

Introducing myHealthManagerSM from Medica

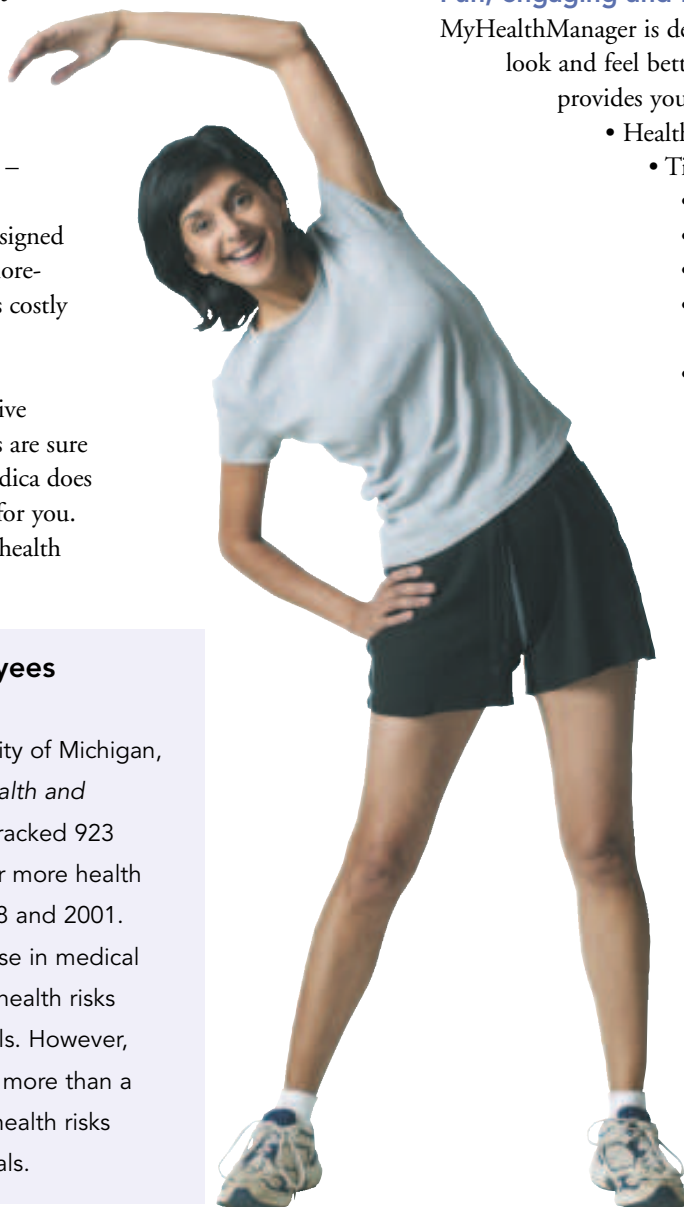
Your Rx for a healthier workforce, bottom line

A healthy workforce is your best defense against escalating health care costs. That's why Medica is excited to introduce you and your employees to myHealthManger from Medica – a comprehensive, online health management resource center designed to help you build a healthier, more-productive work force that's less costly to insure.

MyHealthManager is an attractive benefit you and your employees are sure to appreciate. What's more, Medica does all the behind-the-scenes work for you. It's a highly effective, no-hassle health improvement solution.

It pays to help employees manage their health

A 2004 study by the University of Michigan, published in the journal, *Health and Productivity Management*, tracked 923 employees, who took two or more health risk appraisals between 1998 and 2001. The study showed an increase in medical costs for employees whose health risks increased between appraisals. However, medical costs decreased by more than a third for employees whose health risks decreased between appraisals.



Fun, engaging and results-oriented incentives

MyHealthManager is designed to help you and your employees look and feel better by taking charge of your health. It provides you and your employees with:

- Healthy recipes
- Tips for managing stress
 - Advice for getting a better night's sleep
 - Exercise instruction
 - The latest health and medical news
 - A place to track medical information and health activities
 - Nutrition information on thousands of foods and much more!

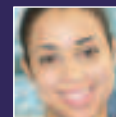
There is something for everyone, regardless of age, gender or state of health.

Better yet, myHealthManager pays members for their health and wellness activities, both on- and off-line. Members who earn 25 wellness credits in a quarter automatically receive a \$25 gift card to spend at a host of familiar merchants. Medica is the only health plan that offers such powerful incentives to members.

Easy to use and promote

Medica provides plenty of tools to make it easy for you to implement and promote myHealthManager to your workforce and track results.

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David Tilford
President and CEO
Medica

The last issue of *Indicators* focused on a topic that's top-of-mind and close-to-the-heart of many of you, whether you have six employees or 600 on your payroll: How to get a handle on escalating health care costs.

True, I am the president and CEO of a large health plan provider. However, I'm also an employer with 1,000-plus employees on my payroll. As such, I – too – am concerned about the rising cost of health care.

According to the National Coalition on Health Care, employer health insurance premiums increased 11.2 percent in 2004. That's nearly four times the rate of inflation. I'm sure you felt those increases. I know I did.

So what can employers do?

Consider alternative benefit designs. Consumer-directed health plans, like Medica Direct® health spending and health reimbursement accounts, as well as the Patient Choice InsightsSM by Medica tiered network option are a few ways you can combat high health care costs by making your employees more accountable for the providers they choose to see and, as a result, the costs they incur.

There are other ways Medica can help you manage costs while helping your employees live healthier lives. Our newest value-added resource, myHealthManager (featured in the cover story), is foremost among them.

Statistics show a healthier workforce is more productive and less costly to insure. That's why employers — large and small, here in the Midwest and nationwide — are calling for innovative solutions. They're ready to provide their employees with health improvement programs that are tailored to their individual health risks and personal circumstances.

MyHealthManager, Medica's comprehensive online health management center, helps members make the most of their health via fun quarterly activities, including health challenges and online seminars, plus a comprehensive website full of health and wellness tools, opportunities for condition management and much more.

Plus, myHealthManager integrates all of Medica's health and wellness programs, including Fit Choices and Disease Management, so your employees are better connected to all the services they need.

I hope you'll put myHealthManager to work for you and your employees. Medica plans to do so. We also plan to conduct a campaign to encourage our employees to register and use the site. Ask us about the progress we're making.

Sincerely,

A handwritten signature in black ink that reads "David Tilford". The signature is fluid and cursive, written over a light-colored background.

David Tilford
President and CEO, Medica

Encourage healthy eating at work

It's estimated nearly two-thirds of all U.S. adults are overweight or obese and at-risk for chronic health problems. Health care costs attributable to overweight or obese employees cost employers as much as \$2,485 per employee annually.*

By providing nutritious meal and snack options at work in your cafeteria, vending machines and at catered events, you can help your employees get on the road to healthier eating, which can benefit your health care bottom line.

Medica has joined 13 other health-oriented organizations in the Twin Cities as part of the Cater to Health coalition. Cater to Health has developed tools

for you to use to help your employees enhance their health and keep your health care costs in check.

Check out www.catertohealth.org for:

- A county-by-county listing of Twin Cities-area caterers, who offer healthy food choices,
- Healthy meeting and eating tip sheets,
- Sample workplace food policies,
- Healthy vending suggestions, and
- More!

Note – Even if you don't reside in the Twin Cities metro area, you still can take advantage of this valuable resource.

*American Journal of Health Promotion, September/October 2005, Vol. 20, No.1



Medica on the move

Greater choice, coast-to-coast coverage

More than 12,000 fully and self-insured employer groups have chosen Medica to deliver health care solutions to their employees. This has made Medica one of the fastest-growing health plan providers in the country, and we thank you for that.

Medica has evolved from offering traditional, open-access plans – featuring simplicity and the freedom to see any doctor – to a full portfolio of plan options to help you get a handle on your organization's health care costs.

A pioneering leader

What's more, Medica is among the nation's pioneering leaders in the development and delivery of consumer-directed and tiered-network health plans. These innovative plans, designed to reward employees for making thoughtful, cost-conscious decisions about the care they receive, are growing in popularity nationwide.

And, through our new Passport from MedicaSM product, employers who have employees in multiple locations nationwide can get the coast-to-coast coverage they demand.

A plan right for any group	
Multistate/national	Passport from Medica SM
Traditional open access	Medica Choice [®]
Care system	Medica Elect [®] Medica Essential [®]
Consumer-directed	Medica Direct [®]
Tiered network	Patient Choice Insights SM by Medica

If you're satisfied with your current health plan, we thank you for allowing us to continue to serve you and your employees. However, if you'd like to explore some of our newer plan options and how they could benefit you and your employees and – possibly – can save you money, contact your broker or your Medica strategic account executive.

Passport from MedicaSM

Your ticket to a nationwide network

Are your employees located in multiple states or are you considering expanding your operations across state lines? If so, you'll want to learn more about Passport from Medica.

Passport from Medica offers tremendous regional and nationwide network access. Your employees within Medica's traditional service area—Minnesota, Wisconsin, North Dakota and South Dakota — have access to Medica Choice,[®] one of the region's largest provider networks. Those located outside of the Medica service area may access UnitedHealthcare's nationwide network—one of the country's largest.

Passport from Medica offers terrific access and savings, plus the convenience multistate employers demand. Employers who adopt Passport from Medica benefit from seamless service with one sales contact, one enrollment, one call center, one claims report and one ID number for all employees — regardless of where they live.

Passport from Medica is our fastest-growing plan. Nearly 600 employer groups with 180,000 members already rely on Passport from Medica to deliver their health benefits. If you'd like to join this growing group or simply want to learn more, talk to your broker or your Medica strategic account executive.

*Excludes California and western Michigan.

Terrific national access

- 440,000 providers
- 4,400 hospitals
- 73,000 ancillary providers



Introducing myHealthManager, continued from page 1

There's a convenient online employer resource center that includes promotion and incentive ideas along with downloadable materials. Aggregate participation reports are available upon request, and feedback from an annual customer satisfaction survey will help us make the program even better.

MyHealthManager is included as a value-added service for all fully insured Medica plans and can be purchased by self-insured groups for an affordable fee.

For more information, contact your broker or Medica account executive.

Wellness credit tally	
Activities	Credits
Wellness assessment	10
Health challenge	6
Two online seminars	6
Preventive care	4
Total credits	26
Incentive	\$25 gift card

It's easy for employees to earn wellness credits they can redeem for free gift cards. Here's an example: Employees who earn just 25 wellness credits per quarter for completing health and wellness activities on myHealthManager will receive a \$25 gift card to spend with a number of familiar merchants.

Medica goes mobile

New benefit provides in-network coverage for travelers

Beginning April 1, 2006, you and your employees* can access in-network care when traveling outside Medica's service area – Minnesota, Wisconsin, South Dakota and North Dakota.

That means you or your employees who have urgent, chronic or emergency care needs will now be eligible to see a UnitedHealthcare Options PPO network provider and receive in-network benefits when traveling outside of the service area.**

Finding a network provider will be easy. The UnitedHealthcare Options PPO network is one of the nation's largest networks with 440,000 physicians, 4,400 hospitals and 73,000 ancillary providers

across the country. This benefit is especially appealing if you have frequent business travelers on staff and/or employees who have children attending college outside of the Medica service area. It's important to note, however, the benefit isn't intended for routine or elective care. Your employees and their covered dependents are still encouraged to coordinate that type of care with their primary care provider. This helps to ensure they receive the right level of care at the right time, while helping to control utilization and costs.

All new and renewing employer groups can take advantage of this new benefit at no additional charge. Your employees' member ID cards will automatically reflect the change. If your plan renews before April 1, 2006, however, you will need to wait until your next renewal date to be eligible.

If you have questions or would like to learn more, contact your broker or Medica representative.

*Applies to all Medica health plan members enrolled in Medica Choice®, Medica Elect®, Medica Essentials™, Medica Classic, Patient Choice Insights™ by Medica and MCHA plans.

**Excludes California and western Michigan.



Medica Direct® website offers greater convenience

If you sponsor a Medica Direct plan, you'll be happy to know you'll now be able to conveniently retrieve a variety of new and historical reports, registers and other important plan information in Excel and .txt formats from the Medica Direct website. You can access the site at cdhp.MedicaDirect.com (do not type www.) or under "Quick Links" on the www.medica.com homepage.

Reports include (as appropriate):

- Check registers.
- Contribution reports.
- Fund balance reports.

To sign up for this option, send an email request to MedicaOperations@cbsa.com. Upon doing so, you'll receive instructions for logging on and creating a password to access this secured site. When you are registered, you will be notified via email once reports are available for access.

It's important to note, all of your employees who have access to the site will be able to view all reports posted on it, so please keep that in mind when granting administrative rights.

Features your employees will appreciate

We've also added several new features to the Medica Direct website, making the site easier for your employees to navigate and use.

Information is organized into four main categories:

- **My Activity** – a single source for members to access all of their accounts.
- **My Plan** – includes benefit details and downloadable documents, forms and statements.

- **My Profile** – allows members to update their password and email address.
- **My Decisions** – features tools that help members shop for health care.

Employers will also find new features and options on the site, along with increased security and functionality.

To find out more, contact your Medica representative.



Help us keep you in the loop

If you're like many of us, you subscribe to a daily newspaper. However, if you really want to stay current on breaking news, you rely on your favorite newspaper website to send you online updates.

Medica recently created and began distributing a monthly email newsletter, called *Employer Update*, to keep employers informed about product, service and provider news affecting you and your employees.

If you don't currently receive it, but would like to, send an email to employer.comm@medica.com containing your:

- Name, title and email address
- Company name, group number and street address

Be among the first 25 people to do so, and you'll receive a \$20 Target gift card. Plus, you'll be among the first to learn about new and enhanced employer and member services.

Benefit changes to take effect July 1

In an effort to continue to provide the breadth and depth of benefits necessary to help ensure our members of safe, quality care while keeping group and member costs in check, Medica recently evaluated the benefits we offer and is making some adjustments, which will take effect as employer groups renew on or after July 1, 2006.

The two most notable changes will affect members who depend upon specialty pharmaceuticals (i.e., primarily drugs designed to combat such ailments as rheumatoid arthritis, hemophilia, hepatitis C and others) as well as members seeking weight loss surgery as a way to fight obesity and the problems associated with it (e.g., diabetes, heartdisease, arterial sclerosis, etc.).

Specialty pharmacy program

Medica is partnering with Walgreens Specialty Pharmacy to deliver specialty pharmaceuticals to members. Walgreens Specialty Pharmacy will be completely integrated into our management systems and adjudication process.

The new specialty pharmacy program provides the resources and support that can help members achieve the best results from their prescribed therapy. An experienced care team of pharmacists and nurses are available to help members obtain their medications, answer questions, assist in managing side effects and lend overall support, thereby helping to achieve better patient care and outcomes.

Surgery for weight loss Centers of Excellence

For members who are approved for weight loss surgery, the critical decision about where to go for the best treatment will be easier after July 1, 2006. That's when Medica is launching a new surgery for weight loss Centers of Excellence program.

The Centers of Excellence facilities and providers that we've selected meet specific criteria that demonstrate their ability to successfully perform bariatric surgery. By directing members to providers with a proven track record, we anticipate fewer complications and safer, healthier outcomes. This approach also translates into lower health care costs for our customers.

For more information, contact your broker or Medica representative.



Who to contact

If you have questions about claims, benefits, billing, enrollment or about receiving health education materials, contact:

Medica Service Center

Voice	952-992-2200
Toll-free	1-800-936-6880
Fax	952-992-3199
Email	medicaservicecenter@medica.com

To speak to your account executive or service representative, call:

Corporate Home Offices

Twin Cities Metro Area	952-992-3055
Twin Cities Metro Fax	952-992-3700
Regional Sales	1-800-371-1613
Regional Sales Fax	1-800-715-4610

Duluth, Minn., Regional Office

Phone	1-800-757-9842
Fax	218-733-1140

St. Cloud, Minn., Regional Office

Phone	1-800-990-4946
Fax	320-656-5974

Fargo, N.D., Regional Office

Phone	1-800-836-6852
Fax	701-293-4711

Sioux Falls, S.D., Regional Office

Phone	1-800-340-9603
Fax	605-335-0650

If your employees have questions about claims, benefits or provider networks, have them contact:

Medica Customer Service

Twin Cities Metro Area	952-945-8000
Toll-free	1-800-952-3455
Fax	952-992-3198
Email	medicafb@medica.com

If you or your employees need help dealing with personal issues.

Call the Medica Optum® Employee Assistance Program

Phone	1-800-626-7944
TTY for hearing-impaired and ask for	1-800-855-2880, 1-800-626-7944

If you or your employees have medical-related questions.

Call the 24/7 Medica CallLink® nurse line

Phone	1-800-962-9497
TTY for hearing-impaired and ask for	1-800-855-2880, 1-800-962-9497

Or, simply visit our website at www.medica.com.

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