



For Immediate Release

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Fairview Health Services, UCare Plan to Merge Health Care Expertise

MINNEAPOLIS, April 5, 2016 – [Fairview Health Services](#) and [UCare](#) announced today that they have signed a Letter of Intent to combine their provider and payer expertise with a commitment to provide innovative, fully integrated health care for Minnesotans. The two organizations aim to finalize details of the transaction and secure regulatory approvals by mid-summer 2016.

Upon execution of an agreement, UCare will become a wholly-owned subsidiary of Fairview, and Jim Eppel will remain as UCare President and CEO.

UCare and PreferredOne, which came under Fairview's sole ownership in January, will form Fairview's health plan division. The two payers, which are the fourth and fifth largest in Minnesota, offer complementary portfolios of services: PreferredOne's expertise lies in third party administration and health insurance products for employers, while UCare's offerings are focused on individuals eligible for Medicare, Medical Assistance and MNsure plans. As Fairview's health plan division, PreferredOne and UCare will work together seamlessly to leverage their unique offerings and better serve the market.

"This proposed combination mirrors a growing national trend of payer/provider partnerships and has the potential to transform how health care is delivered and financed in Minnesota," said David Murphy, Fairview interim CEO. "Deploying the synergies and shared visions of these two trusted Minnesota health care organizations will enable us to pilot innovative ways to improve patient outcomes, simplify the health care experience and reduce the cost of care."

"I share in David's excitement about joining these two health care leaders," adds Jim Eppel, UCare President and CEO. "Combining forces with Fairview and its extensive, high-quality provider network will enable us to pave the way for a truly value-based and integrated system which better serves Minnesotans now and into the future."

Fairview and UCare share similar values, missions and commitment to member- and patient-centric, community-based care. They also have a history of successful partnerships, including their fast-growing *Fairview UCare Choices* products available through MNsure. The two organizations have also partnered on highly effective interventions to reduce hospital readmissions for *UCare for Seniors* members. Fairview is a longstanding member of UCare's provider network.

During the next few months of planning discussions, decisions will be formalized about the new operational model and relationship between Fairview, PreferredOne and UCare. While specific details are still to be determined, the two organizations have agreed that Fairview will continue to collaborate with other health plan administrators in the region and UCare will do the same with other health care providers and care systems. Overall workforce reductions are not anticipated as a result of the transaction.

About Fairview

Fairview Health Services (www.fairview.org), based in Minneapolis, is a nonprofit, integrated health system providing exceptional health care across the full spectrum of health care services. Fairview's broad continuum includes academic and community hospitals, primary and specialty care clinics, senior and long-term care facilities, retail and specialty pharmacies, pharmacy benefit management services, rehabilitation centers, counseling and home health care services, an integrated provider network, and health insurer PreferredOne.

In partnership with the University of Minnesota, Fairview's 22,000-plus employees and 2,500 employed and aligned providers embrace innovation and new thinking to drive a healthier future through healing, discovery and education.

About UCare

UCare (www.ucare.org) is an independent, not-for-profit health plan providing health care and administrative services to members throughout Minnesota. UCare partners with health care providers, counties and community organizations to create and deliver:

- National Committee for Quality Assurance (NCQA)-[accredited plans](#) for Minnesotans shopping on [MNsure](#).
- [Coverage for adults with disabilities](#).
- [Medicare plans](#) with an "Excellent" NCQA rating, and a [new partnership](#) with Essentia Health in northern Minnesota.

- [Programs for older Minnesotans with Medical Assistance](#) or with [both Medical Assistance and Medicare](#).
- Income-based [Medicaid](#) and [MinnesotaCare](#) coverage for Olmsted County residents.

UCare addresses health care disparities and care access issues through its [UCare Foundation](#) grants and a broad array of community initiatives. UCare has received Top Workplaces honors from the Star Tribune for six consecutive years since the rankings began in 2010.

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