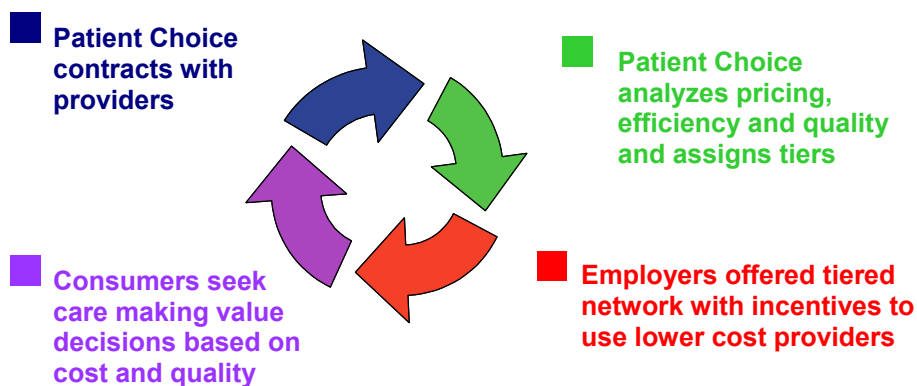


PATIENT CHOICE CARE SYSTEM PROGRAM

REVOLUTIONIZING HEALTH CARE PURCHASING FOR TODAY'S PURCHASERS, PROVIDERS AND PATIENTS

The Patient Choice Care System program is the nationally recognized program implemented in 1997 by the Buyers Health Care Action Group, (BHCAG) and acquired by Medica in 2004. This pioneering program operates on the premise that competition among provider organizations and appropriate incentives for consumers and providers drives quality improvement and efficiency in the health care system and lowers costs.

The program uses an innovative approach whereby groups of physicians, hospitals and other health care providers and facilities called "care system" are "tiered" according to cost and quality. Consumers receive comparative information and have economic incentives to encourage them to choose providers who deliver quality care at a reasonable price. Here's how it works:



The approach has led to a true marketplace where providers react to consumer purchasing power by increasing value through reduced costs and improved quality and service—leading to reduced cost trends for employers.




RESULTS SHOW THE PROGRAM WORKS.

Research on the Patient Choice Care System program by leading authorities such as Johns Hopkins, University of Minnesota, Harvard Business School and others, provide empirical evidence that it saves money, improves quality and enhances consumer choice.

ADVANTAGES OF A TIERED APPROACH

Rewarding better performing providers creates true competition on value in health care delivery. Employers benefit from a tiered network approach by achieving greater cost savings when employees – armed with comparative provider data and incentives to choose wisely – migrate to providers who deliver quality care at a lower cost.

2005 Patient Choice Care System Cost Group Comparison

Care System Cost Group	Care Systems	Previous 2004 Cost Group
Cost Group I <i>(low cost)</i> 	Access Quality Care System	1 (no change)
	CareNorth Health System	1 (no change)
	Dakota Clinic	<i>New Care System</i>
	Family HealthServices Minnesota, P.A.	2
	Hennepin Faculty Associates	2
	MeritCare Health System	1 (no change)
	Minnesota Healthcare Network	2
	Park Nicollet/Methodist Care System	1 (no change)
	St. Croix Valley Healthcare	1 (no change)
Cost Group II <i>(middle cost)</i> 	Allina Medical Clinic Care System	3
	Aspen Medical Group	2 (no change)
	Children's Physician Network	1
	Fairview Physician Associates	2 (no change)
	Fairview Red Wing Health Services	2 (no change)
	HealthEast Care System	2 (no change)
	North Memorial Care System	3
	Regional SelectCare System <i>(Replaces America's Care System for 2005)</i>	<i>New</i>
COST GROUP III <i>(high cost)</i> 	Abbott Northwestern Physician Hospital Org.	3 (no change)
	Mayo Clinic Rochester and Mayo Health System	3 (no change)
	North Clinic Care System	3 (no change)
	University of Minnesota Physicians Care System	3 (no change)

ABOUT PATIENT CHOICE

Patient Choice, a nationally recognized tiered network program, is offered by Medica, Minnesota's largest HMO, largest PPO and leading non-profit and independent provider of health plans with more than 1.2 million members.

The Patient Choice Care System program includes an extensive network of participating providers and is available to self-funded employers.

For more information visit www.pchealthcare.com, contact your Medica sales representative or call 952-992-1700.

