VHA Inc. and University HealthSystem Consortium Announce Deal to Create Largest Member-owned Health Care Company in the U.S.

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VHA Inc., the national health care network, and UHC, the alliance of the nation's leading not-for-profit academic medical centers, today announced an agreement to combine into a single organization that will be the largest member-owned health care company in the country. VHA and UHC's combined breadth and depth of data and analytics will provide members unparalleled insight into improving the quality and total cost of care. The combined organization will offer superior access to leading practices, networking and knowledge sharing among its membership. Financial terms of the deal, which is expected to close by the end of March 2015, have not been disclosed.

The combined organization will provide unmatched solutions and services to members and will have enhanced expertise to serve the needs of independent, community-based health care organizations as well as large, integrated systems and academic medical centers. The company will:

- Provide services to nearly 30 percent of the nation's hospitals, including nearly all the academic medical centers and health systems.
- Serve more than 118,000 non-acute health care customers.
- Have more than $50 billion in purchasing volume, the largest in the industry.
- Provide services to all of the top 10 hospitals on the US News and World Reports annual list of America's Top Hospitals.
- Have the industry's most in-depth clinical data combined with the nation's most robust supply chain data to address cost and quality.

Upon the close of the transaction, the Boards of both VHA and UHC have named Curt Nonomaque as president and CEO of the new company. Irene Thompson, president and CEO of UHC, has agreed to accept a leadership position focused on academic medical center networks during the transition. Marna Borgstrom, president and CEO, Yale-New Haven Health System, will be the board chair, and Ann Madden Rice, CEO, UC Davis Medical Center will be vice-chair of the board.

"VHA was founded on the idea that health care organizations perform better and faster when working together," said Curt Nonomaque, president and CEO, VHA. "This combined organization will have even greater ability to harness the power of health care's brightest minds to provide targeted expertise to improve financial, operational and clinical performance."

VHA and UHC have a long history of successful collaborations including:

- Formation of Novation in 1998, a joint-venture contracting services company that has grown into the nation's largest, representing more than $50 billion in purchasing volume, and more than $1 billion in contract price savings over the past 5 years.
- Creation of innovative cost management tools that have created an additional $1.4 billion in savings to members.
- The launch of aptitude, the industry's first online direct contracting marketplace.

"UHC and VHA have each helped our members solve their toughest challenges through our innovative products and services," said Irene Thompson, president and CEO, UHC. "With the combination of VHA and UHC, we are creating an enterprise that will be singularly dedicated to the success of academic medical centers, acute and non-acute community health care organizations by providing advanced resources, knowledge and solutions."

The combined organization will be headquartered in Irving, Texas, with an office in Chicago. A new company name will be announced at a later date.

About VHA Inc.

VHA Inc. is a national network of not-for-profit health care organizations working together to improve performance and efficiency in clinical, financial and operational management. Since 1977, when VHA established the first hospital membership organization, the company has applied its knowledge in analytics, contracting, consulting and network development to help members and customers achieve their strategic objectives. In 2013, VHA delivered $2.2 billion in savings and additional value to members. Serving approximately 5,000 health system members and affiliates, VHA represents more than a quarter of the nation's hospitals. VHA also serves more than 118,000 non-acute health care customers enterprise-wide. VHA is based in
Irving, Texas, and has 12 regional offices across the U.S. VHA, together with UHC, owns Novation, a supply chain company, and aptitudeTM, the health care industry's first online direct contracting market. VHA also owns Provista, a supply chain company serving the non-acute market as well as hospitality, education and corporate markets. For more information, visit www.vha.com and follow us on Twitter (@VHAInc).

About University HealthSystem Consortium

University HealthSystem Consortium is an alliance of the nation's leading nonprofit academic medical centers, which are focused on delivering world-class patient care. Formed in 1984 and based in Chicago, University HealthSystem Consortium fosters collaboration with and among its 117 academic medical center and more than 330 affiliated hospital members through its renowned solutions in the areas of performance improvement, comparative data and analytics, supply chain management, strategic research, and public policy. University HealthSystem Consortium helps its members achieve excellence in quality, safety, and cost-effectiveness.