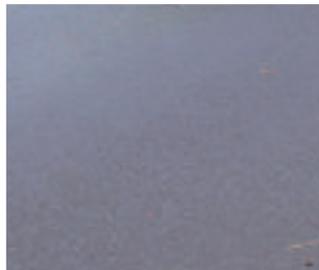
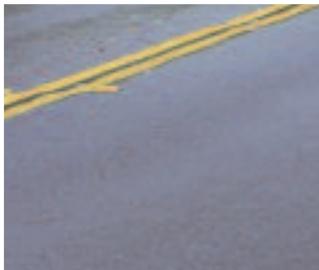
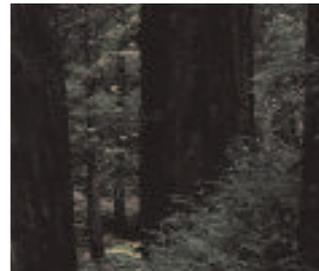




broadlane[®]

The procurement services company for healthcare





or healthcare providers, the procurement of supplies and services typically consumes nearly half of all operating expenses.

Supplies, capital equipment, purchased services, contract labor and drugs eat up enormous sums of money, yet historically this vital area of a provider's operation has lagged in the use of modern systems and processes to improve efficiencies and control costs. As a result, providers often struggle to achieve the higher level of financial performance seen in other industries. How can providers move toward truly sophisticated, responsive and effective procurement operations?

Take Performance to a Higher Level



Broadlane is the procurement services company for healthcare. Every day we are helping more and more providers achieve previously unattained levels of financial performance through the application of proven methods for modernizing the way they procure the resources they need to run their business.

Our provider clients benefit from our best-in-market group purchasing — our signature service — through a powerful portfolio of national contracts. But that’s only the start.

We Help You Go Further

Broadlane helps you go further to reduce costs and achieve higher levels of financial performance through a set of services focused on contracting, purchasing, clinical and pharmacy cost management, labor, capital equipment and information management.

Broadlane’s proven approach delivers verifiable, industry-leading cost savings, as well as dramatic improvements in efficiency and service. Our processes have been thoroughly tested and refined, and offer the most comprehensive, proven solution to healthcare procurement today.



A Heritage in Healthcare

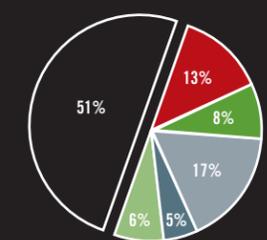
Broadlane works for some of the largest integrated delivery networks in the country, as well as thousands of stand-alone facilities, physician offices and surgery centers. Our solid foundation of real-world experience in the healthcare industry means we understand what it takes to work with all types of healthcare providers.

Our services are designed to meet the needs of both clinicians and administrators, and are provided by an expert staff with deep clinical and operational experience. Broadlane uses that expertise to design and deliver custom solutions that maximize existing assets, minimize costs and greatly improve financial performance.



Get There With Broadlane

Broadlane has the knowledge and experience to design a custom solution that will help your organization achieve higher levels of financial performance. If you are determined to increase efficiency, improve service and lower costs, Broadlane’s proven approach can help get you there.



Hospital Operating Expenses

Procurement services impact nearly half the operating expenses incurred by healthcare providers, including supplies, capital equipment, purchased services, drugs and contract labor.

- Supplies
- Capital Equipment
- Purchased Services
- Contract Labor
- Drugs
- Labor

Contracting Services

Most healthcare providers today spend nearly half their operating budgets on the procurement of goods and services. The costs of supplies, drugs, equipment and contract services are outpacing both inflation and reimbursement, leaving providers with dwindling profit margins and challenged to provide the best patient care amidst increasing budget concerns.



Stopping these spiraling costs requires going beyond traditional group purchasing strategies. Only by adopting new procurement methods and technologies can your organization reach the next level of financial performance.

The Power of Group Purchasing

Broadlane's Contracting Services help you control purchasing costs by using the aggregated purchasing power of our large, committed client base.



Broadlane's clients represent nearly \$10 billion in annual procurement spending.



The high purchasing volume of Broadlane clients, which represent nearly \$10 billion in annual procurement spending, allows Broadlane to help you obtain the supplies and services you need at substantial discounts. Our approach combines aggressive, competitive sourcing

techniques with sophisticated product and market intelligence to deliver some of the lowest prices in the industry. Broadlane can help you realize procurement savings of 10 percent to 25 percent or more.

Broadlane can develop an individualized Contracting Services solution for you that combines five key components:

- **Comprehensive contract portfolio** A continuously updated contract portfolio featuring superior pricing
- **Custom contracting** Services that ensure the broadest coverage and the ability to meet your unique local and regional needs
- **Client-driven process** A provider-driven contracting process, combined with proven contracting techniques that deliver the industry's most aggressive savings
- **Hands-on implementation support** Contract implementation and compliance support, including product conversion and utilization tracking
- **Supply chain technology** Technology tools to manage supply expenses and contract compliance



Powerful Results

Broadlane's approach to procurement delivers some of the lowest prices in the industry, helping you save 10 percent to 25 percent or more on your purchasing.

Purchasing Services



The fragmented procurement system used by most healthcare providers is one of the most costly and inefficient processes in hospital business operations. Inaccurate or poorly synchronized data, rogue buying and disparate purchasing systems can add up to substantial losses. These problems

are greatly amplified for integrated healthcare systems, where multiple facilities and purchasing centers compound issues of inaccuracy and disparity.

While group purchasing contracts can help to lower costs through leveraged buying, they are not the only tool that providers can use to achieve meaningful savings. For most healthcare organizations, contract compliance is less than half, and purchasing is uncontrolled and difficult to track. In order to reach the next level of financial performance, your organization must standardize purchasing and greatly increase contract compliance.

A New Paradigm in Purchasing

Broadlane's Purchasing Services represent an innovative approach to purchasing healthcare supplies and services. Purchasing Services provide you with the tools to help ensure consistent, enterprise-wide application of uniform policies, contracts, products and pricing for your healthcare organization.

The Broadlane method of purchasing helps you maintain a high level of compliance with vendor contracts and purchasing policies through the elimination of rogue buying and off-contract spending. Purchasing Services also help you by:

- Ensuring you always pay the correct price through real-time price verification
- Eliminating disparity between purchase orders and invoices
- Reducing the cost of purchase transactions
- Increasing speed and efficiency
- Increasing the accuracy and completeness of spend reports
- Lowering the costs of goods and services



Broadlane understands that every organization has different needs when it comes to purchasing. We design a custom solution for your organization that combines two highly effective services:

E-Procurement

Broadlane's e-Procurement system is the industry's first online procurement-to-payment service. This cost-effective technology works as a stand-alone solution or integrates seamlessly into existing enterprise resource planning or materials management information systems.



7%

Powerful Results
Over the past year, Broadlane's Purchasing Services have negotiated an average discount of 7% via alternative sourcing events, totaling \$3.5 million in savings.



Group purchasing contracts are not enough. To achieve substantial procurement savings, contract compliance must be dramatically increased.



The e-Procurement application gives you access to:

- **Broadlane's world-class contract portfolio and industry-leading prices**
- **A comprehensive listing of your custom pricing agreements**
- **Real-time tracking of order status and monitoring of spend data**
- **Contract management tools**
- **Workflow integration tools that support requisitions, ordering, order fulfillment, receiving, invoicing and payment**
- **Detailed business intelligence and reporting**

Centralized Procurement

To help streamline the procurement process, Broadlane has developed a new purchasing solution that cuts costs while delivering the supplies and equipment you need to provide quality patient care. The Broadlane National Procurement Center is the first-ever centralized purchasing service for hospitals. It can enable you to better utilize staff resources to increase efficiency and lower procurement-related expenses.

The National Procurement Center centralizes your procurement operations at Broadlane's operations center in Dallas. There, specially-trained buyers take electronic requisitions from your hospital via the Internet, source the requested items from appropriate contracts, issue electronic purchase orders to suppliers and then monitor and expedite order fulfillment.

Clinical Services

Managing the costs of your expensive physician preference items is a difficult challenge. An aging population has dramatically increased the demand for clinical technologies such as pacemakers, surgical implants and cardiac stents. This increased demand has caused



prices for those items to skyrocket. While it is difficult to reduce the costs for these items through sourcing methods traditionally used for commodity items, an innovative, clinician-collaborative approach can help you reach the next level of financial performance.

A Clinical Approach

Broadlane's Clinical Services offer a rigorous clinical approach to managing the cost of your physician preference items. We combine our understanding of the total device cost, product differences and physician utilization preferences with market dynamics and vendor economics to design a custom cost reduction strategy for you.

Our understanding comes from our deep clinical experience. Broadlane's team of healthcare professionals works with your clinicians to facilitate consensus on purchasing strategies and implement the results. Because our clinical experts understand the problems you face every day, we can provide you with effective, real-world solutions.



Broadlane helps your organization reduce costs on clinical preference items by creating an individualized solution that draws on a variety of unique programs, depending on your needs.

Our clinical approach and comprehensive contracting portfolio provide you with:

- **Lower costs** Broadlane analyzes total product costs, standardizes and aggregates volume and uses competition to drive down both unit price and contributing costs.
- **Better meeting of demand** Broadlane matches device choices to clinical need in order to minimize cost and ensure appropriate and optimal reimbursement based on demand.
- **Reduction in unnecessary use** Broadlane tracks utilization to reduce unnecessary use.
- **Reduced variability** Broadlane analyzes total costs and reimbursements of high-cost procedures to determine cost variability and margin contribution. We then employ strategies to reduce variability and optimize contribution.
- **Better data management** Broadlane provides you with the technology and tools to gather, store and mine the information it takes to create effective solutions.

Broadlane helps your organization reduce costs on clinical preference items by creating an individualized solution that draws on a variety of unique programs, depending on your needs:

- **Cardiovascular Program**
- **Custom Procedure Tray Utilization Program**
- **I.V. Supplies Analysis and Standardization Program**
- **Surgical Process Redesign Program**
- **Orthopedic Program**
- **Procedure Optimization Program**
- **Therapy Bed and Wound Care Program**



Powerful Results

Broadlane's Clinical Services have helped providers achieve substantial savings on physician preference items in a number of areas, including:

- Custom Procedure Tray: 10%-20%
- I.V. Supplies: 30%
- Orthopedics: 10%-20%

Pharmacy Services

Pharmaceutical costs are growing faster than any other category of healthcare supplies. It is estimated that in 2005, drug costs increased by up to nine percent on an inpatient basis and as much as 12 percent on an outpatient basis. In order to reach the next level of financial performance, it is imperative that healthcare organizations find a way to combat the escalating cost of pharmaceuticals.



A Total Pharmaceutical Cost Containment Solution

Broadlane's Pharmacy Services are designed to be a total cost solution, providing best-in-class cost containment services without compromising clinical performance or patient care.

Our comprehensive approach to managing pharmaceutical costs ensures that ongoing pharmacy management practices yield maximum financial benefits while improving therapeutic efficacy through clinical programs. Pharmacy Services provide you with drug cost containment, greater compliance with regulatory standards and improved patient safety.

In order to help you control the costs of your pharmaceuticals, Broadlane creates an individualized solution that utilizes a combination of:



■ Pharmaceutical contract portfolio

Broadlane's portfolio of contracts is one of the broadest and most competitive in the industry, delivering impressive price value and coverage for the vast majority of pharmaceuticals required by healthcare providers.

■ Clinical drug cost management

Broadlane provides an array of clinical drug cost management tools and clinical decision-making expertise to help drive

utilization initiatives. Broadlane's on-staff clinical pharmacists work with your clinicians to assist in developing and implementing cost reduction strategies.

■ **Technology tools** Broadlane offers a powerful set of technology tools specifically designed to help you combat the rising costs of pharmaceuticals, including FormChecker™, our formulary management tool, and OnRamp, our online client portal.



It is estimated that in 2005, drug costs increased by up to nine percent on an inpatient basis and as much as 12 percent on an outpatient basis.

3%

Powerful Results
Broadlane's Pharmacy Services have often helped providers achieve substantial savings of 2 percent to 3 percent on contracted pharmaceutical products.

Capital Equipment Services



Getting the most out of your capital dollars is a complex task. Small providers simply cannot gain negotiating leverage against large, national manufacturers. In addition, total equipment lifecycle costs, including installation, training, service and disposables, often far exceed the original purchase price of capital equipment.

Mitigating these costs requires forethought and attention to detail, as well as the consideration of clinical, technical and vendor factors that are often difficult to assess.

A Service You Can Count On, Start to Finish

Broadlane's Capital Equipment Services represent a complete capital equipment solution, considering the total cost of ownership of your medical equipment — from planning, to acquisition, to ongoing management. Capital Equipment Services provide you with the expertise, resources and tools you need in order to reduce the cost and increase the value of your equipment.



Total equipment lifecycle costs, including installation, training, service and disposables, often far exceed the original purchase price of capital equipment.

While our comprehensive portfolio of equipment contracts gives you access to best-in-market prices, that's only half the solution. The Broadlane approach to managing the capital equipment lifecycle gives you more choices, improved value, better overall management and much more.

- **Increased physician participation** Including your physicians in the equipment planning process helps you select the equipment that best suits the needs of your organization.
- **Customized support services** Your dedicated Broadlane account manager is there to help you at all phases of the equipment lifecycle, from planning to ongoing management.
- **Greater accountability** Throughout the management process, integrated performance benchmarks provide you with the accountability and visibility you need to make sure you're getting the best value from your equipment.



Rather than taking the same approach to every capital equipment engagement, Broadlane's dedicated staff designs a custom solution that meets the specific needs and requirements of your organization. Our equipment services are focused on those phases of the lifecycle with the greatest potential for savings: planning, acquisition and management. By combining services such as Equipment Planning, Quote Reviews and our signature Group Buy Program, Broadlane will design an individualized capital equipment solution for you.

17%

Powerful Results
Broadlane clients have saved an average of 9 percent on quote reviews and 17 percent on Group Buys.

Labor Services

Labor costs comprise the majority of operating expenses for health-care providers. Controlling these costs is vital to running a successful organization, but the increasing shortage of nurses and other healthcare professionals is making it an increasingly difficult task.

The cost of filling labor needs is rising rapidly, while provider confidence in the quality of that labor is declining. Reductions in staff can lead providers to close beds, which in turn decreases revenue. In order to reach the next level of financial performance, you must have better trained, more cost-effective contract labor.

The Competitive Advantage

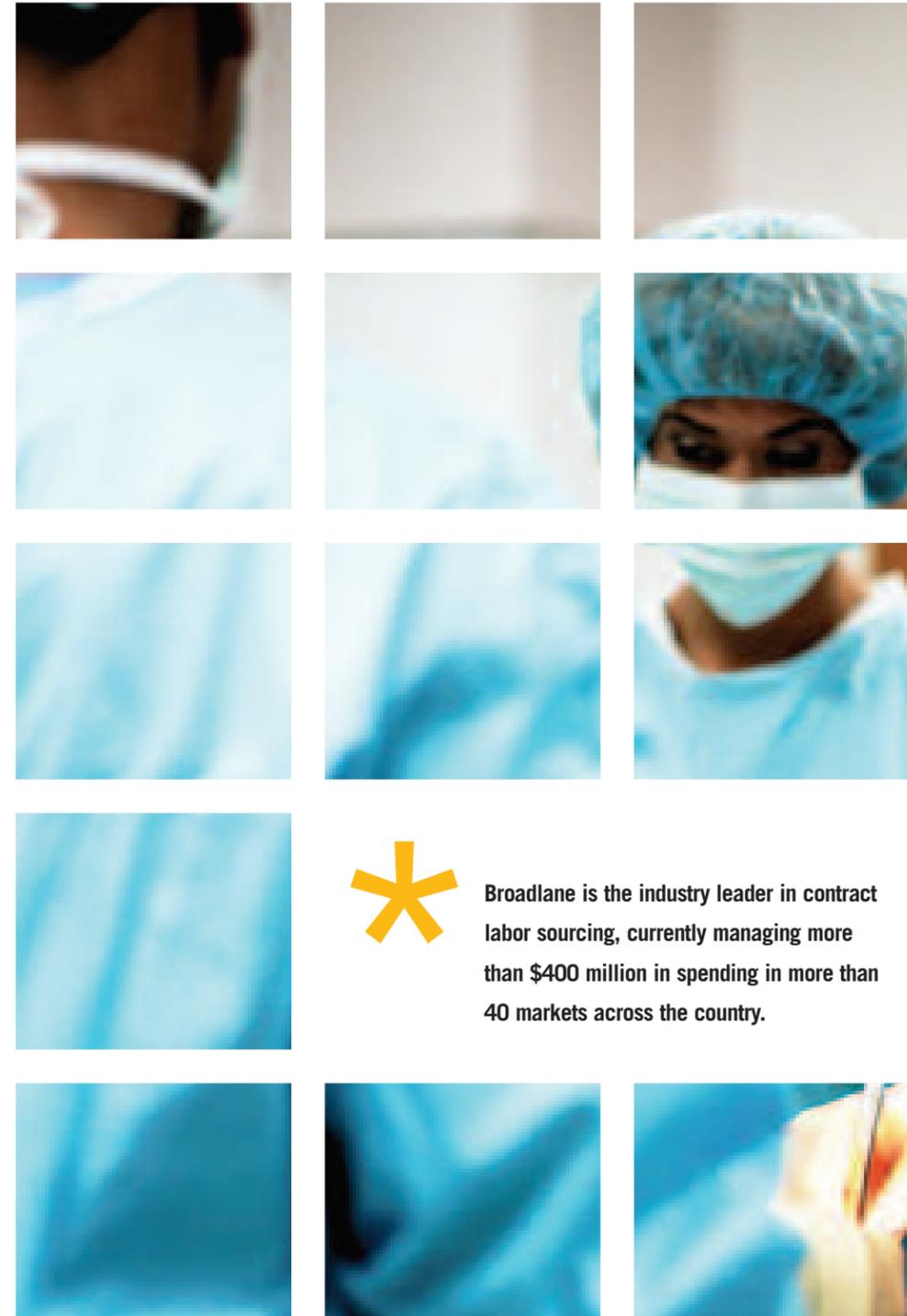
Broadlane's Labor Services help you manage the quality and cost of your temporary labor by working with you to reduce total contract labor use, maintain adequate staffing levels, improve productivity, increase physician satisfaction, improve patient care and reduce liability risks.

Broadlane designs custom Labor Services solutions with three key components:

- **Strategic sourcing of contract labor agencies** Broadlane partners with you and other providers in your market to aggregate your purchasing power.
- **Vendor management** Broadlane works with your organization to define contract nurse quality standards and acceptable agency service-level parameters.
- **Vendor management technology** ProSource, Broadlane's vendor-neutral, Web-based technology, helps you lock in contracted savings and ensure nurse quality.



15%
Powerful Results
Broadlane consistently delivers savings of up to 15 percent on contract labor costs.

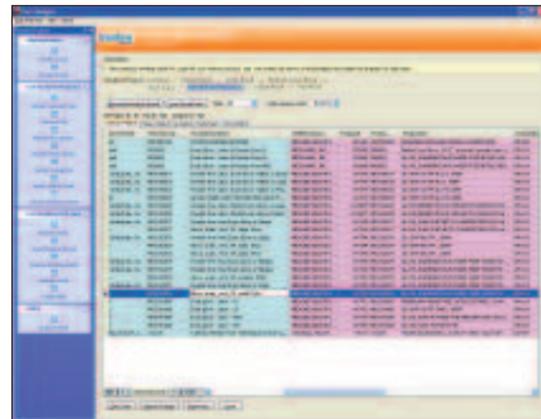


Information Services

Most healthcare providers today use labor-intensive manual information systems to provide them with procurement spending data. The data generated by these systems, however, are often incomplete and inaccurate, and can obscure savings opportunities rather than present them. In order to effectively control the costs of procurement spending, you must have access to complete, accurate data and actionable business intelligence.

Better Data, Better Savings

Broadlane's Information Services provide you with access to critical, accurate supply spending data and actionable business intelligence to help you better understand and optimize your procurement spending.



The screenshot shows a complex data table with multiple columns and rows, likely representing procurement data. The table is organized into several sections, with a header row and multiple data rows below it. The data appears to be organized into columns for various attributes, possibly including item codes, descriptions, quantities, and prices. The table is presented in a standard web browser interface with a scrollable area.

Our Internet-based tools allow you to connect with suppliers to make purchases, check contracts and verify terms online, which helps reduce overpayment and invoice discrepancies. Broadlane's tools can also help you enforce purchasing policies across your enterprise, eliminating rogue buying and off-contract spending.

Broadlane uses four key components to design a custom Information Services solution:

■ **Reporting** Broadlane's technology tools use a number of sources of provider and vendor purchasing data to conduct sophisticated analysis and generate reports, giving you powerful insights into spending patterns, product utilization, price accuracy, contract compliance and savings opportunities.



■ **Catalog of products and contracts** Broadlane provides you with a Web-based catalog of all contracted products and contract terms, including pricing, and maintains this information on an ongoing basis. You can access the information through Broadlane's OnRamp portal using powerful product search capabilities.

■ **Data management services** Broadlane can perform several important functions to reduce incorrect product and price information in your procurement item master, including item master scrubbing and maintenance.

■ **Connectivity with suppliers** BroadLink™, Broadlane's electronic exchange, is a powerful tool that eliminates the need for providers to place their supply orders via telephone or facsimile. BroadLink electronically links providers to suppliers, helping you manage all transactions involved with supply procurement.

Many of the tools associated with these components can be accessed through OnRamp, Broadlane's Web-based client portal. Each works hand-in-hand with your existing procurement systems. When used together, our four key offerings represent the most comprehensive technology solution in healthcare procurement today.



Broadlane's Information Services offer the most comprehensive technology solution in healthcare procurement today.

350

Powerful Results
Since its introduction in 2001, more than 350 healthcare facilities have adopted BroadLink for everyday use.

Ready to take the first step towards a higher level of success? Call us today at **866.BROADLN (866.276.2356)** or visit our Web site at **www.broadlane.com**.



Broadlane is the procurement services company for health-care that serves thousands of acute care hospitals, sub-acute care facilities and physician practices nationwide.

Headquarters:

13727 Noel Road, Tower II
Suite 1400
Dallas, TX 75240
972.813.7500

3200 Burnet Ave.
Cincinnati, OH 45229
513.585.6223

160 Water St.
24th Floor
New York, NY 10038
212.256.2617

1999 Harrison St.
Suite 750
Oakland, CA 94612
510.285.5200

40 Gold Street
San Francisco, CA 94133
415.844.7400



866.BROADLN WWW.BROADLANE.COM

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CORP-21-0206

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