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Dignity Health and Vanguard Health Systems To Join Forces in Arizona for Physician Integration

***Dignity Health to lead new affiliation that will enhance
quality of care for tens of thousands of Arizonans***

Phoenix, AZ, -- July 30, 2012 – Two of the state's largest hospital and health care organizations, Dignity Health and Vanguard Health Systems, which owns Abrazo Health Care, announced today the intention to create a joint Accountable Care Organization (ACO). This alliance will involve more than 700 physicians throughout Maricopa County. The ACO will support enhanced clinical collaboration and care improvements for Medicare patients living in the county.

The two organizations intend to file their application with the federal Centers for Medicare & Medicaid Services prior to the September due date. ACOs are a cornerstone of health care reform and create a network of doctors, hospitals and other providers that share responsibility for delivering care to patients. These providers and their participating physicians agree to be accountable for the quality and cost of care for Medicare patients assigned to the ACO. Additionally, both organizations plan to jointly develop a clinically integrated network in the county.

"This partnership will launch a new era of integrated care for Arizonans," said Linda Hunt, president and CEO of Dignity Health Arizona. "We are excited to be building on the history of community service that each hospital system has provided to create an integrated physician network that will deliver more efficient care that truly focuses on individual patient needs."

Developing the accountable care enterprise will better position the two organizations, physicians and other partner organizations to respond to the expanded requirements and processes within the changing health care environment. Dignity Health Arizona and Abrazo also will be working together to increase the number of Arizona physicians affiliated with their combined ACO.

"The delivery of health care will continue to change and evolve over the next decade," said Jon Bartlett, Arizona area president, Abrazo Health Care. "We believe this physician alliance

with Dignity Health will best position us to provide exceptional coordinated care for our patients."

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In Medicare ACOs, physicians and hospitals continue to receive Medicare fee-for-service payments. If the ACO meets quality performance standards and reduces the costs of care for assigned Medicare patients, Medicare will share a percentage of the savings with the ACO, which can then be distributed to the ACO's physicians and hospitals. Based on the final federal ACO rules, most primary care physicians may only participate in one ACO. Most specialist physicians, however, may participate in more than one ACO.

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About Dignity Health

Dignity Health, headquartered in San Francisco, Calif., provides integrated patient and family centered care. It is the fifth largest health system in the country with 10,000 physicians and 55,000 employees across Arizona, California, and Nevada. Through its network of more than 150 ancillary care sites and 40 acute care hospitals, Dignity Health is committed to delivering compassionate, high-quality affordable health care services with special attention to the poor and underserved. In 2011, Dignity Health provided \$1.4 billion in charity care, community benefit and unreimbursed patient care. For more information please visit our website at www.dignityhealth.org.

About Dignity Health Arizona

Dignity Health Arizona is comprised of three acute care hospitals, Chandler Regional Medical Center, Mercy Gilbert Medical Center and St. Joseph's Hospital and Medical Center. It also includes the St. Joseph's Medical Group, three urgent care centers in the East Valley, a new hospital to be developed in the West Valley and co-ownership of Mercy Care Plan, which provides health care coverage for members enrolled in AHCCCS, the State's Medicaid program. St. Joseph's is home of a Creighton University School of Medicine campus. In addition, the organization has majority ownership in two specialty hospitals, the OASIS Hospital and the Arizona Orthopedic Surgical Hospital, a number of outpatient surgery centers, as well as Simon Med Imaging (25 free-standing imaging centers) and a medical relationship with Minute Clinic at 10 CVS retail stores.

About Vanguard Health Systems

Vanguard Health Systems owns and operates 28 acute care and specialty hospitals and complementary facilities and services in metropolitan Chicago, Illinois; metropolitan Phoenix, Arizona; metropolitan Detroit, Michigan; San Antonio, Texas; Harlingen and Brownsville, Texas; and Worcester and metropolitan Boston, Massachusetts. Vanguard Health Systems' strategy is to develop locally branded, comprehensive health care delivery networks in urban markets. For more information please visit our website at www.vanguardhealth.com.

About Abrazo Health Care

Abrazo Health Care is committed to providing excellent medical care to the residents of Maricopa County. The Abrazo system includes five acute care hospitals: Arrowhead Hospital, Maryvale Hospital, Paradise Valley Hospital, Phoenix Baptist Hospital and West Valley Hospital; and one specialized cardiovascular hospital, Arizona Heart Hospital; with a combined 1,027 licensed beds. In addition, the system consists of two health plans: Phoenix Health Plan and Abrazo Advantage, serving nine counties in the state; School-Based Health Centers; and Abrazo Medical Group with 119 employed physicians in 21 Valley locations. Visit www.abrazohealth.com for more information.