



Contact: Dan Robinson
Phone: 925.327.6731
Email: dan.robinson@hpmg.com

FOR IMMEDIATE RELEASE

PIMG Shareholders Approve Transition to Hill Physicians Physicians Integrated Medical Group to Wind Down Operations

SAN RAMON, CA (March 24, 2010) – Shareholders of Brisbane-based Physicians Integrated Medical Group (PIMG) have approved a plan that will gradually close the operations of the physician association and transition many of its doctors and members to Hill Physicians Medical Group. Shareholder approval follows a unanimous vote of support by PIMG's board of directors.

"Healthcare is rapidly evolving," says James Rodriguez, CEO of PIMG. "It's become increasingly clear that scale is very important in order to provide high-quality, comprehensive support for physicians and patients. You have to be large enough to provide sophisticated technology and infrastructure, while remaining focused on the needs of individual patients and the independent medical practice. Hill Physicians offers a very successful model for that."

PIMG was founded in 1995 by a group of San Francisco doctors and grew to include practices through the City, San Mateo County and the East Bay. Most of PIMG's providers in San Francisco and San Mateo counties will join a growing West Bay presence for Hill that includes its long-established practices, the doctors of UCSF, a substantial number of physicians affiliated with St. Mary's Medical Center and Saint Francis Memorial Hospital and other community-based primary care physicians and specialists.

"This is an exciting time for us," says Steve McDermott, CEO of Hill Physicians. "Members and doctors from PIMG will experience real advantages from being part of a much larger medical group. This agreement strengthens the ties among independent, community-based physicians, community hospitals and one of the nation's top medical centers and it gives local residents more options for in-network access."

Many PIMG doctors already have a relationship with Hill Physicians since some doctors belong to more than one medical group. However, the transition is likely to add many more doctors to Hill. Plans for the coordinated process between PIMG and Hill will be submitted to the state's Department of Managed Health Care. PIMG's commercial HMO patients are enrolled through Aetna, Anthem Blue Cross, Blue Shield, Health Net and PacifiCare. Each of those plans has established contracts with Hill and many of PIMG's 7,400 commercial HMO members are expected to remain with their primary care physician. "We think it would be beneficial to keep the doctor-patient relationship intact," says Rodriguez. We will send informational letters to our members to keep them informed."



Under the proposed plan, the 5,900 managed Medi-Cal beneficiaries with PIMG doctors also should be able to remain with their primary care physician, once an agreement is finalized between Hill and San Francisco Health Plan, the City-sponsored health plan for low income residents. Hill Physicians began serving Medi-Cal beneficiaries in Sacramento in 2008 and begins doing so in San Joaquin County starting April 1. "Medi-Cal is part of our commitment to provide access to high-quality care across a broad spectrum," McDermott says.

PIMG doctors and patients that join Hill should start to see the advantages once the transition is completed, sometime during the summer.

Hill Physicians members have access to a large online library to research health topics, extensive original self-help information in audio, video and printable formats, the ability to create an online Personal Health Record, free teleclasses, discounts on massage and yoga, and may be eligible for low-cost nutritional counseling or trials of acupuncture or chiropractic care for certain conditions. Members who have chronic or complex conditions will find additional support from Hill Physicians Case Managers, nurses with a specific focus on helping members remain current with their treatment programs.

For doctors, Hill Physicians offers a suite of electronic services designed to improve the workflows of operating a practice, from online authorizations and claims payments to preventive care reminders to Electronic Health Records and Practice Management software. Additionally, Hill recently implemented an Interactive Voice Recognition system in its customer service department in order to expand access to commonly requested information, while preserving access to a representative during business hours.

Hill Physicians is Northern California's largest independent physician association (IPA), serving approximately 300,000 members across a broad area stretching from Sacramento to the Central Valley and covering much of the Bay Area. Practices affiliated with Hill have been in San Francisco since 1995, but last year's decision by UCSF Medical Group to affiliate with Hill signaled a new phase of growth in its local physician network and consumer membership. This growth in San Francisco occurs against a backdrop of national healthcare reform that has struggled with how to expand coverage and lower costs while retaining options for consumers and physicians.

"Most Americans experience healthcare through their independent physician," McDermott says. "As a society, we are searching for way to create accountability while preserving flexibility. When you support the independent physician and work collaboratively with high-quality hospitals, you're creating the environment for best clinical practices and respect for the patient-physician relationship."

Hill Physicians has posted information about the transition at www.HillPhysicians.com/PIMG. PIMG members with questions about claims or administrative matters should continue to contact PIMG or their doctor's office until the transition is complete.

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.

MEDIA: A high-resolution image of the attached image is available for download from www.HillPhysicians.com/Press



Photo caption: Hill Physicians CEO Steve McDermott, PIMG Chairperson Michelle Bourgault, M.D, Hill Physicians Medical Director Thomas F. Long, M.D., and PIMG CEO James K. Rodriguez announce the agreement between Hill Physicians and Physicians Integrated Medical Group. Released 3/24/2010.

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