick" to the installation of the 36-foot Christmas tree in downtown Erie, UPMC Health Plan encourages healthy activity and quality family time throughout the region.

The Value of a Good Neighbor.

The Insurance Services Division of UPMC has long supported many of the programs and events that make this region so vibrant. We've made it a point to stay connected to area neighborhoods and local organizations, and in particular to support efforts that promote eating well and staying active. We believe in educating and inspiring children and teens to adopt a healthy lifestyle as a strategy for reducing the risk of obesity, heart disease, and other chronic issues. And we believe in the power of families. When families spend time together, whether it's walking or just talking, the benefits are many.

From UPMC *for Kids*, *Kids Corner* at Duquesne Basketball games, to being the state sponsor of the *National Senior Health and Fitness Day*, Insurance Services Division continues to play an active role in the community.

UPMC Health Plan sponsors *SmartSteps* at the Senator John Heinz History Center, which encourages visitors to take the steps instead of the elevator, and is the only exhibit of its kind in the country located in a museum stairwell.

We support **We Can!**[®] Pittsburgh, which is the local arm of the national Ways to Enhance Children's Activity & Nutrition. Working with a network of community partners, we help educate parents and caregivers about the benefits of better eating and more activity.

UPMC Health Plan is the presenting sponsor for *Let's Move Pittsburgh*, in partnership with Phipps Conservatory and Botanical Gardens. Working with representatives from schools, health care, early childhood care, and the food and beverage industry, *Let's Move Pittsburgh* includes the "10,000 Tables" campaign, which encourages families to enjoy at least one sit-down, home-cooked meal without screen time each week.

Since 2007, *HEALTHY Armstrong* is a group effort, aimed primarily at the Armstrong School District's elementary and secondary schools and helps children maintain a healthy weight.

As the presenting sponsor of the *UPMC Health Plan Pittsburgh Half Marathon* — an event that has grown to become the city's most popular race — we're proud of the more than 14,000 runners in 2013 who participated.

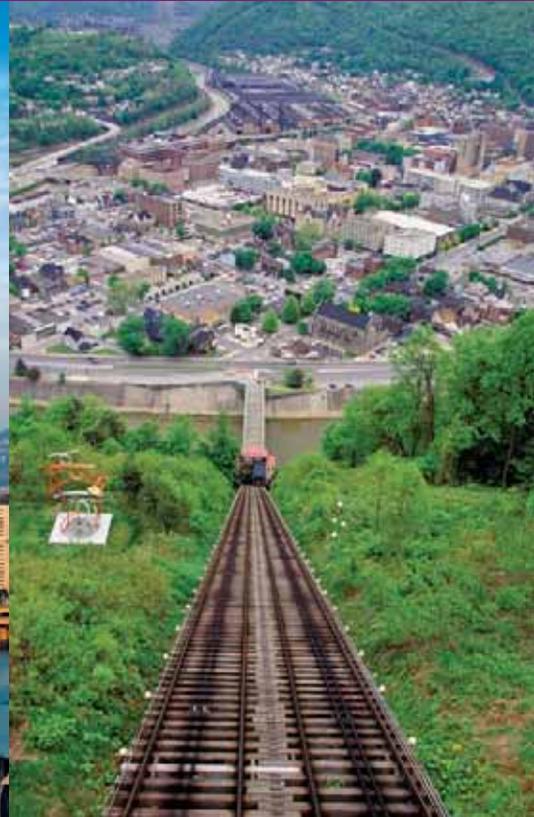
Parks Are Free is an initiative designed to call attention to our public parks, and to encourage families to spend time together away from the hustle and bustle and to use the green spaces, pathways, and trails for exercise.



TAKING AN ACTIVE ROLE IN THE COMMUNITY

The March of Dimes works tirelessly to help give premature babies and their families the hope of a long and healthy life. We are proud to say that UPMC Health Plan is with the March of Dimes every step of the way. As the leading sponsor for the March for Babies event, a team of 220 UPMC Health Plan walkers raised a record \$14,745 on June 2! This group effort — along with the individual commitment of our chief operating officer, Mary Beth Jenkins, who is currently the Board Chair for the local March of Dimes — is just one example of how UPMC Health Plan "walks the walk" in support of the health and wellness of the communities we serve. In fact, senior management staff serve on more than 40 nonprofit or community boards.

The Value of a Strong Company.



Headquartered in Pittsburgh, UPMC Insurance Services Division provides a diverse portfolio of services, including health and wellness, health promotion, productivity, and workers' compensation.

UPMC Insurance Services Division financial highlights reflect the combined operating results and financial position among its subsidiaries.

Fiscal year 2013 represented another strong year of growth, with Division revenue increasing by \$598 million (15.8%) to \$4.4 billion. This represents the largest single year increase in revenue in the history of UPMC Insurance Services Division. In 2013, UPMC Insurance Services Division surpassed the 2 million mark in membership across all lines of business. Division operating income was \$70 million (1.6% of revenue) in 2013, compared to \$76 million (2.0%) in 2012.

The Health Plan also received SSAE16 certification from its independent auditor for its claims-processing internal controls environment, providing additional independent quality assurance for our self-insured customers.

UPMC is strongly committed to best-in-class governance and organizational transparency standards. In 2006, UPMC, including the UPMC Insurance Services Division, became the first nonprofit health enterprise to fully adopt Sarbanes-Oxley, including the stringent requirements of section 404. Sarbanes-Oxley certification has been received annually since adoption in 2006.

The Division, along with UPMC, has also adopted industry-leading public financial disclosure practices for both quarterly (unaudited) and annual (audited) results, allowing our community stakeholders to review our progress and fiscal health. UPMC's financial reporting can be found at UPMC's website, www.upmc.com.

UPMC Insurance Services Combined Statement of Revenues and Expenses

For the year ended June 30 (in millions)

	FY 2013	FY 2012
Total Revenue	\$ 4,390	\$ 3,792
Operating Expenses	4,320	3,716
Operating Income	\$ 70	\$ 76
Operating Margin	1.6%	2.0%
Evolut Joint Venture Start-up	(13)	(5)
Investment Income	3	8
Interest Expense	(9)	(3)
Income Taxes	(1)	(16)
Net Income	\$ 50	\$ 60

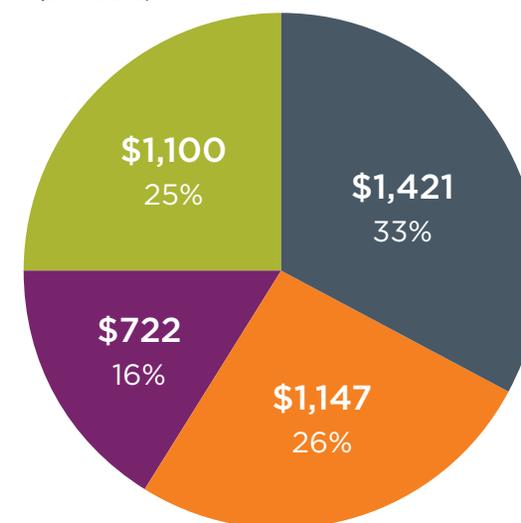
UPMC Insurance Services Combined Balance Sheet Highlights

For the year ended June 30 (in millions)

	FY 2013	FY 2012
Assets		
Cash and Investments	\$ 627	\$ 691
Current Receivables	397	302
Other Assets	35	47
Total Assets	\$ 1,059	\$ 1,040
Liabilities and Equity		
Health Claims Payable	\$ 321	\$ 270
Other Current Liabilities	113	225
Surplus Notes	188	158
Common Shareholder Equity	437	387
Total Liabilities and Equity	\$ 1,059	\$ 1,040

2013 UPMC Insurance Services Division Revenue Distribution by Core Product

(in millions)



■ Medicare ■ Behavioral Health
■ Commercial ■ Medical Assistance

**UPMC HEALTH PLAN
OFFICES**

Pittsburgh

UPMC Health Plan
U.S. Steel Tower
600 Grant Street
Pittsburgh, PA 15219
1-888-383-8762

Erie

UPMC Health Plan
109 Boston Store Place
716 State Street
Erie, PA 16501
1-855-680-8862

Johnstown

UPMC Health Plan
1219 Scalp Avenue
Richland Plaza
Johnstown, PA 15904
1-814-262-8441

**UPMC COMMUNITY
CARE OFFICES**

Main Office

One Chatham Center
Suite 700
112 Washington Place
Pittsburgh, PA 15219

Capital

1200 Camp Hill Bypass
Camp Hill, PA 17011

Erie

1601 Sassafras Street
Erie, PA 16502

Southeast

1 E. Uwchlan Avenue
Suite 311
Exton, PA 19341

Northeast

72 Glenmaura
National Boulevard
2nd Floor
Moosic, PA 18507

North Central

480 Jeffers Street
Developac Business Park
Building #2
DuBois, PA 15801

State College

2505 Green Tech Drive
Suite F
State College, PA 16803

Tobyhanna

Courtyard Professional
Art Building
300 Community Drive
Suite F
Tobyhanna, PA 18466

Blair

1904 N. Juniata Street
Hollidaysburg, PA 16648

Lycoming-Clinton

Penn Tower
25 West Third Street,
Suite 200
Williamsport, PA 17701