

First-of-its-kind perioperative surgical home initiative demonstrates measurable impact on quality and costs

American Society of Anesthesiologists and Premier, Inc. announce results from first phase of Perioperative Surgical Home learning collaborative

CHARLOTTE & CHICAGO – Feb. 9, 2016 – The American Society of Anesthesiologists (ASA) and Premier, Inc. (NASDAQ: PINC), a leading health care improvement company, have announced the results of the first iteration of the Perioperative Surgical Home (PSH) learning collaborative.

The collaborative consisted of 44 leading health care organizations from across the country that came together to develop, pilot and evaluate the PSH model from July 2014 through November 2015. The PSH model is a patient-centered, team-based practice model of coordinated care that guides patients through the entire surgical experience, from the decision to undergo surgery to discharge and return to function.

The majority (73 percent) of participants successfully launched one or more PSH pilot programs during the course of the collaborative, with thousands of completed cases across 64 pilots. Many members of the collaborative selected pilots that focused on orthopedics, such as total hip and knee replacements, to help prepare for success in both voluntary and mandatory bundled payment programs. Other commonly selected service lines included colorectal, general surgery and urology.

While the results of individual PSH pilot programs varied by institution, depending on variables such as service line chosen and key areas of focus, the majority of collaborative participants reported success in enhancing clinical quality, controlling costs, and/or improving patient experiences as a result of their PSH initiatives. For example, since implementing a PSH pilot for adenoidectomy procedures in early 2015, Nationwide Children's Hospital (NCH) in Columbus, Ohio decreased pharmacy costs by 32 percent and overall costs by 53 percent, saving nearly \$50,000 across their first 19 cases.

"The PSH model and learning collaborative helped NCH providers truly work as a team, enabling us to lower costs, while still providing the highest quality of care" said Vidya Raman, M.D., a pediatric anesthesiologist at NCH. "The benefits of this improved system of care for our patients and their families are well worth the effort associated with implementing this initiative."

Another collaborative participant, White River Health System (WRHS), a community-based health system in Batesville, Arkansas used the PSH structure to support their participation in the Bundled Payment for Care Improvement (BPCI) program offered by the Centers for Medicare and Medicaid Services (CMS). From 2013-2015, average length of stay for hip and knee replacements was reduced from 2.95 to 1.84 days. Over the same period, use of home health decreased from 47 to 13 percent and use of skilled nursing or inpatient rehabilitation facilities declined from 25 to 13 percent. The program has also resulted in a 35 percent decrease in 30-day readmissions and generated an average savings of \$4,205 per surgical episode during the first

four months. As a result, the hospital and participating physicians are currently on target to share approximately \$400,000 in savings over the first year of the program for one service line alone.

"The PSH model and learning collaborative helped us create a precision pathway for surgical services, which allowed us to reproducibly improve quality while decreasing the total cost of care," said Chris Steel, M.D., co-director of the PSH for WRHS.

In addition to the outcomes data collected by individual organizations, collaborative participants also collectively developed and tested a set of common metrics to assess the impact of the model across the diverse organizations participating in this national learning collaborative. Preliminary analysis of the data for these metrics will be a key area of focus for the <u>next iteration of the PSH</u> <u>learning collaborative</u>, which will launch in April of 2016.

"In the current health care environment, there are great challenges as well as great opportunities," said Daniel J. Cole, M.D., ASA president. "The PSH, spearheaded by the ASA, was an opportunity simply to give better care to our patients, while at the same time achieving the goals of the triple aim, better health care, a better quality patient experience and lower costs. The first collaborative results are satisfying to see and we can only hope to achieve even greater success with the next learning collaborative iteration."

The second iteration of the PSH Learning Collaborative will launch April 1 and spaces are filling up quickly. Be sure to contact Roseanne Fischoff (<u>r.fischoff@asahq.org</u>) or Ashley Perry (<u>ashley_perry@premierinc.com</u>) to request an application.

The American Society of Anesthesiologists

Founded in 1905, the American Society of Anesthesiologists (ASA) is an educational, research and scientific society with more than 52,000 members organized to raise and maintain the standards of the medical practice of anesthesiology. ASA is committed to ensuring physician anesthesiologists evaluate and supervise the medical care of patients before, during and after surgery to provide the highest quality and safest care every patient deserves. For more information on the field of anesthesiology, visit the American Society of Anesthesiologists online at <u>asahq.org</u>. To learn more about the role physician anesthesiologists play in ensuring patient safety, visit <u>asahq.org/WhenSecondsCount</u>.

Premier, Inc.

Premier, Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of approximately 3,600 U.S. hospitals and 120,000 other providers to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and advisory 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; as well as Twitter, Facebook, LinkedIn, YouTube, Instagram, Foursquare and Premier's blog for more information about the company.

PRESS CONTACTS

Theresa Hill, ASA, (847) 268-9246, (773) 330-5273, <u>t.hill@asahq.org</u> Morgan Guthrie, Premier, Inc., (704) 816-4152, <u>morgan_guthrie@premierinc.com</u>