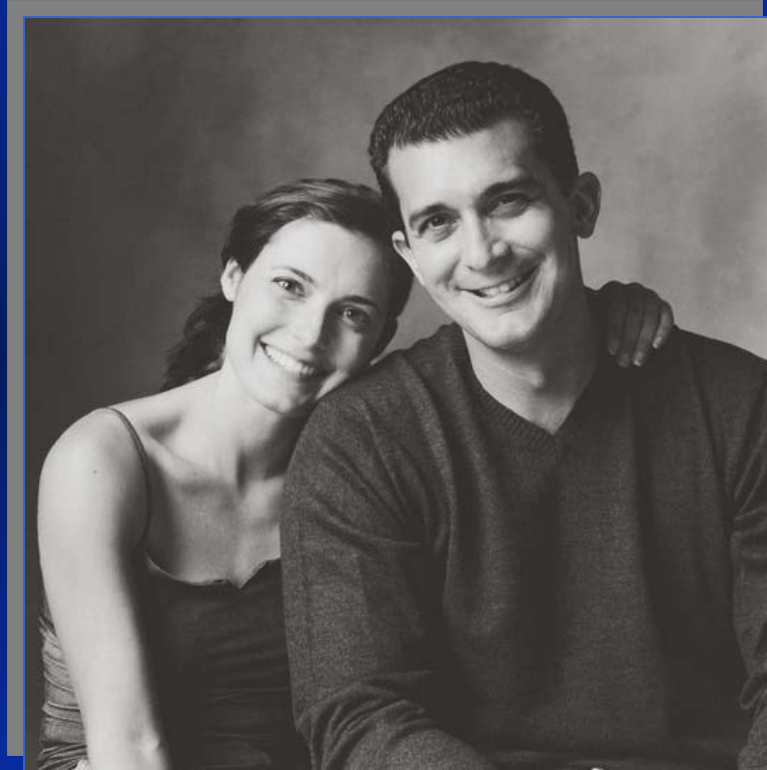


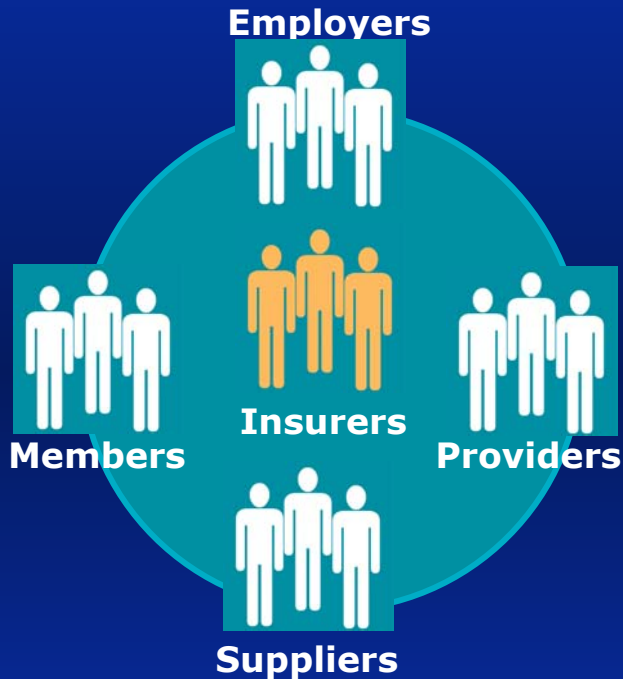
HealthMarket
LEADING THE WAYSM



Consumer Driven Health Plans

Today's Marketplace

Managed Care



- **Managed care cost controls are no longer working**
- **Members isolated from the actual cost of care**
- **Double-digit premium increases**
- **Employers, employees and providers are frustrated**

Organized around the Insurer

Market Conditions

NATIONAL EXPEDITURES = *\$1.5 Trillion*

HEALTH BENEFIT EXPEDITURES = *13% ↑*

RETAIL DRUG EXPEDITURES = *17% ↑*

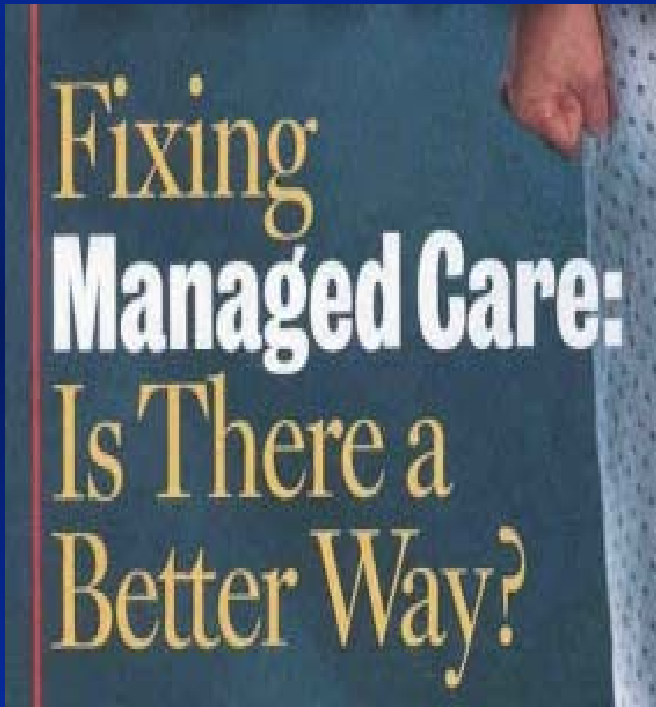
GENERAL MARKETPLACE

- Hospital Consolidation
- Pharmaceutical Practices
- Medical Technology
- Consumer Demands
- Aging Population
- General Economy

SMALL GROUP SPECIFIC

- Erratic Price Competition
- Generic Provider Deals
- Difficult Compliance Issues
- Product Differentiation
- Administrative Efficiencies
- Top-line vs. Bottom-line

Consumer Driven Health Care



- **Customer Empowerment**
- **Innovative Products**
- **Information Tools**
- **Stable Pricing**

Product Trend: Consumerism

Health insurance plans putting consumers and their physicians at the center of healthcare decision-making, giving them greater discretion and control over their benefit dollars and medical care choices.

WHEN DOES THE CONSUMER GET INVOLVED?

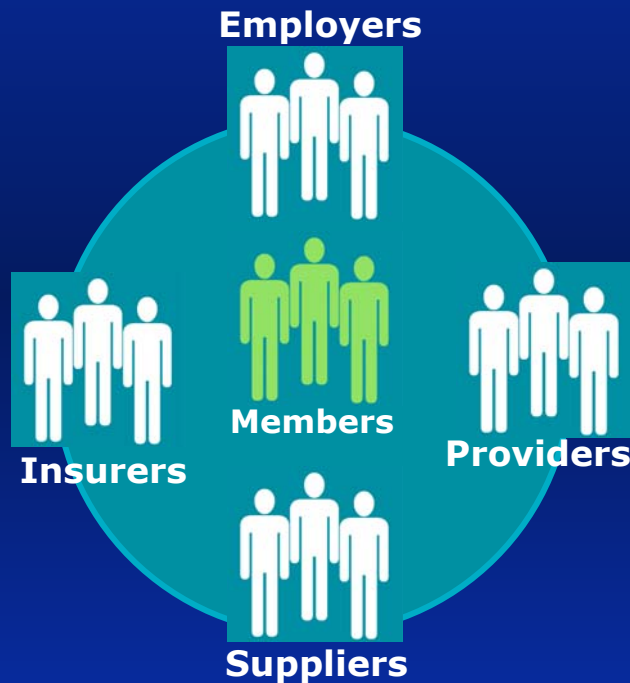
POINT OF ENROLLMENT

- Deductible
- Coinsurance
- Co-Pay
- Savings Account
- Pharmacy Plan

POINT OF CARE

- Price of Services
- Quality of Provider
- Health Coach
- Technology Tools
 - Self-Service Benefits
 - Clinical Content

Consumer Driven Health Plans



Organized around the Member

- **Alternative to managed care**
- **Empowered members and providers make healthcare decisions**
- **Achieve lower, more predictable premiums**

HealthMarket Corporate Overview

HealthMarket 2002

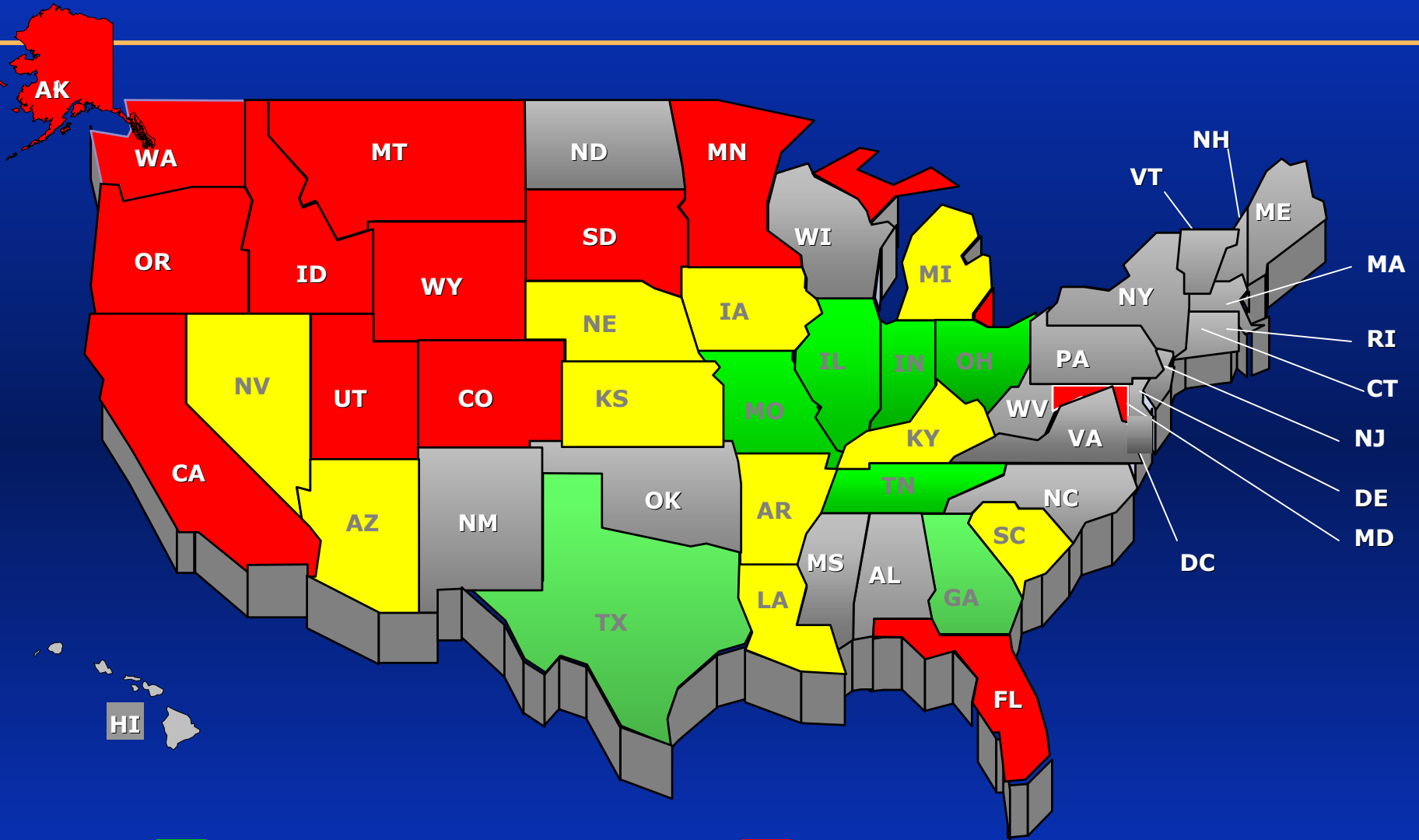
American Travelers Assurance Company

- CAPACITY: Fully-Insured, Full Replacement
- TRACK RECORD: 1,000 Employers, 25,000 Members
- RESULTS: Early Utilization, Distribution Demand

Unique CDHP Operating System

- CUSTOMIZED: Risk Management, Customer Service
- INNOVATIVE: Product Design, Technology Applications
- SCALABLE: Organic Growth, Co-Branded Partners

American Travelers Assurance Company



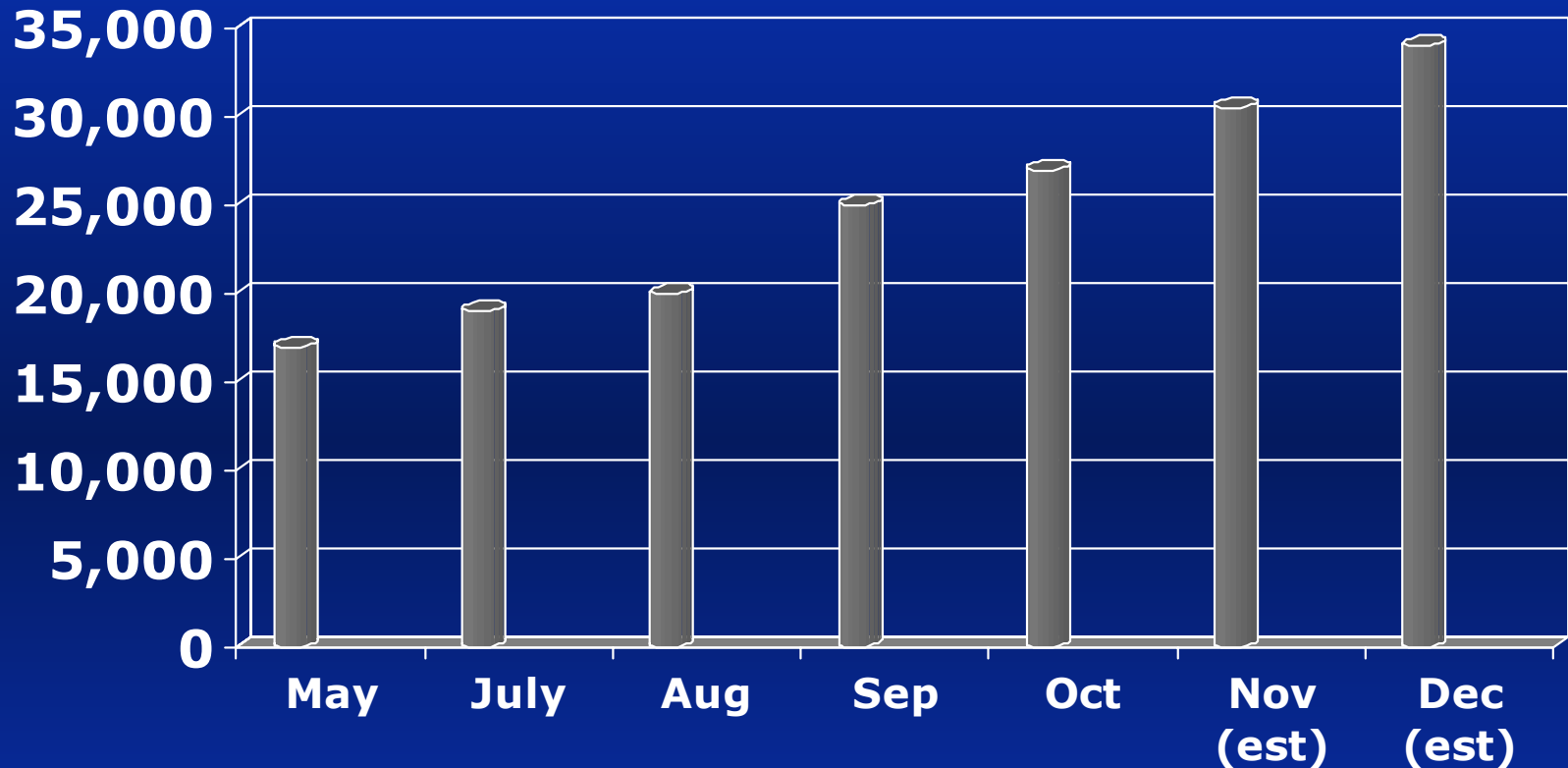
 Active States YE 2002

 Other Licensed ATAC States

 Proposed New States 2003

 Non-Licensed ATAC States

HealthMarket Membership by Month



** Total membership through September 2002 exceeds 1,000 groups and 23,000 members.*

Partners and Vendors

Care Management

Consumer Experience

Contracted Providers

Insurance

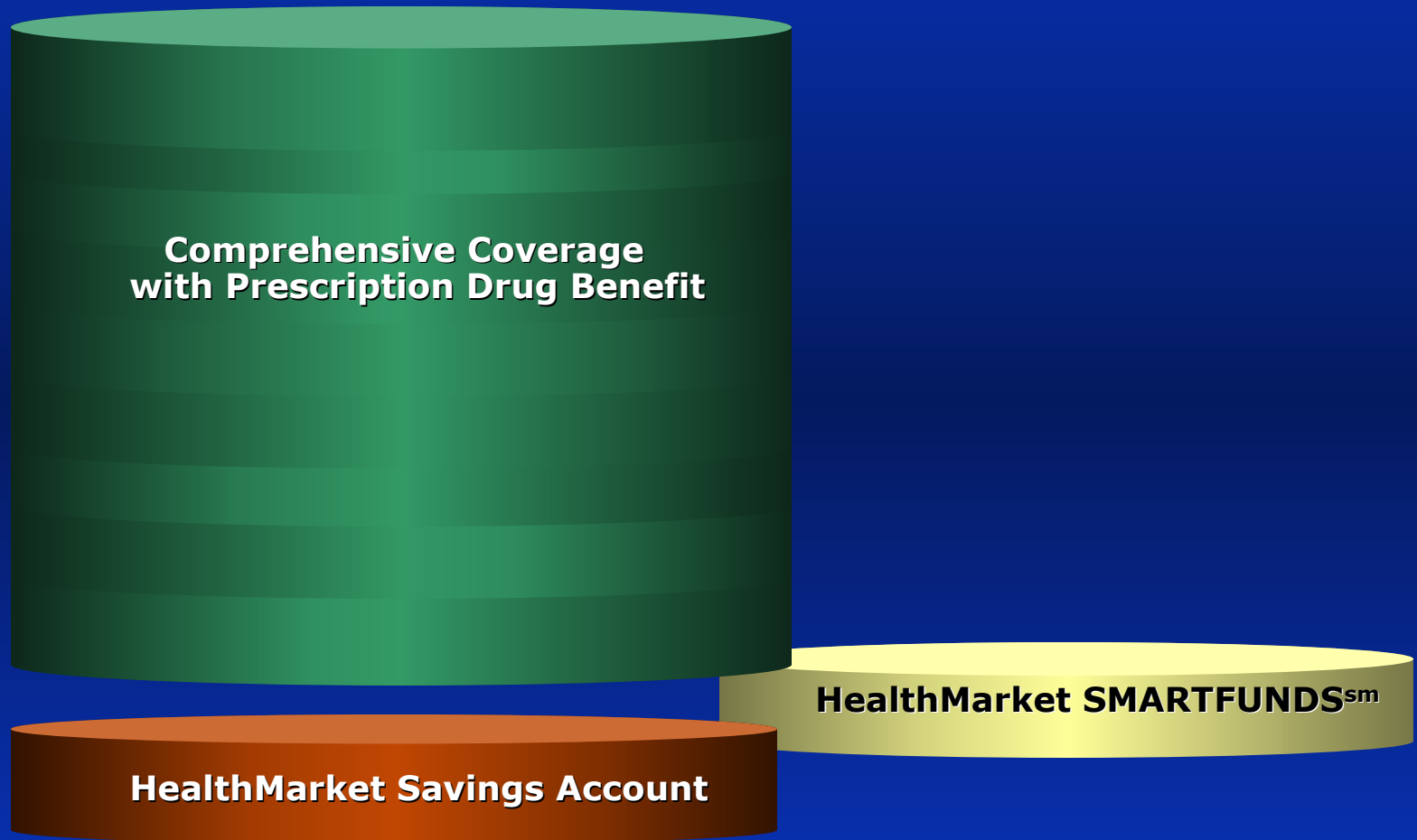


Management Team

- **Stephen F. Wiggins – Chairman and Chief Executive Officer**
- **Gregory R. Morris –Chief Operating Officer**
- **Edward J.. Zecchini –Chief Technology Officer**
- **Lindsay R. Resnick –Chief Marketing Officer**
- **Hassan S. Rifaat, M.D., Vice President, Sales**
- **Kurt M. Fullmer – Vice President, Network Development**
- **A. Roger Francoline – Vice President, Insurance**
- **Lisa S. Schulte – Vice President, Administration**

HealthMarket Products

HealthMarket Consumer Driven Health Plans



*Coverage is subject to the Maximum Allowable Charge (MAC),
Deductible and Coinsurance*

Comprehensive Coverage

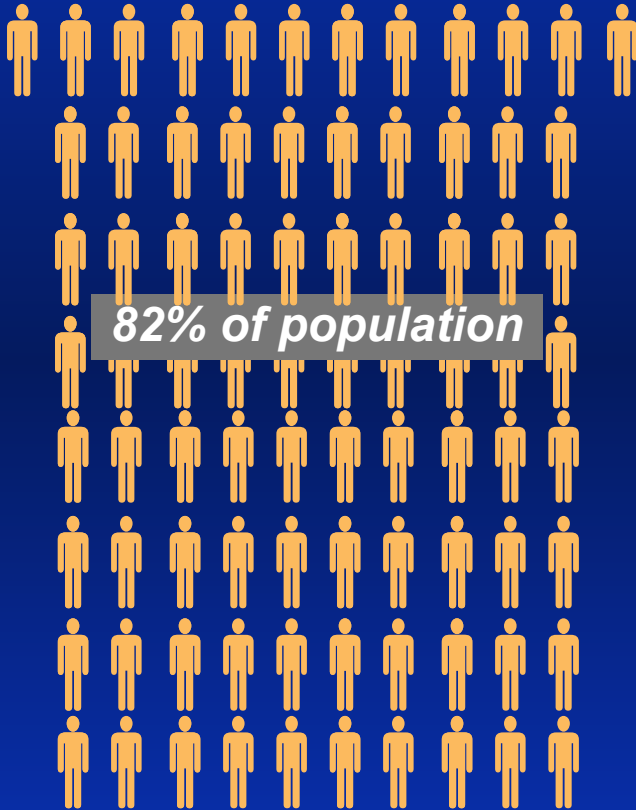
Plan Year Deductible (per plan year)	Individual \$500; Family \$1,000 <i>or</i> Individual \$1,000; Family \$2,000 <i>or</i> Individual \$2,000; Family \$4,000
Plan Coinsurance Level	70%, 80% or 90%
Maximum Out-of-Pocket Expense	Individual \$1,500; Family \$3,000 <i>or</i> Individual \$2,000; Family \$4,000 <i>or</i> Individual \$4,000; Family \$8,000
Maximum Benefit	\$2 Million Annual; Unlimited Lifetime
HealthMarket Savings Account	Individual \$500; Family \$1,000 <i>or</i> Individual \$1,000; Family \$2,000
HealthMarket SMARTFUNDSSM (optional)	Individualized spending accounts; Allowances based on specific medical procedures and conditions
Prescription Drug Benefit Medco Health (optional)	\$7 generic; \$20 formulary; \$35 non-formulary <i>or</i> \$10 generic; \$25 formulary; \$40 non-formulary <i>or</i> 80% generic; 80% formulary; 80% non-formulary

Coverage is subject to the Maximum Allowable Charge (MAC)

HealthMarket's Product Line

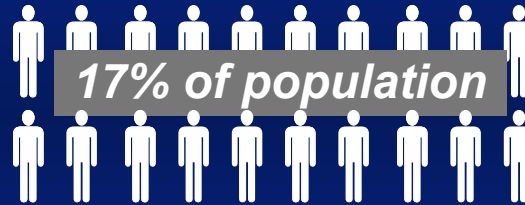
Designed to Meet Every Need

Routine / Preventive Care
25 - 30% of dollars



**HealthMarket
Savings Account**

Acute & Chronic Care
55 - 65% of dollars



Comprehensive Coverage
**HealthMarket
SMARTFUNDSSM**

Catastrophic Care
10 - 15% of dollars



**Comprehensive
Coverage**

HealthMarket Savings Account

- **Funded as part of the insurance premium, with full amount available on Plan Effective Date**
- **Provides first dollar coverage for routine and preventive care — no deductible or coinsurance — up to account limit**
- **Routine and preventive care remains covered after account limits have been reached, subject to deductible and coinsurance**
- **Unused limit rolls over to the next year; cannot be withdrawn as cash**
- **Coverage is subject to the Maximum Allowable Charge (MAC)**

HealthMarket Savings Account

100% Coverage for Preventive & Routine Care

- Abdominal X-Ray
- Allergy Tests
- Cardiac Stress Test
- Chest X-Ray
- EKG
- Lab tests-urinalysis, CBC, TB Tine, Fecal Occult
- Lead Screen
- Mammography
- Office Visit
- Panel Tests
- Pap Smear
- PSA Test
- Sigmoidoscopy
- Thyroid Imaging

Example only, not a complete listing.

HealthMarket SMARTFUNDSSM

- Offer comprehensive benefits for members and control over premium levels for employers
- First dollar coverage — no deductibles or coinsurance — up to a stated Allowance (limit)
- Allowance based on nationally recognized medical database; can vary by condition or procedure, geographical area, even from patient to patient within the same plan
- Coverage continues once Allowance limit is reached; Members then pay deductible and coinsurance
- Allowance is “activated” when a SMARTFUNDSsm treatment package is identified by HealthMarket or upon receipt of a valid claim for payment
- Coverage is subject to the Maximum Allowable Charge (MAC)

HealthMarket SMARTFUNDSSM

Covered Procedures

- **Appendectomy**
- **Arthroscopy - Knee**
- **Arthroscopy - Shoulder**
- **Carpal Tunnel Repair**
- **Cholecystectomy**
- **Hemorrhoidectomy**
- **Hernia Repair**
- **Lithotripsy (Removal of Kidney Stones through Lithroscopy)**
- **Myringotomy (Cutting/Insertion of Tubes into the Middle Ear)**
- **Tonsillectomy & Adenoidectomy**
- **Cesarean Section**
- **Vaginal Delivery**

HealthMarket Comparison Shopping

- **Maximum Allowable Charge (MAC) is the total fee your plan will pay a provider for a given healthcare service.**
- **MAC applicable to any provider.**
- **Discounted contract prices through PHCS providers allow members to buy “wholesale” where MAC is often payment in full vs. “retail” from any other provider they choose.**
- **Members may shop for providers seeing cost and quality information (including the MAC) on HealthMarket’s website or by calling customer service.**
- **Should a provider’s billed fee be over the MAC, then the excess amount is the member’s responsibility.**

MAC - Price Comparisons & Quality Indicators

Provider Search

Provider Search Results

The following providers are listed based on your search criteria. "OFFICE VISIT, NEW PATIENT" has been selected as your service. You may change your service by selecting a new service at the bottom of the page.

As a HealthMarket member you can compare your estimated costs of providers who perform the services you choose in your search. The providers listed below may be sorted alphabetically or by specialty. Learn more about each provider by clicking on his or her name. Certain specific services may not be performed by the listed providers. When selecting a provider, HealthMarket encourages you to speak with that provider and verify available services. All services are subject to medical necessity.

Search Performed On:

Specialty: ORTHOPEDIC SURGERY **Service:** OFFICE VISIT, NEW PATIENT

Results: 50 Listings

- Click on the provider name for quality information
- Click on the My Benefits tab to see your estimated responsibility

1 2 3 | [Next 20 >>](#)

Name	Specialty	Your Estimated Benefit	Your Estimated Responsibility
Aversa, John 450 Boston Post Rd Fairfield, CT 06431 (203) 453-6340	ORTHOPEDIC SURGERY	\$111.94	\$1.06
Backe, Henry 2119 Post Rd Fairfield, CT 06430 (203) 254-8188	HAND SURGEON, ORTHOPEDIC SURGERY	\$111.94	\$1.06
Barton, Jerome 40 Cross St Ste 300 Norwalk, CT 06851 (203) 845-2200	ORTHOPEDIC SURGERY	\$111.94	\$1.06
Belkin, Stuart 1055 Post Rd Fairfield, CT 06430 (203) 254-1055	ORTHOPEDIC SURGERY	\$111.94	\$1.06

Provider Profile

My Account

- My Home Page
- Plan/Benefit Information
- Personal Information
- Claims
- SMARTFUNDSSM
- Dependents
- Request ID Card
- Change Password
- Forms Library
- Help

Condition Center

- Home

Jerome Barton, Orthopedic Surgery

[get travel directions](#)

40 Cross St
Suite 300
Norwalk, CT 06851
Phone: 203-384-2200

BACKGROUND INFORMATION

What is background information?

Medical School	NVU Sch Med	Residency
Board Certification	Yes	Secondary Specialty
Years Since Medical School	44	Hospital Affiliations
Hospital Affiliations	Not Found	Hospital Affiliations
Age	69	Insurance Plans Covered*

Search for Facilities

My Account

- [My Home Page](#)
- [Personal Information](#)
- [Claims](#)
- [SMARTFUNDSSM](#)
- [Forms Library](#)
- [Messages](#)
- [Help](#)

Healthcare Resource Center

- [Resource Center Home](#)
- [Research a Condition](#)
- [Find a Provider](#)
- [Find a Facility](#)
- [Pharmacy Services](#)

Facility Search

Facilities Search Results: INPATIENT ACUTE CARE HOSPITAL

The following hospitals match your search criteria. HealthMarket has contracted with these hospitals to provide you with access to specially negotiated discounts for services rendered. Only those hospitals contracted with HealthMarket are listed below. As a HealthMarket member, you are free to seek services anywhere you choose. However, if you obtain care from a HealthMarket contracted hospital, you will access our discounted rates which generally range from 10% to 70% off retail charges.

As a HealthMarket member, you can compare cost and quality information on any of the hospitals listed below. For cost information specific to the services provided at a particular hospital, click on the Overall Cost Rating (\$ signs). To obtain quality information, simply click on the hospital name.

Facility

Bed Type Ratings

Results: 9 Listings

- Click on the hospital name for quality information
- Click on the Overall Cost Rating (\$ signs) for specific bed type ratings and your benefit information

[New Search](#) | [Refine Search](#)

1 2 | [Next 8 >>](#)

Name 	Facility Type 	Address	Telephone	Overall Cost Rating 
SOUTH FULTON MEDICAL CENTER	INPATIENT ACUTE CARE HOSPITAL	1170 CLEVELAND AVE EAST POINT, GA 30344	(404) 305-3500	\$
EMORY UNIVERSITY HOSPITAL	INPATIENT ACUTE CARE HOSPITAL	1364 CLIFTON RD NE ATLANTA, GA 30322	(404) 712-7021	\$
CRAWFORD LONG HOSPITAL OF EMORY UNIVERSITY	INPATIENT ACUTE CARE HOSPITAL	550 PEACHTREE ST NE ATLANTA, GA 30308	(404) 686-4411	\$
Saint Josephs Hospital of Atlanta	INPATIENT ACUTE CARE HOSPITAL	5665 Peachtree Dunwoody Rd Atlanta, GA 30342	(404) 851-0770	\$\$
DECATUR HOSPITAL	INPATIENT ACUTE CARE HOSPITAL	450 N. CANDLER STREET DECATUR, GA 30030	(404) 501-6260	\$\$
PIEDMONT HOSPITAL INC.	INPATIENT ACUTE CARE HOSPITAL	1968 PEACHTREE RD NW ATLANTA, GA 30309	(404) 605-5000	\$\$
NORTHSIDE HOSPITAL	INPATIENT ACUTE CARE HOSPITAL	1000 JOHNSON FERRY RD NE ATLANTA, GA 30342	(404) 851-8000	\$\$
DEKALB MEDICAL CENTER	INPATIENT ACUTE CARE HOSPITAL	2701 N DECATUR RD DECATUR, GA 30033	(404) 501-1000	\$\$

1 2 | [Next 8 >>](#)

Overall Cost Rating Legend:

\$ = Low to None	\$\$ = Low	\$\$\$ = Moderate
\$\$\$\$ = Moderate to High	\$\$\$\$\$ = High	N/A = Not Available

[New Search](#) | [Refine Search](#)

Facility Bed Type Ratings

My Account

- My Home Page
- Personal Information
- Claims
- SMARTFUNDSSM
- Forms Library
- Messages
- Help

Healthcare Resource Center

- Resource Center Home
- Research a Condition
- Find a Provider
- Find a Facility
- Pharmacy Services

Facility Search

Facilities Bed Type Ratings

Search Performed On:

Facility Type: INPATIENT ACUTE CARE HOSPITAL

Legend:

- Member is expected to have little or no financial exposure
- ▲ Member is expected to have some financial exposure
- Member is expected to have financial exposure
- ◆ Likelihood of financial exposure is unknown
- N/A Not Available

Facility

Bed Type Ratings

Results: 9 Listings

1 2 | [Next 8 >>](#)

Facility Name	Overall Cost Rating	Adult Medical	Adult Surgical	Cardiac Surgery	Intensive Care Unit	Neonatal Intensive Care Unit	OB Normal Delivery	OB Cesarean Section	Psychiatric	Substance Abuse
Your Benefit		\$1,700.00	\$1,750.00	\$2,800.00	\$1,990.00	\$1,800.00	\$1,500.00	\$1,400.00	\$765.00	\$625.00
SOUTH FULTON MEDICAL CENTER	\$	■	■	■	■	■	■	■	■	■
EMORY UNIVERSITY HOSPITAL	\$	■	■	■	■	■	■	■	■	■
CRAWFORD LONG HOSPITAL OF EMORY UNIVERSITY	\$	■	■	■	■	■	■	■	■	■
Saint Josephs Hospital of Atlanta	\$\$	■	■	■	■	■	▲	▲	■	■
DECATUR HOSPITAL	\$\$	■	■	▲	■	●	■	■	▲	▲
PIEDMONT HOSPITAL INC.	\$\$	■	■	▲	■	●	■	■	▲	▲
NORTHSIDE HOSPITAL	\$\$	■	■	■	■	●	■	●	■	■
DEKALB MEDICAL CENTER	\$\$	■	■	▲	■	●	■	■	▲	▲



Expected Cost Exposure

My Account

- My Home Page
- Personal Information
- Claims
- SMARTFUNDSSM
- Forms Library
- Messages
- Help

Healthcare Resource Center

- Resource Center Home
- Research a Condition
- Find a Provider
- Find a Facility
- Pharmacy Services

Facility Search

Bed Type Ratings and Benefits

Facility

EMORY UNIVERSITY HOSPITAL
1364 CLIFTON RD NE
ATLANTA, GA 30322
(404) 712-7021

Overall Cost Rating: \$

Benefit Information

Service/Bed Type	Your Benefit per day (MAC)*	Your Likely Exposure
Adult Medical:	\$1,700.00	
Adult Surgical:	\$1,750.00	
Cardiac Surgery:	\$2,800.00	
Intensive Care Unit (ICU):	\$1,990.00	
Neonatal Intensive Care Unit(NICU):	\$1,800.00	
OB Normal Delivery:	\$1,500.00	
OB Cesarean Section:	\$1,400.00	
Psychiatric:	\$765.00	
Substance Abuse:	\$625.00	

* Maximum Allowable Charge (MAC). Through your HealthMarket Self Directed Health Plan, services are reimbursed up to the MAC, with coinsurance, copayments and deductibles applied, as a combination of the following: the relative cost of medical services in your area, the level of coverage your employer has chosen to provide and the total monthly premium you and your employer each pay for the services/bed types listed above.

Legend:

- Member is expected to have little or no financial exposure
- Member is expected to have some financial exposure
- Member is expected to have financial exposure
- Likelihood of financial exposure is unknown
- N/A Not Available

Member Services

HealthMarket C.A.R.E.S.

- Health Coaches 24-7
- Acute triaging of care needs
- Answer health questions
- Guidance on decisions
- Provide medical information
- Care Management and Disease Management

Customer Service

- Available phone or e-mail
- Answer benefit and administrative questions
- Help search for providers
- Technical support

Customer Support

Member Homepage

HealthMarket
Self Directed Health Plans

[home](#) | [about us](#) | [my account](#) | [log out](#)

My Account

- My Home Page
- Plan/Benefit Information
- Personal Information
- Claims
- Dependents
- Request ID Card
- Change Password
- Forms Library
- Help

Condition Center

- Home

Healthcare Services

- Search for Providers
- Search for Facilities
- Pharmacy Services

Welcome to HealthMarket

Welcome, John HMI Demo
Member ID #: 2000005

This is a your personal homepage where all your information is private and secure. Manage your account, research hundreds of health topics, medical conditions and procedures, and search for providers and facilities to compare cost and quality information.

Plan/Benefit

SDHP 10-80-20	Plan Limit:	Amount Paid This Year:
PLAN DEDUCTIBLE LIMIT-SINGLE	\$1,000.00	N/A
PLAN DEDUCTIBLE LIMIT-FAMILY	\$2,000.00	N/A
PLAN COINSURANCE	80%	N/A
MAXIMUM OUT OF POCKET-INDIVIDUAL	\$2,000.00	N/A
MAXIMUM OUT OF POCKET-FAMILY	\$4,000.00	N/A
ANNUAL MAXIMUM BENEFIT LIMIT	\$2,000,000.00	N/A

[More Details](#)

Dependents

	Effective from:	Effective to:
Mary HMI Demo	04/01/2001	01/01/2003

[More Details](#)

Claims Summary

Claim Number	Provider:	Status:	Date of Service:
HMI1219	Frederick Corpuz	IN PROCESS	07/01/2001

[More Details](#)

Customer Service:
8:00 am - 6:00 pm ET
Mon. through Fri.
(800) 282-1414



[email us now](#)

Health Coach:
24 hours a day
7 days a week
1-877-900-4301

Customer Support

Employer Homepage

HealthMarket
Self Directed Health Plans

home | help | about us | My Account | Log out

HEALTHCARE SERVICES | MY ACCOUNT

Summary | Sub-Groups | Members | Premiums | My Profile | Help

Healthcare Services

- Search for Providers
- Search for Facilities

Action Items

- Change Password
- Edit Profile
- View Subgroups
- View Members
- Get ID Cards
- Download Forms
- Get Reports
- See Premium Status
- Help

Welcome John HMIDemo

Your Personal ID: 2011571

Group Information

Group Name: HMI GA
Group ID number: 10001

Sub-Group Information

Sub-Group Name:	Status:	Eff From:	Eff To:
HMI GA Sub All Tiers	ACTIVE	01/01/2001	01/01/2003
HMI GA 2	INACTIVE	09/01/2002	01/01/2003

[More Details](#)

Premiums

Month:	Status:	Amount:
Coming Soon!		

Help | FAQs | Customer Service | Terms & Conditions | Security & Privacy Policy
©Copyright 2000 – 2001 HealthMarket, Inc.

Give Customers A Fighting Chance

THE OLD WAY – Unmotivated, Isolated Consumers

- No Information: Cost or Quality
- Managed Care Restrictions
- Co-Pay Mentality
- Rate Escalation

THE NEW WAY – Engaged, Accountable Customers

- Transfer Information: Price & Quality
- Create Benefit “Account Managers”
- Reward Comparison Shopping
- Customize Member Experience
- Achieve Premium Predictability

HealthMarket

Consumer Driven Health Plans

Power of the Free Market Healthcare !

Lindsay R. Resnick
Chief Marketing Officer
HealthMarket, Inc.
2835 N. Sheffield Avenue
Suite 215
Chicago, IL 60657

773 880-2244
773 880-2350 f
LResnick@HealthMarket.com