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NEXT GENERATION VALUE SCORECARD FOR CONSUMERS REVEALS TOP HOSPITAL VALUES IN BOSTON

NASHVILLE, Tenn., (July 21, 2008) – Many hospitals are said to provide consumers “best care.”

But how is that measured? What about the missing component that’s especially critical in tough economic times... where can consumers go to find those hospitals providing “best value and cost,” in addition to quality care?

Right here.

A new healthcare rating service offering Boston consumers detailed insight into both the quality and real cost of hospital care was launched today by change:healthcare, an emerging leader in healthcare consumerism.

The rating system, available at www.changehealthcare.com, lets consumers – along with employers and employees who “buy” most of America’s healthcare – see both a hospital’s overall value of care and the expected negotiated cost range for specific episodes of care at that facility. Consumers can also learn about experiences other patients have had with the provider.

The system should help all three groups improve their proficiency in selecting healthcare options that offer the best value.

The study affirmed that Boston has a solid, value-driven healthcare climate, with three hospitals – Caritas Good Samaritan Medical Center, Caritas Norwood Hospital and Caritas Carney Hospital – ranking among the “Nation’s Best Value.” A number of facilities in the market also ranked in the study – “Best Value” hospitals (upper 25% in Boston) included Beth Israel Deaconess Hospital-Needham and Jordan Hospital; “Better Value” hospitals (middle 50% in Boston) included South Shore Hospital and Quincy Medical Center; “Good Value” hospitals (lower 25% in Boston) included Milton Hospital and New England Baptist Hospital.

These rankings have greater meaning for consumers when costs for care at each are compared. For instance, care for a stroke patient averaged \$8,779-\$9,602 at Beth Israel Deaconess Hospital-

Needham, \$9,699-\$10,609 at South Shore Hospital and \$9,794-\$10,712 at Milton Hospital. Knowing this, consumers can make more value-driven care decisions.

change:healthcare created the new guideline by uniting their existing Medstimate cost rating tool, which profiles the amount that healthcare providers nationwide accept as negotiated prices for their services, with the recently announced Hospital Value Index™, a proprietary rating from healthcare informatics company Data Advantage, which ranks hospitals by analyzing their quality, efficiency/cost, patient experience and the institution's reputation in the market.

"Our Medstimate rating has been helping consumers navigate through the cost side of the healthcare equation, but when we couple it with the Hospital Value Index™, it adds an entirely new, richer assessment of the value – and cost – that consumers and employers can expect from hospitals," said Christopher Parks, co-founder and chief executive officer of change:healthcare. "We believe we can help employers and consumers make better decisions about their healthcare by providing information concerning both the overall value of a hospital and a guide to the cost of specific services at each hospital."

The new rating can be viewed by visiting www.changehealthcare.com/medical_providers. Boston-area visitors can input the name of a local hospital provider to view a profile page. "Good value," "Better value" or "Best value" facilities will be identified by a special emblem on the page and Medstimate ratings – what consumers might expect to pay on average at that hospital – will be shown for a wide variety of procedures/services/medical issues at the facility.

The Hospital Value Index™ defines a hospital's value based on performance in four areas: Quality of care, including core processes and patient safety; Efficiency of care and affordability; Experience encountered by its patients as measured by patient satisfaction; and Comprehensive reputation as measured by local public perception.

The "Nation's Best" rank places the facility in the top 10% of hospitals nationwide for value; the "City's Best" ranking is reserved for the top 10% of the facilities compared within the same geographic area. Facilities in the "Best," "Better" and "Good" ranks landed in the upper 25%, middle 50% and lower 25%, respectively, of the city's hospitals in terms of value.

Uniting the Hospital Value Index™ and the Medstimate rating reflects growing interest on the part of consumers and employers to shop for the best value in care, while needing even more definitive information tools to do so. Medstimate can currently profile pricing models from over 2.5 million providers (hospitals, physicians, dentists, physician assistants and allied providers such as physical therapists) and price ranges for more than 10,000 medical services.

Consumers and employees can use the two ratings to compare quality, cost and patient experience from hospitals in their market. Where the quality/value of care is relatively equal, this new measurement will identify where that care is more affordable.

For employers, this information is exceptionally important since premiums continue to rise and wellness and disease programs are focused on controlling healthcare costs in the long-term. Short term, this new rating matrix found in change:healthcare's enterprise solution will help employers more effectively use their healthcare information.

"This new consumerism service gives people more information than they've ever had before to make smarter healthcare decisions that can save them time and money," Parks said. "And that is bound to help further improve the healthcare landscape of this country."

Methodology

change:healthcare integrated the Data Advantage Hospital Value Index™ into its own Medstimate dataset at changehealthcare.com to yield this new scorecard.

Unveiled last month at the Healthcare Financial Management Association's annual meeting, Data Advantage's Hospital Value Index™ (www.hospitalvalueindex.com) was developed in anticipation of the Center for Medicare and Medicaid Services' (CMS) Value-Based Purchasing initiative, which proposes to financially reward a hospital beginning next year based on the value of its care. In the index, the company analyzed more than 1,500 general acute-care hospitals in America's 100 largest cities and defined a hospital's "value" for the study by success in quality of care, including core processes and patient safety, efficiency of care and affordability, experience encountered by its patients as measured by patient satisfaction, and comprehensive reputation of a hospital as measured by local public perception. The Nation's Best rating is applied to the top 10% of the entire sample universe. The City's Best rating compares facilities in the same city and is reserved for the top 10%. Assigning a numeric value to the study results, the "Good" "Better" "Best" ranking is associated with a cumulative value. Facilities in these groupings correspond to the upper 25% (Best), middle 50% (Better) and lower 25% (Good), respectively, of the city's hospitals in terms of value.

The change:healthcare Medstimate rating was created using publicly available data, as well as claims data, to provide cost information on what can be considered fair and reasonable reimbursement to a physician/hospital/provider.

Both Hospital Value Index™ and Medstimate are continually updated as new data and resources become available.

About change:healthcare, inc.

change:healthcare, inc. (www.changehealthcare.com) is a technology company dedicated to helping people make better healthcare consumer decisions. The company provides access to a wealth of healthcare information, as well as internet-based solutions such as its medical bill management platform. Their products are available directly to

healthcare consumers, third party administrators, healthcare providers, medical bill adjudicators and employers interested in controlling healthcare costs by engaging their employees in making informed healthcare decisions.

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