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**REDEFINING HEALTH CARE NAMED 2007 BOOK OF
THE YEAR BY AMERICAN COLLEGE OF HEALTHCARE
EXECUTIVES**

BOSTON, February 15, 2007 -- *Redefining Health Care: Creating Value-Based Competition on Results*, by Michael E. Porter and Elizabeth Olmsted Teisberg, has been awarded the 2007 James A. Hamilton Award by the American College of Healthcare Executives (ACHE). The award, given annually, honors a management or healthcare book deemed most outstanding. Porter is the Bishop William Lawrence University Professor at Harvard University, based at Harvard Business School. Teisberg teaches at the Darden Graduate School of Business at the University of Virginia.

Published in May 2006 by the Harvard Business School Press, *Redefining Health Care* presents a new model for the U.S. health care system in which every participant is focused on improving value for patients, measured by health outcomes per dollar expended. The authors--two of the world's leading scholars on competitiveness, strategy, and innovation--argue that the only real solution to the health care problem afflicting the United States and many other nations is to increase dramatically the value delivered.

Porter and Teisberg show that in today's health care system, competition is zero-sum--if someone wins, many others must lose. The focus is on shifting rather than reducing costs among such participants as the government, physicians, health plans, and hospitals; on increasing

bargaining power to attract a greater number of patients; and on restricting patients' services. To reform health care, they say that competition itself must be reformed to create "value competition" in which each system participant can benefit. According to the authors, creating a value-based system will require a major restructuring of the delivery system, new forms of pricing, and a comprehensive effort to measure results.

"The nature of the healthcare system creates many challenges for leaders as they strive to provide high quality care efficiently and effectively. This year's James A. Hamilton Award winners present an important perspective for improvement by placing renewed focus on the creation of patient value," said Thomas C. Dolan, Ph.D., president and chief executive officer of the American College of Healthcare Executives.

According to Dr. Harvey V. Fineberg, president of the Institute of Medicine, "*Redefining Health Care* is at once revolutionary and practical. Porter and Teisberg aim to convert today's dysfunctional health care system into one in which value-based competition leads to better health and greater efficiency. They argue for fundamental changes in how we think about health care and offer specific guidance to health care providers, health plans, suppliers, consumers, employers, and policy makers. This book deserves to be read carefully by everyone concerned with the future of health care in the United States."

Redefining Health Care has been widely reviewed. It has also been featured on National Public Radio and received coverage in such publications as *BusinessWeek*, *The Cerner Quarterly*, *The Economist.com*, *Health Affairs*, *The Journal of the American Medical Association (JAMA)*, *The New Republic*, *The Wall Street Journal*, and *The Washington Post*.

The American College of Healthcare Executives is an international professional society of 30,000 healthcare executives who lead hospitals, healthcare systems and other healthcare organizations. Known for its prestigious research, prominent programs, and an array of publications that includes *Journal of Healthcare Management*, *Frontiers of*

Health Services Management, and *Healthcare Executive* magazine, it is an influential force in the healthcare field and the premier professional society for health care leaders.

About the Authors

Michael E. Porter is the world's leading authority on competitive strategy and the competitiveness and economic development of nations, states, and regions. He holds a University Professorship at Harvard, the highest professional recognition that can be awarded to one of its faculty members. The Institute for Strategy and Competitiveness, which he leads, was created by Harvard University and Harvard Business School to further his research. Porter's ideas form the foundation for the required strategy course at HBS, and his work is taught in virtually every business school in the world. He is the author of 17 books and more than 125 articles. A Phi Beta Kappa graduate of Princeton University, he received an M.B.A. with high distinction in 1971 from the Harvard Business School, where he was a George F. Baker Scholar, and a Ph.D. in Business Economics from Harvard University in 1973.

An economist with expertise in strategy and innovation, **Elizabeth Olmsted Teisberg** is an associate professor at the University of Virginia's Darden Graduate School of Business, as well as a Senior Institute Associate at Harvard Business School's Institute for Strategy and Competitiveness. Her earlier projects have analyzed strategy in medical device and biotechnology companies, the real option value of capital investments, research and development decisions, medical innovation, and managers' consideration and response to uncertainty. She is the author or co-author of numerous articles in professional publications and is a co-author of *The Portable MBA*, which has been published in five languages. Teisberg holds MS and Ph.D. degrees from the Stanford University School of Engineering. She also earned a master's degree in engineering from the University of Virginia and a bachelor's degree from Washington University (St. Louis), where she was elected to Phi Beta Kappa.

About Harvard Business School

Founded in 1908 as part of Harvard University, Harvard Business School (www.hbs.edu) is located on a 40-acre campus in Boston. Its faculty of more than 200 offers full-time programs leading to the MBA and doctoral degrees, as well as more than 40 Executive Education programs. For almost a century, HBS faculty have drawn on their research, their experience in working with organizations worldwide, and their passion for teaching to educate leaders who have shaped the practice of business around the globe.

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