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## **FOR IMMEDIATE RELEASE**

### **Hill Physicians Medical Group Reports \$3 Million in 2008 Operating Income** *Unrealized Investment Income Losses of \$7.4 Million Offset Gains*

**San Ramon, CA (May 28, 2009)** – Today's release of the 2008 Annual Report from Hill Physicians Medical Group reported solid operating results even though accounting for unrealized investment losses offset operating gains.

Hill Physicians reported total 2008 revenue of over \$420 million with income from operations of over \$3 million. The decline of \$7.4 million on the value of investments, however, led to an overall 2008 net loss of \$4.4 million on the income statement. Steve McDermott, CEO of Hill Physicians, said he was satisfied with the results.

“Although the investment losses are disappointing, they are not unexpected given the state of the economy. Our core business is solid and income from operations remains positive,” McDermott said. “We retain the financial strength and talent to continue to develop technological and operational efficiencies that will help keep us a leader for many years.” Hill Physicians is the largest Independent Physicians Association in Northern California and one of the largest in the nation.

In 2008, Hill Physicians spent \$7 million to customize, install and support Electronic Health Records (EHR) in physicians' practices. This effort reflects the organization's long-standing belief that EHR systems have enormous potential to improve patient care. Hill Physicians' eSolutions team has developed a customized EHR system that not only makes a patient's records immediately available to caregivers, but also automatically records results from common diagnostic tests, such as blood pressure and EKG. This market-leading approach appears poised for broader acceptance because EHR implementation is a cornerstone of efforts to reform healthcare delivery. Incentives for physicians who implement EHR were included in the American Recovery and Reinvestment Act of 2009 (ARRA)

Hill Physicians distributed over \$27 million in performance-based compensation to providers who achieved benchmarks for clinical quality and patient satisfaction. The medical group continues to emphasize the importance of harnessing technology to support preventive care. In 2008, Hill introduced its Ascender program, which identifies and contacts patients who are significantly overdue for screenings, and its Access Express program, which assists Registered Nurses in following up with patients who have complex medical conditions.



Hill Physicians diversified its patient base in 2008, adding agreements for Medi-Cal patients in Sacramento and dual eligible Medicare-Medi-Cal patients in Alameda County. Steve McDermott added that “These additions represent just one of a series of steps to serve a broad mix of people. Providing access to care to these often underserved communities is the right thing to do.”

**About Hill Physicians Medical Group**

Hill Physicians Medical Group is one of the nation’s largest independent physician associations (IPAs) and a recognized leader in innovative managed health care. The Standards of Excellence Program of the California Association of Medical Groups recently recognized Hill Physicians as a state-wide leader in care management practices, health information technology, accountability and transparency. Nearly 300,000 people in seven Northern California counties have selected Hill Physicians care providers for their primary and specialized care. Committed to serving healthy lifestyles, Hill Physicians Medical Group offers extensive health education services to its patients, including wellness classes, health screenings, and self-help through its online information portal at [www.HillPhysicians.com](http://www.HillPhysicians.com). Hill Physicians’ 2008 Annual Report may be viewed online at [www.HillPhysicians.com/2008](http://www.HillPhysicians.com/2008).

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