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**Penn State Health and Catholic Health Initiatives Complete Ownership Transfer
of St. Joseph Regional Health Network**

STATE COLLEGE, Pa. and ENGLEWOOD, Colo. (July 1, 2015) – Penn State Health and Catholic Health Initiatives (CHI) have completed the transfer of ownership of CHI's affiliate, St. Joseph Regional Health Network (St. Joseph) in Reading, Pa., to Penn State Health.

Formal discussions among the organizations began in 2014. The decision to transfer ownership of St. Joseph is a recognition that the health care industry is rapidly changing and moving to a new model – one in which organizations are expected to offer integrated systems of care for specific geographical populations. As a result, many smaller health systems are joining larger systems to expand their care within existing regions.

“Today health care must be as focused upon keeping people healthy as it is on helping them heal when they are sick or injured,” said Dr. A. Craig Hillemeier, dean of Penn State College of Medicine, CEO of Penn State Health, and the University's senior vice president for health affairs. “We also must provide the highest quality care in the most appropriate setting at the lowest possible cost. Adding St. Joseph to our Penn State Health family enhances our ability to provide increased access to specialty care for the people of the Berks region in a high-quality, low-cost setting. It also will allow us to engage the community in meaningful ways to enhance overall health and well-being.”

This acquisition builds on an existing five-year relationship and will enable Penn State Health and St. Joseph to more comprehensively coordinate the care of patients in the Berks region, enhance access to services, manage the cost of care and improve population health. It will provide increased and coordinated access to specialty care services and advanced therapies for patients, including clinical trials.

“This agreement moves us another important step closer to achieving the promise of the health care of the future,” said John R. Morahan, president and CEO of St. Joseph Regional Health Network. “In this new era of healthy communities, we will be well-positioned to address population health, which helps people stay healthy, focuses on management of chronic diseases and avoids costly medical care.”

As part of a clinical relationship established in 2010, Penn State Hershey Medical Group currently provides specialty care for a significant number of adult and pediatric patients from the Berks region, offering treatment for a range of conditions such as cancer, high-risk obstetrics issues and neurologic disorders. Penn State Hershey also opened a pediatric multi-specialty practice on St. Joseph’s Bern Township campus in 2011. In 2013, vascular surgery services were added to this clinical offering. St. Joseph is also a Penn State telemedicine partner, offering real time diagnosis and interventions for stroke patients through a two-way, audio-visual consultation with Penn State neurologists and neurosurgeons.

“CHI’s selection of Penn State Health to acquire St. Joseph was reached through a deliberative and thoughtful process,” said Peter Banko, CHI senior vice president and group executive officer. “Penn State Health will enhance and expand on the excellent care that St. Joseph has provided since its founding by the Sisters of St. Francis of Philadelphia and its sponsorship by CHI since 1996.”

Penn State Health is expected to retain substantially all St. Joseph employees in their current positions.

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About Penn State Health: Penn State Health is a not-for-profit entity created by Penn State in September 2014. Penn State Health was developed to enable the University to bring the Milton S. Hershey Medical Center and its various health care services, as well as the Penn State Hershey Health System and its associated entities, together with other health care facilities. Founded in 1963 through a gift from The Milton S. Hershey Foundation, the Medical Center is a leading university health center located in Hershey, Pa. The 551-bed Medical Center is a provider of high-level, patient-focused medical care. The Medical Center campus includes Penn State College of Medicine (the University’s medical school), Penn State Hershey Cancer Institute and Penn State Hershey Children’s Hospital—the region’s only children’s hospital. Penn State Hershey Health System includes the Pennsylvania Psychiatric Institute, Penn State Hershey Rehabilitation Hospital, and other specialty facilities.

About St. Joseph: St. Joseph Regional Health Network is a non-profit network consisting of St. Joseph Medical Center, St. Joseph Downtown Reading Campus, St. Joseph Medical Group and St. Joseph Physician Hospital Organization (PHO). The network provides a full-range of outpatient and inpatient diagnostic, medical and surgical services in its 380,000 sq. ft., 204-bed state-of-the-art hospital and health campus in Bern Township. Routinely ranked among the Top 50 Heart Hospitals in the country in quality metrics, St. Joseph also is nationally certified as a Center of Excellence in Chest Pain, Stroke and Heart Failure. Nursing care at St. Joseph also has earned the distinction as a “Pathways to Excellence” accredited facility. St. Joseph has 16 Ambulatory Care Centers stretching from Elverson in Chester County through Berks County to the Schuylkill County border. St. Joseph’s Downtown Reading Campus anchors the ambulatory network and is the largest primary care provider in the City of Reading. St. Joseph Medical Group is a growing network of 100 physicians and mid-level providers including specialists in internal medicine, family medicine, hospitalists, orthopedics and sports medicine, gynecology and obstetrics, neurology, neurosurgery, general surgery, women’s services and vascular surgery.

About CHI: Catholic Health Initiatives, a nonprofit, faith-based health system formed in 1996 through the consolidation of four Catholic health systems, expresses its mission each day by creating and nurturing healthy communities in the hundreds of sites across the nation where it provides care. One of the nation’s largest health systems, Englewood, Colo.-based CHI operates in 19 states and comprises 105 hospitals, including four academic health centers and major teaching hospitals and 30 critical-access facilities; community health-services organizations; accredited nursing colleges; home-health agencies; and other facilities that span the inpatient and outpatient continuum of care. In fiscal year 2014, CHI provided \$910 million in charity care and community benefit – a nearly 20% increase over the previous year – for programs and services for the poor, free clinics, education and research.