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Hill Physicians Posts Strong 2009 Financial Results
\$4.67 million in Net Income

SAN RAMON, CA (May 18, 2010) – Hill Physicians Medical Group released its 2009 Annual Report and financial results today, reporting \$4.67 million in net income on \$419 million in revenue.

“We’re pleased with the results,” says Steve McDermott, CEO of Hill Physicians. “We stuck to our long-term plan and it paid off across the board. We continued to provide high-quality care to our members and performance payments to our physicians, continued installation of electronic health record systems for our physicians, launched a virtual accountable care organization and added the doctors of UCSF Medical Center to Hill Physicians.”

In 2009, Hill Physicians distributed more than \$32 million in bonus payments to its physicians, an 18% jump from the \$27 million paid out in 2008. Physicians receive performance compensation for meeting clinical quality and patient satisfaction criteria.

“Our core operations are strong; we have no external borrowings, and we are well-positioned strategically and financially for healthcare reform,” McDermott says.

Electronic health records continued to play an important strategic role in 2009. Hill Physicians invested \$4.7 million for the installation and support of Hill EHR in its affiliated practices. Hill EHR is a software suite that combines electronic health records and enterprise practice management into a streamlined system. Patient records are immediately available to caregivers and results from many common tests flow into the EHR electronically. More than 1,000 care providers are using Hill EHR and requests for new installations are at an all-time high.

In April 2009, Hill Physicians announced a “virtual integrated model” of care for 2010, in partnership with Blue Shield of California and CHW’s Mercy hospitals, to benefit CalPERS members who live around Sacramento. More than 41,000 members are in the virtual ACO model, which is being watched nationally as a test case on how improved information sharing can lower costs while improving quality of care.

In August 2009, UCSF announced that its primary care physicians and specialists would join Hill Physicians effective January 1, 2010. The affiliation brings together one of the nation’s largest independent physician associations and one of the nation’s most highly rated medical centers and contributed to a jump of 20,000 members in San Francisco.

Hill Physicians 2009 Annual Report and consolidated financial statements are posted at www.HillPhysicians.com/2009.



About Hill Physicians Medical Group

Hill Physicians Medical Group is the largest independent physician association in Northern California and a recognized leader in innovative health care. The Standards of Excellence Program of the California Association of Physician Groups recognizes Hill Physicians as a state-wide leader in patient-centered care, care management practices, health information technology, accountability and transparency. 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.