



MEDIA RELEASE

Contact: Michele D. Smith
Director of Communications
(305) 594-9291 ext. 2273

FOR IMMEDIATE RELEASE

TEN YEAR NETWORK DEVELOPMENT PROGRAM RESULTS IN HIGH-PERFORMING U.S. PPO

Hygeia PPO Network Delivers 30-40+% average savings

MIAMI, FLORIDA - January 12, 2004 - Despite rising U.S. healthcare costs and a challenging provider contracting environment, Hygeia continues to improve existing contracts, expand its network of Preferred Providers and increase already high discounts to deliver one of the strongest U.S. PPO products serving domestic and international TPAs, assistance companies, insurers and reinsurers, as well as regional U.S. HMOs/PPOs and self-insured employer groups.

For the past 10 years, Hygeia has invested in extensive analysis of the U.S. healthcare market, provider contracting trends, the concentration of business hubs in key states, and the leisure and business destination patterns of domestic and international travelers throughout the United States.

"From this wealth of data, we embarked on a network development program targeting key states such as Florida, multi-state hospital and physician groups, market-dominant hospitals in traditional travel states, as well as strategically located facilities in metropolitan cities and popular rural areas," explained David Angelone, Hygeia's Chief Marketing Officer, Healthcare Providers.

The end result: strong provider relationships and a high-performing medical network of more than 4,000 hospitals including 166 medical Centers of Excellence, and 400,000 physicians across the U.S. representing all major medical specialties.

Clients also have access to a high-performing complementary product that further increases their savings. Hygeia's Claim Arbitration Service consistently delivers 20-30+% discounts for claims that occur with providers outside of our comprehensive network. Additionally, we receive signed payments agreements on all settlements, eliminating the risk of discount reversal or denial.

HYGEIA CORPORATION

15500 NEW BARN ROAD • SUITE 200 • MIAMI LAKES, FLORIDA • 33014
TEL 305.594.9291 • FAX 305.594.9201

WWW.HYGEIA.NET



"In fact, due to our 'fair settlement' approach to Arbitration, many non-network providers join the Hygeia PPO network," continued Mr. Angelone.

Key Florida facilities such as Orlando Regional Healthcare, Baptist Hospital of Miami, Tampa General Hospital, Mount Sinai Medical Center, and Jackson Memorial Hospital were recently joined by prominent facilities Naples Community Hospital (Naples), Shands Hospital (Gainesville), Cleveland Clinic (Naples) and two Bon Secours hospitals (Venice and St. Joseph). In California, new Hygeia Preferred Providers Desert Regional Medical Center, Center of Excellence UCLA Medical Center (LA) and California Pacific Medical Center (San Francisco) joined Cedars-Sinai Medical Center, Scripps Memorial Hospital and Stanford Medical Center in the Hygeia medical network.

"Hygeia has increased average savings in Florida from 34% to 38% (inpatient) and in California from 37% to 44% (inpatient), two critical states for our clients," explained Mr. Angelone.

Throughout the years, contracting has had its challenges. With a noticeable upsurge in the late 1990s, market-dominant hospitals and large physician groups used their bargaining power to push back on managed care plans and PPOs by terminating contracts, or negotiating more lucrative payment arrangements due to market consolidation, mergers and acquisitions.

A study of provider contracting published in the Feb 2003 issue of *Health Services Research* magazine reviewed changing trends between 1996 and 2001. The study reported increased contract disputes across the country as hospitals leveraged their resurgent bargaining clout in Boston, Phoenix, Orange County, Seattle, Miami, Northern New Jersey among other cities, negotiating low to mid double digit increases in rates from HMOs and PPOs between 2000 -2001. In Orange County, California and Phoenix, Arizona, for example, the policy was one of "terminate and then renegotiate".

Both U.S. and international claims managers have been feeling the pressure of rising costs and decreasing discounts in the U.S. market. However Hygeia has worked hard to shield partners from the impact through our investment in strong provider relationships and high-performing cost containment products.

In Florida, a major hospital group that owns fifteen (15) facilities dramatically reduced their PPO portfolio from a high of 150 contracts down to only 20 in 2003. **Due to our reputation, domestic and international client base and strong working relationship with this group, Hygeia is one of the remaining 20.** Hygeia has one of the strongest Florida networks serving the domestic and international market. Most recently, we strengthened our contract with HCA West Florida, the nation's largest hospital group with 15 acute care hospitals on the west coast of Florida. We finalized one of the most competitive contracts at

HYGEIA CORPORATION

15500 NEW BARN ROAD • SUITE 200 • MIAMI LAKES, FLORIDA • 33014
TEL 305.594.9291 • FAX 305.594.9201

WWW.HYGEIA.NET



Naples Community Hospital in Naples, Florida in January 2004, and will also add Wellington Medical Center in West Palm Beach, Florida and Lakewood Ranch Medical Center in Bradenton, Florida to the network in January and April of this year.

Hygeia acute care hospitals can be found in every U.S. state from the Northeast, South, Interior West, Midwest and Pacific regions. The PPO network includes more than 90% of facilities in Nevada, 82% of facilities in Florida, Georgia, Arizona, Colorado and Hawaii, and more than 70% of facilities in Texas, Illinois and New York.

Our average savings in the following key states remain are some of the highest levels in the industry.

<u>State</u>	<u>Hygeia Average Savings Rate (Hospital Inpatient)</u>
Florida	38%
California	44%
Texas	42%
Arizona	31%
New York	39%
Hawaii	32%
Massachusetts	33%
Nevada	58%
Georgia	34%
Illinois	41%

Hygeia Corporation is a health service intermediary that builds relationships and manages transactions between Healthcare Payers and Healthcare Providers. Our suite of services includes our national Preferred Provider Organization, leading Claim Arbitration Service, Provider claim settlement solutions and an Air Ambulance Exchange Service.

HYGEIA CORPORATION

15500 NEW BARN ROAD • SUITE 200 • MIAMI LAKES, FLORIDA • 33014
TEL 305.594.9291 • FAX 305.594.9201

WWW.HYGEIA.NET