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Premier healthcare alliance announces initiative to address healthcare industry energy costs, greenhouse emissions

Industry spends \$6.5 billion annually on energy; SPHERE collaborative designed to reduce healthcare's carbon footprint

Charlotte, N.C. (May 21, 2008) – The Premier healthcare alliance today announced a climate and energy collaborative focused on reducing the healthcare industry's carbon footprint.

SPHERE – Securing Proven Healthcare Energy Reduction (for the) Ecosystem – will build on Premier's environmental leadership and commitment to a healthy environment, focusing on reducing industry energy costs and greenhouse emissions.

Healthcare ranks as the country's second most energy intensive industry, spending more than \$6.5 billion each year while experiencing double-digit cost increases. Volatile energy prices are diverting money needed for critical healthcare quality and safety improvements. Hospitals are the sector's largest energy consumer and producer of greenhouse gases (GHG). The industry's reliance on non-renewable energy sources contributes to the emission of GHG, driving climate change and impacting public health from air pollution.

SPHERE'S primary goals are to help Premier alliance members reach measurable targets to:

- Reduce energy cost;
- Reduce overall energy usage and GHG emissions for positive public health impact; and
- Increase use of cleaner, renewable energy.

“Reducing our carbon footprint and contributing to the use of renewable energy to improve the health of the communities we serve are goals we share with Premier,” said Kenneth Ferron, vice president, administration, Covenant Health Systems, Inc., in Lexington, Mass. “By participating in Premier's energy initiative, the savings we achieve in energy use and costs will go directly to improvements in the quality of care.”

SPHERE will enable Premier members to support patient and public health through cost-effective, environmentally sensitive energy procurement, use and management practices. It will also bring hospitals together to share best practices and benchmark their energy use to positively impact climate change and public health.

As part of SPHERE, Premier will collaborate with Practice Greenhealth, a new non-profit organization and successor to Hospitals for a Healthy Environment (H2E), Green Guide for Health Care and Healthcare Clean Energy Exchange to lead the first large-scale, healthcare reverse auction for energy. The healthcare focused, Web-based, electronic energy auction

establishes competition among energy suppliers to reduce prices of energy and environmental commodities (e.g., renewable energy certificates and carbon offsets), enabling hospitals to lock in more stable pricing and increase their percentage of green/renewable energy purchases.

“Practice Greenhealth is excited to partner with Premier in this energy initiative because Premier shares Practice Greenhealth’s goals and has demonstrated their commitment and leadership in addressing the energy crisis and improving public health,” said Practice Greenhealth Executive Director Bob Jarboe. “SPHERE addresses one of the greatest healthcare challenges of the 21st century and will likely become a model for the healthcare community, policy makers and other industries.”

“Through collaboration in SPHERE, members of the Premier alliance will demonstrate their leadership and commitment to their communities as they effectively address the energy and climate crisis,” said Premier Purchasing Partners President Mike Alkire. “SPHERE will save healthcare institutions money while decreasing healthcare’s carbon footprint through measurable reductions in the amount of greenhouse gases and related illness and disease.”

Premier Purchasing Partners is the healthcare group purchasing industry leader in environmental purchasing, acting as a primary source of information and advocacy. Purchasing Partners assists with the identification of products and services that enhance the clinical and environmental safety and health of patients and workers. Premier is the only group purchasing organization to win the Champions for Change award six times from Practice Greenhealth.

The SPHERE initiative is a natural expansion of Premier’s environmental leadership program, GreenHealthy™, which includes the organization’s Environmentally Preferable Purchasing program, as well as its internal employee-led, corporate-wide Yes to Green program.

“There is an urgent need for an intensified national healthcare-focused program to share expertise, tools and services,” said Premier Safety Institute Vice President Gina Pugliese. “SPHERE will help hospitals measure their energy usage and carbon footprint, implement cost-effective strategies for reducing both energy usage and cost, and increase the use of clean and renewable energy.”

For more information regarding SPHERE, please visit www.premierinc.com/sphere.

About Premier Inc., 2006 Malcolm Baldrige National Quality Award recipient

Serving more than 2,000 U.S. hospitals and 50,000 other healthcare sites, the Premier healthcare alliance and its members are transforming healthcare together. Owned by not-for-profit hospitals, Premier operates one of the leading healthcare purchasing networks and the nation's most comprehensive repository of hospital clinical and financial information. A subsidiary operates one of the nation's largest policy-holder owned, hospital professional liability risk-retention groups. A world leader in helping healthcare providers deliver dramatic improvements in care, Premier is working with the United Kingdom's National Health Service North West and the Centers for Medicare & Medicaid Services to improve hospital performance. Headquartered in San Diego, Premier has offices in Charlotte, N.C., Philadelphia and Washington. For more information, visit www.premierinc.com