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UPMC Health Plan Named Sole Carrier for COGCare

PITTSBURGH (April 25, 2011) – UPMC Health Plan has been chosen as the exclusive provider of a health care benefits program for COGCare, an insurance cooperative representing 40 Councils of Government (COG) that include over 400 municipalities, county governments and other local governmental agencies in western Pennsylvania. COGCare will allow UPMC Health Plan to offer high quality, affordable health care to all employees who are part of the coalition.

UPMC Health Plan was chosen by the COGCare Board of Directors in a competitive process that involved five regional insurance carriers. Through COGCare, municipalities and county governments in 29 counties in western Pennsylvania will have access to preferred rates and multi-year guarantees for health insurance provided by UPMC Health Plan.

“COGCare has the negotiating and purchasing power of a major corporation because we are able to combine the strength of hundreds of governmental employers,” said Jeff Smith, president of COGCare and the executive director of the Butler County COG.

“We invited proposals from the region’s top health insurance carriers and we focused on criteria such as quality of care and service and a commitment to reducing health insurance costs. With UPMC Health Plan, we have a partner with experience in this kind of arrangement and a proven record of delivering affordable, quality care,” Smith said.

UPMC Health Plan values this opportunity to help support the region’s local governments, according to Kimberly L. Cepullio, Vice President, Sales and Account Management for UPMC Health Plan. “We recognize the financial pressures that

boroughs, townships, cities and county governments are enduring,” said Ms. Cepullio. “Our partnership with COGCare provides us with a means to deliver both savings and the ability to budget health insurance costs.”

UPMC Health Plan members can choose from a strong network of 125 hospitals, 11,500 physicians and 47,000 independent pharmacies. Innovative clinical programs, a collaborative medical home model, and superior service all add to the health plan’s value in improving health and controlling costs. UPMC Health Plan earned the highest ranking for overall satisfaction by a health insurer in Pennsylvania in 2011, according to a study on member experience by J.D. Power and Associates, the nationally recognized market research company.

Before the formation of COGCare in 2010, Smith had originally envisioned it only for municipalities within Butler County, but he quickly discovered there was broader interest throughout the region. With guidance from Larry Goggins, the president of Pennsylvania COG and the Beaver County Regional COG; and Robert Callen, executive director of the Lawrence County Regional COG and the Beaver County Regional COG – COGCare was formed. “COGCare may be the biggest example of inter-municipal cooperation in the history of western Pennsylvania. It has the potential to collectively save municipalities millions of dollars,” Smith said. “Health care is one of the biggest costs municipalities face year after year as costs keep escalating.”

The COGCare model is similar to one UPMC Health Plan has with the Employers Medical Access Partnership (E.MAP), which serves employers in Cambria, Blair, Somerset, Bedford, and Indiana counties. E.MAP and UPMC Health Plan formed a partnership in order to allow local businesses in the Johnstown area to offer high-quality, affordable health care to their employees. In the first three years of operation, the E.MAP/UPMC Health Plan coalition saved participating employers an estimated \$7.7 million in premiums.

Councils of Government (COGs) are non-profit organizations representing municipalities of all sizes. Local COGs are organized throughout Pennsylvania, and COG members include virtually every county government and municipality in the state.

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About UPMC Health Plan

UPMC Health Plan, the second-largest health insurer in western Pennsylvania, is owned by 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, *LifeSolutions* (EAP), UPMC *for You* (Medical Assistance), and Community Care Behavioral Health – offer a full range of group health insurance, Medicare, Special Needs Plan (SNP), CHIP, Medical Assistance, behavioral health, employee assistance, and workers' compensation products and services to nearly 1.5 million members. UPMC Health Plan's local provider network includes UPMC as well as community providers, totaling more than 125 hospitals, and more than 11,500 physicians in a 47-county region. For more information, visit www.upmchealthplan.com.

About COGCare

COGCare is an insurance cooperative serving the interests of Councils of Governments (COGs) and their members throughout the western half of Pennsylvania. The non-profit organization is led by a board of directors that includes leaders from various COGs in the region. COGCare provides programs and services that benefit COGs and their member boroughs, townships, cities, counties and authorities of all sizes. COGCare was created to promote healthy competition in the health insurance market by using collective strength numbers in negotiating rates and benefits for area COGs and their member municipalities and local government employers. www.cogcarepa.com

About Council of Governments

Councils of Governments, or COGs, are non-profit organizations representing government entities such as boroughs, townships, cities, counties and authorities. COGs are organized throughout Pennsylvania and their members include virtually every municipality and county government within the counties they are located. The COGs were initiated as a result of the Pennsylvania Intergovernmental Cooperation Act of 1972. They act as mutual forums to discuss and bring into focus regional challenges and opportunities, collect and maintain data of regional interest, improve communication, coordination and intergovernmental cooperation among all levels of government, facilitate cooperative agreements, provide technical assistance, managed intergovernmental services and coordinate federal, state and local cooperatives of regional importance.