



For Immediate Release
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Contact: Jamie Bruce (317) 829-5525
(317) 630-2828

MDwise Acquires IU Health Plan ("IUHP"); Grows Membership by over 110K

On January 1, 2007 MDwise acquired IU Health Plan (IUHP) from IU Health, Inc. (commonly known as IU Medical Group - Primary Care or IUMG), through the purchase of all of IUHP's issued and outstanding stock. Shortly after the acquisition, IUHP was merged with and into MDwise, leaving MDwise as the sole surviving entity. MDwise will, as a result of the merger, assume IUHP's Indiana HMO license and become a party to the Hoosier Healthwise contract with the State of Indiana. MDwise focuses exclusively on Hoosier Healthwise recipients and is the only non-profit Medicaid health plan headquartered in the State.

"The opportunity for MDwise to acquire IUHP presented a natural and timely solution for both MDwise and IUHP," said Charlotte MacBeth, MDwise President. IUHP communicated to MDwise its desire to exit the HMO business at the end of 2006. "MDwise's administration of the Hoosier Healthwise program will be more effective with all administrative functions housed within MDwise and by contracting directly with the State," MacBeth said.

MDwise is a not-for-profit corporation, created by local hospitals, which began its operation in 1994. The MDwise corporate members are the Health and Hospital Corporation of Marion County (Wishard Memorial Hospital) and Clarian Health Partners (Methodist Hospital, Indiana University Hospital and Riley Hospital for Children).

MDwise also recently won a new State contract for the Hoosier Healthwise program, under which they undertook a statewide expansion to serve 245,841 members statewide on January 1, compared to 133,958 members in December 2006. Under the new contract MDwise also recruited over 1,400 primary care doctors throughout the State to serve Hoosier Healthwise families. This overwhelming response of interest by providers represents an increase of primary care providers in the MDwise network by 278%, compared to 2006 numbers.

MDwise utilizes a fully integrated, geographically accessible network of hospitals, community health centers, physicians, behavioral health providers and ancillary providers to provide care to Hoosier Healthwise members. MDwise uses a delivery system model of managed care to provide a coordinated, comprehensive approach to improving clinical outcomes and managing the cost and utilization of health care services. Current delivery systems include:

MDwise Wishard: Wishard (Marion County)

MDwise Clarian: Methodist, Riley, Indiana University Hospitals (Marion County)

MDwise St. Francis: St. Francis Hospitals (Marion, Johnson and Morgan County)

MDwise ProHealth: Community Hospitals (Marion and Madison County)

MDwise St. Vincent: (Marion County)

MDwise St. Margaret Mercy: (Lake, Porter and LaPorte County)

MDwise St. Catherine: (Lake County)

MDwise Select Health Network: St. Joseph Regional Medical Center (South Bend, Mishawaka, Plymouth)

MDwise Hoosier Alliance: Independent and PHO-based healthcare providers and hospitals throughout the State of Indiana

Comprehensive Behavioral Care, Inc. (CompCare): Outpatient behavioral health services for MDwise members statewide.

For more information about MDwise, visit www.mdwise.org.