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Huntsville Hospital Health System and Sentara Health Plans Form First Not-For-Profit Regional Care Organization in Alabama

HUNTSVILLE, ALABAMA and NORFOLK, VIRGINIA---June 10, 2014- Huntsville Hospital Health System in Huntsville, Alabama and Sentara Health Plans, a subsidiary of Sentara Healthcare in Norfolk, Virginia, have announced the formation of a new company that will deliver health care services to Medicaid recipients in Alabama. The initial plan is to cover more than 120,000 Medicaid enrollees in 10 counties of Northern Alabama. The new entity will operate as a not-for-profit Regional Care Organization (RCO) and will be responsible for all aspects of care for Medicaid patients in the region. It is anticipated that the new organization, which could employee as many as 400 people between Virginia and Alabama, will be based in Madison County Alabama.

The Alabama Legislature approved the RCO delivery approach for Medicaid last summer. The legislation created five regions in Alabama and mandated that RCOs be operational by October 2016. Huntsville Hospital Health System along with various Medicaid providers in the region has agreed to partner with Sentara to provide these services for the state of Alabama. Sentara Health Plans has more than 19 years of experience in providing care to Medicaid enrollees in Virginia.

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David Spillers, CEO of Huntsville Hospital Health System, said, "Sentara meets all of our requirements for a partner. They are a not-for-profit organization; they have a long history of working well in the communities they serve and they have years of experience working with the Medicaid populations. We anticipate that we will have our organization operational by October 2015, a year ahead of the state requirement."

Michael M. Dudley, President of Sentara Health Plans and Senior Vice President of Sentara Healthcare, said, "We are honored to have been selected by Huntsville Hospital Health System to provide Medicaid managed care for the region. The combined strengths of our two organizations will enable Medicaid beneficiaries to have access to quality, affordable healthcare."

Both officials said that the details of their operational plan would be finalized in the coming months and is pending final approval from the State of Alabama.

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Huntsville Hospital Health System

Huntsville Hospital is a 941-bed hospital that was established in Huntsville, Alabama in 1895. A community-based, not-for-profit institution, Huntsville Hospital is the second largest hospital in Alabama and the fifth largest publicly owned hospital system in the nation. Huntsville Hospital employs 7,400 staff members and has a medical staff of more than 750 physicians. Huntsville Hospital serves as the major referral hospital and trauma center for patients throughout the Tennessee Valley and is a teaching facility for UAB's Family Practice and Internal Medicine Residency Programs. The hospital also operates Huntsville Hospital for Women & Children, one of only three pediatric hospitals in the state, and Madison Hospital. Affiliates of Huntsville Hospital include the Athens-Limestone Hospital, Helen Keller Hospital in Sheffield, Red Bay Hospital, Decatur Morgan Hospital, Lawrence Medical Center in Moulton, The Heart Center Inc. of Huntsville and a multi-specialty physician network. Huntsville Hospital also owns a 70-bed rehabilitation hospital managed by HealthSouth. Huntsville Hospital is governed by volunteers through the Health Care Authority of the City of Huntsville.

Sentara Healthcare and Sentara Health Plans

Sentara Healthcare celebrates a 125-year history of innovation, compassion and community benefit. Based in Norfolk, VA, Sentara is a diverse not-for-profit family of 12 hospitals, an award winning health plan (Sentara Health Plans doing business as Optima Health), an array of integrated services, and a team 27,000 strong on a mission to improve health every day. Sentara Health Plans provides health insurance coverage to more than 444,000 members. With 30 years of experience in the health insurance arena, Sentara Health Plans offers a suite of commercial products including consumer-directed, employee-owned and employer-sponsored

plans, individual health plans, employee assistance programs and plans serving Medicare and Medicaid enrollees. The Sentara Health Plans provider network features 20,000 providers including specialists, primary care physicians and hospitals. Sentara offers programs to support members with chronic illnesses, customized wellness programs, and integrated clinical and behavioral health services as well as pharmacy management – all to help Sentara members improve their health. Sentara's goal is to provide better health, to be easy to use and offer services that are a great value. To learn more about Sentara please visit Sentara Healthcare and Sentara Health Plans.

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