



For Immediate Release

Saint Vincent Health System Announces Plans for Strategic Affiliation with Highmark

Erie, PA (October 16, 2012) -- Saint Vincent Health System today announced that its Board of Trustees unanimously voted to pursue a strategic affiliation with Highmark. The announcement was made by Scott Whalen, Ph.D., FACHE president and CEO, Saint Vincent Health System, and William Winkenwerder, Jr., M.D., M.B.A, Highmark's president and CEO.

“This pending relationship is an important step for Saint Vincent because we expect it will enhance the quality of care already provided by our physicians and staff which the Erie region has come to expect,” said Dr. Whalen. “We have been looking for the right strategic partner for Saint Vincent and we believe that Highmark shares our vision and will help to ensure the continuation of the mission of Saint Vincent as established by the Sisters of St. Joseph of NW Pennsylvania.”

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The affiliation with Highmark will enable Saint Vincent to strengthen its position in providing a strong choice for health care in the Erie region and accelerate its growth strategy in the northwestern Pennsylvania and southwestern New York areas.

For Highmark, the proposed affiliation is another important step toward building a new integrated delivery system in western Pennsylvania to transform health care delivery and sustain access for the Erie-area residents to high-quality, more affordable health care.

“This affiliation demonstrates the commitment of Highmark and Saint Vincent to working together to create a more modern, efficient health care system and a better patient experience,” said Dr. Winkenwerder. “It will expand community-based service and keep care in the community, creating greater convenience for patients and maintaining economic vitality and jobs in the Erie region.” He added that Saint Vincent will be an important part of Highmark’s integrated delivery network in Erie and across northwest Pennsylvania.

Highmark’s support to Saint Vincent will benefit the community in several ways, including a \$20 million cash investment to help Saint Vincent maintain financial soundness and \$5 million for capital projects at Saint Vincent to support the health care ministry of the Sisters of St. Joseph. In addition, Highmark will permit Saint Vincent to invest more than \$40 million over the next three years to improve the existing facilities of Saint Vincent and invest in new assets for the Erie region and northwest Pennsylvania.

The preservation of competitive health systems in Erie is important not only to consumers but also to independent physicians, including those affiliated with Saint Vincent, so they can offer more choices to their patients and sustain adequate patient volume to retain a viable office practice in Erie, Dr. Winkenwerder said.

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FROM SAINT VINCENT HEALTH SYSTEM

Founded by the Sisters of St. Joseph in 1875 as Erie's first hospital, Saint Vincent Health System is an integrated health network that includes a 428 licensed bed tertiary facility in Erie, Pennsylvania, a four-bed acute care and diagnostic hospital in Westfield, NY, the regions busiest free-standing provider-based Surgery Center, a provider-based Endoscopy Center and a Urgent Care facility. Saint Vincent's strong commitment to clinical quality advances in technology and high levels of patient satisfaction have earned it national recognition by leading healthcare organizations. As the regions 4th largest employer - with nearly 3,000 employees, Saint Vincent has an economic impact of more than \$604 million to the Erie community. To learn more visit www.SaintVincentHealth.com.

About Highmark

Highmark Inc., based in Pittsburgh, is an independent licensee of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans. Highmark serves 4.9 million members in Pennsylvania, West Virginia, Delaware and nationally, through the company's health care benefits business and is one of the largest Blue plans in the nation. Highmark has 20,000 employees and provides a broad range of health and wellness-related services through subsidiary and affiliate companies. For more information, visit www.highmark.com.