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Broadlane Acquires Healthcare Performance Partners

Together, companies will offer healthcare clients Lean and Six Sigma consulting services to eliminate waste, improve quality of care, and reduce costs

DALLAS – Nov. 16, 2009 – Broadlane, the leading cost-management company for healthcare providers, today announced the acquisition of Healthcare Performance Partners (HPP), a consulting group offering Lean Healthcare and Six Sigma consulting services, training, and tools. Terms of the deal were not disclosed. With its experienced staff of Lean and Six Sigma healthcare practitioners and medical professionals, HPP facilitates remarkable improvements while educating and training healthcare executives and staff on key principles and methodologies, making Lean Healthcare a way of life in daily operations.

Post-transaction, HPP will continue to be led by its founder, Charles Hagood, who will be president of the standalone company; staff and operations will remain based in its Nashville-area headquarters. While HPP will become a wholly owned subsidiary of Broadlane, neither current HPP clients nor prospective ones need to have a relationship with Broadlane or its traditional GPO services.

“Acquiring HPP is a significant step in increasing our product offering as clients look to improve clinical outcomes, reduce costs, improve satisfaction of both the patient and caregiver alike while implementing process improvements,” said Tom Sherry, chief operating officer, Broadlane. “While Lean and Six Sigma have long been cornerstones of manufacturing, healthcare providers are only now beginning to more broadly implement these approaches to remove waste and cost from their systems while improving quality of care.”

Lean is an operating philosophy originally developed in manufacturing environments. It aims to reduce waste along “value streams” of activity. Applying Lean principles to processes increases throughput, often improves quality of care and improves safety by reducing errors. Six Sigma is a disciplined, data-driven approach and methodology for eliminating defects. These operating philosophies have proven enormously successful at increasing productivity and quality in manufacturing settings and are now being applied to the service sector.

HPP is one of the few industrial and process engineering companies to successfully apply its consulting success to the unique healthcare setting. Many consulting engagements across the U.S. and Canada have led to significant, sustained improvement at acute care facilities of all sizes; and, HPP is now beginning engagements in Europe.

“With HPP, we are able to provide Broadlane clients with even more tools and services needed to lower cost and improve the bottom line in new ways that complement our traditional methods,” said Sherry. “For example, HPP has helped providers reduce or eliminate infection rates from common procedures such as central line insertion, which in turn has reduced costly readmissions. They have also improved throughput leading to less waiting by patients, as well as better utilization of capital equipment and facilities. Many HPP consulting projects improve satisfaction of patients and caregivers alike, and the improvements impact top- and bottom-line financial results.”

HPP’s service offerings include:

- **Lean Healthcare:** Lean Healthcare can eliminate many obstacles to excellence, such as cumbersome information technology systems, worker frustration and inadvertent errors and oversights that can increase patient safety risks. HPP involves client teams in learning, applying, analyzing and making Lean

Healthcare disciplines a regular part of the organization's operating philosophy.

- **Consulting Services:** HPP can help healthcare organizations design and implement real solutions that draw on an organization's collective know-how to deliver results. HPP leverages proven Lean and Six Sigma tools including: Value Stream Mapping, 5-S projects, A3 Thinking, and Lean Healthcare Kaizen events.
- **Training Services:** HPP instructional professionals can provide training to providers on key Lean principles. HPP has also proven that its customized, ongoing coaching relationships can help sustain and ingrain Lean/Six Sigma culture at healthcare providers. Its reVIEW® course is also a perfect fit for training the frontline staff of organizations in Lean and Problem Solving in a "learn by doing" format.
- **Facilities and Clinical Design Services:** HPP helps healthcare providers build Lean principles directly into the architecture of new or renovated facilities. Designing facilities for Lean processes from the beginning can result in the most efficient, high-quality care. Similar approaches are applied to a client's new service offerings, as well as IT system rollouts.
- **Six Sigma Services:** HPP can help incorporate Six Sigma methodologies with Lean practices to yield greater organizational gains and drive improvement for more complex, multivariable issues.
- **Conferences and Workshops:** HPP often conducts conferences and workshops on Lean Healthcare to teach healthcare providers how to adopt Lean principles into their own organizations.

"We are excited to begin our new partnership with Broadlane," said Charles Hagood, president and chief executive officer, HPP. "Lean and Six Sigma practices can help healthcare providers dramatically reduce costs while improving the consistency of results. We look forward to working with Broadlane's current and future clients to take healthcare cost management to the next level via a focus on quality, satisfaction and the better use of existing assets."

About Healthcare Performance Partners (HPP)

HPP is a premier provider of Lean, Six Sigma and healthcare consulting services to healthcare providers. Through its consulting, training and coaching offerings, HPP helps healthcare providers deliver higher quality care and improved satisfaction while simultaneously reducing costs and waste. The HPP staff consists of engineers, nurses and physicians with Lean and Six Sigma experience in manufacturing, services and healthcare. HPP also partners with Belmont University and the Pittsburgh Health Initiative in providing a five-day Lean Healthcare Certificate Program at Belmont University in Nashville, Tenn., drawing attendees from all over the world, including U.S., Canada, Europe and Asia.

The company is headquartered in the Nashville area. For more information about HPP, visit www.hpp.bz or visit www.BULeanCourse.com for more information on Belmont University Lean Healthcare Certificate Course.

About Broadlane

Broadlane is the leading cost-management company for healthcare providers, reducing cost and creating operational efficiencies for thousands of acute care hospitals, ambulatory care facilities, physician practices and other healthcare providers in the United States. Its core services include supply chain management and clinical workforce management services.

Broadlane's clients include leading providers such as Advocate Health Care, Ascension Health, Beaumont Hospitals, CHRISTUS Health, Continuum Health Partners, Kaiser Permanente, Kindred Healthcare, MedCath Corporation, New Hanover Regional Medical Center, Sisters of Charity of Leavenworth Health System, Tenet Healthcare, The Health Alliance of Greater Cincinnati, US Oncology and UMass Memorial Health Care.

The company is headquartered in Dallas with offices in Cincinnati, Detroit, Houston, New York City and Oakland. For more information, visit www.broadlane.com.