

## Healthways Acquires Ascentia Health Care Solutions

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### ***Proven Physician-Directed Population Health Management Solution is Key Component to Serve Healthcare Systems and Health Plans***

NASHVILLE, Tenn., Apr 23, 2012 (BUSINESS WIRE) --Ben R. Leedle, Jr., president and chief executive officer of Healthways (Nasdaq: HWAY), announced that the Company has acquired Ascentia Health Care Solutions, a Philadelphia area based company whose business is designed to support and promote population health management, patient centered programs, payer strategies and physician practice enhancement programs. Healthways will apply Ascentia's technology, solutions and management team to support the rapidly growing demand for Physician-Directed Population Health (PDPH) capabilities from physician enterprises, healthcare systems and health plans across the country.

"Healthcare systems and payers are rapidly embracing the transformation of reimbursement away from a volume-based fee-for-service model to a value-based model that rewards longitudinal quality and health outcomes at a significantly reduced cost. At the very center of healthcare is the relationship between the physician and the individual who is seeking improved health and well-being. All efforts should be made to improve both the effectiveness and efficiency of this relationship," Leedle said. "But the increased consolidation of physician groups and practices affiliated with healthcare systems and health plans can only be truly effective in delivering the desired outcomes if the solutions are available to both empower and deliver a PDPH model.

"Ascentia is a population health management platform, designed by physicians, for physicians. As we looked at the need to expand our capabilities to support the diverse needs of any physician enterprise, healthcare system, or health plan, acquiring Ascentia provided us immediate enhancements that include:

- A well-defined physician practice change management model with established processes and capabilities
- A governance model for the physician enterprise
- A proven value proposition and economic model
- Third-party validated longitudinal population health outcomes
- A scalable technology platform to provide analytics and manage work flows for physicians and care coordinators
- Experienced leadership and management team

"Ascentia is an integral support for Renaissance Medical Management Company (RMMC), one of the largest IPA's in the Philadelphia area," continued Leedle. "Renaissance was chosen as one of the 32 pioneer Accountable Care Organizations (ACO) by the Centers for Medicare and Medicaid Services (CMS) in no small part because of the proven solutions delivered by Ascentia."

Reacting to the Healthways acquisition of Ascentia, Dr. Karl Schwabe of RMMC stated, "Using the Ascentia tools and processes has produced higher quality and lower costs over the past decade. With Ascentia becoming part of Healthways, we now will have an even broader array of capabilities and solutions with an organization that is well aligned with our mission."

In addition, Ascentia is already supporting physician groups affiliated with regional health plans in Pennsylvania. Tony Buividas, Senior Vice President, Health Services for Capital Blue Cross, said, "Capital BlueCross strives to be the medical value leader in our service area by helping to reduce trend in health costs, improve quality and increase member satisfaction. We appreciate the strong support provided by Ascentia Healthcare Solutions to meet that objective. As Capital BlueCross launched the first Accountable Care Arrangements (ACAs) with health care providers in our region, Ascentia Healthcare's web-based quality measures, care management applications and extensive experience working with health professionals to improve quality results, have contributed significantly to early ACA successes."

The combination of Healthways and Ascentia solutions on behalf of the primary care physician is expected to speed adoption within healthcare systems. That adoption is reflected in Healthways' recently announced 10-year partnership with Texas Health Resources (Texas Health), a large, integrated healthcare system in Dallas-Ft Worth. Jon Scholl, Texas Health chief strategy officer, commented on the acquisition announcement saying, "Healthways capabilities will offer physicians a level of analytic detail and solution support never before possible so they can intervene in ways that are unheard of now to improve the health and well-being of their entire panel of patients. I believe that the science-based approach to behavior change developed by Healthways,

when delivered through the physician, is the key for sustainable success. The acquisition of Ascentia by Healthways further illustrates their commitment to helping physicians, healthcare systems and health plans transform themselves to being fully capable of delivering the PDPH model in collaborative fashion."

Leedle concluded, "In addition to the capabilities and expertise that Ascentia will bring to Healthways, we are confident that physicians, healthcare systems and health plans will recognize the commitment to improving health and well-being with the capabilities created through this combination. I share the thoughts of Barry Green M.D., Ascentia's Chairman of the Board. Dr. Green stated, "The acquisition of Ascentia Healthcare Solutions by Healthways is an affirmation of the value of the creative solutions, which Ascentia has employed with great success in the greater Philadelphia marketplace. The physicians who have provided the clinical expertise, along with the management team, which provided the business and technical expertise, have believed the Ascentia model could and should serve as a template for provider groups across the country. At a time when all stakeholders are calling for value-driven models of care delivery, the Ascentia solutions give provider groups and payers a platform around which they can collaborate to ultimately provide a higher quality of health care in a more cost effective manner. The ability of an organization with the breadth of clients, science based solutions and a sales and marketing force such as Healthways possesses provides us with the opportunity to introduce the Ascentia model across the country. We are truly excited by the prospect of helping to shape the future of healthcare in a meaningful way."

### **About Healthways**

Healthways is the largest independent global provider of well-being improvement solutions. Dedicated to creating a healthier world one person at a time, the Company uses the science of behavior change to produce and measure positive change in well-being for our customers, which include employers, integrated health systems, hospitals, physicians, health plans, communities and government entities. We provide highly specific and personalized support for each individual and their team of experts to optimize each participant's health and productivity and to reduce health-related costs. Results are achieved by addressing longitudinal health risks and care needs of everyone in a given population. The Company has scaled its proprietary technology infrastructure and delivery capabilities developed over 30 years and now serves approximately 40 million people on four continents. Learn more at <http://www.healthways.com>

SOURCE: Healthways

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