

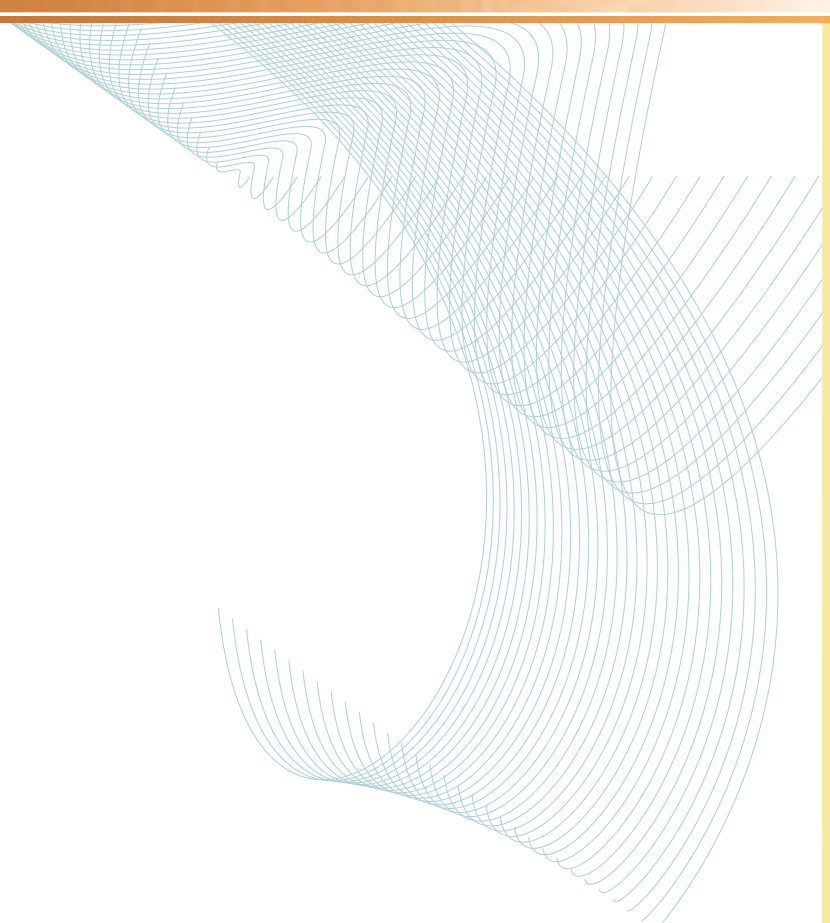


PREMIER

Transforming
Healthcare
Together®

CONTINUUM OF CARE™

Helping healthcare organizations accelerate
clinical and financial performance



“ *In my 20 years as a purchasing professional I never thought an outside organization would have the insight to help and in many cases improve my supplier relations. The Premier, U.S. HealthWorks relationship has been and continues to be one of mutual benefit. I look forward to our relationship continuing for years to come.* **”**

Purchasing Director
U.S. HealthWorks Medical Group



▶ **HERE IS YOUR MISSION:** Maintain a profit margin that will allow your healthcare organization to entice a shrinking labor market, update technologies, and fund expansion projects to meet the needs of an aging population.

How healthy are your finances and where will you find the funds to prevail?

Cutting expenses without cutting quality care is a struggle.
Managing your supply chain efficiency is the answer.

At a time when healthcare faces dramatic challenges on many fronts, the supply chain offers opportunities to save money, improve safety and the environment, and support clinical processes. Premier Continuum of Care can help make your supply chain process drive quality and financial performance throughout your organization. With an industry-leading Code of Conduct and a track record of innovation, Premier is the strong, stable, experienced partner you need to help tap the full potential of your supply chain.

Why select Premier Continuum of Care as your supply chain partner?

Premier is more than a group purchasing organization. Premier is an industry thought leader that combines systems and services to answer the needs of an ever-shifting healthcare landscape. By having our fingers on the pulse of the industry and the market segments we serve, Premier provides unparalleled:

VALUE on a comprehensive market basket of supplies;

FLEXIBILITY providing the choice of products and suppliers that you need;

TECHNOLOGY AND TOOLS for supply chain automation and analytics;

SUPPORT AND NETWORKING from an experienced field-based team and industry experts; and

BUSINESS PRACTICES including the top Code of Conduct in the industry and leading safety, environmental and diversity programs that help you fulfill your social responsibility goals.



▶ VALUE AND FLEXIBILITY

“ We have been on a several-year journey at Norton Healthcare to eliminate latex products. With Premier’s latex-free catalog, our clinicians are better able to identify latex-free products to address safety concerns for latex-allergic patients and staff. ”

Claire Rupert RN
Division Director
Value Analysis at Norton Healthcare in Louisville, KY

Premier has more than 1,400 contracts for the supplies you need with suppliers from small business models to market share holders. Our unique strategic sourcing process produces contracts that are tailored to our members’ needs and reduces cost. Innovative contracting strategies that combine clinical best practices with thorough analysis help reduce the cost of physician preference products while preserving choice. Premier brings together clinicians and specialists who focus on answering the unique needs and concerns of the following areas.

CLINICAL LABORATORY SERVICES

Premier’s contracts offer a comprehensive portfolio of market-leading companies, providing access to new technologies for equipment, supplies and services for clinical laboratory. Contracts include Analyzers, Reagents, Consumables, Supplies and Service; Reference Lab; Blood Collection; Safety Phlebotomy; Laboratory Distribution.

FACILITIES AND CONSTRUCTION

Designed to substantially reduce costs related to the procurement of equipment, supplies and services used for facilities operations and construction, Premier’s portfolio of

contracts offers outstanding value. Contracts include Construction Services, Energy Efficiency Services, Fire/Life Safety Systems, Flooring and Floor Care, Furniture, HVAC Equipment and Controls, Medical Waste Services, UPS Systems, Water Treatment, and more.

FOODSERVICE

The Premier Foodservice program takes a comprehensive approach to delivering value, combining sole-source distribution through U.S. Foodservice™, aggressive contracts with foodservice manufacturers, industry-leading value-added services and educational opportunities. Contracts include full line of processed, prepared, refrigerated and frozen foods and mixes; full line of beverages and related equipment and services; medical nutrition products and equipment; disposable products; glassware, china and high heat ware; warewashing chemicals; and national foodservice equipment repair.

HR/ADMINISTRATIVE RESOURCES

Premier offers a comprehensive portfolio of contracts to substantially reduce costs related to the procurement of equipment, supplies and services used within facilities today.

Access unparalleled competitive contracts and customized resources through simple participation agreements, environmental and facilities expertise, enhanced focus on underused programs, improved distribution channels and improved diversity offerings. Contracts include Executive Recruitment, Forms, Housekeeping, Inbound/Outbound Freight, Laundry Products and Services, Office Supplies, Outplacement Services, Physician Temporary Staffing, Relocation Services and more.

IMAGING

Premier's imaging portfolio provides access to new technologies for equipment, supplies and services used in medical imaging today. Access our competitive contracts and customized resources through clinical radiology and nuclear medicine expertise, analysis and comparisons for capital equipment and strategic sourcing for imaging modality equipment. Contracts include Cardiac Catheterization, Ultrasound, Mammography, CT, MRI, Radiopharmaceuticals, Contrast Media and more.

INFORMATION TECHNOLOGY SERVICES

Premier's Continuum of Care members have access to our comprehensive portfolio of IT products and services. Contracts include Cellular Voice and Data Services; Clinician Handheld Resources; Electrical Components and Accessories; Maintenance, Repair and Operations; Nurse Call Systems; Office Supplies; PC Hardware and Software Resellers; PC Manufacturers; Printers, Copiers, Machines and Facilities Management; Telecommunications Equipment Distributors and Manufacturers; Television Systems; and Transcription Services.

PHARMACY

Premier's Pharmacy program provides contracting and knowledge transfer services that support and assist members in maximizing the therapeutic and economic value of pharmaceuticals and medication use systems. The Pharmacy program's mission is to help members provide responsible, cost-effective therapy that improves a patient's quality of life. The goal of Premier's Pharmacy program is to provide the most complete and price-competitive contract portfolio by aggregating pharmacy purchasing for Premier members.

PREMIER INSURANCE MANAGEMENT SERVICES, INC. (PIMS)

With the professional and general liability insurance program designed exclusively for Premier Continuum of Care members and physicians, you have exceptional protection of your

organization, employees and finances. Our program provides superior coverage from leading insurance carriers who understand the unique needs of medical practices and professionals. PIMS also offers an all-in-one customized insurance protection, our Integrated Package Policy, which provides special business protection with excellent pricing and enhanced coverage limits for qualifying Continuum of Care healthcare facilities.

SURGICAL SERVICES

Premier's portfolio for surgical services balances cost and quality, including contracts for Medical/Surgical, Medical Supplies (custom procedure trays, sutures, gloves, packs and drapes, implants, IVs), Pharmacy, Imaging, Lab, Capital Equipment and Reprocessed Disposables.

WOMEN AND CHILDREN'S HEALTH

Premier's Women and Children's contracting committee focuses on patient safety, device and product safety, federal legislation and activity, product identification, medication safety and Perinatal safety. Premier offers a comprehensive catalog of pediatric products, which can be found in Supply Chain Advisor, under "Specialty Catalogs." In addition, Premier maintains a Pediatrics Web site, which can be found on premierinc.com under the Safety Institute.

Additional offerings:

- ▶ **Group buys** – Time-limited opportunities for members to purchase capital equipment and other products at a reduced price with enhanced services.
- ▶ **Employee discount contracts** – Year-round negotiated reductions of list and limited time promotions on items such as car rental, computers, and cellular phone products and services.
- ▶ Premier's latex-free catalog identifies latex-free products for workers and patients with latex-allergies. Downloadable version available at premierinc.com/safety.
- ▶ **Sustainability** – Contract terms allow members to manage operating costs and improve financial performance.



▶ TECHNOLOGY AND TOOLS

“SpendAdvisor has saved me a ton of time. I am cutting down to a fraction of the time it used to take on projects. It used to take me about 20 hours to produce information that I now get out of SpendAdvisor in less than 10 minutes. Every week I take about three different categories and dive in to see what our spend is. I've started at the top where the most spend is and I'm working my way down.”

Wendell Osborne
Supply Chain Director
Alamance Regional Medical Center in Burlington, NC

Looking for supply chain savings? Look no further. Look to Premier analytics. Premier's sophisticated, yet user-friendly, technology will accelerate your financial performance.

Supply Chain Advisor® – Assess your supply chain spending in real time, capture immediate savings and improve processes for sustained results. Our integrated solution allows you to analyze all of your purchases and manage your contracts online with access to expert support along the way.

- ▶ Manage contracts
- ▶ Research items
- ▶ Activate pricing online
- ▶ Download contract pricing
- ▶ Examine pharmacy spend
- ▶ Compare on and off contract spend for more effective purchasing choices
- ▶ Evaluate all purchases and compare them to contracted options

CORE suite of reports – Identify areas of opportunity and improvement on contract utilization

SupplyFocus® – View comparative peer information and performance improvement benchmarking

SpendAdvisor® – Pinpoint where specific supply expenses may be decreased with SpendAdvisor. SpendAdvisor uses your organization's purchase order data, both on and off contract with Premier, and supplements it with data collected from other participating members, suppliers and pharmacy wholesalers, identifying actionable opportunities for savings. This fully automated interactive tool was designed explicitly to address the healthcare supply chain. A robust, easy-to-use online tool, SpendAdvisor highlights savings opportunities using dashboards and drill-down capabilities to customize reports that include functional equivalents and multiple levels of benchmarks.

SpendAdvisor users may benefit from:

PremierSpend™ – Support contract level data analysis including aggregations by line of business and supplier

PharmacySpend™ – Free to pharmacy members

MySpend™ – Fee based upon number of lines of data cleansed

- ▶ Validate that you are receiving correct pricing
- ▶ View in-depth information about your supply spending
- ▶ Identify savings opportunities by comparing your prices to national benchmarks



SUPPORT AND KNOWLEDGE-SHARING

For healthcare organizations today, superior performance is imperative. In addition to a host of innovative supply chain management tools and solutions, Premier's experienced staff works in close collaboration with members and industry experts to continually develop and communicate solutions that drive savings and quality care.

The Premier Safety Institute® is a leading source of information and advocacy on healthcare safety, providing resources, analysis and leadership to all of healthcare *without cost or commitment*. Visit premierinc.com/safety to access risk reduction and safety best practices on a variety of topics.

The Premier Performance Improvement Portal™ – Provides virtual networking and collaboration (licensing fee), including a forum for discussing healthcare issues and best practices across disciplines. Access Premier's library of clinical, operational and financial best practice tools, templates and methodologies gleaned from the nation's top performing healthcare organizations.

Educational forums – Education and managing new technology are major factors contributing to successful outcomes and service line management. Premier's education forums offer information on new technologies and trends, reimbursement changes and service line efficiencies.

Webcasts – Premier's educational webcasts draw speakers and audiences from across the healthcare spectrum.

Premier Annual Breakthroughs Conference and Exhibition – Premier's annual member conference has informational tracks designed to meet the specific needs of the Continuum of Care market segments.

Publications:

- ▶ **The Connector** – A journal of purchasing news is your portal to information on how to save money and improve quality. It consists of a weekly e-newsletter and corresponding Web site (micro-site).
- ▶ **GreenLink™** is a free, electronic newsletter distributed by the Premier Safety Institute to bring you the latest news, resources and cost-saving success stories in green purchasing and healthcare practices.



▶ CONTINUUM OF CARE MARKET SEGMENTS

AMBULATORY CARE

- ▶ Community care centers
- ▶ Behavioral health (outpatient)
- ▶ Dialysis center
- ▶ Oncology center
- ▶ Prison/correctional health
- ▶ Public health department
- ▶ Student/employee health services
- ▶ Substance abuse treatment center
- ▶ Wellness facility
- ▶ EMT/First Responder
- ▶ Urgent Care

AMBULATORY SURGERY CENTER

- ▶ Ophthalmology
- ▶ Gastrointestinal
- ▶ Orthopedic
- ▶ General
- ▶ Plastic and reconstructive
- ▶ Pain management
- ▶ Heart cath labs
- ▶ Multi-specialty facilities

DIAGNOSTIC IMAGING CENTERS

- ▶ Imaging centers
- ▶ Radiology centers
- ▶ Mammography centers
- ▶ Nuclear medicine
- ▶ Ultrasound
- ▶ MRI/CT/PET-CT centers

HOME CARE

- ▶ Home health
- ▶ Home infusion
- ▶ Hospice (outpatient)
- ▶ Meals on Wheels

LABORATORY

- ▶ Freestanding laboratory/pathology center

LONG TERM CARE

- ▶ Adult day care
- ▶ Assisted living
- ▶ Behavior health (inpatient)
- ▶ Continuing Care Retirement Communities (CCRC)
- ▶ Hospice (inpatient)
- ▶ Independent living
- ▶ Rehabilitation center
- ▶ Skilled nursing facility

PHYSICIAN PRACTICE/MEDICAL GROUP*

- ▶ Primary care
- ▶ Specialty care

**ProviderSelect: MD® program available for independent physician practices/medical groups.*



▶ PROVIDER SELECT®: MD

Premier's Provider Select: *MD* program is the nation's largest physician group purchasing program and is dedicated to providing measurable savings and unprecedented opportunities to control supply chain and operating expenses in physician practices.

Provider Select: *MD* members are granted access to the Premier contract portfolio. The majority of our contract portfolio allows physician office members access to the same pricing granted to hospitals. Exact pricing is based on member volume and purchasing behavior. Key contract categories include:

- ▶ Medical
- ▶ Lab
- ▶ Surgical
- ▶ Capital Equipment
- ▶ Pharmaceutical
- ▶ Facilities/construction
- ▶ Imaging
- ▶ Custom forms, printing and promotional
- ▶ General office and computer supplies
- ▶ Office and exam room furniture

MEDICAL MALPRACTICE INSURANCE FOR HIGH RISK AND SPECIALTY PHYSICIANS

Finding professional liability coverage for distressed, high risk, and hard-to-place professionals can be difficult. Protecting your income, savings and professional reputation from litigation is imperative. We can help you obtain medical malpractice coverage for doctors that fall outside standard underwriting guidelines in the standard commercial insurance market. Premier Insurance Management Services, Inc. sponsors an insurance plan designed specifically with you mind.

»» **For more information about Provider Select: *MD*, or if you are interested in becoming a member, please contact the Premier Customer Solution Center at 877.777.1552 or solutioncenter@premierinc.com.**



BUSINESS PRACTICES

IMPROVING ETHICAL PRACTICES

Premier's Code of Conduct is the most stringent in the business. Premier led a voluntary association of healthcare group purchasing organizations dedicated to encouraging and sustaining best ethical and business conduct practices in the GPO industry. In 2007 Premier was a Charlotte Ethics in Business award winner, an honor bestowed by the Society of Financial Services Professionals.

TRANSFORMING COMMUNITIES

Premier is dedicated to helping its members serve their communities. It's not just a program or a donation or a press release. It's the way we do business every day. By providing a broad array of programs focused on social responsibility, members gain access to programs that support their community's social responsibility goals. See our co-sponsored Leading Healthy Communities Web site at leadinghealthycommunities.com.

HEALTHCARE SAFETY

Working together, we have standardized product terminology in online catalogs. Members now have a standard classification system that makes it easier to search for products that won't cause allergic reactions or those that are potentially toxic.

SUPPLIER DIVERSITY

Premier's Supplier Diversity initiative is a process built in to every contracting decision. Supplier diversity helps minority, women, veteran and small businesses compete in the healthcare market. It also supports our members' efforts to encourage

supplier diversity and strengthens the availability of quality products. Twenty-eight percent of Premier's contract portfolio in 2008 was comprised of diversity suppliers, resulting in more than \$500M spent on products supplied by diversity companies.

ENVIRONMENTALLY PREFERABLE PURCHASING™

Environmentally preferable purchasing efforts reduce or eliminate products deemed harmful to the environment. Premier also assists members in identifying environmentally preferable products under contract to meet national or federal requirements. Premier's Green Corner Web site houses more than 40 stories on cost-effective, green and sustainable initiatives.

PAY-FOR-PERFORMANCE PROJECT

The Centers for Medicare & Medicaid Services (CMS)/Premier Inc. Hospital Quality Incentive Demonstration (HQID) pay-for-performance project is the first national pay-for-performance project of its kind, designed to determine if financial incentives are effective at improving the quality of inpatient hospital care.

Premier Inc. wins Malcolm Baldrige National Quality Award, nation's top honor for performance excellence

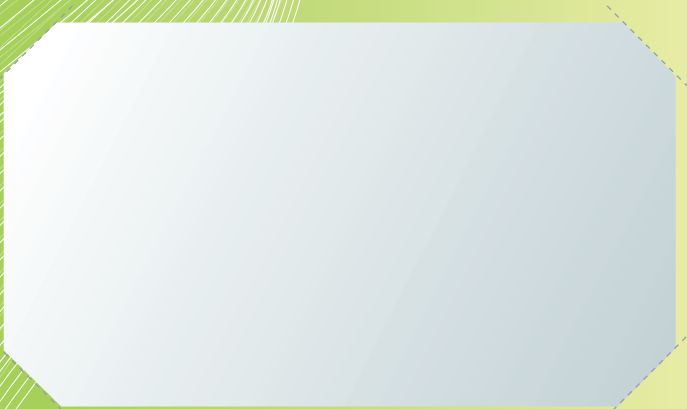
“...I applaud the three 2006 recipients of the prestigious Baldrige Award. With their innovative practices, commitment to excellence and outstanding results, these organizations are among America's best and are role models for any organization striving for world-class performance. The Baldrige Award has grown in stature and is respected and emulated around the world.”

United States Commerce Secretary Carlos Gutierrez



**Malcolm Baldrige National
Quality Award 2006 recipient**

Throughout the world, the Baldrige criteria are acknowledged as the standard for performance excellence. Organizations striving for excellence measure their efforts in seven areas: leadership; strategic planning; customer and market focus; measurement, analysis and knowledge management; human resources; process management; and results. Baldrige winners demonstrate increased market share, greater customer satisfaction, improved employee relations and enhanced operating performance.





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