PEOPLESOFT AND IBM:

FORGING AN ALLIANCE TO SUPPORT THE REQUIREMENTS
OF THE NEW HEALTHCARE ENTERPRISE

PeopleSoft and IBM:
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Introduction

G2R is an applied market research and management consulting organization that specializes in the Information Technology industry. G2R's Healthcare Practice is a recognized leader in providing timely analysis of the leading business and information technology issues within the Healthcare marketplace. In response to the changing dynamics of this industry, G2R has developed the following market overview to provide a common understanding of the key issues affecting leading healthcare provider and payer organizations.

Over the past year, G2R has interviewed approximately 250 CIOs and MIS Directors within the Healthcare industry to obtain first hand data on the key operational and information technology issues affecting this ever changing marketplace. Based on these discussions, this market overview will address the impact of the following issues:

- Managed Care

- Industry Consolidation

- Development of Integrated Delivery Systems

- Need for Enterprise Solutions

- The Year 2000 Issue

- Healthcare Standards

- Summary

Moreover, the following market overview will examine the impact of the IBM/PeopleSoft partnership on IT within the Healthcare industry. In particular, the overview will describe the overall benefits of this alliance in supporting the daily business and information technology requirements of healthcare organizations. The market overview will show how the IBM/PeopleSoft partnership will provide cost-effective, scalable solutions to help manage the growing needs of the healthcare enterprise.

PeopleSoft and IBM:

FORGING AN ALLIANCE TO SUPPORT THE REQUIREMENTS OF THE NEW HEALTHCARE ENTERPRISE

The Healthcare marketplace is in the midst of an enormous sea-change. The effects of managed care, industry consolidation, and the creation of Integrated Delivery Systems has altered the organizational structure and operational requirements of many healthcare organizations. In this new era, healthcare organizations require better tools to effectively manage the complex human resource, financial, materials management and technological issues that challenge the effectiveness of healthcare service delivery.

In response to this market dynamic, PeopleSoft and IBM have joined forces to provide innovative, enterprise solutions to enable leading providers and payers to proactively manage their strategic business operations. Based on PeopleSoft's application suite and IBM's DB2 database servers, this partnership provides cost-effective and highly scalable solutions to manage the business processes of the healthcare enterprise.

The aforementioned partnership also teams two of the information technology industry's most respected world-class solution providers: PeopleSoft and IBM. Both vendors are known for developing high-quality solutions that address the true business requirements of their customers. More importantly, PeopleSoft and IBM provide a full spectrum of information technology software, hardware, and services to deliver a complete, enterprise solution for healthcare organizations today and into the next century.

PeopleSoft for Healthcare

PeopleSoft delivers innovative enterprise business information solutions with the flexibility to enable healthcare organizations to quickly adapt to change. Powerful query, analysis and reporting tools complement PeopleSoft's distributed solutions to manage the financial accounting, human resources and materials management processes in healthcare enterprises. With an open, workflow-enabled technology platform and universal applications, you have the ability to implement your best business practices and streamline your operations. PeopleSoft delivers leadership functionality to address healthcare requirements including credentialing/licensures, par cart management, stockless inventories, procurement cards, electronic catalogs, bar code entry, and much more to improve efficiencies and enable the effective, proactive management of your enterprise.

PeopleSoft is the leading cross-industry application solution provider to healthcare serving more than 150 healthcare customers. Ranked by *Healthcare Informatics* as one of the Top 5 fastest growing healthcare information solution providers, PeopleSoft's healthcare customers include integrated delivery systems, university medical centers, managed care organizations, physician group practices, home health businesses, assisted living enterprises, specialty care providers and other health services businesses.

Established in 1987, PeopleSoft provides an array of innovative enterprise application solutions to manage the business needs of the healthcare enterprise. By understanding the current and future needs and requirements of their customers, PeopleSoft's solutions provide tangible benefits to help healthcare organizations thrive in this increasingly competitive and cost-sensitive marketplace. Furthermore, PeopleSoft strongly believes in providing on-going customer service. As a result, PeopleSoft maintains one of the highest service satisfaction ratings in the industry.

Presently, healthcare organizations require information technology solutions to help manage the complex human resource, financial, and materials management of the new healthcare enterprise. Widespread industry consolidation, increasing demands for cost management, and integrating solutions across disparate computing environments have only exacerbated the problems confronted by leading healthcare organizations.

To enable healthcare enterprises to address their current business challenges as well as address their long-term requirements, PeopleSoft delivers a strategic business information solution that is open, scalable, and highly flexible and adaptable. This flexibility provides healthcare organizations with the ability to manage in a dynamic environment and achieve a sustainable competitive advantage. These business solutions are integrated and automated with workflow technology to provide the right information to the right people, in the right format, at the right time—enabling all key stakeholder groups to share and exchange critical information. In particular, PeopleSoft's Human Resources Management System (HRMS) solution provides a comprehensive approach to human resources, payroll, benefits administration, and information dissemination across the healthcare enterprise. PeopleSoft's Financials solution has complete multi-entity capabilities, intercompany accounting, consolidations, support for regulatory reporting, flexible budgeting, comprehensive allocations and more to provide healthcare organizations with a solution to understand and effectively manage the organization at both a business unit and enterprise level. PeopleSoft's Materials Management solution enables healthcare organizations to effectively track and manage resources across the distributed healthcare enterprise. The scalability of these solutions empower healthcare organizations as they add more sites/information and as their enterprise continues to evolve.

IBM Global Healthcare Industry

IBM Global Healthcare Industry provides technology solutions, networking infrastructure, and professional services to enable healthcare organizations to more effectively serve their customers. The IBM Healthcare Industry team can design and implement enterprise solutions to support the distinct requirements of the healthcare enterprise. As full service provider, IBM can help healthcare organizations overcome incompatible computing systems and improve connectivity across the entire continuum of care.

Already, IBM Global Healthcare is one of the most respected providers of information technology solutions to the healthcare industry. IBM Global Healthcare has worked with several leading healthcare organizations to implement enterprise networks, Internet/Intranet-based solutions, and patient information applications.

IBM DB2 and PeopleSoft

PeopleSoft has supported IBM DB2 in a client/server environment for over ten years. PeopleSoft's open, enterprise business applications support the DB2 family of database servers across an array of different hardware platforms: RS/6000, AS/400, and S/390. IBM is well known for leadership and expertise in enterprise data management with over one million licenses of DB2 installed worldwide. With deployment of one or more of the DB2 family in 100% of the Fortune 100 and over 80% of the Fortune 500, DB2 has proven itself to be the trusted database for valuable enterprise data assets.

IBM DB2 provides an ideal database platform for PeopleSoft's applications. IBM DB2 provides high level of data integrity, availability, and the excellent performance required by PeopleSoft customers. IBM DB2 provides the scalability and flexibility for healthcare organizations to incorporate data across a variety of disparate platforms and among multiple sites of business. Furthermore, IBM DB2 provides a low cost of ownership while delivering the quality IBM is known for. Like PeopleSoft, IBM prides itself on the award-winning service it provides to DB2 customers. Together, PeopleSoft and IBM DB2 provide a solution based on excellent technology and shared values in quality, flexibility and service.

The PeopleSoft/IBM partnership represents the opportunity to provide highly valuable solutions to the healthcare industry. PeopleSoft and IBM provide solutions which provide increased efficiency, enhanced reporting and analysis, and improved management capabilities. The partnership assists healthcare organizations in effectively meeting the changing needs of this dynamic marketplace.

I. Industry Consolidation

Over the past five years, there has been a sweeping wave of consolidation in the Health Care industry. According to the Blue Cross and Blue Shield Association, the number of Blue Cross organizations has decreased from 120 plans in 1970 to only 63 major plans today. Moreover, by the end of the decade, the Association believes that further merger and consolidation activity will bring the total number of major plans down to 50. This trend is affecting other payers as well. Leading HMOs such as Aetna and US Healthcare; PacifiCare and FHP; Foundation Health and HIS represent just a few of the completed and potential mergers/acquisitions within the Health Care marketplace.

The landscape for healthcare providers has changed dramatically as well. Increasingly, hospitals are consolidating to close inefficient facilities and maximize capacity. The trend toward outpatient care has also created the need for hospitals to acquire ancillary organizations to provide a complete spectrum of care delivery.

The end effect of all this merger and acquisition activity among insurers and providers is the creation of both regional and national healthcare conglomerates. In order to succeed in this increasingly competitive marketplace, healthcare organizations must be able to effectively manage the human resources of these new healthcare enterprises. PeopleSoft's HRMS application provides Health Care organizations with an enterprise approach to human resource management. The HRMS application makes it possible for healthcare organizations to implement the best practices to effectively manage their human resources, payroll, and benefits processes. PeopleSoft HRMS enables healthcare enterprises to leverage their most valuable resource—their people—by being able to understand its workforce and make the best uses of their talents, while providing self-service functionality to empower employees.

The integration of the payroll, human resources and benefits processes also provides major advantages for healthcare organizations. Examples of this integration include; position vacancies automatically create requisitions; applicants are matched to the requirements of the open position; once hired, the employee may inherit a standard training schedule and career path based on the job or position; the hire process will automatically notify various roles throughout the organization that work needs to be done for the newly hired employee; credentials and certifications may be automatically granted based on successful completion of training; retro-active adjustments for payroll and benefits are invoked based on effective-dated changes to employee information within Human Resources.

PeopleSoft HRMS empowers healthcare organizations with credentialing and certification management which provide a gap analysis used to ensure the right employees are in the right jobs and positions; resource scheduling and labor distribution across the enterprise which provides the ability to track employee time and labor at the task level; flexible payroll and compensation tools which provide the ability to establish compensation rules that may be unique across different groups throughout the organization; and unique benefits and pension administration services which provide the ability to administer a diverse range of benefit plans including health, life, disability, savings and retirement.

By coupling the PeopleSoft applications with IBM DB2, healthcare organizations have the flexibility to implement these technology solutions while still continuing their merger and acquisition activity. The breadth of hardware support and the high level of compatibility of the database interfaces and administration processes across the DB2 family allow enterprises to deploy PeopleSoft applications in an evolutionary fashion as their needs change. The fact that DB2 has such a strong presence in the market means that many enterprises currently have the required database administration skills, which they can also use in the deployment of PeopleSoft applications with a minimal investment in hiring or training. Since a large percentage of existing healthcare systems are built on DB2, using DB2 as the database server for PeopleSoft applications facilitates their integration into the enterprise by lessening the investment required to access these legacy systems and migrate them to the new application environment. IBM DB2 provides a robust, secure database in which all enterprise human resources information can be maintained, accessed, and updated with high availability and excellent performance even in the most demanding periods of change.

II. Managed Care

With its early beginnings in California, managed care has now become an industry standard. As illustrated in the chart below, the spread of managed care across the country has been quite dramatic. HMO and PPO enrollment levels now exceed 62 million and 45 million Americans, respectively. Moreover, HMO membership is growing at a rapid pace of 12% to 23% over the past two years. The power of managed care has extended into the public sector healthcare marketplace as well. A recent study of Medicaid recipients revealed that nearly 40% of recipients are now enrolled in a managed care program rather than the traditional fee-for-service system. Over the next five years, G2R estimates this figure will grow to approximately 60%. Managed care has also changed the organizational structure of the healthcare marketplace. The ability to transfer service delivery out of the hospital to more cost-effective areas such as outpatient facilities and home healthcare has grown significantly under managed care. In fact, nearly 35% of all surgeries are now performed on an outpatient basis.

The underlying tenet of managed care is efficient care delivery. In contrast to the historic fee-for-service arrangement, managed care has created a framework for healthcare organizations to regulate costs for care delivery. The growth of managed care has only fueled the demand for solutions which enable healthcare organizations to monitor and decrease costs.

PeopleSoft's Financials solution enables healthcare organizations to understand and proactively manage their operations from an operating unit and enterprise perspective. With integrated on-line analytical processing (OLAP) capabilities for a multi-dimensional view of the healthcare enterprise's operations. PeopleSoft's Financials can help healthcare organizations to effectively manage their revenues and contain costs. As a strategic financial management solution, PeopleSoft Financials provides a comprehensive, integrated system to produce and maintain flexible budgets, and manage projects, funds, grants, product/service lines, and core accounting processes.

Similarly, PeopleSoft's Materials Management System provides a powerful solution to track resources and leverage economies of scale for the enterprise. PeopleSoft's Healthcare Materials Management System enables healthcare organizations to analyze procurement patterns, support stockless inventory environments, perform flexible replenishment calculations, handle par and exchange cart management, and initiate flexible contract management services. All of these features provide more cost-effective business processes for healthcare organizations.

The IBM DB2 plays an integral role in developing more efficient business processes as well. Health Care organizations may utilize the powerful OLAP features of the DB2 family to create robust Data Warehousing and Data Mining capabilities. IBM's DB2 OLAP Server, combining the OLAP capability of Arbor Essbase with the manageability and integrity of a relational database server, integrates directly with PeopleSoft's OLAP support. The integration of PeopleSoft applications with the DB2 family also provides a strong basis for incorporating PeopleSoft-managed data into an enterprise data warehouse—which can be developed with tools like IBM's Visual Warehouse. These capabilities empower Health Care organizations not only with timely access to analytical data, but also serves as a tool for future strategic planning.

III. Development of the Integrated Delivery System

As cited earlier, all healthcare services were historically conducted within the confines of a hospital. Presently, however, healthcare service delivery is dispersed across a myriad of hospitals, outpatient clinics, home healthcare, physician's offices, etc. In order to improve the scope of services, streamline operational processes, transfer functions to more cost-effective sites, and leverage economies of scale, healthcare organizations have developed new business models to improve the organizational ties across the continuum of care. Integrated Delivery Systems (IDS) exemplify the new enterprise-wide approach for healthcare organizations to unify all of the points of care under a singular entity.
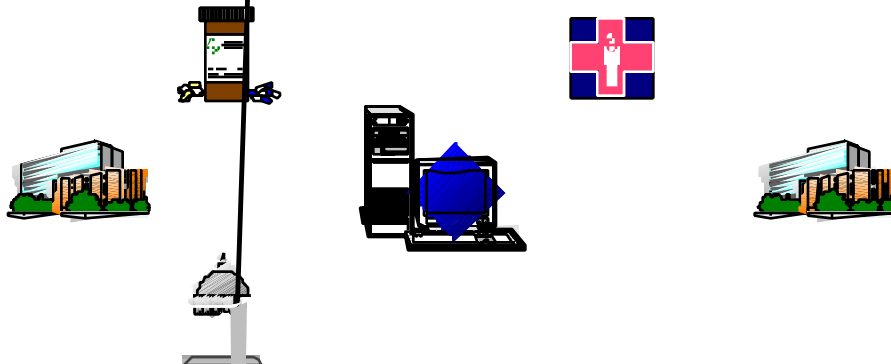
The transition to Integrated Delivery Systems has been quite dramatic. G2R's recent survey of leading healthcare organizations revealed that over 85% of healthcare organizations are either current IDS members or in the process of developing an Integrated Delivery System. IDS provide a robust operating framework for healthcare entities to join forces in delivering a broad spectrum of care. The trend towards IDS development will undoubtedly continue into the next millennium. Some of the more prominent IDS organizations include Allina Health System, BJC Health System, Kaiser Permanente, Henry Ford Health System, Memorial Health Services, Holy Cross Health System. These entities have formed business ties with a broad spectrum of care delivery groups in order to more effectively assess resource utilization, manage costs, and provide a better standard of care.

Trend Towards Development of IDS Organizations

Percent of respondents indicating if they are moving toward IDS operating models.

Yes
85.0%

D/K
2.0%

No
13.0%
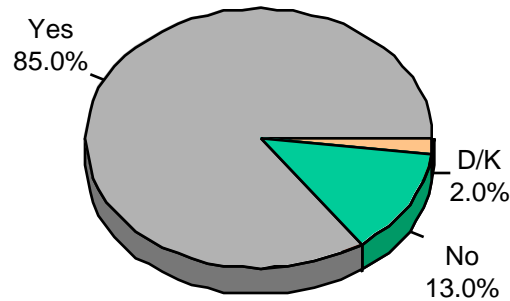
Given this market dynamic, PeopleSoft's suite of applications provide enterprise management and reporting tools. Moreover, as the healthcare organization continues to evolve, these applications are fully scalable to incorporate new entities. Despite the addition of newer facilities, the applications' common front end interface ensures the same look and feel across the evolving enterprise. Moreover, PeopleSoft's applications provide universal access across the IDS through web-enabled applets. In sum, PeopleSoft solutions address the varied requirements of a distributed, multi-entity, healthcare organization.

PeopleSoft's suite of applications are perfectly suited to meet the needs of these new healthcare enterprises. PeopleSoft's HRMS application can effectively manage the varied human resource issues across the various entities of the Integrated Delivery System. PeopleSoft HRMS has been designed to allow processing of multiple companies, including multiple legal entities. What this means is that PeopleSoft HRMS will support employees who hold multiple jobs across the enterprise which may require multiple rates of pay, different benefits eligibility for each job, and different credentials for each job.

PeopleSoft's Financials provides a more robust fiscal picture of the enterprise, empowering healthcare managers with more information on the cost-effectiveness of services at each site along the continuum of care as well as from an enterprise perspective. IDS organizations may utilize the Materials Management System to effectively plan for and track resources, inventory, and utilization across the healthcare enterprise. PeopleSoft Materials Management solutions will significantly increase efficiency by ensuring that supplies and capital assets are available when and where needed, that the cost of the supplies is minimized, that excessive usage is identified and controlled, and that exceptions never turn into problems. This solution can also provide integrated delivery systems with an enterprise planning solution with real-time responsiveness to customers. Delivering best practices materials management functionality, PeopleSoft Materials Management enables a fully automated, hands-off ,"lights out" procurement processing, supports stockless inventory management, electronic commerce, procurement cards, and delivers self-service capabilities with web applets.

The flexibility of the IBM DB2 family of database servers guarantees that the applications will be able to run across disparate platforms and among varied sites of care. Moreover, given the more robust requirements of these larger healthcare organizations, IBM DB2 provides additional

functionality to support more sophisticated applications. For example, healthcare organizations may utilize IBM DB2 to store and manage voice, video, and data files. As a result, complex data such as patient information, X-ray images, and physicians' notes may be stored in the powerful family of DB2 servers along with the data managed by the PeopleSoft applications. IBM DB2 is also completely "web-ready" with support for browser-based clients, strong security and authorization services and an excellent tool suite for extending the accessibility to data via the Internet. Combining the technology leadership of the DB2 family with its traditional strength within the enterprise give the IDS organizations the tools required to effectively manage their changing environment today and into the future.

IV. Need for Enterprise Solutions

With the development of Integrated Delivery Systems, healthcare organizations now understand the need to integrate disparate information systems and processes in order to effectively manage the new business model. Since Integrated Delivery Systems are multi-entity, multi-jurisdictional organizations, these organizations need solutions which can provide an enterprise view of the healthcare entity. The acknowledgment of the value of enterprise solutions has encouraged IDS organizations to decrease internally-developed applications or the utilization of niche vendors in favor of those solutions which are open-systems based. As a result, these IDS organizations are increasingly turning to world class packaged software solutions which provide a better alternative to proprietary systems. The reasons are twofold: leading solution providers reduce the risk of new technology implementation through the utilization of proven solutions and reduce the overall burden of IT staffs in managing legacy applications.

Systems Satisfaction and Priority of New IT Development

Satisfaction with existing systems and the rank of new IT development (1=poor, 5=superior)

IT Area	System Adequacy
Billing/Payment/Reporting	3.5
Departmental Systems	3.5
Corporate Services	3.3
Operations	3.1
Network/Telecomm	2.7
Point of Care	2.7

IT Area	Development Rank
Point of Care	1
Network/Telecomm	2
Corporate Services	3
Operations	4
Billing/Payment/Reporting	5
Departmental	6

PeopleSoft and IBM provide a full spectrum of information technology software, hardware and services to deliver a complete, enterprise solution for Integrated Delivery Systems. Based on an open-systems foundation, these solutions can be scaled according to the evolving needs of the IDS organization. With IBM DB2, these solutions can also operate in a variety of disparate operating environments.

In a recent survey of CIOs and MIS Directors, healthcare organizations chose Point of Care and Corporate Services as the two main sectors of application implementation. More specifically, these respondents identified Electronic Medical Records (EMR), Clinical Data Repositories (CDR), and Human Resources/Financial applications as the top three applications to be implemented by the year 2000. Although the need for clinical applications such as EMR and CDR to share/store patient information across the enterprise is clear, there is a similarly significant demand for the implementation of new Human Resources & Financial applications. Given the great extent of merger and acquisition activity over the past three years, healthcare organizations require new HR and Financial applications to provide an enterprise-wide management tool. Moreover, healthcare organizations will seek to further standardize and integrate applications which support the administrative and financial areas.

Leading Solution Goals

Top 3 IT Goals

1. *Networking Initiatives*

2. *Enterprise Applications*

3. *Financial Applications*

Other: Improve IT infrastructure, Align IT to support business objectives.

This reflects the primary concerns of healthcare organizations to provide access to patient information across the delivery system as well as effectively manage the costs/resources of the healthcare enterprise. As detailed previously, PeopleSoft's enterprise business solutions provide distinct ways of helping IDS organizations more effectively manage their strategic human resource, financial, and materials management processes.

One of the major challenges in this area is balancing responsiveness to change with the desire to minimize risk. By leveraging proven solution providers such as PeopleSoft and IBM healthcare enterprises can do just that. This powerful partnership provides healthcare enterprises with the tools needed to re-engineer their businesses without incurring the high costs of designing their own solutions and with the peace of mind that comes from knowing that the solution is proven to work in other similar organizations. PeopleSoft and IBM share the belief that minimizing risk and increasing cost-effectiveness are fundamental and together provide high quality solutions that

meet the business needs of the changing healthcare enterprise today and provide a strong basis for strategic growth in the future.

V. The Year 2000 Issue

The Year 2000 issue is a serious problem for healthcare organizations. Despite the wealth of time sensitive data collected by healthcare organizations, the vast majority of these organizations are not fully Year 2000 compliant. As the new millennium approaches, healthcare organizations must resolve the coding errors which reside in the various legacy applications installed across the marketplace. In some cases, organizations are taking a labor-intensive approach in recoding the applications for compliance.

In other cases, organizations are implementing new information technology solutions to become Year 2000 compliant. PeopleSoft's suite of enterprise applications (HRMS, Financials, and Materials Management) not only provide healthcare organizations with newer, more robust tools to manage the complex issues of the enterprise, but also are compliant with Year 2000 standards. Additionally, the DB2 family of database products is Year 2000 compliant.

One of the major challenges with the Year 2000 is that it provides a totally non-negotiable deadline. By choosing to implement proven solutions such as PeopleSoft applications with IBM DB2 you can greatly decrease the risk of not being prepared. Moreover, this choice means healthcare enterprises can leverage the skills of industry-leading service providers such as PeopleSoft Professional Services and IBM Global Services for the implementation of the applications and their integration into the rest of the enterprise, giving the greatest opportunity to meet the challenging deadlines while giving them the flexibility to deploy their own people where they can be of greatest value.

VI. Standards

In addition to Year 2000 compliance, recent federal legislation along with the general industry trend to provide greater information sharing across healthcare organizations has increased attention of healthcare standards. The marketplace has effectively mandated the utilization of standards to facilitate data interchange and communication across organizations, government entities, and employers. Given the need for enterprise tools, year 2000 compliance, and utilization of standards, there is a greater sense of urgency for healthcare organizations to implement open, standards-based information technology solutions.

PeopleSoft's suite of applications and the IBM family of DB2 database servers provide healthcare organizations with the conduit to effectively manage this change. These solutions utilize Java , EDI, open standards, and incorporate open APIs for information exchange, are Year 2000 compliant, and provide seamless connectivity across the extended healthcare enterprise. Moreover, the PeopleSoft/IBM solutions are scalable and can be implemented in a three tiered client/server architecture as well as being fully integrated with your Intranet environment to best leverage the cost-effectiveness of Internet technologies.

In many cases, healthcare organizations will find greater value, functionality, and performance in implementing these business solutions rather than building an internally developed system or modifying existing applications.

VII. Canadian Health Care

In many ways, the Canadian healthcare marketplace is confronted by similar business issues and trends. Industry consolidation, development of larger healthcare enterprises, and increased focus on cost-effective management practices are major issues in the Canadian healthcare marketplace. For example, over 350 community health boards have been consolidated into 30 regional healthcare authorities. Canada has also developed larger healthcare conglomerates. Furthermore, government expenditures on healthcare are expected to be slashed by up to 40% as cost containment programs increase. As a result, Canadian healthcare organizations also require enterprise solutions to effectively manage the strategic business and technological needs of the organization.

PeopleSoft's suite of applications provide superior business functionality for Canadian healthcare organizations. PeopleSoft's HRMS solution can effectively manage the human resource issues of regional healthcare systems. More importantly, PeopleSoft's Financials applications can support the need for timely information on the performance of the business operations. PeopleSoft's Materials Management System provides a robust solution to track and manage materials across the enterprise.

Moreover, the IBM DB2 enables new solutions to operate in a variety of platform environments. The system is robust and highly scalable to ensure the top notch performance as the size of the regional healthcare system evolves. IBM DB2 easily integrates with existing applications and can provide Canadian healthcare organizations with data warehousing capabilities.

VIII. Summary

The healthcare marketplace is in the midst of an enormous sea-change. In an effort to reduce costs, increase accessibility, and provide more specialized services, managed care has built vast connections of healthcare providers, insurers, physicians, employers, and patients. As a result, healthcare is now distributed around more cost-effective sites of care including physician offices, outpatient clinics, home healthcare, etc. Concurrently, however, the proliferation of these various organizations across the country has created a system of disparate information technology platforms, networks, and processes. The recent consolidation of providers and payers has only exacerbated these incompatibility issues within the healthcare marketplace.

Given these market dynamics, new requirements have been set for information technology development. In particular, healthcare organizations now seek open-based, scalable systems that provide enterprise-wide management capabilities. This enables healthcare organizations to share information and manage operations across multiple sites and varied entities. From the primary hospital to the outpatient clinic to the physician's office, healthcare organizations need solutions which enable them to access and store information along the continuum of care. Furthermore, healthcare organizations must be able to effectively manage costs and resources in this ever changing industry.

With the complexities of today's market and the inevitable continuum of change expected in the future, G2R believes that healthcare enterprises should examine PeopleSoft's enterprise application suite combined with IBM DB2 as a strategic solution to their needs for Human Resources, Financial Management and Materials Management. The PeopleSoft/IBM partnership is targeted directly at the needs of the healthcare enterprise. PeopleSoft and IBM provide a complete solution with excellent total cost-of-ownership -- protecting legacy technology investments while allowing the healthcare enterprise to move into a distributed client/server environment with high functionality and the flexibility to easily adapt to changes over time.