

Return on Investment (Conservative High)

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 #1 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	\$1,410,208	\$8,441,640	\$12,747,996	\$18,101,136	\$21,966,288
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	\$2,610,208	\$11,441,640	\$15,747,996	\$21,101,136	\$24,966,288
Present Value (Benefits)	\$2,610,208	\$11,784,889	\$16,692,876	\$23,000,238	\$27,962,243
Costs					
Budget	\$1,200,000	\$3,000,000	\$3,500,000	\$4,500,000	\$5,000,000
Total Annual Costs	\$1,200,000	\$3,000,000	\$3,500,000	\$4,500,000	\$5,000,000
Present Value (Costs)	\$1,200,000	\$3,090,000	\$3,710,000	\$4,905,000	\$5,600,000
Net Value					
Annual Net Value	\$1,410,208	\$8,441,640	\$12,247,996	\$16,601,136	\$19,966,288
Cumulative Net Value	\$1,410,208	\$9,851,848	\$22,099,844	\$38,700,980	\$58,667,268
Net Present Value	\$1,410,208	\$8,694,889	\$12,982,876	\$18,095,238	\$22,362,243
Annual ROI	118%	281%	350%	369%	399%