

NEWS RELEASE

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Calvert Health Partners Poised to Make Acquisitions

Baltimore, Md. – Private investors have joined members of a recognized healthcare management team to seize opportunities in a fast-changing healthcare marketplace and lay the groundwork for what they believe will be the health services company of the future. Newly formed Calvert Health Partners, LLC began operations last month with funding from private sources as well as several members of its management team. The group also has identified major investors prepared to underwrite what Calvert executives promise will be multiple acquisitions of diverse healthcare companies they expect to meld into a fully integrated national health services organization.

Calvert President and Chief Executive Officer David R. Nelson sees significant opportunities in Medicare market consolidation together with the emergence of Health Savings Accounts, both the result of the Medicare Prescription Drug Improvement and Modernization Act of 2003(MMA). New technologies now enable unprecedented integration of health services enabling quality improvement while managing costs. New standards of personalization and care coordination are now achievable.

Nelson is former president of Sierra Military Health Services. He is now joined by seven of his colleagues from that enterprise. They form the core of a management team creating an organization they say will achieve better health outcomes in a “next generation” model, a vision aligned with where experts have been saying the industry is headed.

For nearly eight years, Nelson and his team managed the prime contract to serve over one million military personnel and their families in the 13-state Northeast Region of TRICARE, the managed care program run by the Department of Defense. The team remains intact following the successful fulfillment of the operational aspects of that contract.

“The team is in place, and the timing is perfect to be among the first to capitalize on the dramatic changes in the healthcare marketplace,” said Nelson. “We’re now negotiating terms for the financing of our first acquisitions, and we’re already looking for more. How quickly we are able to act will play a significant part in our eventual success,” he added.

According to Nelson, Calvert is looking for companies with the characteristics required for the next generation of healthcare: companies with a strong customer focus, companies committed to advanced technologies and integrated service delivery, and companies that are developing forward-looking services such as disease prevention and case management.

Healthcare industry analysts have identified key factors that will make up the next generation of healthcare and Calvert management agrees. In the future we will see more integration between healthcare providers and payers enhancing the transparency of choices for consumers; greater use of technology to disrupt the traditional trade-off between cost and quality; plan members who are empowered to better manage their care; new health savings accounts and creative new payment plans that optimize consumer input into healthcare; and much more.

Calvert Health Partners expects to grow rapidly, leading and integrating each acquisition. Initial investors believe this is possible because this is the same management team that successfully created a \$500 million company from scratch; grew it to 600 employees in eight months; managed a 750-employee organization with operations in 13 states; and outperformed financial expectations year after year. The same plan was rated by consumers as the best in the Washington, D.C. region according to a leading health research firm. Among those joining Nelson from the TRICARE Northeast Region team are Executive Vice President/Chief Operating Officer Keith Vander Kolk; Executive Vice President/Chief Technology Officer Joe Petti; Executive Vice President Government Affairs Stephen Scroggs, Ph.D.; Vice President Operations and Customer Service David Sann; and Vice President Human Resources Ellery Joyeau.

“Our TRICARE experience created an extraordinary platform, a springboard, for a company capable of achieving better health outcomes in a next generation model,” said Nelson. “This is truly ambitious, but it’s the right time. It’s the right team, and it’s the right vision.”

The company’s offices are located at 111 S. Calvert Street in Baltimore’s Inner Harbor. More information can be found on the company’s website at www.calverthealthpartners.com.