



Blackstone

Blackstone founded Equity Healthcare (EH) in 2008 to improve employee health care across our portfolio of companies. EH works to reduce costs and deliver better quality health care through leveraging the scale of its combined

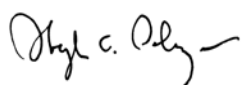
portfolio companies. EH is not only focused on cost reduction, but also provides a full suite of services to help employees and families navigate the complex health care system to improve their health, make smart health care decisions and become better health care consumers. Today, EH manages the health care costs for 43 self-insured employers. It is the only health care management strategy of its kind within the private equity space.

EH believes that the best way to control costs and improve quality is to ensure that employees are informed health care consumers. EH has developed a Center of Excellence and toolkit to help employees make the best health care decisions.

EH approaches health care management in three ways: discounts, customized care centers and innovation. First, EH leverages its nearly 270,000 members to negotiate significant discounts on administrative fees. Next, EH has collaborated with two national health plans to develop dedicated, customized care centers that provide more intense care management than typical call centers. Staffing consists of multidisciplinary teams of nurses, social workers and customer service representatives to enhance member service and address a broader range of clinical needs. Management is further optimized through employer-specific work plans derived from EH's proprietary database. Finally, EH pushes its carrier partners to develop innovative products and roll them out to members ahead of market. One prominent example includes a program that educates employees in the early stages of deciding whether to pursue invasive or more conservative treatment.

EH has been so successful that we've offered it to other private equity companies, and today, 40 percent of its customers are outside of the Blackstone network. Our results have been impressive. Since 2010, EH has beaten the national average for medical spend by 3–4 percent. In 2013, on average, market costs grew 4.5 percent, whereas EH's grew only 1 percent. EH continues to outperform other care centers at our carrier partners with respect to cost management and employee engagement. Audits by two independent firms have confirmed EH's superior results.

As companies across sectors look to improve their processes, EH is working to ensure that its custom care model continues to set the industry standard for innovation and efficiency.



Stephen A. Schwarzman

Chairman, Chief Executive Officer and Co-Founder

Equity Healthcare has been so successful that we've offered it to other private equity companies, and today, 40 percent of its customers are outside of the Blackstone network.

