THE 2010 VALUE REPORT

Reporting the 2009
Clinical Integration Results

Benefits from Clinical Integration

Advocate Physician Partners

Advocate Physician Partners' Clinical Integration Program has set the stage for collaboration among physicians, hospitals, payers and patients.

LETTER FROM THE PRESIDENT

Advocate Physician Partners is pleased to share with you the 2010 Value Report—the results of its nationally recognized Clinical Integration Program for the year 2009. Each year, the number of patients treated within the Program increases. The Clinical Integration Program has continued to evolve by adding more performance measures, and setting higher performance expectations, for its participating physicians who today number over 3,400. Despite the increased scope and complexity of the Program, in 2009, Advocate Physician Partners again achieved record performance in almost every area of endeavor. This achievement resulted in the improvement of patient outcomes and significant cost savings by accelerating the adoption of evidence-based medicine, clinical information technologies and quality improvement techniques.

As this letter is being written, the final outcome of the health care reform debate is not known. While we may not know what shape reform will take, one thing we can be assured of is that drastic change to the health care delivery model is both necessary and certain. Whether that change comes from legislation or through private sector initiatives, significant change is needed to increase the value received for the health care dollars spent and to make health care more affordable in these troubled economic times. This change will fundamentally alter the way health care services are organized, delivered and reimbursed, and will inevitably involve greater cooperation and collaboration among physicians and hospitals. The Advocate Physician Partners' Clinical Integration Program has set the stage for collaboration among physicians, hospitals, payers and patients.

Even as Advocate Physician Partners completes another successful year with its Clinical Integration Program, it also is planting seeds to further improve health care delivery in the future. Following are just a few of the major initiatives being launched by Advocate Physician Partners in 2010:

- Offering a shared electronic medical record (EMR) system in thousands of independent physician offices to improve patient safety, avoid duplication of testing, improve care coordination and reduce medication errors through e-prescribing.
- Reducing avoidable hospital readmissions by focusing on appropriate clinical "handoffs" at discharge to improve patient outcomes and support efficient use of resources.
- Launching several major programs related to Advocate Health Care's "medical home" strategy to improve patient access and management of chronic disease, two strategies shown to reduce emergency department use.

At Advocate Physician Partners, we take seriously our responsibility to utilize health care dollars in a socially responsible and economically responsive manner. Through our focus on prevention, the early detection and optimal treatment of diseases, we are confident our efforts will continue to improve outcomes and reduce avoidable costs associated with treating diseases. The Clinical Integration Program described in these pages is one of the most advanced in the nation, and has earned the admiration of numerous health policy experts, business and professional associations and provider organizations around the country.

We look forward to our continued partnership with you, as together we make a difference in the delivery of health care services. As always, we welcome your feedback on the Clinical Integration Program.

Sincerely,

Lee B. Sacks, MD
President, Advocate Physician Partners

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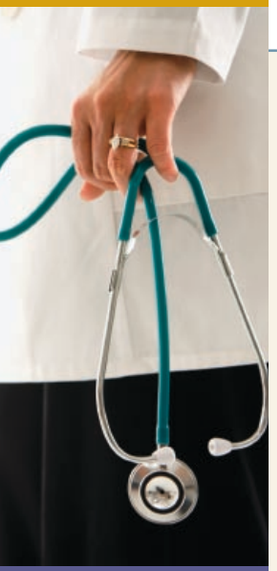
EXECUTIVE SUMMARY

Advocate Physician Partners is a joint venture between more than 3,400 physicians and eight hospitals in the Advocate Health Care system in a unique collaborative—the Clinical Integration Program—designed to improve health outcomes and increase the value received for the dollars spent by employers on employee health benefits. This unique Program is made possible by funding from all the major health insurance plans in the Chicago metropolitan area, as well as the Advocate system. It joins together what would otherwise be a fragmented group of independently practicing physicians into a comprehensive care management Program, comprised of a common set of quality goals and measures across all insurance carriers, with a focus on improved health care outcomes and reducing the long term cost of care. Unlike other disease management or preventive health programs, the Clinical Integration Program provides extensive infrastructure and support to physicians participating in the Program, as well as a pay-for-performance incentive system, to drive the outstanding level of performance documented in this Report.

The Program is built on the standards set by industry leadership groups including the Centers for Medicare and Medicaid Services (CMS), the National Quality Forum (NQF), The Joint Commission (TJC), the National Committee for Quality Assurance (NCQA), the Agency for Health Care Research and Quality (AHRQ) and the American Medical Association (AMA). These measures serve as the gold standard for measuring provider performance and managing population health status. Pursuit of these benchmark performance levels results in fewer medical errors, improved patient outcomes, reductions in employee absenteeism and, ultimately, quantum reductions in health care cost by prevention and the early detection and treatment of diseases before they reach advanced stages.

The 2010 Value Report highlights the results of the Clinical Integration Program for 2009. Significant accomplishments of the Program include:

- Advocate Physician Partners' comprehensive Asthma Outcomes initiative resulted in additional direct and indirect medical cost savings of $16 million above national averages annually. The initiative resulted in an estimated additional 37,920 days saved annually from absenteeism and lost productivity.
- Advocate Physician Partners' Generic Prescribing initiative resulted in prescribing rates 4.6 to 6.4 percentage points higher than two large Chicago-area insurers. The effort resulted in a savings of $14.8 million annually to Chicago-area payers, employers and patients above community performance.
- Advocate Physician Partners' depression screening and subsequent treatment in patients with diabetes or those who had heart failure or a cardiac event, resulted in more than an additional $10.8 million in direct and indirect savings above the standard practice per year. In addition, employers saved more than 8,672 lost work days per year.
- Advocate Physician Partners' Diabetic Care Outcomes initiative resulted in an additional 12,350 years of life saved, 19,760 years of eyesight preserved and 14,820 years free from kidney disease. In addition, just one measure, improving poor Hemoglobin A1c levels, resulted in nearly an additional $2 million in savings per year above national averages.
- Advocate Physician Partners' cardiac initiative resulted in improvements ranging from seven to ten percentage points higher than state and national benchmarks in all three areas of inpatient medication treatment. In addition, calculating for just a single measure for outpatient medication management, savings resulted in an additional $688,000 annually above community averages.
- Advocate Physician Partners physicians achieved an 82 percent vaccination rate in administering Combination 3 immunizations to children by their second birthday, comparing favorably to the national performance of 58 percent.



PAY-FOR-PERFORMANCE

CHANGING THE REIMBURSEMENT PARADIGM TO IMPROVE QUALITY AND SAVINGS

A critical component of Advocate Physician Partners' Clinical Integration Program is its pay-for-performance incentive system. In industries other than health care, pay-for-performance is a widely accepted practice by which businesses reward management for performance linked to the strategies and success of the organization. Advocate Physician Partners' pay-for-performance system applies this approach to drive performance improvement in the clinical setting.

For the 2009 Clinical Integration Program, Advocate Physician Partners carefully researched metrics and established performance targets for each of the Program's clinical initiatives based on national best practices, research findings and other recognized benchmarks. Financial incentives were then developed to encourage physicians to meet or exceed performance targets in each area. Throughout the year, physician performance on each of these metrics was monitored and reported back on a quarterly basis. Financial rewards were distributed to the physicians at the end of the year based on their degree of achievement. These incentive payments are designed to recognize the additional work required by physicians and their staff—work which is not reimbursed in the current fee-for-service system but is necessary to achieve the performance levels reached by Advocate Physician Partners.

Advocate Physician Partners' financial incentive system links hospitals and physicians to increase the level of collaboration and degree of coordination of care. These linkages help overcome the sometimes conflicting incentives that exist in the traditional fee-for-service model of health care provider reimbursement. Another design feature of the Advocate Physician Partners' physician incentive system is that it is structured to reward performance of both the individual physician and the physician's peer group. Inclusion of the physician's peer group in the pay-for-performance system encourages the development of a culture of excellence and accountability among peers. The achievement of such a culture is critical to the further advancement of Advocate Physician Partners' quality, safety and cost effectiveness goals.

Advocate Physician Partners' performance management program addresses issues of under-performance as well. Sanctions for non-performance by physicians include forfeiture of incentive payments, enrollment in corrective action programs and termination of chronically underperforming physicians from the Advocate Physician Partners' network. Advocate Physician Partners is at the forefront of the health care pay-for-performance management model that is becoming a standard in today's market.


HEALTH PLANS FUND ADVOCATE PHYSICIAN PARTNERS CLINICAL INTEGRATION PROGRAM
ADVOCATE PHYSICIAN PARTNERS ESTABLISHES QUALITY METRICS AND REWARDS HIGH-PERFORMING PHYSICIAN OUTCOMES
HEALTH PLANS, EMPLOYERS AND PATIENTS BENEFIT FROM REDUCED COSTS, SAVED LIVES AND IMPROVED PRODUCTIVITY

UNDERSTANDING THE DIFFERENCE IN QUALITY OUTCOMES

In 1974, the Employee Retirement Income Security Act mandated that employers with 25 or more employees offer an HMO in their benefit plan. Purchasers of health care spent subsequent years trying to determine the cost savings realized with the HMO offering. A recent study comparing the quality ratings for fee-for-service, PPO and HMO plans showed significantly higher outcomes for HMO patients.[1]

Advocate Physician Partners has both HMO and PPO patients in the disease registries that are used to track outcomes and clinical successes. In the experience of Advocate Physician Partners, and supported by a recent industry report, HMO patients typically have better results on common health measures than PPO patients.[2] Advocate Physician Partners has used a weighted average to compare its performance to the combined national HMO and PPO HEDIS outcomes. This provides a more accurate comparison of Advocate Physician Partners' outcomes for the measures listed in the table to the right.

A recent study comparing the quality ratings for fee-for-service, PPO and HMO plans showed significantly higher outcomes for HMO patients.

QUALITY OUTCOME COMPARISON

Initiative	Measure	HEDIS HMO	HEDIS PPO	Expected HMO & PPO Results (%)*	APP HMO & PPO 2009 Results (%)**	Variance (%)
Childhood Immunization	**Combination 3**	76.6	28.5	**58**	**82**	**24** ⇧
Diabetes	**HbA1C Testing**	89	79.5	**86**	**87**	**1** ⇧
	Poor HbA1c Control (>9) *(Lower is better)*	28.4	74.4	**43**	**28**	**15** ⇧
	Good HbA1c Control (<7)	43.3	13.5	**34**	**47**	**13** ⇧
	Eye Exams	56.5	35.8	**50**	**52**	**2** ⇧
	LDL-C Screening	84.8	74.7	**82**	**84**	**2** ⇧
	LDL-C Control (<100)	45.5	14.8	**36**	**56**	**20** ⇧
	Monitoring Nephropathy	82.4	65.9	**77**	**84**	**7** ⇧
	Blood Pressure Control (<130/80)* **	33.4	N/A	**N/A**	**45**	**12** ⇧
	Blood Pressure Control (<140/90)* **	65.6	N/A	**N/A**	**74**	**8** ⇧
Smoking Cessation	**Advice to Quit**	76.7	71.6	**73**	**98**	**25** ⇧
Cardiac	**LDL Screening**	88.9	75.3	**84**	**85**	**1** ⇧
	LDL Control (<100)	59.7	17.3	**45**	**71**	**26** ⇧

(*) Using the Advocate Physician Partners' population, 2008 HEDIS HMO and PPO were calculated with weighted average

(**) Calculated Using HEDIS Methodology

(***) Blood Pressure Control Results are HMO only

Table 1. HEDIS and Advocate Physician Partners Outcomes[2]

BEYOND DISEASE MANAGEMENT

BEYOND TRADITIONAL OUTREACH

A recently published study of the effectiveness of fifteen disease management programs in the United States showed that only two were successful in achieving significant results in improving patient outcomes and decreasing costs.[1] As expected, the degree of physician engagement in the program was found to be the essential differentiating factor in the two successful programs. The successful programs incorporated critical attributes including increased contact by the nurse-coordinators with patients, increased contact between coordinators and physicians, an emphasis on more evidence-based care and promoting patient-centered care. These same attributes are central to the Advocate Physician Partners' clinical integration model.

At Advocate Physician Partners, the physician, not an outside consultant, is at the center of the disease management program. The Clinical Integration Program contrasts dramatically with that of the disease management companies many employers hire to try to limit the cost of chronic disease to their employees and their business. While Advocate Physician Partners physicians are diagnosing and treating patients in the early stages of chronic disease, disease management companies often focus on claims review—a slow and cumbersome process driven by gathering and reviewing paperwork. The typical claims review process can take months to complete. As paperwork is gathered and reviewed, patient health status can decline further, resulting in additional economic and productivity costs to the employer.

Year	Care Management Advancements
2004	Disease Registries and Physician Feedback
	Chart-Based Patient Management Tools
2006	Patient Outreach
2008	Patient Coaching
	Diabetic Collaboratives
2009	Diabetic Wellness Clinics

Table 1. Beyond Disease Management Advances

At Advocate Physician Partners, early diagnosis by the physician is a critical first step in a process that extends beyond disease management. However, early diagnosis is just one part of Advocate Physician Partners' multi-faceted approach to drive improved patient communication and compliance as described on the following pages.

DISEASE REGISTRIES AND FEEDBACK

Advocate Physicians Partners' online disease management registries allow the physician to more effectively track patient compliance from the time of initial diagnosis. The registries target major chronic disease groups, such as asthma, diabetes and cardiovascular disease, which, combined, accounted for $695 billion in health care expenditures in 2009.[2-4] When left untreated, complications related to chronic diseases may result in higher medical and productivity costs

CHART-BASED PATIENT MANAGEMENT TOOLS

Flow sheets and prompts are embedded in patients' electronic medical records or paper chart files as reminders to the physician to initiate and continue outreach efforts, and to comply with evidence-based standards for their patients. Additional tools, such as the Asthma Action Plans described on page 17 of this Report, are also included where appropriate, to assist in providing timely and appropriate care for patients with a specific chronic disease.

PATIENT OUTREACH

Frequent patient communications and access to educational resources help drive behavioral changes and improve patients' medical outcomes. Advocate Physician Partners' outreach efforts include follow-up phone calls, mailed educational materials and appointment and medication reminders.

MOVING BEYOND EVIDENCE-BASED MEDICINE TO EVIDENCE-BASED MANAGEMENT OF THE CLINICAL PRACTICE

Scientific literature and established quality measures are critical components of continual improvement of health outcomes. The use of these findings has guided the health care industry in the establishment of "evidence-based medicine"—the "what works"—in improving health care outcomes. Advocate Physician Partners has adopted evidence-based protocols—the "how it works"—to align and structure the physician office to support the implementation of best practices. In 2009, Advocate Physician Partners continued to build upon its existing Beyond Disease Management program by developing approaches to re-engineer the physician practice, providing tools and education to implement additional patient outreach approaches and compliance with best performance.

Advocate Physician Partners has adopted evidence-based protocols—the "how it works"—to align and structure the physician office to support the implementation of best practices.

The following are examples of Advocate Physician Partners' efforts to go beyond traditional disease management programs in the area of diabetic care. These programs were established in 2008 and expanded in 2009. Additional programs are being developed for 2010 and beyond.

PATIENT COACHING

To assist patients who need additional support following medical treatment plans, Advocate Physician Partners has implemented a patient coaching program to encourage health and wellness. This innovative program includes personalized one-on-one professional coaching by health and wellness professionals. Patients are called weekly for both education and encouragement. The goal of the program is to provide personalized support engaging patients in better self-management for areas such as diet, exercise, smoking cessation support and home monitoring and management of diabetes.

DIABETIC COLLABORATIVES

A collaborative is an evidence-based program that improves patient care by utilizing adult learning principles. The collaborative assists physicians in adapting proven best practices in patient interaction and management in their offices, adopting quality improvement techniques and capitalizing on shared learning and collaboration among other Advocate Physician Partners physician practices.

The success of Advocate Physician Partners' Diabetic Collaborative prompted the expansion of the collaborative program to include asthma, heart failure and coronary artery disease in 2009.

DIABETIC WELLNESS CLINICS

Two Advocate Health Care hospitals established Diabetic Wellness Clinics to further support the maintenance needs of select diabetics. The clinics are supported by Advocate Physician Partners physicians and are staffed by nurse practitioners and dieticians who provide additional monitoring and protocol-driven management services.

HEALTH CARE TECHNOLOGY: WHY DOES IT MATTER?

The use of advanced information technology has a transformational impact on the way medicine is practiced. Through Advocate Physician Partners' Clinical Integration Program, physicians are required or incented to adopt new technologies to enhance communication of critical information, drive performance and, ultimately, improve patient outcomes above community norms. Table 1 illustrates the array of advanced technologies adopted by Advocate Physician Partners.

Year	Technological Advancement
2004	High Speed Internet Access in Physician Offices
2005	Electronic Data Interchange (EDI)
2006	Computerized Physician Order Entry (CPOE)
2007	Electronic Intensive Care Unit (eICU®) Usage
2008	Electronic Prescribing
2009	CIRRIS Point-of-Care®
	Electronic Medical Records Pilot
2010	e-Learning Physician Continuing Education Modules
	Electronic Medical Record Roll-Out

Table 1. Advancing Technology Adoption

HIGH SPEED INTERNET ACCESS IN PHYSICIAN OFFICES

In 2004, consistent with physician practices nationally, only 22 percent of Advocate Physician Partners physician members had a high speed Internet connection in their offices. Through the Internet, physicians have quick and easy access to patient disease registries, patient assessment and education tools and other electronic practice supports at the point of care in their offices. Since 2005, high speed Internet access has been a requirement of membership in Advocate Physician Partners.

ELECTRONIC DATA INTERCHANGE (EDI)

Electronic submission of claims reduces associated administrative costs and ultimately results in savings to the health care industry. Since 2005, Advocate Physician Partners has required physician members to submit claims for its HMO patients through electronic data interchange (EDI). Beginning in 2006, incentives were provided to physicians who also used EDI for fee-for-service billings to insurance companies. Compliance rose to nearly 100 percent by 2007. In 2008, claims submission through EDI became a requirement of membership in Advocate Physician Partners.

COMPUTERIZED PHYSICIAN ORDER ENTRY (CPOE)

Through the use of CareNet and CareConnection, Advocate Physician Partners physicians have access to a clinical data repository that provides physicians current information about their patients within Advocate hospitals, laboratories, outpatient facilities and ambulatory settings. The technology includes a state-of-the-art Computerized Physician Order Entry function that studies have shown dramatically improves the safety of hospitalized patients. In 2009, 95 percent of Advocate Physician Partners physicians proficiently used the technologies.

ELECTRONIC INTENSIVE CARE UNIT (eICU®) USAGE

The Advocate Health Care eICU® program connects the 18 adult intensive care units across eight of Advocate's hospitals and enables intensivist physicians working from a central command center to provide clinical oversight to patients around the clock. Advocate Physician Partners' use of the eICU® at the highest levels allows the critical care physicians and staff at the eICU® command center to instantly modify the patient's care plan as the need arises as well as implement key protocols that improve patient outcomes and reduce complications. Since 2004, Advocate Physician Partners physicians' use of the eICU® at the highest levels increased to nearly 100 percent. In 2008, use of eICU® became a requirement of membership.

ELECTRONIC PRESCRIBING

Electronic prescribing is slowly becoming the standard of practice in the United States, with Medicare beginning to accelerate the adoption of the technology through certain payment incentives. In 2008, Advocate Physician Partners made an affordable electronic prescribing system available to its physician members. The use of an electronic prescribing system improves patient safety by providing information on drug interactions, allergies, dosage levels and formulary details. Information is maintained electronically and allows physicians to send prescriptions directly to the pharmacy. Electronic prescribing supports the physicians of Advocate Physician Partners in reducing medical errors and improving patient safety.

CIRRIS POINT-OF-CARE®

CIRRIS Point-of-Care® was implemented in 2009. The online application integrates three critical functions that were previously accessed through standalone applications: patient registries, medication prescribing data and a comprehensive results reporting system. CIRRIS enables physicians to track their progress in the Clinical Integration Program and make adjustments throughout the year to improve their performance. The ability to access this data in real-time and through one system allows the physicians to efficiently manage large patient populations while following evidence-based protocols for better health outcomes.

e-LEARNING PHYSICIAN CONTINUING EDUCATION MODULE

In 2009, Advocate Physician Partners launched the first in a planned series or curriculum of electronic learning modules for physician continuing education. The Advocate Physician Partners' e-University provides the physician with 24/7 access and a fast-paced format to enhance the learning experience. The e-University includes competency testing to support the retention of critical information. This advancement in technology assists the physician in meeting the requirements of the Physician Roundtable initiative described on page 31 of this Report.

ELECTRONIC MEDICAL RECORD (EMR)

Widespread use of electronic medical records has the potential to improve patient safety and efficiencies of care by sharing patient data across providers. To underscore its importance, the federal government has included a provision in the 2009 Federal Stimulus Bill to encourage "meaningful use" of an EMR by all physicians by 2014. In 2009, Advocate Physician Partners launched a pilot to implement a full EMR and Practice Management System in the offices of its physician members in private practice. Through a partnership with a major vendor, Advocate Physician Partners developed an EMR program to support the physician practice by improving office flow and patient outcomes. In 2010, Advocate Physician Partners will begin the major roll-out of the EMR, reaching hundreds of Advocate Physician Partners physician practices with the new technology by 2011.

ASTHMA OUTCOMES

Asthma is a chronic, inflammatory lung disease characterized by recurrent breathing problems, usually triggered by allergens. Other triggers may include infection, exercise and exposure to cold air.

ECONOMIC AND MEDICAL IMPACT

- In 2007, an estimated 22.9 million Americans were affected by asthma—a rate of 77.1 per 1,000 Americans.[1]
- Asthma accounts for $19.7 billion in direct and indirect health care costs annually. Medical expenses add up to $14.7 billion and indirect costs, such as lost productivity, another $5 billion.[2]
- In 2007, there were a reported 18,504 hospitalizations for asthma-related illness in Illinois, with total costs of $280.4 million.[3]
- From the employer's perspective, the average annual total medical cost of an employee with persistent asthma ($6452) was higher than that of a non-asthma employee ($2040). In addition, the indirect cost of an employee with persistent asthma exceeded that of the non-asthmatic by $924 annually.[4]

ADVOCATE PHYSICIAN PARTNERS CASE FOR IMPROVEMENT

Approximately 5,000 Americans die every year as a result of asthma. Many of these deaths could be avoided with the proper disease management.[2] Recent studies have shown that patients with controlled asthma have 56 percent fewer ED visits, 55 percent fewer hospital days and 24 percent fewer visits to medical providers over a 6-month period compared to patients with uncontrolled asthma. In addition, the same study showed patients with controlled asthma had 11 percent improved productivity over patients with uncontrolled asthma. This 11 percent translates to 4.4 work hours during a 40-hour work week, yielding 229 hours or 6 weeks of work annually for each patient with controlled asthma.[5]

Controlled asthma is achieved through asthma management, which includes educating patients about their disease and teaching them how to avoid known allergens and other asthma-inducing factors, recognize an impending asthma attack and properly use asthma medications. A recent study showed 65 percent of patients with uncontrolled asthma reported never receiving an asthma action plan from their general practitioner.[6]

ADVOCATE PHYSICIAN PARTNERS OBJECTIVE AND INTERVENTIONS

Advocate Physician Partners' objective is to educate, treat and follow-up with patients to reduce potential complications of asthma and assist patients with the management of their asthma through lifestyle changes and pharmacologic treatments.

The Asthma Outcomes initiative is a comprehensive management program that supports both the physician and patient in achieving better control of asthma. In the physician office setting, and complementing the numerous Beyond Disease Management program efforts, page 10, Advocate Physician Partners physicians provide asthmatic patients with an Asthma Action Plan (AAP). The AAP is designed to support the patient with self-management of the disease while at home and includes key asthma education considerations. The AAP, and in some cases, controller medications, are recommended in the recently updated National Heart, Lung and Blood Institute (NHLBI) standards. Additionally, if the patient has been identified as a smoker, smoking cessation counseling is provided.

Advocate Physician Partners also is driving the use of validated questionnaires—the Asthma Control Test (ACT) and Asthma Therapy Assessment Questionnaire (ATAQ)—to identify the patients' level of asthma control. This represents newly recommended guidelines in the standards of care.

Finally, asthmatic patients seen in the inpatient setting are educated by certified asthma coordinators who train them on asthma self-management and provide referrals for ongoing outpatient care needs.

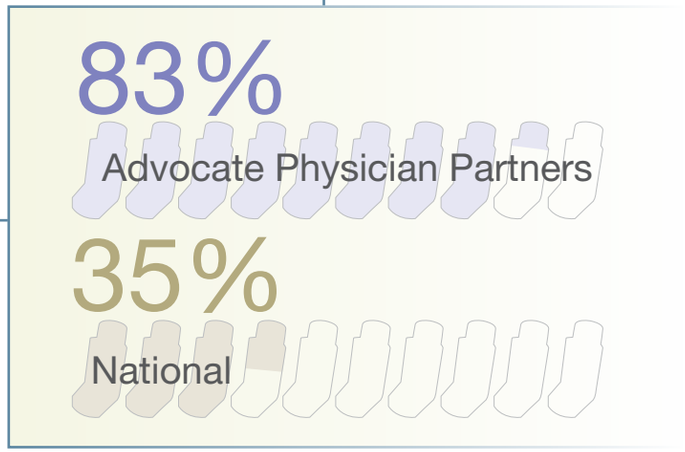


Table 1. Asthma Action Plans

ADVOCATE PHYSICIAN PARTNERS METRICS/RESULTS

Advocate Physician Partners successfully implemented annual Asthma Action Plans in 83 percent of asthmatic patients. This compares favorably to a national study in which only 26 percent of controlled asthmatic patients and 35 percent of uncontrolled asthmatic patients received an Asthma Action Plan from their physician.[6]

Advocate Physician Partners

IMPACT

on Quality and Cost

Advocate Physician Partners' comprehensive Asthma Outcomes initiative resulted in additional direct and indirect cost savings of more than

$16 million above national averages annually.

Using a conservative assumption that only one-half of patients have controlled asthma, the initiative resulted in an estimated additional

37,920 days saved annually from absenteeism and lost productivity.

GENERIC PRESCRIBING INITIATIVE

ECONOMIC AND MEDICAL IMPACT

- Generic medications can cost up to 80 percent less than their branded counterparts and can save consumers $8 – $10 billion annually.[1]
- Prescription drug spending is projected to increase from $216.7 billion in 2006 to $515.7 billion in 2017, an increase of 138 percent in an 11-year span.[2]
- A recent meta-analysis of cardiovascular drugs showed no evidence of superiority of brand name to generic drugs.[3]
- It has been estimated that the use of lower cost generic alternatives in place of branded pharmaceuticals may have resulted in savings of over $42 billion in 2008 alone.[4]
- Generic medications represent one of the most cost-effective interventions in health care. It is estimated that every one percentage point increase in generic drug use results in nearly one percentage point decrease in overall drug spending.[5]

A generic medication is the chemical equivalent of a drug that has an expired patent. By law, the generic drug must have the same active ingredient as the brand name medication and it is subject to the same standards as its brand name counterpart.

ADVOCATE PHYSICIAN PARTNERS CASE FOR IMPROVEMENT

Changes in utilization and unit cost are the two key factors generally thought to contribute to the spending growth of pharmaceuticals. A recent drug trend report shows that in 2008, the drug trend was primarily driven by unit cost increases. Specifically, it was the more than 8 percent price inflation of branded pharmaceuticals that was the major contributor to the increase in unit costs. In contrast, the price inflation for generic medications has been averaging close to 0.5 percent per year over the previous five years.[6]

2009 Patent Expiration		2010 Patent Expiration		2011 Patent Expiration	
Non-Generic	Sales Revenue	Non-Generic	Sales Revenue	Non-Generic	Sales Revenue
Adderall XR®	$1.585 billion	Arimidex®	($0.617 billion)	Actos®	($2.569 billion)
Ambien CR®	$0.986 billion	Cozaar®	($0.731 billion)	Aricept®	($1.224 billion)
Prevacid®	$2.948 billion	Effexor XR®	($2.791 billion)	Levaquin®	($1.719 billion)
Topamax®	$2.356 billion	Flomax®	($1.318 billion)	Lipitor®	($6.392 billion)
Valtrex®	$2.020 billion	Hyzaar®	($0.548 billion)	Zyprexa®	($1.853 billion)

Table 1. Patent Expirations 2009 – 2011 (2008 U.S. Retail Sales in $ Billions)

The rewards of a successful generic drug promotion strategy can be substantial in today's environment. Medications with total 2008 U.S. sales of close to $34 billion could lose patent protection over the three-year time period between 2009 and 2011 (Table 1).[6] Moreover, 2012 and 2013 are expected to yield generics for mega-blockbuster branded drugs that today account for more than $27 billion in sales.[7] Thus, this five-year stretch provides tremendous opportunities for payers and consumers to reap significant cost savings secondary to increasing generic drug utilization.

Extensive amounts of data demonstrating their effectiveness in treating patients exists for many available, and soon to be available, generics. In addition, all generics have long-term safety data often not available with newer, branded medications. This combination of long-term efficacy and safety data, in addition to their low-cost, makes generic pharmaceuticals a safe, cost-effective option for physicians and their patients.

ADVOCATE PHYSICIAN PARTNERS OBJECTIVE AND INTERVENTIONS

The goal of Advocate Physician Partners is to increase the use of clinically appropriate generic medications in the outpatient setting. In 2009, Advocate Physician Partners established a generic prescribing target rate of 68 percent or better for the overall generic usage rate for all prescription drugs. This is equivalent to the Generic Dispensing Rate (GDR), a nationally recognized standard of measurement.[8] In addition to the overall generic usage rate, Advocate Physician Partners has also established targets for key therapeutic classes such as statin medications for high cholesterol and proton pump inhibitor medications for gastrointestinal ailments.

Advocate Physician Partners employs two full-time pharmacists to facilitate the process of generic substitution. These pharmacists, in contrast to drug company detail representatives, provide academic detailing.[9] This approach involves the expertise of pharmacists to offer physicians unbiased, evidence-based clinical recommendations about the medications they frequently prescribe. Academic detailing includes the following physician outreach efforts: regular meetings with physicians and their staff, periodic review of pharmacy reports on physician practice patterns and comparisons to peer performance.

Further, beginning in 2007, Advocate Physician Partners initiated a unique generic voucher program in collaboration with Walgreens, a large retail pharmacy. The generic voucher program enables physicians to provide patients with vouchers enabling them to obtain a one-month supply of one of the generic medications at no cost or at a significantly reduced cost. The program has focused on medications for chronic diseases, like hypertension and elevated cholesterol, that will be refilled indefinitely and can lead to tremendous savings compared to branded medications.

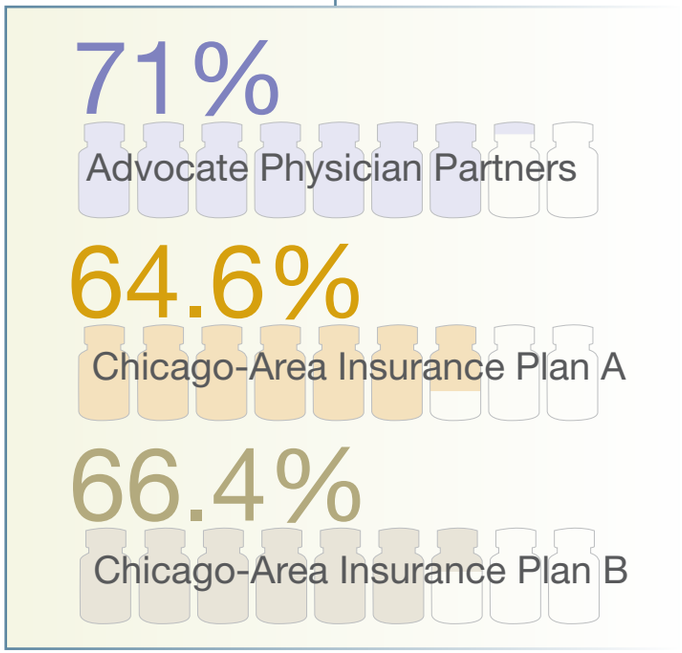


Table 2. Generic Medication Prescribing – Advocate Physician Partners

ADVOCATE PHYSICIAN PARTNERS METRICS/RESULTS

In 2009, Advocate Physician Partners physicians increased the overall use of generic drugs to 71 percent exceeding the performance of two large Chicago-area insurers.

Advocate Physician Partners

IMPACT

on Quality and Cost

Advocate Physician Partners' Generic Prescribing Initiative resulted in prescribing rates 4.6 percentage points to 6.4 percentage points higher than two large Chicago-area insurers.

The initiative resulted in a savings of $14.8 million annually to Chicago-area payers, employers and patients above the community norms.

DEPRESSION SCREENING FOR THE CHRONICALLY ILL

Depression is a disorder that involves an individual's body, mood and thought processes in ways that can adversely impact the affected individual's ability to function in work, social and personal settings.

ECONOMIC AND MEDICAL IMPACT

- In 2000, depression accounted for $83 billion in societal costs to the U.S. with only 26 percent attributed to treatment and 62 percent resulting from absenteeism and presenteeism.[1]
- The median annualized cost for patients with heart failure who were diagnosed and treated for depression was 29 percent higher than in patients without depression.[2]
- Treatment of depression in diabetes patients results in savings of $1,651 in direct medical costs per person, per year.[3]
- Adults with coronary artery disease who also have depression or anxiety have direct annual medical costs $5,700 greater than those without anxiety or depression.[4]
- Literature suggests the average indirect costs from absenteeism are $4,741 per employee, per year. These costs do not factor in the additional savings available through presenteeism losses, which are averaged to be an additional 15 percent of time lost.[5]
- Employees with depression take a mean 9.90 sick days annually, which is greater than the mean for heart disease (7.47) or diabetes (7.17).[1]

ADVOCATE PHYSICIAN PARTNERS CASE FOR IMPROVEMENT

Major depressive disorder occurs in up to 6.5 percent of the general population in the United States in a given year, and the prevalence is estimated to be 21.5 percent in patients with heart failure.[2] Studies show that following a heart attack, only 25 percent of patients who have depression are so diagnosed. Of those, only 50 percent are treated.[6] Additional studies have shown depression significantly increased the hospitalization rate in cardiac patients. The mortality rate of patients with depression following a heart attack is between double and quadruple that of a patient who is not depressed.[7]

In patients with diabetes, the overall age-adjusted prevalence for depression is 17 percent. The prevalence rate is significantly higher when socioeconomic status and ethnicity are factored in.[8] There is also a 250 percent increase in risk of death compared to people without either diabetes or depression.[9] Studies have shown depression is associated with poor glycemic control, increased risk for complications, functional disability and overall higher health care costs in diabetic patients.[7] In addition, diabetic patients are twice as likely to have depression.[10]

ADVOCATE PHYSICIAN PARTNERS OBJECTIVE AND INTERVENTIONS

Advocate Physician Partners' objective is to appropriately identify and treat patients with depression by increasing professional screening in those patients diagnosed with diabetes, heart failure or who have had an acute cardiac event.

Through the Advocate Physician Partners' Beyond Disease Management program, page 10, the physicians of Advocate Physician Partners provide ongoing educational outreach to their patients. In addition, physicians attend training sessions on the importance of screening for depression in these high-risk groups and on related evidence-based management of depression. Advocate Physician Partners provides protocols and patient questionnaires for use in the physician's office that support the diagnosis and treatment of major depression. The screening tools used by Advocate Physician Partners are proven to be 96 percent effective in diagnosing patients with depression.

ADVOCATE PHYSICIAN PARTNERS METRICS/RESULTS

In 2009, the physicians of Advocate Physician Partners provided depression screening to 69 percent of patients with diabetes, heart failure and cardiac conditions far exceeding the national rates of 33 percent in diabetic patients and 25 percent of patients with heart failure or coronary artery disease.

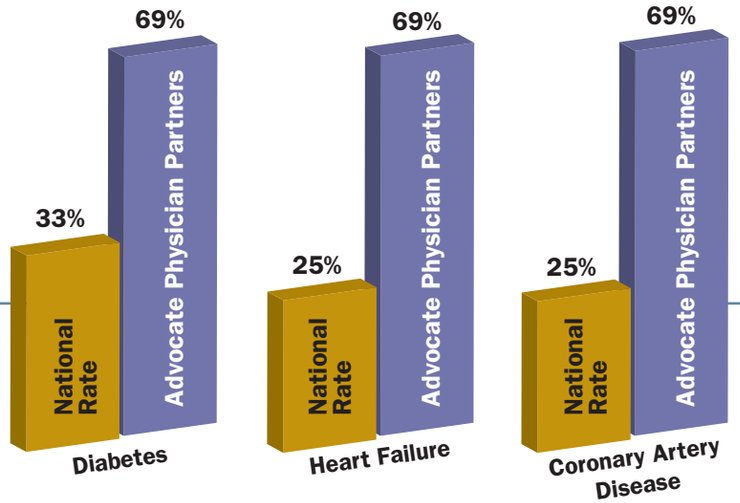


Table 1. Depression Screening Rates[6,11]

Advocate Physician Partners

IMPACT

on Quality and Cost

Advocate Physician Partners' depression screening and subsequent treatment in patients with diabetes or those who had heart failure or a cardiac event, resulted in more than an additional

$10.8 million per year in direct and indirect savings above the standard practice.

In addition, employers saved more than

8,672 lost work days per year.

DIABETIC CARE OUTCOMES

Diabetes is a condition characterized by hyperglycemia, resulting from the body's inability to use *blood glucose* for energy. In *type I diabetes*, the pancreas no longer makes insulin and therefore blood glucose cannot enter the cells for use as energy. In *type 2 diabetes*, either the pancreas does not make enough insulin or the body is unable to use insulin correctly.

ECONOMIC AND MEDICAL IMPACT

- 7.8 percent of Americans—23.6 million children and adults—have diabetes. An additional 57 million Americans have pre-diabetes.[1]
- Treating diagnosed diabetes accounts for an estimated $174 billion annually. Of those cases, 90 to 95 percent are type 2 diabetes—a preventable form of the disease.[2]
- People with diabetes use more health resources, such as hospital inpatient care, physician office visits, emergency visits, nursing and home health, prescription drugs and medical supplies, than their peers without diabetes.[3]
- Employees with diabetes report an estimated 10.5 work days lost per year due to absenteeism and presenteeism.[4]

ADVOCATE PHYSICIAN PARTNERS CASE FOR IMPROVEMENT

Diabetes is associated with an increased risk for a number of serious, sometimes life-threatening complications including high blood pressure, blindness, heart disease and stroke, kidney disease, nervous system disease, dental disease, amputations and pregnancy complications.

Aggressive monitoring and control of blood glucose (hemoglobin A1c) can reduce or prevent complications. Studies have shown that a one percentage point difference in A1c levels leads to a difference in medical costs ranging from $1,200 to $4,100 per diabetic patient.[5] This is an example of how improvements in a single measure can have a tremendous impact on patient outcomes and potential complications. In addition, every one percent decrease in the A1c level reduces the risk of developing eye, nerve and kidney disease by 40 percent.[6] Reducing complications results in improved quality of life and lowers the cost of medical care. A one percentage point drop can result in an extra five years of life, eight years of vision and six years without kidney disease.[7]

Strategy	Benefit
Blood Pressure Control	Reduction of 35 percent in macrovascular and microvascular disease per 10 mmHg drop in blood pressure
Cholesterol Control	Reduction of 25 to 55 percent in coronary heart diseases events; 43 percent reduction in mortality rate
Smoking Cessation	16 percent quitting rate
Annual Screening for Microalbuminuria	Reduction of 50 percent in nephropathy using ACE inhibitors for identified cases
Annual Eye Examinations	Reduction of 60 to 70 percent in serious vision loss
Foot Care in People with High Risk of Ulcers	Reduction of 50 to 60 percent in serious foot disease
Influenza Vaccinations among the Elderly for Type 2 Diabetes	Reduction of 32 percent in hospitalizations; 64 percent drop in respiratory conditions and mortality

Table 1. Treating Diabetes and its Complications[8]

Table 1 illustrates some additional benefits of treating diabetes for each Advocate Physician Partners' targeted measure. Each one of these strategies translates to direct and indirect health care savings. In addition to the strategies mentioned in the table, Advocate Physician Partners physicians measure body mass index. Studies show being overweight or obese substantially increases the lifetime risk of diagnosed diabetes for individuals.

ADVOCATE PHYSICIAN PARTNERS OBJECTIVE AND INTERVENTIONS

Advocate Physician Partners' objective is to improve care and lessen the complications of diabetes by aggressively tracking and managing several key critical performance measures.

Through Advocate Physician Partners' Beyond Disease Management program, page 10, physicians are encouraged to provide ongoing educational outreach to patients. In addition, the physicians and their staff participate in three innovative diabetic programs designed to re-engineer the physician office and provide support to supplement the services received in the physician office. Details on the Diabetic Collaborative, Diabetic Wellness Clinic and Patient Coaching programs are listed on page 13 of this Report.

Measure	HEDIS HMO & PPO Results (%)**	APP HMO & PPO Results (%)*	Variance (%)
HbA1C Testing	86	87	1
Poor HbA1c Control >9 (Lower is better)	43	28	15
Good HbA1c Control <7	34	47	13
Eye Exams	50	52	2
LDL-C Screening	82	84	2
LDL-C Control (<100)	36	56	20
Monitoring Nephropathy	77	84	7
Blood Pressure Control (<130/80)* **	33	45	12
Blood Pressure Control (<140/90)* **	66	74	8

(*) Calculated Using HEDIS Methodology
(**) Using the Advocate Physician Partners' population, 2008 HEDIS HMO and PPO were calculated with weighted average.
(***) Blood Pressure Control Results are HMO only

Table 2. Diabetes Care Measure Comparative[9]

ADVOCATE PHYSICIAN PARTNERS METRICS/RESULTS

In 2009, Advocate Physician Partners physicians exceeded targets and performed well above national averages on all nine comparable measures.

Advocate Physician Partners

IMPACT

on Quality and Cost

Advocate Physician Partners' Diabetic Care Outcomes initiative resulted in an additional

12,350 years of life.

In addition, the initiative resulted in an additional

19,760 years of sight and

14,820 years free from kidney disease.

Calculating savings for just one of nine measures—poor HbA1C—Advocate Physician Partners saved an additional $2 million annually above the community performance level.

CORONARY ARTERY DISEASE AND CONGESTIVE HEART FAILURE OUTCOMES

Coronary Artery Disease (CAD) is a build-up of fatty deposits on the walls of the coronary arteries that causes narrowing of the artery, reduction of blood flow and blockage caused by clotting. Common complications of CAD are heart attack and stroke.

Congestive Heart Failure (CHF) is a condition in which the heart muscle weakens and cannot pump blood efficiently throughout the body.

Myocardial Infarction (MI)—commonly known as a heart attack—is the death of heart muscle from the sudden blockage of a coronary artery by a blood clot.

ECONOMIC AND MEDICAL IMPACT

- Cardiovascular diseases take nearly two lives every minute and are the single largest killers of Americans.[1]
- One in three Americans—81 million Americans—has one or more types of cardiovascular disease resulting in high blood pressure, stroke, coronary heart disease and heart failure.[2]
- The estimated direct and indirect cost of cardiovascular disease for 2010 will top $500 billion. This includes direct and indirect costs of $316.4 billion for heart disease, $177.1 billion for coronary heart disease, $73.7 billion for stroke, $76.6 billion for hypertensive disease and $39.2 billion for heart failure.[2]
- In 2006, health care spending and lost worker productivity from the burden of cardiovascular disease amounted to nearly $400 billion.[3]
- After age 40, the lifetime risk of developing coronary heart disease is 49 percent in men and 32 percent in women.[2]

ADVOCATE PHYSICIAN PARTNERS CASE FOR IMPROVEMENT

Early detection and improved management of risk factors—before complications develop—can dramatically reduce the incidence of and costs associated with heart disease and improve the length and quality of life for patients with CAD and CHF.

- Using ACE inhibitors in CHF patients has been shown to reduce the relative risk of mortality and hospitalizations by 25 percent. Overall, there is a 28 percent reduction in death, heart attack and hospital admission for heart failure patients treated with ACE inhibitors.[4]
- When patients with CHF are treated with ACE inhibitors, there is a corresponding estimated savings of $2,397 per patient.[5]
- Prescribing beta-blocker medications following a heart attack decreases the probability of a reoccurrence and increases the probability of long-term survival up to 40 percent.[1]
- Simple administration of anti-platelet therapy such as aspirin reduces the absolute risk of death following a heart attack by 36 lives per 1,000 patients treated over two years.[6] The avoided costs of hospitalization for these patients is estimated to be between $17,452 and $19,689.[7]

ADVOCATE PHYSICIAN PARTNERS OBJECTIVE AND INTERVENTIONS

Advocate Physician Partners is committed to reducing risk factors for patients with early stage cardiovascular disease. Through the cardiac clinical initiatives, physicians are encouraged to regularly use beta-blockers, ACE inhibitors and aspirin for eligible patients.

Advocate Physician Partners has taken substantial steps to educate physicians on state-of-the-art management of CHF and CAD. Patient outreach efforts are achieved through an outbound patient call center operated as part of Advocate Physician Partners' Beyond Disease Management program, page 10. Additionally, through the use of patient registries, physicians are reminded of smoking cessation counseling and cholesterol screening needs. In 2008, the program was expanded to include blood pressure management and in 2009, the evaluation of body mass index. Also in 2009, since Advocate Physician Partners had continuously surpassed the industry measures for inpatient care, the measures were expanded to reach patients in the ambulatory setting.

ADVOCATE PHYSICIAN PARTNERS METRICS/RESULTS

Advocate Physician Partners significantly exceeded national standards for the administration of cardiac medications for patients diagnosed with CAD or who experienced a heart attack.

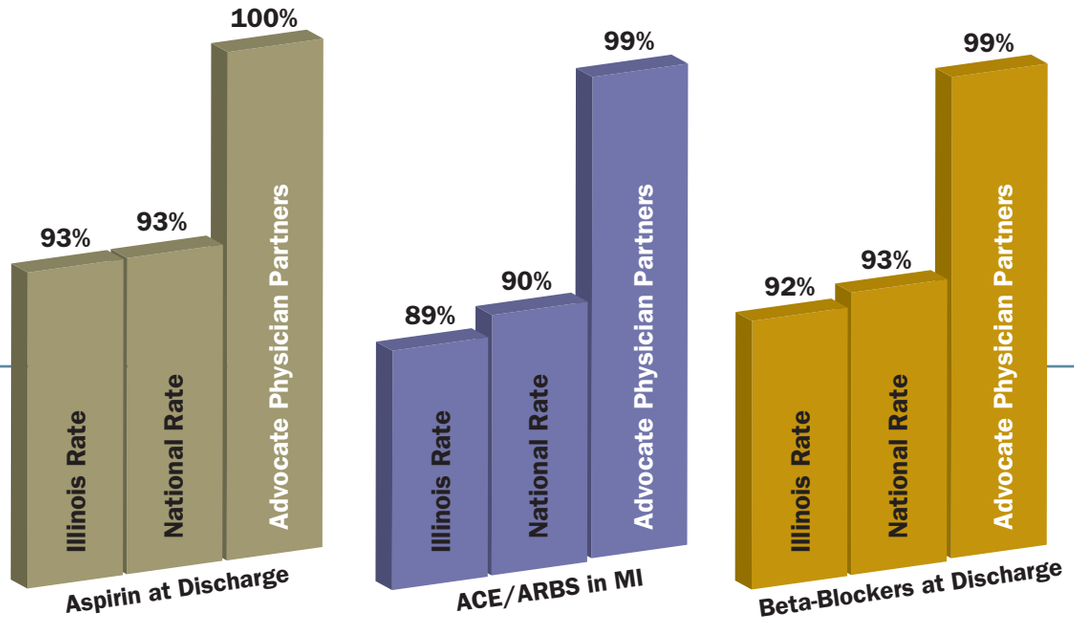


Table 1. Coronary Artery Disease Medication Use at Hospital Discharge[8]

Advocate Physician Partners

IMPACT

on Quality and Cost

Advocate Physician Partners' cardiac initiative resulted in improvements exceeding state and national benchmarks in all three areas of inpatient medication treatment. Improvements ranged from **seven to ten percentage points above the averages.**

Calculating savings from just a single measure of prescribing ACE inhibitors to outpatients with heart failure resulted in **additional savings of more than $688,000.**

CHILDHOOD IMMUNIZATION INITIATIVE

ECONOMIC AND MEDICAL IMPACT

- For every dollar spent on immunizations, as many as $29 can be saved in direct and indirect costs.[1]
- In 2007, almost one quarter of children age two to three lacked one or more recommended vaccinations.[1]
- Without routine vaccination, direct and societal costs of Combination 2 diseases would be $9.9 billion and $43.3 billion, respectively.[1] (Table 1)

Immunization shots, or vaccinations, are used to help prevent disease. Immunization vaccines contain germs that have been killed or weakened. When given to healthy persons, the vaccine triggers the immune system to respond and build antibodies to the disease.

ADVOCATE PHYSICIAN PARTNERS CASE FOR IMPROVEMENT

Childhood immunizations are responsible for the control of potentially serious diseases. The effectiveness of immunizations, however, is diminished if children do not receive their vaccinations according to recommended schedules. A nationally recognized report provides data showing that only 58 percent of children received the recommended vaccinations in Combination 3.[2]

A primary driver of this non-compliance for children under age 2 is parents simply not knowing whether or when immunizations are due and physicians not having timely feedback about compliance status. Family health concerns also are a contributing factor.

Combination 2	Combination 3	# Immuniz. Req.
DTP (diphtheria, tetanus, pertussis)	DTP (diphtheria, tetanus, pertussis)	4
Polio	Polio	3
MMR (measles, mumps, rubella)	MMR (measles, mumps, rubella)	1
Hib	Hib	3
Hepatitis B	Hepatitis B	3
Chicken Pox	Chicken Pox	1
	Pneumococcal	4

Table 1. Vaccines in Combination

ADVOCATE PHYSICIAN PARTNERS OBJECTIVE AND INTERVENTIONS

The goal of Advocate Physician Partners is to have all children in its physician member practices fully immunized with the Combination 3 series before two years of age. In addition to the efforts described in Beyond Disease Management, page 10, Advocate Physician Partners physicians receive ongoing reminders on needed vaccines and parents are also reminded regularly of the vaccination schedule. These combined efforts lead to significantly improved compliance and improved health status through prevention.

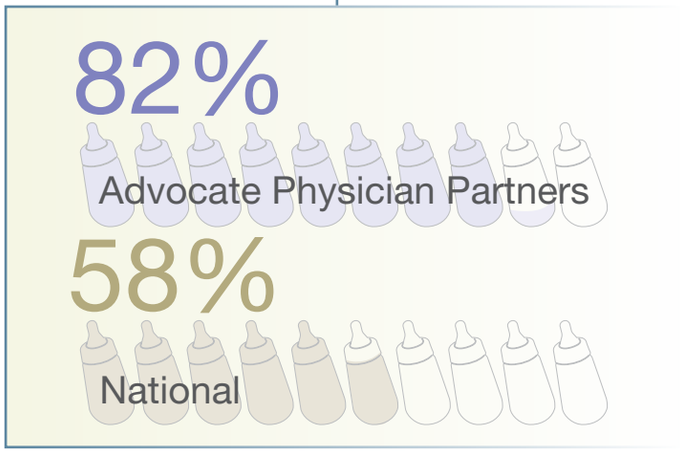


Table 1. Immunization Combination 3 Rates[2]

ADVOCATE PHYSICIAN PARTNERS METRICS/RESULTS

In 2009, Advocate Physician Partners physicians achieved an 82 percent compliance rate in administering Combination 3 immunizations to children by their second birthday. This compares favorably to the national performance of 58 percent.

Advocate Physician Partners

IMPACT

on Quality and Cost

Advocate Physician Partners' Combination 3 immunization rate is

24 percentage points above the national average.

ADDITIONAL CLINICAL INTEGRATION INITIATIVES

The following are summarized results for additional 2009 Advocate Physician Partners' Clinical Integration initiatives. Please refer to the Advocate Physician Partners' website at advocatehealth.com/app for more information about these initiatives.

BOARD CERTIFICATION

Objective: To encourage physicians to obtain and retain board certification and to help ensure member physicians have met ongoing continuing medical education requirements. This initiative also assists physicians in acquiring the latest information on mainstream health care trends and clinical treatment developments.

Outcome: 94 percent of physician members were board certified in their specialty area.

CANCER CARE IMPROVEMENT

Objective: To encourage Advocate Physician Partners Oncologists to participate in a state-of-the-art quality improvement program for the care of cancer patients. The American Society of Clinical Oncology (ASCO) is the world's leading professional organization representing physicians who treat people with cancer. The ASCO is committed to advancing the education of Oncologists and other Oncology professionals.

Outcome: 74 percent of Advocate Physician Partners Oncologists participated in the nationally recognized ASCO cancer performance reporting program.

CLINICAL LABORATORY STANDARDIZATION

Objective: To promote efficiency and decrease the cost of medical care by using a single clinical laboratory. Advocate Physician Partners encourages physicians to use a common lab to minimize duplication of testing, accommodate sharing of results electronically across sites of care and streamline the administrative process for providing quality improvement and operating disease management programs.

Outcome: 94 percent of Advocate Physician Partners physicians used the preferred clinical laboratory for outpatient laboratory services. This represents an increase of 4 percentage points over 2008 levels.

COMMUNITY-ACQUIRED PNEUMONIA MANAGEMENT

Objective: To increase the timeliness of antibiotic administration to patients with pneumonia. Studies show that patients presenting at the hospital with pneumonia had improved survival rates if they received antibiotics promptly after admission.[1]

Outcome: More than 98 percent of Advocate Physician Partners' patients presenting with pneumonia received the first dose of antibiotics within four hours of hospital admission.

EFFECTIVE USE OF HOSPITAL RESOURCES

Objective: To improve hospital efficiencies, including reducing the patient length of stay. Measuring physicians' inpatient hospital resource consumption and communicating individual performance, peer group performance and industry norms to physicians creates awareness and motivation to improve.

Outcome: The average length of stay for the commercially insured patients of Advocate Physician Partners physicians was 3.7 days in 2009. This compares favorably to the Milliman Moderately Managed ALOS Benchmark of 4.1.[2]

HOSPITALIST PROGRAM PARTICIPATION

Objective: To encourage the use of Hospitalists, which studies show reduces inpatient length of stay and cost per case, while improving patient safety.[3,4]

Outcome: 86 percent of Advocate Physician Partners Primary Care Physicians used a Hospitalist or performed at an equivalent level of inpatient utilization. Intervention meetings were held with poorly performing physicians. Non-remediating physicians are required to use Hospitalists.

OBSTETRICS: DEPRESSION SCREENING AND POST PARTUM CARE

Objective: To optimize clinical outcomes and reduce malpractice exposure. The American College of Obstetricians and Gynecologists (ACOG) recommends screening perinatal women for depression. In addition, timely post partum follow-up care ensures continuity of care and detection of health problems in early stages.

Outcome: 72 percent of physicians conducted a post partum depression screening and 93 percent of Advocate Physician Partners Obstetricians completed a post partum care assessment within the timeframes recommended in the professional literature.

OFFICE PATIENT SAFETY ASSESSMENT

Objective: To extend Advocate Physician Partners' focus on patient safety to the outpatient setting, eligible specialist physicians are encouraged to meet the standards set by the Massachusetts Medical Society, a recognized leader in assessing patient safety.

Outcome: In only the second year of this initiative, 98 percent of all Advocate Physician Partners specialist physicians met this patient safety standard.

OPHTHALMOLOGY CARE – CATARACTS

Objective: To increase the likelihood of achieving the appropriate pre-operative vision screening rate targets. Advocate Physician Partners Ophthalmologists perform testing and evaluations prior to cataract surgery utilizing nationally recognized guidelines.

Outcome: 94 percent of Advocate Physician Partners Ophthalmologists assessed and documented visual functioning prior to cataract surgery.

OPHTHALMOLOGY CARE – DIABETIC RETINOPATHY

Objective: To document the level of severity of retinopathy and the presence or absence of macular edema for the purpose of assisting with the ongoing plan of care for a patient with diabetic retinopathy. Timely communication to the patient's managing physician of the occurrence of an office visit and eye examination is important to ensure continuity of care.

Outcome: 81 percent of Advocate Physician Partners Ophthalmologists documented completion of an eye exam and 88 percent communicated the results back to the primary care physician.

OSTEOPOROSIS SCREENING

Objective: To provide timely bone density testing or pharmacologic treatment to patients over age 50 who have had a hip, spine or distal radial fracture. An estimated 10 million Americans have osteoporosis, leaving them more vulnerable to debilitating fractures. Treatment of osteoporosis has been shown to reduce the risk of subsequent fractures by 40 to 60 percent.

Outcome: 41 percent of Advocate Physician Partners Orthopedic Surgeons, more than twice the target number, met the screening objective for patients with fractures.

PATIENT SAFETY COMMUNICATION

Objective: To maintain effective coordination of care and patient satisfaction through consistent and timely communication. Advocate Physician Partners' Clinical Integration Program includes a cluster of measures to optimize communications between the specialist and primary care physician, as well as between the physician and patient.

Outcome: 92 percent of Advocate Physician Partners specialists provided appropriate communication to referring physicians and 88 percent communicated with patients within the established time period.

PATIENT SAFETY EFFECTIVE HANDOFFS

Objective: To ensure continuity of care and improve patient outcomes and satisfaction through a well managed transfer of patient care by the Hospitalist from an inpatient to an outpatient setting.

Outcome: 95 percent of Advocate Physician Partners Hospitalists met the goal for ensuring patients they cared for in the hospital were assigned to an outpatient or community primary care physician for follow-up care.

PATIENT SATISFACTION

Objective: To improve the patient experience by providing higher-quality care, encouraging patient compliance with key initiatives, increasing satisfaction among staff, reducing the number of preventable medical mistakes and malpractice lawsuits and offering economic savings.

Outcome: Advocate Physician Partners physicians participated in the measurement of patient satisfaction for specialty care in three care settings: inpatient, physician office and emergency room.

PEER SATISFACTION

Objective: To improve the continuity of care received by the patient by making communication between primary care physicians and specialty care physicians more effective. Measuring satisfaction and encouraging improvement actions demonstrates the organization's commitment to quality care and patient satisfaction.

Outcome: 100 percent of eligible physicians met the goal for overall satisfaction and effective communication as evaluated by their peers.

PHARMACEUTICAL STATIN AND PROTON PUMP INHIBITOR USE

Objective: To increase the use of appropriate generic statin and proton pump inhibitor medications. These medications are projected to be significant drivers of pharmaceutical spending growth in upcoming years. Use of the generic will result in savings to employers, payers and consumers.

Outcome: 71 percent of patients needing a statin and 65 percent of patients needing a proton pump inhibitor received generic medications.

PHYSICIAN EDUCATION ROUNDTABLE MEETINGS

Objective: To educate physicians on the Clinical Integration Program initiatives and evidence-based care. Advocate Physician Partners provides interactive online education sessions highlighting key Clinical Integration Program initiatives, clinical guidelines/protocols and patient outreach programs to improve physician performance and outcomes. In addition, in 2009 the initiative was expanded to require attendance by the physician practice office managers to further assure integration of these tools and techniques at the practice office.

Outcome: 86 percent of Advocate Physician Partners physician members and office managers attended the Education Roundtable meetings.

SMOKING CESSATION EDUCATION PROGRAM

Objective: To increase the number of patients who receive smoking cessation counseling from their physician in both the office and inpatient settings.

Outcome: Advocate Physician Partners provided smoking cessation counseling to 98 percent of patients who were current or recent smokers, well above the national comparative of 73 percent.[6] 99 percent of patients that were current or recent smokers were given smoking cessation counseling while admitted in an Advocate hospital. Due to the high rate of success with this initiative, Advocate Physician Partners raised the standards for capturing and reporting data in 2009. The newly implemented three-year process is expected to improve outcomes year-over-year.

SURGICAL CARE IMPROVEMENT

Objective: To prevent post operative infections by the timely administration and discontinuation of prophylactic antibiotics in the course of surgical treatment. Appropriate antibiotic utilization has been shown to reduce the risk of infection and complications from surgery.

Outcome: 99 percent of Advocate Physician Partners physicians administered prophylactic antibiotics for surgical patients according to the protocols adopted from the literature on evidence-based best practices for reducing surgical infections. This represents a 2 percentage point improvement over 2008.

PHYSICIAN AND HOSPITAL ALIGNMENT: ADVANCING QUALITY THROUGH PARTNERSHIP

Partnership is a central component of the Advocate Physician Partners' Clinical Integration Program. Collaboration and alignment of goals have been the key drivers of success and improvement between administrators and physicians, primary care physicians and specialists and physicians and hospitals. This partnership has yielded substantial results, including better health outcomes for our patients and lower health care costs for payers and employers, by engaging physicians in measures shared by Advocate Physician Partners and the Advocate Health Care hospitals.

From the beginning, Advocate Physician Partners has provided its physician members with solid, evidence-based protocols and guidelines for wellness and preventive care, as well as disease management. Advocate Physician Partners physicians have demonstrated their commitment and dedication to the Program and to their patients through their outstanding performance year after year. Their performance has also driven improvements in the hospitals at which they practice.

Aligning administrators, physicians and technologies behind a proven clinical and operational program is a critical component of driving change through a large health care system. Advocate Physician Partners' Clinical Integration Program provides the means to bring together physician and hospital staff, working toward a common evidence-based quality outcome. The three initiatives described on the following pages highlight the type of success that can be achieved by aligning the goals of the physician and hospital.

Advocate Physician Partners' Clinical Integration Program provides the means to bring together physician and hospital staff, working toward a common evidence-based quality outcome.

COMPUTERIZED PHYSICIAN ORDER ENTRY (CPOE)

Electronic prescribing systems help prevent adverse drug events (ADEs) by providing structured, evidence-based decision support to physicians as they are entering an order for a prescription medication. These systems also contain patient information, including laboratory and prescription data, which helps prevent ADEs by providing physicians with real time prompts that warn against the possibility of drug-to-drug interactions, medication allergies and potential overdosing. According to a highly recognized industry study, the implementation of CPOE at all non-rural United States hospitals could prevent three million ADEs, saving both health care dollars and lives each year.[1] Yet according to a study by a health information technology research firm, in 2007, only 9.6 percent of all hospitals nationally had implemented CPOE systems.[2]

Advocate Physician Partners' focus on CPOE has helped accelerate adoption of the system at the Advocate hospitals. In 2009, CPOE was fully implemented at five Advocate Health Care hospitals. Advocate Illinois Masonic Medical Center was recognized for fully meeting the nationally recognized Leapfrog CPOE Patient Safety Standard by entering 75 percent of medication orders through the CPOE system.

Advocate Health Care also is leading the state in CPOE adoption. In 2008, only 26 percent of Illinois' urban hospitals reported some adoption of CPOE.[3] In that same year, six of the then eight Advocate Health Care hospitals had implemented CPOE, due in large part to the engagement of physicians through the Advocate Physician Partners' Clinical Integration Program.

ELECTRONIC INTENSIVE CARE UNIT (eICU®)

More than two million patients are admitted to urban intensive care units (ICUs) in the U.S. each year. With mortality rates averaging 10 – 20 percent in most hospitals, as many as 200,000 patients may be dying annually in America's ICUs.[4] A literature review found that ICUs staffed exclusively by Intensivists, board-certified physicians who specialize in critical or emergency care, are associated with a 40 percent reduction in ICU mortality.[5]

Advocate Health Care's eICU® program connects the system's 18 adult intensive care units to a central command center, staffed by board-certified Intensivists, who remotely monitor patients at the ICUs of Advocate's eight hospitals and provide clinical insight to bedside caregivers including nurses and other health care professionals.

In 2004, Advocate Physician Partners introduced an initiative to encourage its physician members to fully utilize Advocate's eICU® technology. Physicians were asked to commit to one of four levels of collaboration with the eICU® Intensivists. In the first year of the measure, 59 percent of Advocate Physician Partners physicians were utilizing the eICU at Level 4—the highest level of collaboration. By 2007, that number had risen to 96 percent and in 2008, utilizing Advocate's eICU® at Level 3 or 4 was made a requirement of membership in Advocate Physician Partners. As a result, all patients under the care of an Advocate Physician Partners physician are cared for by a highly trained Intensivist while in the ICU at an Advocate hospital.

Level 1	Level 2	Level 3	Level 4
Intensivist guides all available interventions for cardiac events	Intensivist intervenes for specific predefined clinical issues	Intensivist manages according to treatment plan	Intensivist co-manages patient care

Table 1. eICU®— Levels of Collaboration

RADIOLOGY TURNAROUND TIME

Studies have shown that the amount of time patients wait for results of imaging tests, particularly in the case of mammography, can contribute greatly to patient dissatisfaction.[6] Rapid turnaround of diagnostic radiology reports is critical to ensuring patient satisfaction and, in some cases, improving health outcomes. In addition, radiology turnaround time impacts bed management, resource utilization and patient flow, all of which create financial, logistical and quality of care challenges for hospitals and clinics while adding to health care costs. Improving turnaround times requires engaging radiologists in the goals and objectives of the hospital or outpatient facility as well as those of the patient and ordering physician.

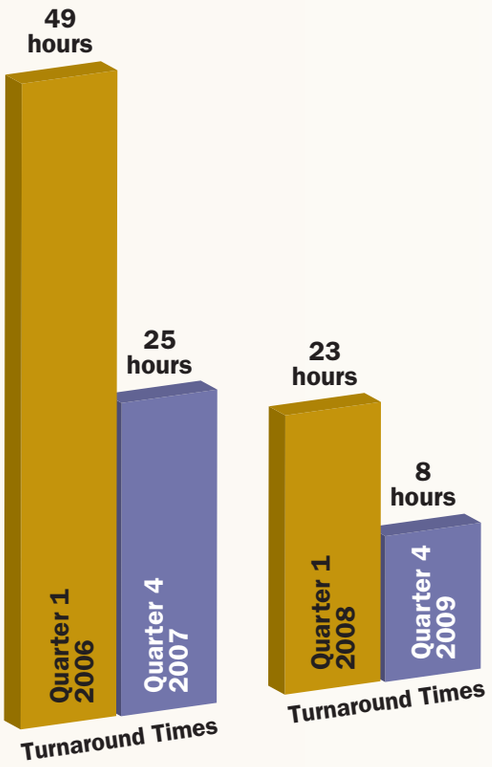


Table 2. Radiology Turnaround Time Diagnostic Mammography Improvement

Improved radiology report turnaround time has been a formal objective of Advocate Health Care since 2007. From the first quarter of 2006 through the fourth quarter of 2007, average turnaround time fell from 49 hours to 25 hours for diagnostic mammography reports. This represents a 49 percent decrease in turnaround time.

In 2008, Advocate Physician Partners added the measure to the Clinical Integration Program bringing attention to the issue and engaging physicians in the goal. From the first quarter of 2008 through the fourth quarter of 2009, the average turnaround time plummeted from 23 hours to 8 hours, a decrease of an additional 65 percent.

Advocate Health Care and Advocate Physician Partners are committed to providing timely turnaround of all radiology reports. In 2009, Advocate Physician Partners Radiologists far exceeded the established turnaround time goals, including providing general radiology reports within 7.5 hours, far exceeding the goal of providing these reports within 24 hours or less.

PARTNERSHIP REMAINS THE FOUNDATION

Partnership is the foundation of Advocate Physician Partners and Advocate Health Care. Through alignment of values, goals and objectives, **lives are saved, costs are reduced and efficiencies are enhanced.** This unique relationship is reaping benefits for the patients, employers and payers who have entrusted Advocate Health Care and Advocate Physician Partners with their health and their health care dollars.

ADVOCATE HEALTH CARE HOSPITAL FOCUS ON QUALITY

In 2009, Thomson Reuters measured quality and efficiency among 252 health systems nationwide. Advocate Health Care finished in the top 10 for performance in quality at the eight acute care hospitals that comprise Advocate Health Care.

As part of the journey toward health care excellence, Advocate Health Care incorporates many quality standards, one of which was joining the Institute for Healthcare Improvement's (IHI) 100,000 Lives campaign in 2004. The campaign focused on specific initiatives to improve the quality of care and recommended the implementation of guidelines to improve patient outcomes. Two of the IHI initiatives focus on the prevention of Ventilator-Associated Pneumonia (VAP) and Central-Line Associated Blood Stream Infections (CLABSI). Both of these complications have a high impact on mortality as well as increase overall health care costs.

VENTILATOR-ASSOCIATED PNEUMONIA (VAP)

ECONOMIC AND MEDICAL IMPACT

- VAP is the leading cause of death among patients with hospital acquired infections and accounts for 14 percent more deaths compared to patients who do not develop VAP.[1]
- VAP adds an estimated $40,000 per case to a typical hospital admission.[2]

Ventilator-Associated Pneumonia is an infection that can develop within 48 hours of a patient being intubated and placed on mechanical ventilation.

ADVOCATE HEALTH CARE INTERVENTIONS

Following the recommendations of the Institute for Healthcare Improvement, Advocate Health Care implemented a series of standards to prevent the onset of VAP in patients. These include elevation of the head of the patient's bed, daily assessment of readiness to have the ventilator removed, review of medications used to keep the patient sedated and prevent stress ulcers related to not eating while intubated, and the use of a medication or a mechanical device to prevent blood clots due to lack of activity while the patient is bed ridden. Compliance with the VAP guidelines is achieved through a partnership between the bedside staff and the Advocate eICU® described on page 34.

Between 2004 and 2009, Advocate Health Care reduced the incidence of Ventilator-Associated Pneumonia from 101 to 9 cases annually.

Table 1. Ventilator-Associated Pneumonia Ventilator Days per 1000

ADVOCATE HEALTH CARE METRICS/RESULTS

Between 2004 and 2009, Advocate Health Care reduced the incidence of Ventilator-Associated Pneumonia from 101 to 9 cases annually. This equates to less than one-half of a case per 1,000 ventilator days, compared to the national rate of between 2 and 11 per 1,000 ventilator days.[3]

Advocate Health Care

IMPACT

on Quality and Cost

Through achievement of a Ventilator-Associated Pneumonia rate significantly lower than the national average,

Advocate Health Care has recognized a significant improvement in patient care and avoided more than $1.9 million in costs.

CENTRAL LINE-ASSOCIATED BLOOD STREAM INFECTION (CLABSI)

ECONOMIC AND MEDICAL IMPACT

- In the U.S., an estimated 248,000 bloodstream infections occur annually.[4]
- The death rate from bloodstream infections is estimated between 500 and 4,000 deaths annually.[5]
- Bloodstream infections result in, on average, more than $36,000 in additional hospital costs per case, which equates to over $9 billion annually.[6]

A central line is a catheter with a tip that terminates in a blood vessel near the heart. A Central Line-Associated Blood Stream Infection (CLABSI) is an infection thought to be caused by or introduced through a central line placement.

ADVOCATE HEALTH CARE INTERVENTIONS

48 percent of patients in intensive care units have central venous catheters. Maintenance of a sterile field during catheter insertion, along with care of the line after placement, is thought to be key to preventing the central line infection. Following the guidelines of the Institute for Healthcare Improvement (IHI)100,000 Lives campaign, Advocate Health Care adopted the IHI standards in 2004. Hand hygiene, skin cleansing and use of specific antiseptics and catheter insertion precautions were emphasized to staff. In addition, specific protocols are followed when selecting the site for insertion as well as a daily review of the line necessity.

In 2010, Advocate Health Care increased the precautions to include mandatory training for all clinical personnel, spreading the responsibility for prevention beyond the immediate care nurse.

Bloodstream infections result in, on average, more than $36,000 in additional hospital costs per case, which equates to over $9 billion annually.

Between 2004 and 2009, Advocate Health Care reduced the number of central line infections from 64 to 33.

ADVOCATE HEALTH CARE METRICS/RESULTS

Between 2004 and 2009, Advocate Health Care reduced the number of central line infections from 64 to 33, which equates to 0.8 infections per 1,000 central line days. This compares favorably to the national average of five infections per 1,000 central line days.[6]

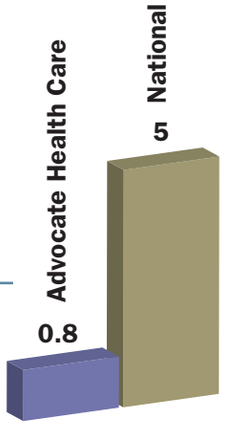


Table 1. Central Line-Associated Infection Rate per 1000 Patients

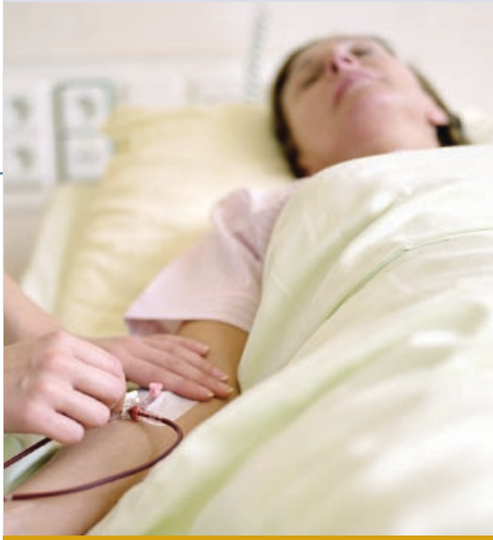
Advocate Health Care

IMPACT

on Quality and Cost

Through achievement of a Central Line-Associated Blood Stream Infection rate significantly lower than the national average,

Advocate Health Care has recognized a significant improvement in patient care and avoided $6.1 million in hospital costs.



RAISING THE BAR: THE 2010 ADVOCATE PHYSICIAN PARTNERS' CLINICAL INTEGRATION PROGRAM

Each year the Clinical Integration Program is formally re-evaluated by a committee of physicians. Modifications are made to retire, add or increase the performance measures or their targets for select initiatives. In other cases, Clinical Integration Program initiatives are changed to become baseline conditions of membership. The Program initiatives are centered on five key result areas driving clinical outcomes and cost savings.

The chart below details the 2010 Clinical Integration Program's 41 key initiatives and their areas of impact.

	2010 CLINICAL INITIATIVES	CLINICAL OUTCOMES	EFFICIENCY	MEDICAL & TECHNOLOGICAL INFRASTRUCTURE	PATIENT SAFETY	PATIENT EXPERIENCE
1	30-Day Readmission Rate		✔			
2	APP – Wide Cost Index		✔			
3	Asthma Care Outcomes	✔	✔	✔		
4	Board Certification	✔		✔	✔	✔
5	Cancer Care Improvement	✔	✔	✔	✔	✔
6	Cardiac Surgery Outcomes	✔	✔	✔	✔	✔
7	Childhood Immunizations	✔	✔			
8	Clinical Laboratory Standardization	✔	✔	✔		
9	Communication: Specialists to PCPs	✔	✔		✔	✔
10	Community Acquired Pneumonia Management	✔	✔			
11	Computerized Physician Order Entry (CPOE)	✔	✔	✔	✔	
12	Congestive Heart Failure Outcomes	✔	✔			
13	Coronary Artery Disease	✔	✔			
14	Depression Screening	✔	✔			
15	Diabetic Care Outcomes	✔	✔	✔		

	2010 CLINICAL INITIATIVES	CLINICAL OUTCOMES	EFFICIENCY	MEDICAL & TECHNOLOGICAL INFRASTRUCTURE	PATIENT SAFETY	PATIENT EXPERIENCE
16	Effective Use of Hospital Resources		✔			
17	Generic Prescribing	✔	✔			✔
18	HMO Quality Study Results	✔	✔	✔		
19	Hospitalist Program: Effective Handoff	✔	✔		✔	✔
20	MRI Utilization Rates		✔			
21	Obstetrics: Post Partum Care	✔				✔
22	Obstetrics: Post Partum Depression	✔	✔			
23	Ophthalmology: Diabetic Retinopathy	✔	✔	✔		
24	Osteoporosis Screening	✔	✔			
25	Patient Registry Usage	✔	✔	✔		
26	Patient Safety Office Assessment	✔	✔		✔	
27	Patient Satisfaction	✔				✔
28	Peer Satisfaction	✔	✔		✔	✔
29	Pharmaceutical: Generic Nasal Steroid Usage	✔	✔			
30	Pharmaceutical: Generic Proton Pump Inhibitor Usage	✔	✔			
31	Pharmaceutical: Generic Statin Use	✔	✔			
32	Physician Education Roundtable Meetings	✔	✔	✔	✔	✔
33	Radiology Mammography Quality Coding	✔		✔	✔	✔
34	Radiology Turnaround Times	✔				
35	Smoking Cessation Education: Inpatient	✔	✔			
36	Smoking Cessation Education: Outpatient—Adult	✔	✔	✔		
37	Smoking Cessation Education: Outpatient—Children	✔	✔	✔		
38	Specialty Care Referral Rate		✔			
39	Specialty Care Visits Rate		✔			
40	Surgical Care Improvement: Inpatient	✔	✔		✔	
41	Surgical Care Improvement: Outpatient	✔	✔		✔	

PROFESSIONAL AND COMMUNITY RECOGNITION

In 2009, Advocate Physician Partners and Advocate Health Care were recognized by a number of professional and community organizations for their leadership in clinical excellence, use of advanced technologies and demonstrated improvements in patient safety.

FOR CLINICAL EXCELLENCE AS A HEALTH CARE SYSTEM:

BlueCross BlueShield of Illinois
Experience. Wellness. Everywhere.®

CENTER OF DISTINCTION FOR CARDIAC CARE
Advocate Christ Medical Center
Advocate Illinois Masonic Medical Center
Advocate Lutheran General Hospital

BLUE STAR MEDICAL GROUP REPORT
9 OUT OF 9 STARS
Advocate Medical Group
Dreyer Medical Clinic
Advocate Christ Physician Partners
Advocate Good Samaritan Physician Partners
Advocate Illinois Masonic Physician Partners
Advocate Lutheran General Physician Partners

ACS NSQIP

LOWEST SURGICAL MORBIDITY IN THE U.S.
Advocate Lutheran General Hospital

100 THOMSON REUTERS TOP HOSPITALS

100 TOP HOSPITALS
Advocate Good Samaritan Hospital
Advocate Lutheran General Hospital

100 TOP CARDIOVASCULAR
Advocate Christ Medical Center
Advocate Lutheran General Hospital

U.S.News & WORLD REPORT

TOP 50 BEST HOSPITALS
DIGESTIVE DISORDERS
Advocate Good Samaritan Hospital

GYNECOLOGY
Advocate Lutheran General Hospital

48 Advocate doctors

THE JOINT COMMISSION
NATIONAL QUALITY APPROVAL

DISEASE-SPECIFIC CERTIFICATION:
ADVANCED HEART FAILURE
Advocate Christ Medical Center

THOMSON REUTERS
TOP HOSPITALS
HEALTH SYSTEMS

100 TOP HOSPITALS: HEALTH SYSTEMS QUALITY/ EFFICIENCY STUDY THE TOP 10
The best performers among 252 systems representing the top 2.5% of organizations studied, in alphabetical order.

Health System	City, State
Advocate Health Care	Oak Brook, IL
Catholic Healthcare Partners	Cincinnati, OH
Health Alliance of Greater Cincinnati	Cincinnati, OH
HealthEast Care System	Saint Paul, MN
Henry Ford Health System	Detroit, MI
Kettering Health Network	Dayton, OH
OhioHealth	Columbus, OH
Prime Healthcare Services, Inc.	Victorville, CA
Trinity Health	Novi, MI
University Hospitals Health Systems	Cleveland, OH

Source: Thomson Reuters

Advocate Condell Medical Center
ACHIEVED LEVEL I TRAUMA DESIGNATION TO JOIN OUR OTHER LEVEL I HOSPITALS

Advocate Christ Medical Center
Advocate Good Samaritan Hospital
Advocate Illinois Masonic Medical Center
Advocate Lutheran General Hospital

MAGNET RE-DESIGNATION IN 2009
Advocate Christ Medical Center
Advocate Good Samaritan Hospital

OUR OTHER MAGNET HOSPITALS
Advocate Illinois Masonic Medical Center
Advocate Lutheran General Hospital

AS AN EMPLOYER:

start! FIT-FRIENDLY COMPANY

American Heart Association
Learn and Live
2009 PLATINUM ACHIEVEMENT

This workplace has been recognized by the American Heart Association for meeting criteria for employee fitness.

Best Places to Work in IL 2009
A workplace analysis and competition

AS A GOOD CITIZEN IN THE COMMUNITY:

joined at the heart
American Heart Association® *Learn and Live*℠
Advocate Health Care

Advocate Health Care supports the American Heart Association

ACKNOWLEDGEMENTS

Advocate Physician Partners gratefully acknowledges the support of the many health plans, regulatory organizations, leadership groups, employers and benefit consultants for their interest in, support of and commitment to the Advocate Physician Partners' Clinical Integration Program.

Advocate Physician Partners would also like to extend sincere thanks and recognition to the more than 3,400 physician members of Advocate Physician Partners for their commitment to leadership and quality while developing, implementing, practicing and monitoring the Clinical Integration Program.

Special thanks to the men and women of Advocate Physician Partners who dedicate their time, talents and energy to the furtherance of Advocate Physician Partners' vision—to be the leading care management and managed care contracting organization.

Sincere thanks and recognition to the more than 3,400 physician members of Advocate Physician Partners.

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ABOUT ADVOCATE PHYSICIAN PARTNERS

Advocate Physician Partners is the care management and managed care contracting joint venture between the Advocate Health Care system and select physicians on the medical staffs of Advocate hospitals. With a physician network that includes more than 1,000 primary care physicians and 2,400 specialists, Advocate Physician Partners is focused on improving health care quality and outcomes—while reducing the overall cost of care—in both the inpatient and ambulatory settings. Advocate Physician Partners' award-winning clinically integrated approach to patient care utilizes best practices in evidence-based medicine, advanced technology and quality improvement techniques.

Advocate Health Care is a not-for-profit, faith-based integrated health care delivery system serving the greater Chicago metropolitan area. Advocate Health Care is ranked among the nation's top health care systems. With over 27,000 employees, Advocate Health Care is the second largest private sector employer in Illinois.

Advocate Physician Partners

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