

TeamHealth Emerges as the Preferred Provider.

In a January 2011 survey, "Emergency Department Staffing and Outsourcing Trends in U.S. Hospitals," Stax, Inc. conducted blind, in-depth interviews with close to 400 randomly selected hospital decision-makers nationwide, seeking to answer a number of questions about current trends in emergency department outsourcing:

- What are your perceptions of outsourcing in general, and do perceptions vary by hospital segment? What factors lead up to the decision to outsource? What triggers will drive a hospital to consider making a change in their Emergency Department model management setups?
- When selecting an outsourcing provider, under what circumstances might a hospital choose to forego an RFP and bidding process? How do hospital decision-makers select which Emergency Department management groups to include in their RFP and bidding process?
- Among hospitals that outsource their Emergency Department, how satisfied is hospital leadership with the current provider? How likely are they to recommend their provider to a colleague?

Not surprisingly, quality and performance measures were top-of-mind considerations among those surveyed. Executives were clear on their reasons for change, the vendors they were most and least likely to consider changing, and the degree to which peer recommendations play a role (see chart on other side). According to the survey, direct referral from another hospital is the most frequently mentioned reason why hospitals include a particular vendor in their consideration sets.

The top triggers for considering change turned out to be the following:

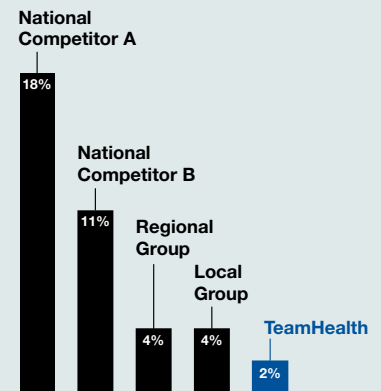
1. Inability to meet metrics.
2. Decline in quality of care provided by the current physician group.
3. Inability to recruit and retain quality physicians.

Hospitals commonly decide to switch emergency department management groups if the current group is not

consistently meeting metrics or is not effectively managing costs.

Why do hospitals include a particular vendor in their consideration sets?

1. Direct referral from a colleague.
2. Reputation of a group.
3. Well-known national group.



Proportion of Customers Considering Switching, per Year*

(Top Two Box Responses)

*Source: Stax interviews, October-December 2010

Among hospitals considering making a change in the next few years, one provider sits well below all other national, regional and local groups under consideration for change. Only 2% of hospitals considering a change are currently partnering with TeamHealth, compared to 18% of National Competitor A, 11% of National Competitor B, and 4% each of regional and local providers.

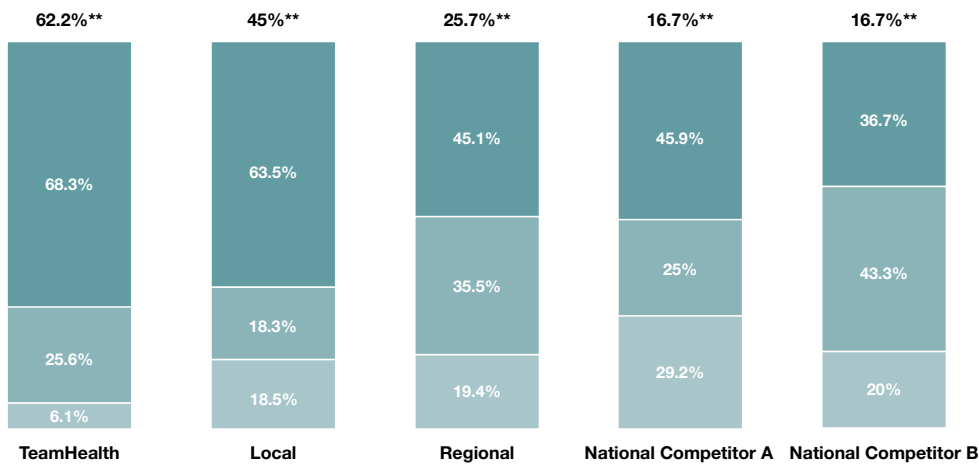
TEAMHealth.

Willingness to Provide a Recommendation*

(1-10 Scale: 1 = "Not at All Likely"; 10 = "Extremely Likely")

Net Promoter Score**
(Promoters-Detractors):

■ Promoters (9-10)
■ Neutrals (7-8)
■ Detractors (1-6)



Perhaps even more compelling is the chart above that shows the wide variation among hospital satisfaction with current emergency department providers as measured by the Net Promoter Score. TeamHealth's favorable scores are significantly higher than all other national, regional and local providers.

Key to Net Promoter Score (NPS):

NPS divides customers into three categories: promoters, neutrals and detractors, and asks how likely it is that they would recommend a company to a friend or colleague. Customers respond on a 1-to-10 point rating scale and are categorized as follows:

- Promoters (score 9-10) are loyal enthusiasts who will continue their relationship and refer others
- Neutrals (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings

- Detractors (score 1-6) are unhappy customers who can damage your brand through negative word-of-mouth

Industry leaders typically have net promoter scores above 50%. At 62%, TeamHealth is the only Emergency Department provider to exceed that level.

In fact, with a score that's 17% higher than other local providers, over 36% higher than regionals, and a remarkable 45.5% higher than its national peers, TeamHealth stands clearly above all other emergency department providers as the provider most able to meet the demanding quality and performance standards of those surveyed.

*Source: Stax, Inc.

About Stax, Inc.

Stax was founded in Boston in 1994 and provides strategic, tactical, and advisory services around markets and customers.

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