

NEWS RELEASE

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BLUE CROSS BLUE SHIELD OF ARIZONA TO SERVE AHCCCS-ELIGIBLE ARIZONANS WITH PURCHASE OF STEWARD HEALTH CHOICE ARIZONA

BCBSAZ to expand its reach to meet the needs of more Arizonans

PHOENIX – Nov. 7, 2019 – Blue Cross Blue Shield of Arizona (BCBSAZ) plans to acquire Steward Health Choice Arizona from Steward Health Care System LLC, including the Arizona Health Care Cost Containment System (AHCCCS) Complete Care plan and the "Generations" Medicare health plan for dual-eligible special needs members. The acquisition will give BCBSAZ the capability to serve Arizonans who are eligible for Medicaid and those who are dual-eligible for both Medicare and Medicaid. It advances the organization's strategy of expanding access to quality healthcare in Arizona, addressing members' evolving healthcare needs, and better supporting Arizona's vulnerable populations.

The transaction is expected to close following regulatory approval. The Health Choice plans will remain fully operational, stand-alone plans, and the local leadership team will remain the same.

"As a local, non-profit plan, our job is to help Arizonans with their healthcare needs," said Pam Kehaly, President and CEO of BCBSAZ. "This investment brings us closer to Arizonans who need our support, and gives us more opportunity to inspire health, which is truly at the heart of what we do."

BCBSAZ and Steward Health Choice Arizona both share long term commitments to the state of Arizona, its residents and providers. Both companies have decades of experience serving a broad range of managed care programs, including commercial, employer based, and large government-sponsored programs in Arizona.

"Steward Health Choice Arizona shares our values, our commitment to members and Arizona, and our vision of bringing affordable, innovative healthcare solutions to the people of Arizona," Kehaly added. "This acquisition will allow BCBSAZ to work in partnership with the state of Arizona to support a population that is heavily burdened with health challenges."

With more than 17,000 healthcare professionals providing services to more than 200,000 AHCCCS members, Steward Health Choice Arizona has laid the groundwork for BCBSAZ to improve the quality of life for more individuals and families.

"Steward's guiding principle and proven model as a leading Accountable Care Organization is to provide an integrated approach to health and wellness for our

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patients," said Michael Callum, Executive Vice President of Steward Health Care. "By concentrating on our providers and our Accountable Care Organization we're enhancing our commitment to patients' well-being."

"BCBSAZ's acquisition of Steward Health Choice Arizona will give Arizonans of all ages access to a wider range of comprehensive programs and solutions, and further enhance both organizations' focus on affordable and high-quality healthcare services," said Rubén José King-Shaw Jr., President of Steward Health Care Network.

BCBSAZ and Steward Health Choice Arizona will work diligently in partnership with AHCCCS for a smooth transition for both employees and members so that members continue to receive healthcare benefits throughout the transition period.

About Blue Cross Blue Shield of Arizona

Blue Cross Blue Shield of Arizona (BCBSAZ) is committed to helping Arizonans get healthier faster and stay healthier longer. With a focus on connecting people with the care they need, BCBSAZ offers health insurance and related services to more than 1.5 million customers. BCBSAZ, a not-for-profit company, is an independent licensee of the Blue Cross Blue Shield Association. The company employs more than 1,800 people in its Phoenix, Chandler, Flagstaff, and Tucson offices. Through advanced clinical programs and community outreach, BCBSAZ is inspiring health. To learn more, visit <u>azblue.com</u>.

About Steward Health Care System LLC

Steward Health Care System LLC is the largest private, tax-paying physician-led health care network in the United States. Headquartered in Dallas, Texas, Steward operates 37 hospitals in the United States and the country of Malta that regularly receive top awards for quality and safety. The company employs approximately 42,000 health care professionals. The Steward network includes multiple urgent care centers and skilled nursing facilities, substantial behavioral health services, over 7,900 beds under management, and approximately 2.2 million full risk covered lives through the company's managed care and health insurance services.

The Steward Health Care Network includes 5,000 physicians across 800 communities who help to provide more than 12 million patient encounters per year. Steward Medical Group, the company's employed physician group, provides more than six million patient encounters per year. The Steward Hospital Group operates hospitals in Malta and nine states across the U.S., including Arizona, Arkansas, Florida, Louisiana, Massachusetts, Ohio, Pennsylvania, Texas, and Utah. To learn more, visit www.steward.org.

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