

The nation's changing healthcare environment is driving healthcare systems to find new ways to improve their performance and take greater risk. Premier is propelling this paradigm shift through our contracting by partnering providers with suppliers willing to tie the value of using their product or service to a measurable improvement in quality, outcomes or cost containment. This is value-based contracting.

## Our Approach

Premier takes a holistic approach to assess a manufacturer's product and/or service price, discount/rebate, and/or risk-share proposition's impact on member's priority needs. The program offers a range of contract options that align with GPO member providers' priority needs and provide increasing opportunity for supplier's value creation and risk sharing.

Premier understands the complexity of the agreements and works with suppliers to make the offering simpler, more robust and ultimately more actionable for the members.

## Contract Types

Premier is currently engaged in over 70 Value Based Contracts.

### Evidence-Based Care Discount

**Discount** off the purchase price in exchange for a provider aligning to an evidence-based care practice.

- Discount tied to provider's execution or standardization
- More common among pharmaceutical companies

### Product or Service Guarantee

**Reimburse** the purchase price of a product if it fails.

- Reimbursement in the event of a quality or performance failure
- Refund tied to the aggregate cost of the product to the member

### Risk Share by Product

**Rebate** if the product/service fails to deliver a defined outcome.

- Rebate tied to a cost the member incurred as a result of the failure
- Costs could include readmission penalties, unreimbursed tests, etc.

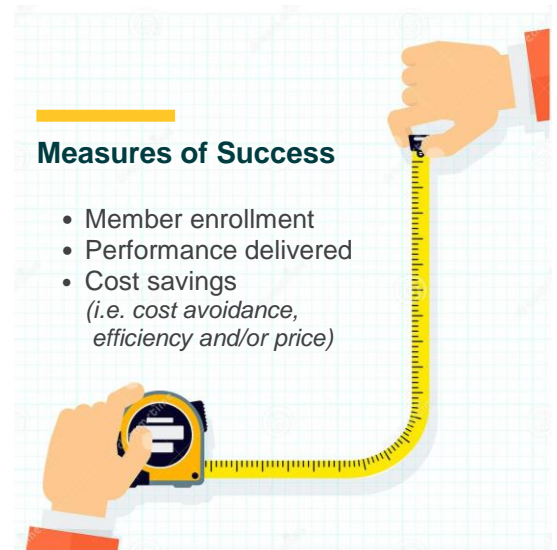
### Risk Share by Alternative Payment Model\*

Shared upside/downside risk between the system and supplier.

\* Aspirational at this point and not available through Premier.

### Measures of Success

- Member enrollment
- Performance delivered
- Cost savings  
(i.e. cost avoidance, efficiency and/or price)



## What to Expect

- Streamlined process
- Standardized methodology
- Value-based contracting guide
- Readiness assessments for members and suppliers
- Proposal review
- Support of an expanded team of subject matter experts
- Guidance from the Premier Academic Innovators Supply Chain Committee (AISCC)
- Reference materials

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**Contact Us**  
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Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of approximately 4,100 U.S. hospitals and health systems and more than 200,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, NC, Premier is passionate about transforming American healthcare. Please visit Premier's news and investor sites on [www.premierinc.com](http://www.premierinc.com); as well as Twitter, Facebook, LinkedIn, YouTube, Instagram and Premier's blog for more information about the company.