

Return on Investment (Conservative Low)

1. Expected addition of 1 HMOs per year
2. 1st year, HMOs will only have 40% of expected annual revenue due to signup period
3. The targeted HMOs are the #2 HMOs in the top 10 largest markets
4. Expected exclusive physician contract with Emdeon
5. 1st year, Emdeon contract will have 40% of expected revenue due to signup period

Benefits, Costs and Value

Year	1	2	3	4	5
Inflation	0.00%	3.00%	6.00%	9.00%	12.00%
Gross Revenue					
Insurers	\$1,142,800	\$4,241,800	\$4,806,568	\$5,465,416	\$7,068,040
Physicians	\$1,200,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Hospitals	\$20,000	\$205,000	\$500,000	\$750,000	\$1,000,000
Consumers	\$0	\$300,000	\$300,000	\$300,000	\$300,000
Total	\$2,342,800	\$7,241,800	\$7,806,568	\$8,465,416	\$10,068,040
Present Value (Benefits)	\$2,342,800	\$7,459,054	\$8,274,962	\$9,227,303	\$11,276,205
Costs					
Budget	\$1,200,000	\$2,500,000	\$3,000,000	\$3,200,000	\$3,500,000
Total Annual Costs	\$1,200,000	\$2,500,000	\$3,000,000	\$3,200,000	\$3,500,000
Present Value (Costs)	\$1,200,000	\$2,575,000	\$3,180,000	\$3,488,000	\$3,920,000
Net Value					
Annual Net Value	\$1,142,800	\$4,741,800	\$4,806,568	\$5,265,416	\$6,568,040
Cumulative Net Value	\$1,142,800	\$5,884,600	\$10,691,168	\$15,956,584	\$22,524,624
Net Present Value	\$1,142,800	\$4,884,054	\$5,094,962	\$5,739,303	\$7,356,205
Annual ROI	95%	190%	160%	165%	188%