



NEWS RELEASE

Premier Inc. Launches Physician Enterprise Collaborative

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Initial areas of focus include aligning physicians, optimizing finances and collaborating with affiliated medical groups

CHARLOTTE, N.C.--(BUSINESS WIRE)-- Premier Inc. (NASDAQ: PINC), a leading healthcare improvement company, is launching a new performance improvement collaborative to help health systems navigate the integration and alignment of employed and affiliated medical groups while optimizing overall practice performance.

Leveraging Premier's® proven collaborative methodology, supported through advisory expertise and unparalleled business intelligence, the **Physician Enterprise Collaborative** seeks to help medical groups identify margin improvements equivalent to 5 to 7 percent of professional net patient revenue (cash collections of billing activity).

As they manage cost and quality imperatives, health systems are employing or becoming affiliated with greater numbers of physicians. However, health systems often find the transition difficult, as integration with physicians requires training, cultural adoption of new management structures and pacing to ensure clinicians do not feel burned out by the transition. All of these investments add up and can often result in losses for the health system.

Recent figures from the American Medical Group Association suggest integrated health systems saw their median loss per physician increase from \$211,000 in 2016 to \$243,000 in 2017 and **studies have shown that more than 54 percent of physicians experience at least one sign of burnout.**

"With the transition to value-based care, physician organizations are focusing more on network strategy, and therefore, the size of the medical group is increasing as we see more practice and system acquisitions occurring," said Chris Smedley, vice president of physician enterprise solutions at Premier. "The current challenges are being

compounded by this growth as medical group leaders must address new market competitors, evolving organizational and governance models, quality and pay-for-performance measures, compensation plan redesign, increasing complexities in the regulatory environment, declining reimbursement, limited resources and new operational challenges as we begin to change the way that we deliver care in a value-based payment environment.”

Designed by more than 20 health systems, Premier’s Physician Enterprise Collaborative will bring health system and clinical leaders together to challenge perceptions and practices related to medical group performance. Leveraging the power of peer-to-peer learning, data-enabled decision making and innovation, participants will develop, pilot and evaluate new cost, quality and service-related improvement solutions. Cohorts within the Collaborative will address the unique needs of academic, community and large national systems. Premier collaboratives have consistently performed substantially better than matched cohorts of other organizations.

“Our differentiation is not just our proven collaborative methodology, it is also our business intelligence platform that will enable data-driven decision making. Since most clinical and administrative leaders utilize our software to manage their day-to-day operations, it is far more accurate than surveyed data when conducting benchmarking and comparative analyses,” said Smedley. “Our physician practice performance management solution is built on timely scheduling, billing, payroll and general ledger data, making it one of the industry’s most reliable data sets for practice management.”

Officially beginning in June 2018, **Premier’s Physician Enterprise Collaborative** builds on the legacy of its proven methodology for performance improvement, enabling providers to learn from top performers, share data and outcomes, and accelerate and sustain quality, efficiency, cost and safety innovations across their organizations. Premier operates more than 10 performance improvement collaboratives, ranging from bundled payments to quality improvement.

About Premier Inc.

Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of approximately 3,900 U.S. hospitals and health systems and approximately 150,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier, a Malcolm Baldrige National Quality Award recipient, plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Please visit Premier’s news and investor sites on www.premierinc.com.

Forward-looking statements of Premier Inc.

Matters discussed in this release that are not statements of historical or current facts, as discussed herein, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Premier to be materially different from historical results or from any future results or projections expressed or implied by such forward-looking statements. Accordingly, readers should not place undue reliance on any forward looking statements. In addition to statements that explicitly describe such risks and uncertainties, readers are urged to consider statements in the conditional or future tenses or that include terms such as “believes,” “belief,” “expects,” “estimates,” “intends,” “anticipates” or “plans” to be uncertain and forward-looking. Forward-looking statements may include comments as to Premier’s beliefs and expectations as to future events and trends affecting its business and are necessarily subject to uncertainties, many of which are outside Premier’s control. More information on potential factors that could affect Premier’s financial results is included from time to time in the “Forward Looking Statements,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Premier’s periodic and current filings with the SEC and available on Premier’s website at investors.premierinc.com. Forward looking statements speak only as of the date they are made. Premier undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise that occur after that date.

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