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UPMC Health Plan Continues Strong Growth by Responding to Region's Needs

2007 Annual Report Details Progress of UPMC Health Plan

PITTSBURGH (June 25, 2008) – Listening to the voices of the people it serves enables UPMC Health Plan to make the commitment needed to help its members enjoy the best health and quality of life possible, according to the 2007 Annual Report of UPMC Health Plan.

“Voices that Transform Health Care” is the title and theme of the report, which details how UPMC Health Plan, which is part of the UPMC Insurance Services Division, meets the health care needs of more than 1 million Western Pennsylvanians as well as thousands of employers.

“At the UPMC Insurance Services Division, we listen and respond to the voices of our customers,” Diane P. Holder, President and CEO of UPMC Health Plan, and President of the UPMC Insurance Services Division, writes in her President’s Letter. “Everything the UPMC Insurance Services Division does is designed to bring exceptional value to our customers.”

In 2007, UPMC Insurance Services Division had another strong year of growth, with revenue increasing by \$453 million (23.9 percent) to \$2.3 billion. Operating margins were \$66 million (2.8 percent of revenue) in 2007, compared to \$62 million (3.3 percent) in 2006. UPMC Health Plan, the second-largest health insurer in Western Pennsylvania,

is owned by the University of Pittsburgh Medical Center (UPMC), one of the nation's top-ranked health systems.

UPMC Health Plan was able to hold its administrative costs to approximately 8 percent of revenue, which is an industry best-practice performance. UPMC Health Plan also received SAS70 certification from its independent auditor for its claims-processing internal controls environment.

Factors cited for the continued growth included a “disciplined focus on product line management” and innovative technology solutions to achieve optimal clinical outcomes for members.

UPMC Health Plan also cites its relationship with its “collaborative partners” in its provider network as a factor that distinguishes it from other health plans in Western Pennsylvania. Through its shared mission with UPMC and its connections with other community providers, UPMC Health Plan is able to enhance its commitment to members and the way it does business.

In 2007, UPMC Health Plan also expanded its newest offering, its wellness program, known as *MyHealth*. *MyHealth* is designed to provide resources to employers who want to help their employees reach sensible goals and have healthier lifestyles. UPMC Health Plan’s wellness programs have been recognized by industry leaders as innovative solutions to promote health and productivity among members.

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About UPMC Health Plan

UPMC Health Plan, the second-largest health insurer in Western Pennsylvania, is owned by the University of Pittsburgh Medical Center (UPMC), one of the nation's top-ranked health systems. The integrated partner companies of the UPMC Insurance Services Division – which includes UPMC Health Plan, UPMC Work Partners, EAP Solutions, UPMC *for You* (Medical Assistance), and Community Care Behavioral Health – offer a full range of group health insurance, Medicare, CHIP, Medical Assistance, behavioral health, employee assistance, and workers' compensation products and services to nearly 1.2 million members. Our local provider network includes UPMC

as well as community providers, totaling more than 80 hospitals and more than 7,600 physicians in a 29-county region. For more information, visit www.upmchealthplan.com.