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FOR IMMEDIATE RELEASE

Steve McDermott to Hand Over Leadership in April
COO Darryl Cardoza to become CEO

SAN RAMON, CA (February 2, 2012) -- Steve McDermott, CEO of Hill Physicians Medical Group since its inception nearly 30 years ago, will hand over the leadership reins at the end of March to his long-time business partner, Darryl Cardoza, the company's chief operating officer. Together, McDermott and Cardoza have built Hill Physicians into one of the largest and most successful medical groups in the nation with 3,700 participating physicians.

McDermott, who turns 65 this year, will remain chairman of the board of PriMed, the management company he and Cardoza formed in 1981, which has been Hill Physicians' exclusive management company since 1984. PriMed is co-owned by McDermott, Cardoza, Hill and Dignity Health (formally CHW).

While the leadership transition is expected to be smooth, McDermott's departure will represent a change for the medical group and the employees at PriMed. He is well known within the industry for his innovation and leadership, and was instrumental in developing the Integrated Healthcare Association and the statewide Pay-for-Performance program.

While passionate about excellence, McDermott is also known for his personal and informal style. It was not unusual, particularly in the early days, to find him walking around the office offering his home-baked cookies and connecting with the staff. McDermott has been an ardent promoter of work-life balance, introducing "summer hours," during which the office closes early on Fridays, and supporting the creation of internal employee wellness programs. Ten years ago, he took up yoga after a hip replacement. Today, employees can attend meditation sessions and participate in on-site exercise and yoga classes. The company selected its current location in part to encourage employees to get active and walk on the nearby Iron Horse Trail during breaks.

Over the past several years, Hill has increased its momentum. The medical group expanded its San Francisco region with the addition of the UCSF Medical Group and the majority of the physicians from the Physicians Integrated Medical Group. In its Sacramento region, Hill partnered with Blue Shield and Dignity to develop a uniquely successful effort to lower medical costs for 42,000 of its CalPERS members. This program is now receiving national attention. And Hill has made a major commitment to continue implementation of an Electronic Health Record throughout its system and greatly enhance its IT infrastructure.

Steve leaves Hill well positioned to be a major participant in the long-awaited health reform movement. "As a nation, we finally have the opportunity to create universal access to medical care, but we also have the enormous challenge of making medical services much more efficient and effective," said McDermott. "I look forward to helping find solutions to these challenges."

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About Hill Physicians Medical Group

Hill Physicians Medical Group is the largest independent physician association in Northern California and is a nationally known leader in innovative healthcare. The Integrated Healthcare Association and California Association of Physician Groups have recognized Hill Physicians as one of the top-performing medical groups in the state. 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.

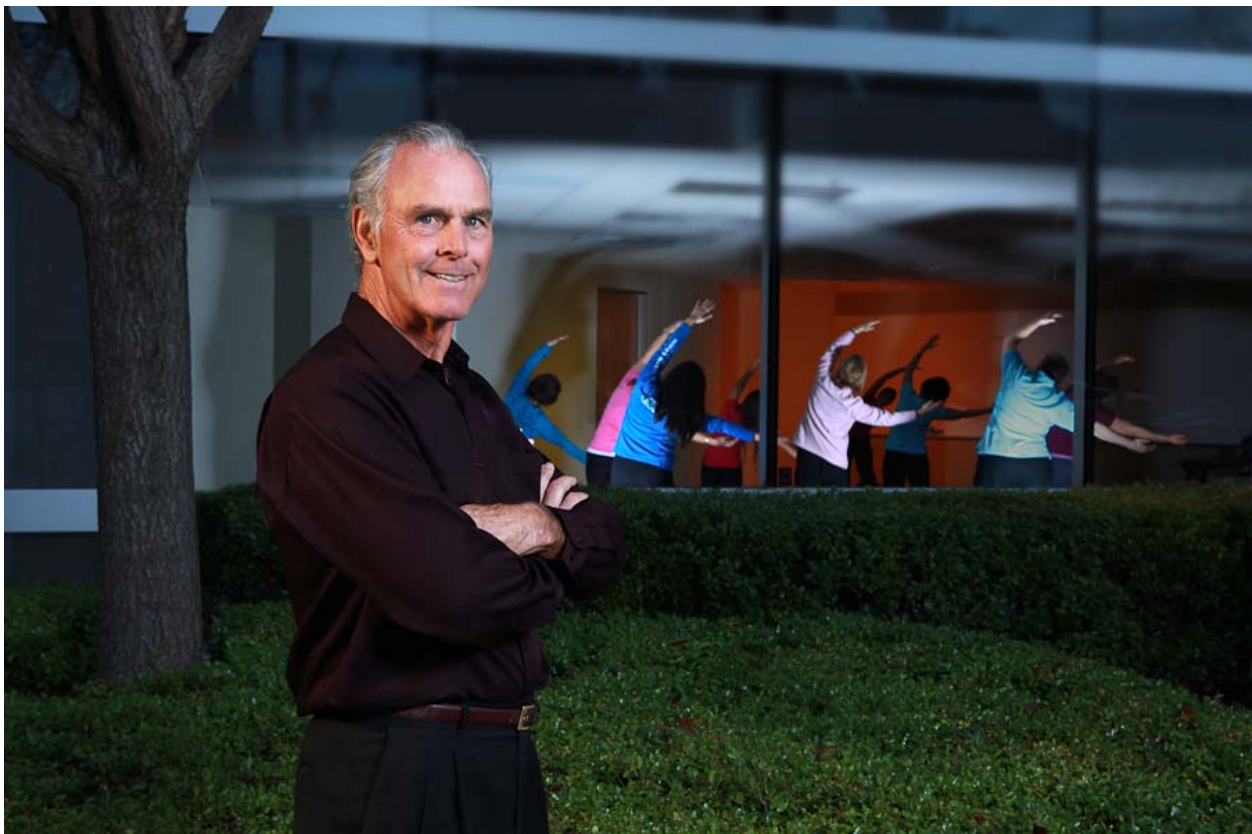


PHOTO: January 2012. Steve McDermott, CEO of Hill Physicians Medical Group, with an on-site, employee exercise class in the background.