

Near-Term and Long-Range Strategies to Improve Quality

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Hospital Authority Convention 2008
May 5, 2008



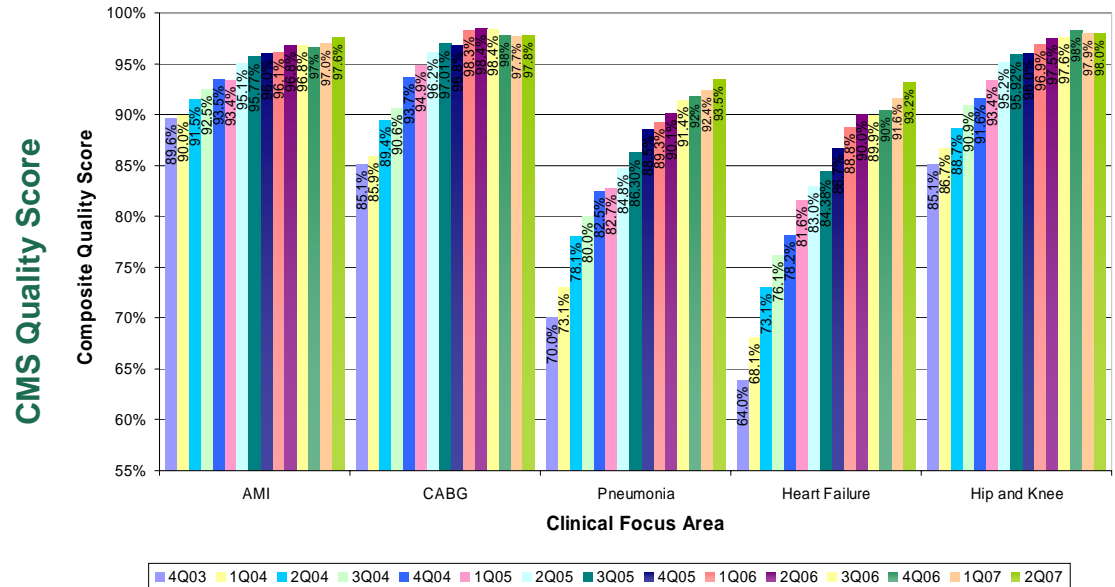
Dramatic and Sustained Improvement

Avg. improvement
across all clinical areas
for median CQS (15
quarters)
17.3%

Clinical Area	Percent Improvement
AMI (heart attack)	8.0%
CABG (Coronary Bypass)	12.7%
Pneumonia	23.5%
Heart Failure	29.3%
Hip & Knee	12.9%

CMS HQID Composite Quality Score

CMS/Premier HQID Project Participants Composite Quality Score:
Trend of Quarterly Median (5th Decile) by Clinical Focus Area
October 1, 2003 - June 30, 2007 (Year 1 and 2 Final Data; Year 3 and 4 Preliminary Data)

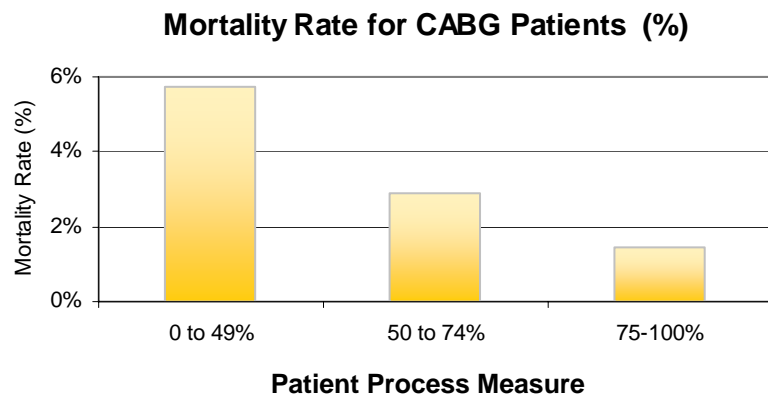


Premier Performance Pays Research

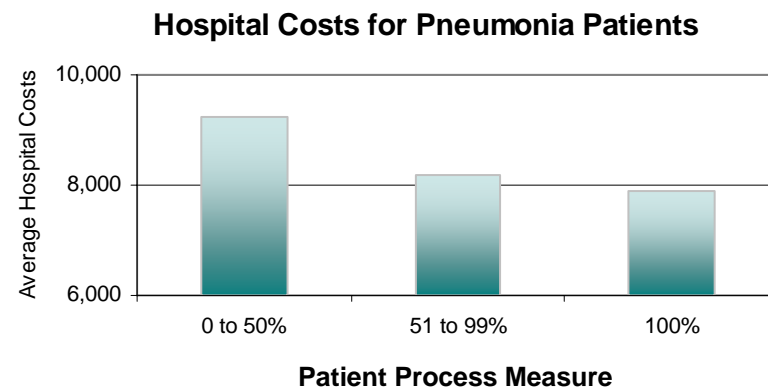
Premier's Performance Pays study demonstrated that when evidence-based care is reliably delivered, quality is higher and costs are lower.

The recently updated study using all payors and three years of data (over 1.1 million patients), confirms this result.

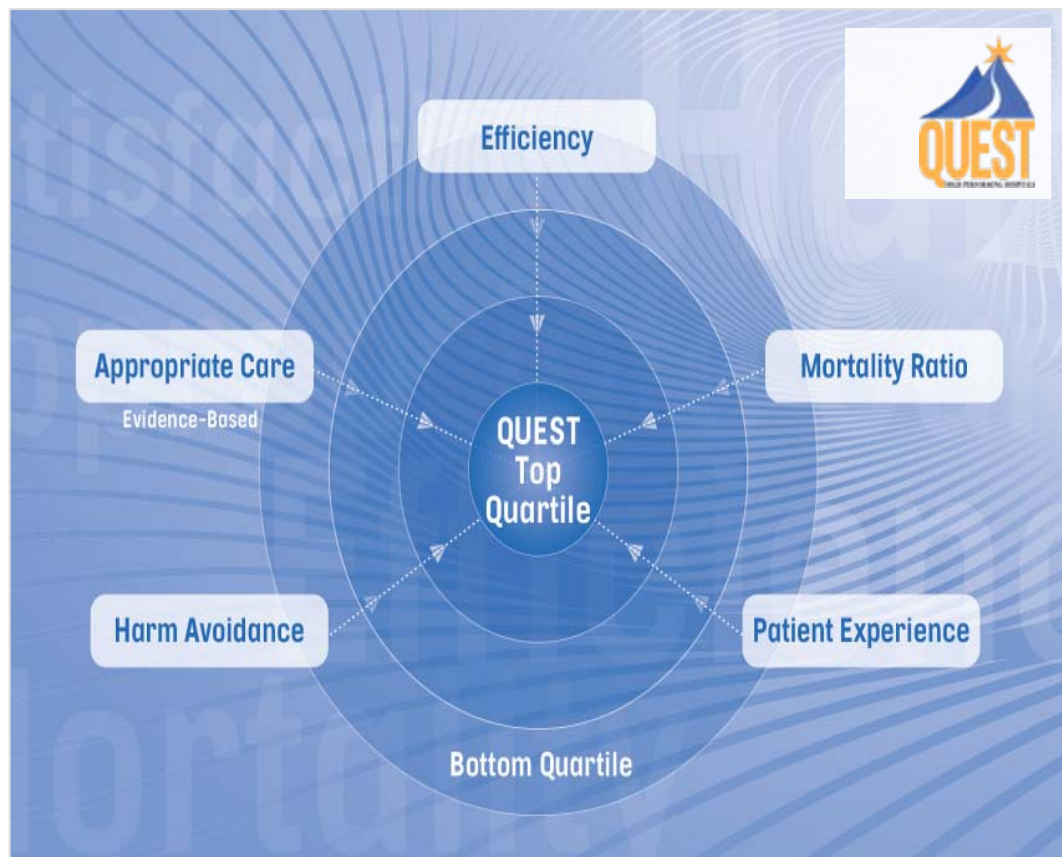
Study finds higher reliable care yields lower mortality rates for heart bypass surgery patients



Study finds higher reliable care yields lower hospital costs for patients with pneumonia



Success is generating next generation programs



Hospital Examples of HQID Success

Aurora: HQID Bingo Card (before)






Achieve progress towards the 2007 goal of being in the top 20% for all Medicare (CMS) pay-for-performance measures by achieving above median performance for each one of these measures by year-end 2005.

	AMI	CHF	PNEUMONIA	HIP-KNEE	CABG
SLMC	5	4	3	6	3
SLSS	N/A	N/A	N/A	N/A	N/A
ASMC	6	6	3	8	6
WAMH	10	5	2	2	N/A
AMCWC	N/A	5	4	3	N/A
MHB	5	5	1	6	N/A
AMC-KEN	7	4	2	9	N/A
ALMC	10	8	2	10	N/A
ABMC	5	8	4	9	9
AMCMC	3	2	1	2	N/A
SMMC	6	2	1	1	N/A

*Decile Performance -- 1 = Top Performer 10 = Bottom Performer
Based on HQID Year 1 Results (4th Q 2003 – 3rd Q 2004 Data)*

Aurora: HQID Bingo Card (after)

Achieve progress towards the 2007 goal of being in the top 20% for all Medicare (CMS) pay-for-performance measures by achieving above median performance for each one of these measures.

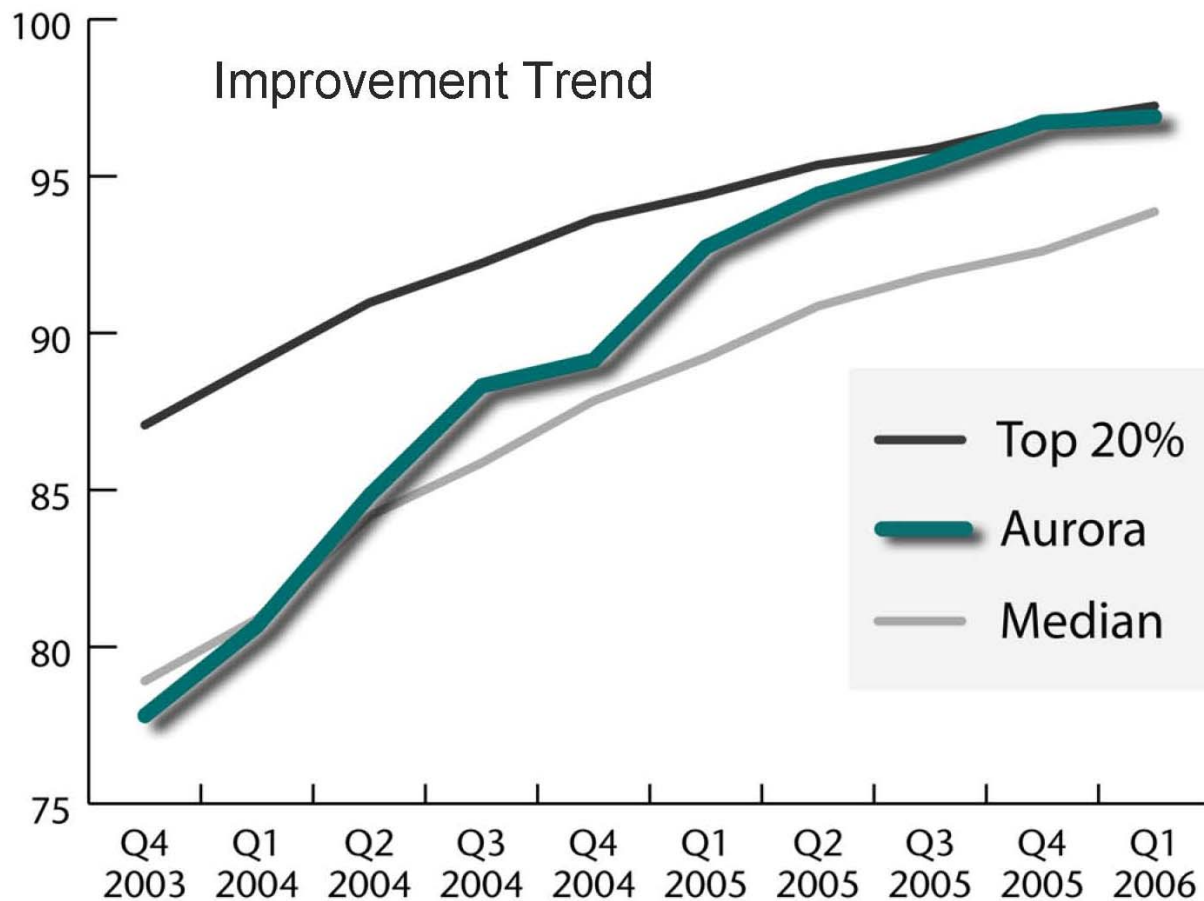
	AMI	CABG	PNEUMONIA (CAP)	HEART FAILURE	HIP-KNEE
ASLMC	2	2	2	3	2
ASMC	2	3	1	2 	2 
WAMH	1 *	N/A	2	3 	2
AMCWC	VOLUME	N/A	1	3	1
MHB	2	N/A	1	3	1 
AMC-KEN	VOLUME	N/A	1	1	1
ALMC	VOLUME	N/A	1	2 	3
ABMC	1	1	1	1	1
AMCMC	1	N/A	1	1	1
ASMMC	1	N/A	1	1	1

* On track for Top Improvement Award

85% in Upper Median
58% in Top 20%
Based on Oct. 2006 –
June 2007 Data

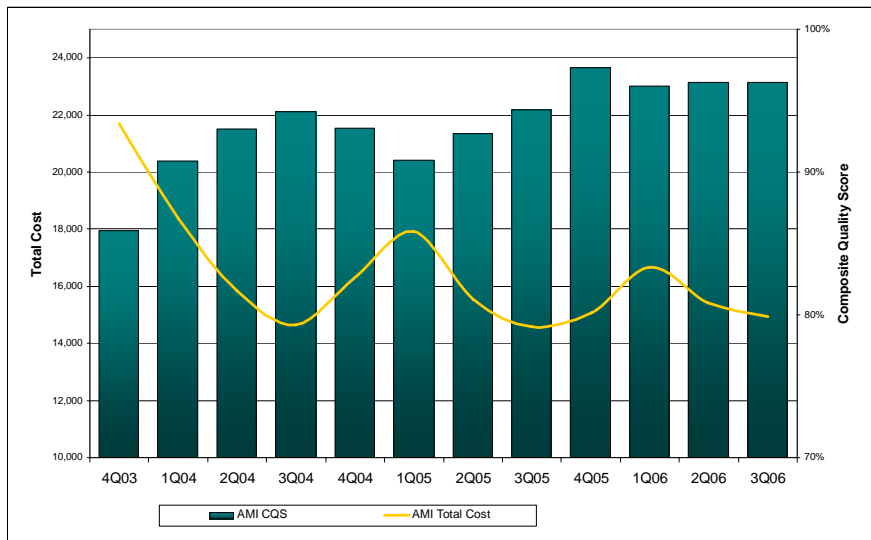
Performance
1 = Top Performer
10 = Bottom Performer

CMS/Premier HQID Best Patient Care

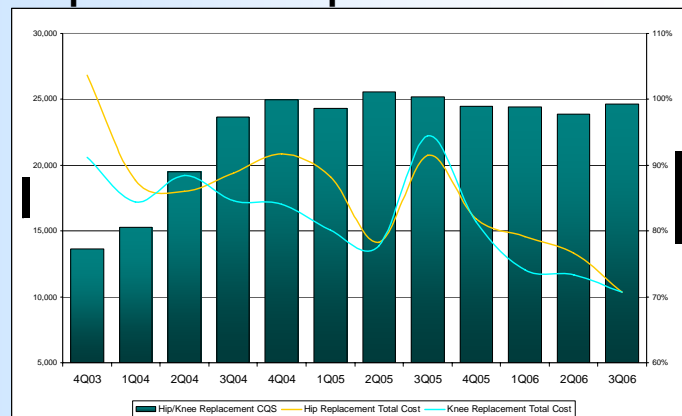


Aurora Health System: Improving Cost and Quality

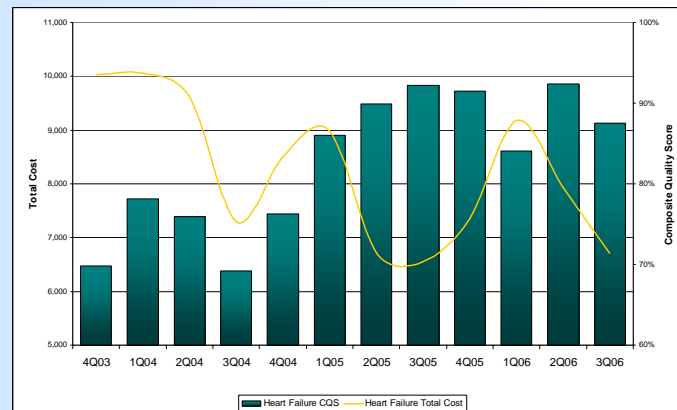
Aurora St Luke's Medical Center Quality improved and Cost decreased in AMI Patients



Memorial Hospital Burlington Hip and Knee Replacement Patients












West Allis Memorial Hospital Heart Failure Patients





Transition from Bottom to Top Performance

United Hospital Center Clarksburg, WV

Quality Composite Score Card					
Measure	Baseline	Year 1	Year 2	Year 3	Year 4*
AMI (Heart Attack)	8	7	2 	1 	
CHF (Heart Failure)	9	6	4	1 	
Pneumonia	10	10	7	3	
Hip/Knee	6	6	2 	1 	

 Year 2 Bonus Received - \$43,716  Year 3 Bonus Projected - \$143,496

*Key

 = On track for payment  = Not on track for payment or risk for penalty

CONSISTENT TOP PERFORMER

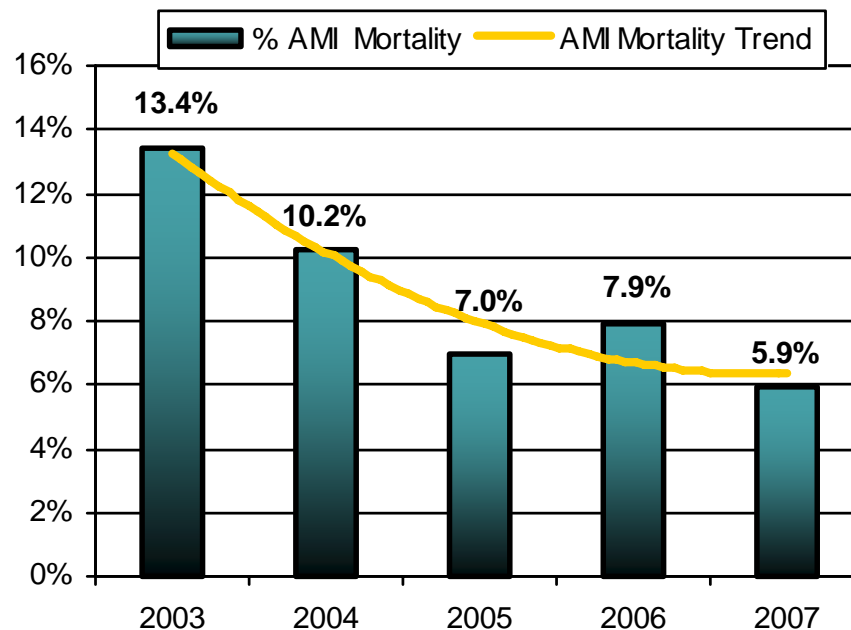
- Top performer in two areas in Year 2
- Top performer in three areas in Year 3
- Tracking to be top performer in four areas in Year 4

Highlight of Success Stories

Acute Myocardial Infarction (AMI)

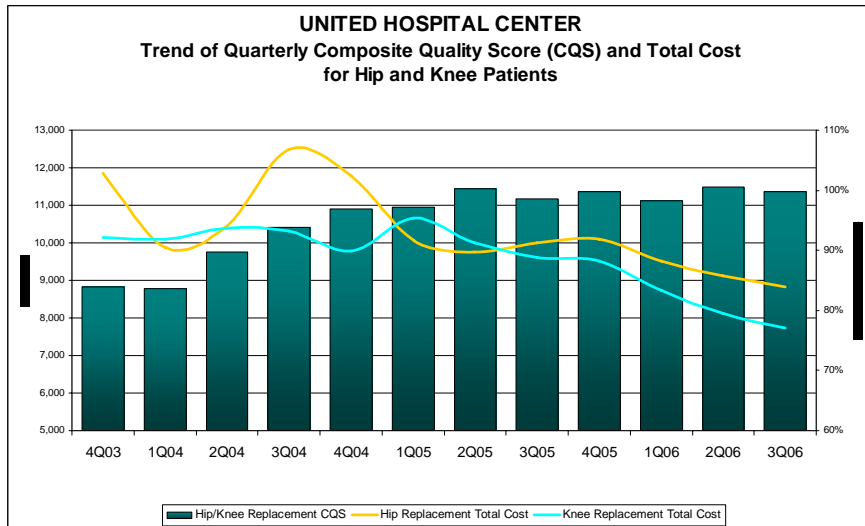
- Sustained 100% performance for the HQID measures
- Improved D2B times* (2007 average = 62 minutes)
 - Moved from 71% compliance with PCI within 120 minutes... to 100% compliance within 90 minutes
- Mortality reduction by nearly 55%

* UHC is Part of a WV State PCI Demonstration Project

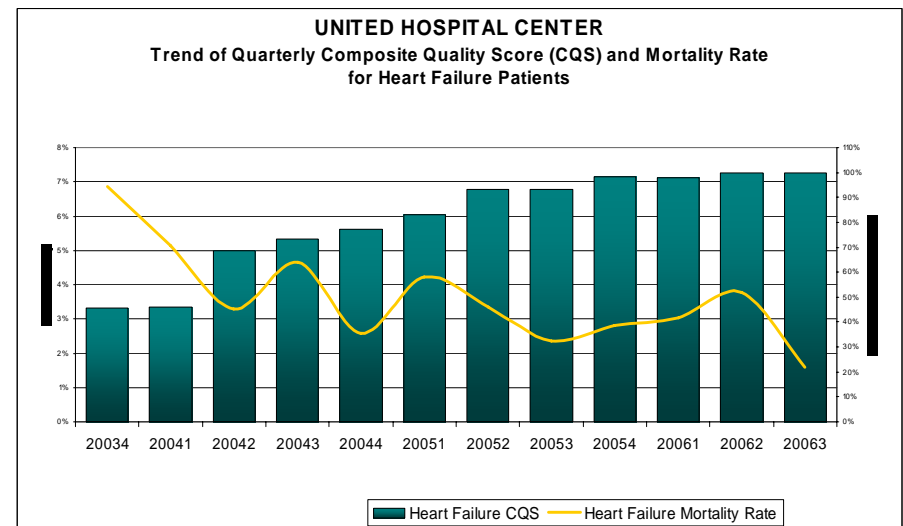


Improvements in Quality and Outcomes

Quality improved and Cost decreased in Hip and Knee Replacement Patients



Quality improved and Mortality Rate decreased in Heart Failure Patients



Improvement and Savings

Avg. cost improvement per patient across all clinical areas

\$1,063

Clinical Area	Improvement
AMI	\$1,599
CABG	\$1,579
Pneumonia	\$811
Heart Failure	\$1,181
Hip Replacement	\$744
Knee Replacement	\$463

Avg. improvement in mortality across four clinical areas

1.87%

Clinical Area	Improvement
AMI	2.27%
CABG	0.95%
Pneumonia	2.39%
Heart Failure	1.86%

If all hospitals in the nation were to achieve this improvement, the estimated cost savings would be greater than \$4.5 billion annually with estimated 70,000 lives saved per year

A look at the future of healthcare delivery

	Desired Results	Culture	Process Improvement/ Automation	Payment System	
Micro Systems					Long-Term Progression of Vision
Business Unit					
Systems Of Care					
Population/ Community Health					

Improving care means predicting and then preventing adverse events



Thank you

Questions? Comments?

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