



New York

Health Maintenance Organization Profitability

Analysis of HMO Results in New York State

From 2001 to 2005

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ANALYSIS OF HMO RESULTS IN NEW YORK FROM 2001 TO 2005

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SUMMARY OF ANALYSIS

1. During the period from 2001 to 2005, HMOs operating in New York State reported a combined profit of \$5.3 billion on revenues of \$81.9 billion.
2. The overall profit per year for HMOs ranged from a low of \$672 million in 2001 to a high of \$1,298 million in 2005.
3. HMO profits increased from 2001 to 2005 by 93%.
4. Reimbursements to medical providers as a percent of revenue for HMOs ranged from a high 85.3% in 2001 to a low of 81.7% in 2005.
5. Profits as a percent of revenue for HMOs ranged from a low 4.6% in 2001 to a high of 7.5% in 2005.
6. Three HMOs had average profits of more than 10% of revenue. These three HMOs had about 30% of the overall market share in New York.
7. The average revenue per member for HMOs increased an average of 8.6% a year from 2001 to 2005.
8. The average expense per member for HMOs increased an average of 7.7% a year from 2001 to 2005.
9. The higher growth in the revenue per member compared to the expense per member from 2001 to 2005 resulted in the profit ratio of HMOs increasing from 4.6% in 2001 to 7.5% in 2005.
10. It is noteworthy that this 93% growth in profits came while HMOs in New York State lost a significant number of insureds. The number of consumers an HMO has enrolled, counted as “member months”, declined by 14% from 83.2 million member months in 2001 to only 71.6 million member months in 2005.
11. At the same time as member months dropped, the amount that HMOs spent on claims adjustment and administrative expenses grew by 24%.

This study did not examine the correlation between premium increases and declining enrollment.

New York Health Maintenance Organization Profitability

1. OVERVIEW

During the period from 2001 to 2005, HMOs operating in New York State reported a combined profit of \$5.3 billion¹ on revenues of \$81.9 billion.² HMOs were profitable in New York on an overall combined basis in each of the years from 2001 to 2005. The overall profit per year ranged from a low of \$672 million in 2001 to a high of \$1.298 billion in 2005. This is an increase in profit from 2001 to 2005 of 93%. More detailed data on HMO revenue, expenses and profit by year from 2001 to 2005 is given in the following table.

NEW YORK HMO EXPERIENCE

All New York HMO's Combined | Five Year Summary of Income Statement Items

Income Statement Items	Amount (Values in Millions)					Combined
	2005	2004	2003	2002	2001	
Total Revenues	\$17,418	\$16,896	\$17,410	\$15,671	\$14,529	\$81,924
Medical & Hospital Expenses	\$14,228	\$14,028	\$14,319	\$13,010	\$12,395	\$67,980
Claims Adjustment Expenses	\$500	\$519	\$461	\$434	\$353	\$2,267
Administrative Expenses	\$1,499	\$1,429	\$1,455	\$1,321	\$1,255	\$6,959
Other Underwriting Items	\$15	(\$5)	\$12	\$20	\$7	\$48
Net Underwriting Gain	\$1,176	\$925	\$1,164	\$886	\$519	\$4,670
Net Investment Gain	\$104	\$107	\$115	\$129	\$145	\$599
Total Other Income	\$18	\$10	\$13	\$13	\$8	\$62
Net Income (Before Tax)	\$1,298	\$1,042	\$1,291	\$1,028	\$672	\$5,332
Member Months	71.6	74.7	83.1	80.2	83.2	392.8

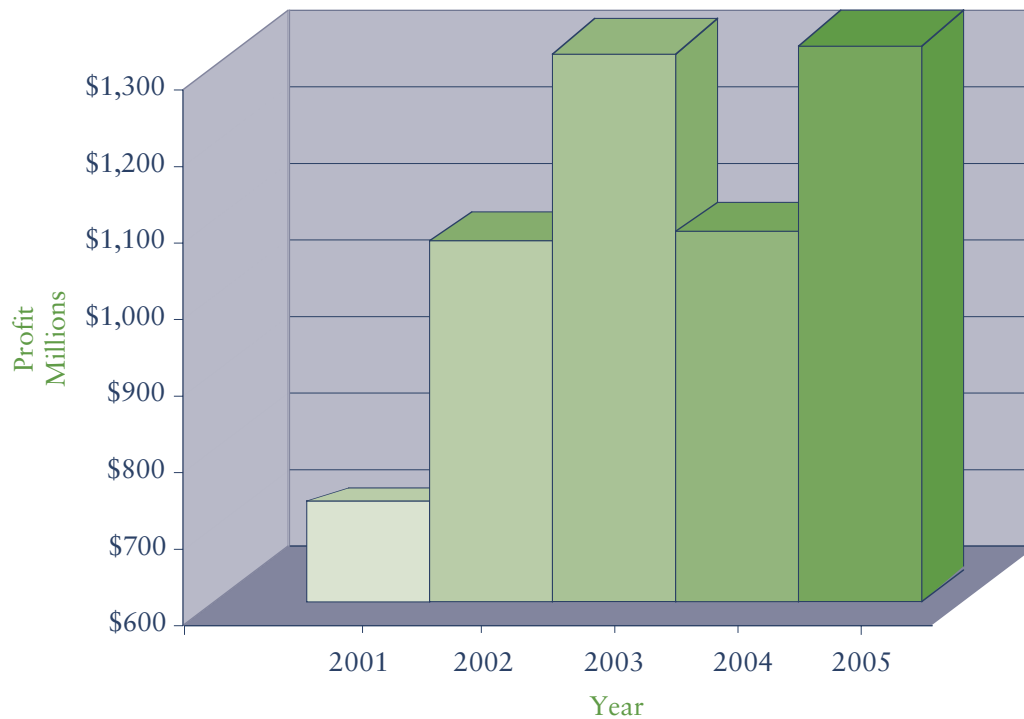
Source: Schedule AIS-1, Sheet 1

¹ The profit values given in this report are pre tax profits – that is prior to income taxes. During the five year period from 2001 to 2005, the overall combined HMO profit after income taxes was about \$4.2 billion, or about 21.8% less than the pre tax profit.

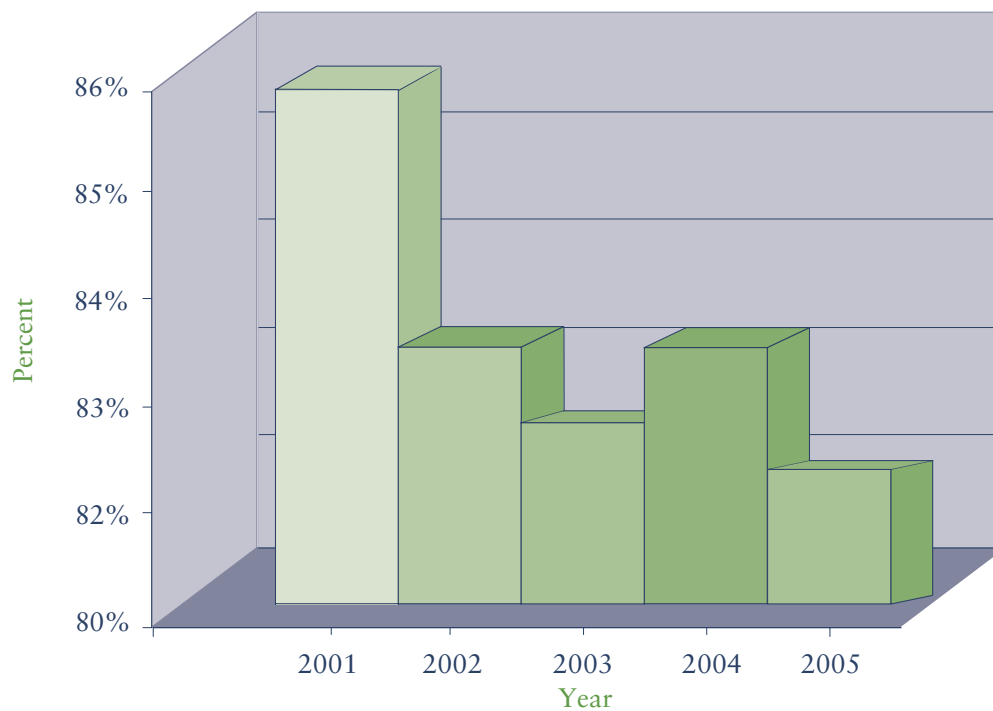
² There were four HMOs for which complete information was not available during the entire time period from 2001 to 2005. We do not believe that the missing information would have any material impact on the overall results contained in this report. The values used in this text are for all HMOs, irrespective of whether or not data were available each year. Figures showing the combined results of only those HMOs which had data available in each year from 2001 – 2005 are shown in Schedule AIS-1, Sheet 2.

Analysis of HMO Results in New York State *From 2001 to 2005*

Increasing Profits for New York HMO's



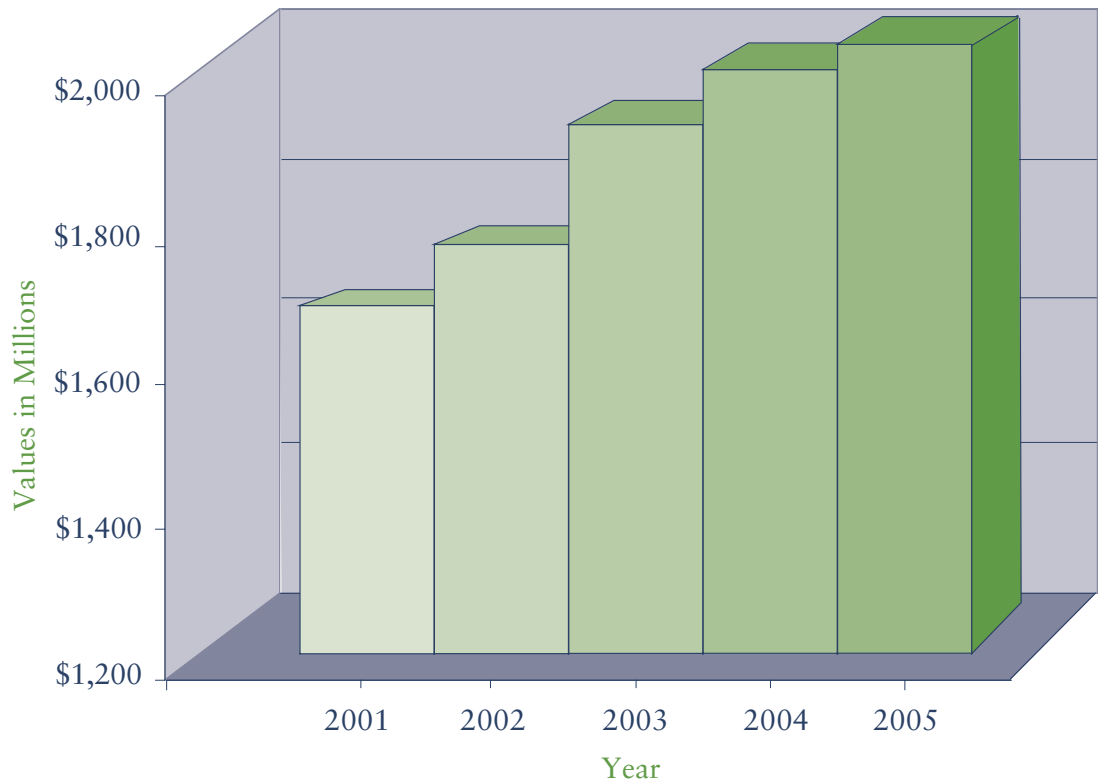
Decreasing Reimbursements to Health Care Providers



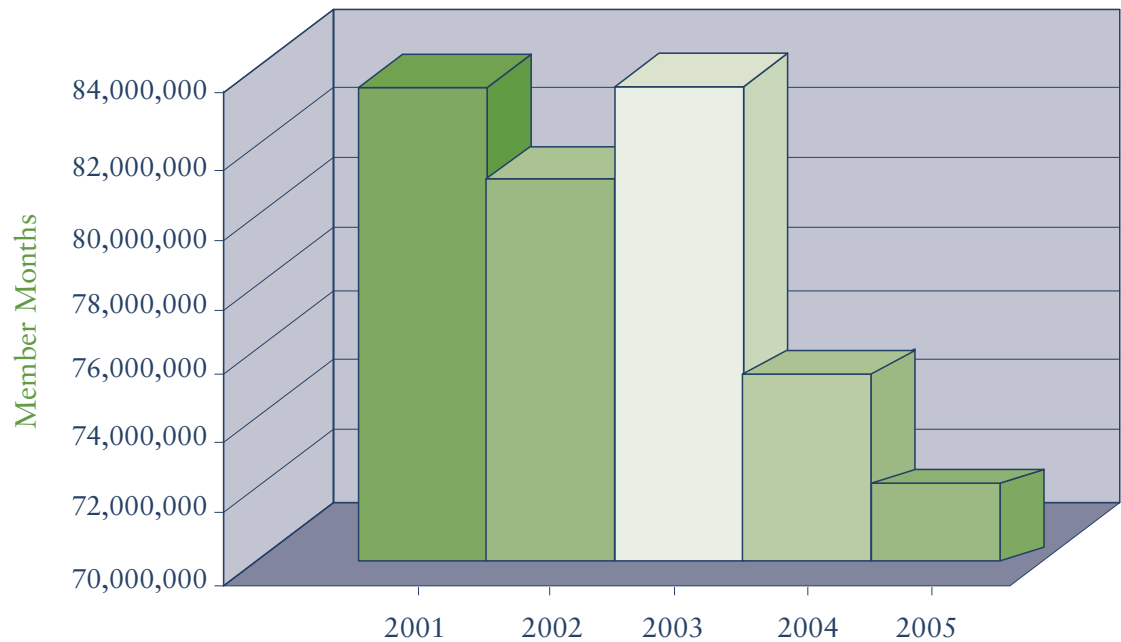
■ Hospital and Medical Expense as a Percent of Revenue

New York Health Maintenance Organization Profitability

Claims Adjustment and Total Administrative Expenses (Paperwork Expenses)



Declining Enrollment



Analysis of HMO Results in New York State *From 2001 to 2005*

The following table gives the values for expenses, profit, etc. as a percent of total underwriting revenue.

From 2001 to 2005, the percentage of HMO underwriting revenue that went toward hospital and medical costs declined from 85.3% in 2001 down to 81.7% in 2005.

That is, less of each premium dollar collected went to healthcare providers.

NEW YORK HMO EXPERIENCE

All New York HMO's Combined

Five Year Summary of Income Statement Items as a Percent of Total Revenue

Income Statement Items	As a Percent of Total Revenues					Combined
	2005	2004	2003	2002	2001	
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Medical & Hospital Expenses	81.7%	83.0%	82.2%	83.0%	85.3%	83.0%
Claims Adjustment Expenses	2.9%	3.1%	2.6%	2.8%	2.4%	2.8%
Administrative Expenses	8.6%	8.5%	8.4%	8.4%	8.6%	8.5%
Other Underwriting Items	0.1%	-0.0%	0.1%	0.1%	0.0%	0.1%
Net Underwriting Gain	6.8%	5.5%	6.7%	5.7%	3.6%	5.7%
Net Investment Gain	0.6%	0.6%	0.7%	0.8%	1.0%	0.7%
Total Other Income	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Net Income (Before Tax)	7.5%	6.2%	7.4%	6.6%	4.6%	6.5%

Source: Schedule AIS-1, Sheet 1

From 2001 to 2005, 83.0% of the HMO underwriting revenue went towards hospital and medical costs. Another 11.3% of the revenue went towards expenses for claims, administrative and other items. This left an underwriting profit of 5.7% of revenue³. In addition to the underwriting profit of 5.7%, HMOs also reported an investment profit of 0.7% of revenue⁴ and other income of 0.1% of revenue, for a combined profit as a percent of revenue of 6.5%.

³ 5.7% (underwriting profit) = 100% (revenue) - 83.0% (hospital & medical costs) - 11.3% (expenses)

⁴ Several of the HMOs reported \$0 of investment income despite having large revenue values. For example, both Excellus and the Health Insurance Plan of Greater New York reported \$0 of investment income although the revenue of these two organizations during 2001 – 2005 was \$9.5 billion and \$14.3 billion, respectively. It appears that these entities reported all investment income in related entities and not in the HMOs. Because of this, the reported investment income can be considered to be understated, which in turn would result in an understatement of the total profit.

New York Health Maintenance Organization Profitability

The overall profit ratio, calculated as the total profit divided by revenue, for HMOs ranged from a low of 4.6% of revenue in 2001 to a high of 7.5% of revenue in 2005. This is an increase in the profit ratio as a percent of revenue from 2001 to 2005 of 61%. When combined with the increase in revenue from \$14,529 million in 2001 to \$17,418 million 2005 of 20%, this results in the 93% increase in total profits from 2001 to 2005 previously discussed.⁵

Profits as a percent of revenue increased from 2001 to 2005 because revenues increased faster than expenses⁶ for HMOs. During this time period the average revenue per member month increased by 8.6% per year, whereas the average expense per member month increased by a smaller amount of 7.7% per year. The largest increase in revenue per member month during this time period occurred between 2001 and 2002 with an increase of almost 12%. In the next three years the increase in revenue per member month was in the range of 7% to 8% a year. The change in expenses per member per month was about 6% in two of the years and about 9 1/2% the other two years. A comparison of the change in the average revenue and expenses per member month from 2001 to 2005 is given in the following table.

NEW YORK HMO EXPERIENCE

All New York HMO's Combined

Average Underwriting Revenue and Expenses Per Member Month

Average per Member Month	2005	2004	Value During		2001	Combined
			2003	2002		
Revenue	\$243	\$226	\$210	\$195	\$175	\$209
Expense	\$227	\$214	\$196	\$184	\$168	\$197
Annual Change in Revenue	7.5%	7.9%	7.2%	11.9%		8.6%
Annual Change in Expense	6.1%	9.3%	6.1%	9.5%		7.7%

Source: Schedule AIS-1

⁵ 93% (total profit increase) = [1 + 61% (profit ratio increase)] X [1 + 20% (revenue increase)] – 100%

⁶ This gives consideration to the combination of all underwriting expenses for HMOs – hospital & medical, claim adjustment, administrative and other.

Analysis of HMO Results in New York State *From 2001 to 2005*

2. RESULTS BY INDIVIDUAL HMO

The amount of revenue, profit and profit percentage varied significantly between the individual HMOs. The values for these items for each HMO is set forth in the following table, along with the percentage of the overall combined HMO revenue and profit.

NEW YORK HMO EXPERIENCE

2001 - 2005 Revenue and Profit by HMO | *(Amounts in Millions)*

HMO	Revenue	Profit	Profit Percentage	Percent of All HMO Combined	
				Revenue	Profit
Aetna Health Inc.	\$7,229	\$781	10.8%	8.8%	14.6%
AmeriChoice of New York	\$932	\$84	9.0%	1.1%	1.6%
Atlantis	\$101	(\$5)	-4.6%	0.1%	-0.1%
Capital District Physician's Health Plan	\$3,783	\$92	2.4%	4.6%	1.7%
CIGNA	\$659	(\$0)	-0.1%	0.8%	-0.0%
Community Blue	\$2,884	(\$3)	-0.1%	3.5%	-0.1%
ConnectiCare of New York, Inc.	\$1	(\$2)	-221.2%	0.0%	-0.0%
Elderplan, Inc.	\$847	\$29	3.4%	1.0%	0.5%
Empire HealthChoice HMO, Inc.	\$6,031	\$419	7.0%	7.4%	7.9%
Excellus	\$9,547	\$441	4.6%	11.7%	8.3%
GHI HMO Select, Inc. D/B/A GHI HMO	\$523	(\$17)	-3.2%	0.6%	-0.3%
Health Insurance Plan of Greater NY	\$14,307	\$922	6.4%	17.5%	17.3%
Health Net of New York, Inc.	\$2,284	\$21	0.9%	2.8%	0.4%
Horizon Healthcare of New York, Inc.	\$4	(\$22)	-537.0%	0.0%	-0.4%
Independent Health Assoc.	\$3,974	\$197	5.0%	4.9%	3.7%

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New York Health Maintenance Organization Profitability

continued from page 9

NEW YORK HMO EXPERIENCE *(continued)*

2001 - 2005 Revenue and Profit by HMO | *(Amounts in Millions)*

HMO	Revenue	Profit	Profit Percentage	Percent of All HMO Combined	
				Revenue	Profit
MagnaHealth	\$3	(\$0)	-17.3%	0.0%	-0.0%
Managed Health, Inc.	\$1,149	\$14	1.2%	1.4%	0.3%
MDNY HealthCare, Inc.	\$710	(\$5)	-0.7%	0.9%	-0.1%
MVP Health Plan	\$4,563	\$143	3.1%	5.6%	2.7%
Oxford Health Plans (NY), Inc.	\$15,689	\$1,857	11.8%	19.2%	34.8%
Rochester Area HMO	\$2,984	\$198	6.6%	3.6%	3.7%
UnitedHealthcare of New York, Inc.	\$1,933	\$131	6.8%	2.4%	2.4%
Vytra Health Plans Long Island, Inc.	\$1,244	\$1	0.1%	1.5%	0.0%
WellCare of New York, Inc.	\$543	\$57	10.5%	0.7%	1.1%
Total	\$81,924	\$5,332	6.5%	100.0%	100.0%

Source: Schedule AIS-1, Sheet 3-26

Analysis of HMO Results in New York State *From 2001 to 2005*

Three of the HMOs had a market share based on revenue of more than 10%. These HMOs were: (i) Excellus – 11.7% market share, (ii) Health Insurance Plan of Greater NY – 17.5% market share and (iii) Oxford Health Plans – 19.2% market share. Combined these three HMOs had nearly 50% the market in New York based upon revenue. These three HMOs reported about 60% of the total HMO profits from 2001 to 2005. Since these three HMOs had a higher share of the profits than of the revenues, these three HMOs combined were more profitable than the average HMO in New York during this time period.⁷

Three other HMOs had market shares of more than 5%. Those are: (i) Aetna Health – 8.8% market share, (ii) Empire Health Choice HMO – 7.4% market share and (iii) MVP Health Plan – 5.6% market share. Combined these three HMOs had about 22% of the market in New York based upon revenue. These three HMOs reported about 25% of the total HMO profits from 2001 to 2005. Since these three HMOs had a higher share of the profits than of the revenues, these three HMOs combined were more profitable than the average HMO in New York during this time period.⁸

These six HMOs had a combined market share of about 70% based upon revenue. These six HMOs reported about 86% of the total HMO profits in New York from 2001 to 2005.

A commonly accepted measure of market concentration is the Herfindahl-Hirschman Index (HHI).⁹ The U.S. Department of Justice considers the HHI in evaluating mergers. The U.S. Department of Justice considers a market with an HHI result of less than 1,000 to be a competitive marketplace; a result of 1,000-1,800 to be a moderately concentrated marketplace; and a result of 1,800 or greater to be a highly concentrated marketplace.

The revenue market share values for HMOs operating in New York fall into the range of being a moderately concentrated market. The more concentrated a market, the more chance there is for market behavior and outcomes that are adverse to consumers.

⁷ This difference between the revenue market share and profit market share is attributable to Oxford Health Plans which had a much larger share of profits than of revenues. This was the largest HMO in New York during this time period, in terms of both revenue and profit.

⁸ This difference between the revenue market share and profit market share is attributable to Aetna Health which had a much larger share of profits than of revenues.

⁹ The HHI is calculated by squaring the market share of each firm competing in a market, and then summing the resulting numbers. The HHI number can range from close to zero to 10,000. The HHI is expressed as:

$$HHI = s_1^2 + s_2^2 + s_3^2 + \dots + s_n^2 \text{ (where } s_n \text{ is the market share of the } i\text{th firm).}$$

The closer a market is to being a monopoly, the higher the market's concentration (and the lower its competition). If, for example, there were only one firm in an industry, that firm would have 100% market share, and the HHI would equal 10,000 (100^2), indicating a monopoly. Or, if there were thousands of firms competing, each would have nearly 0% market share, and the HHI would be close to zero, indicating nearly perfect competition.

New York Health Maintenance Organization Profitability

The overall profit reported by HMOs during this time period of 6.5% is at least adequate, if not somewhat high. A number of the HMOs have had profit ratios as a percent of revenue that exceeded 10%. When the level of profit is considered together with the market share concentration, it raises a possible concern that excessive rates could be charged by some of the HMOs.

We also examined the average revenue and expense per member month for each HMO during this time period. The results are set forth in the following table.

NEW YORK HMO EXPERIENCE 2001 - 2005 Revenue and Expense Per Member Month by HMO

HMO	Average Amount Per Difference from HMO Percent of All HMO Combined		Average Excl. Outliers	
	Revenue	Expense	Revenue	Expense
Excellus	\$85	\$81	-66%	-66%
WellCare of New York, Inc.	\$174	\$156	-31%	-34%
AmeriChoice of New York	\$176	\$162	-30%	-32%
Community Blue	\$184	\$184	-28%	-23%
Health Net of New York, Inc.	\$184	\$184	-27%	-23%
Horizon Healthcare of New York, Inc.	\$204	\$464	-20%	95%
Atlantis	\$207	\$218	-18%	-9%
Independent Health Assoc.	\$207	\$200	-18%	-16%
Capital District Physician's Health Plan	\$212	\$208	-16%	-12%
GHI HMO Select, Inc. D/B/A GHI HMO	\$221	\$229	-13%	-4%
MVP Health Plan	\$224	\$219	-12%	-8%
Vytra Health Plans Long Island, Inc.	\$225	\$227	-11%	-5%
CIGNA	\$237	\$242	-6%	2%
MDNY HealthCare, Inc.	\$242	\$244	-5%	2%
UnitedHealthcare of New York, Inc.	\$251	\$237	-1%	-0%
Aetna Health Inc.	\$260	\$237	3%	-0%
Health Insurance Plan of Greater NY	\$281	\$263	11%	10%
MagnaHealth	\$288	\$359	14%	51%
Oxford Health Plans (NY), Inc.	\$291	\$261	15%	9%

Analysis of HMO Results in New York State *From 2001 to 2005*

NEW YORK HMO EXPERIENCE *(continued)*

2001 - 2005 Revenue and Expense Per Member Month by HMO

HMO	<i>Average Amount Per Difference from HMO</i>		<i>Average Excl. Outliers</i>	
	Percent of All HMO Combined			
	Revenue	Expense	Revenue	Expense
Empire HealthChoice HMO, Inc.	\$304	\$284	20%	20%
Rochester Area HMO	\$309	\$290	22%	22%
Managed Health, Inc.	\$522	\$520	106%	119%
Elderplan, Inc.	\$1,187	\$1,156	369%	386%
ConnectiCare of New York, Inc.	\$4,648	\$24,528	1736%	10204%
Average	\$209	\$197		
Average Excl. Outliers (Excellus, Managed Health, Elderplan and ConnectiCare)	\$253	\$238		

Source: Schedule AIS-1, Sheet 3 - 26

Twenty of the twenty-four HMOs had an average revenue per member month ranging from \$174 to \$309. Four of the HMOs had an average revenue per member month that appears to be significantly different than the other HMOs. One HMO (Excellus) had an average revenue per member month that was significantly lower than all the other values, while three HMOs (Managed Health, Elderplan and ConnectiCare) had an average revenue per member month that was significantly higher than all the other values.¹⁰

The exclusion of these four outlier HMOs in terms of the revenue per member month has a significant impact on both the overall average revenue per member month and overall average expense per member month. The overall average revenue per member month is \$209 including these outliers and \$253 excluding these outliers, a difference of 21.4%. The overall average expense per member month is \$197 including these outliers and \$238 excluding these outliers, a difference of 21.0%. Since the impact of excluding the four outlier (in terms of the average revenue per member month) HMOs has about the same relative impact on the average revenue and average expense, the overall underwriting profit ratio is not materially different whether these four outlier HMOs are included or excluded.

3. METHODOLOGY

The data used in this analysis was obtained from the Annual Statements filed with the New York State Insurance Department, as well as those available from the National Association of Insurance Commissioners. Some HMOs reported small amounts of business outside the state of New York. This business reported as being outside of New York is most likely from HMO members living out of New York, but working in New York. There were a small number of companies for which data was not available for each year from 2001 to 2005. The values used in this text are for all HMOs combined, irrespective of whether or not data were available each year (see also Schedule AIS-1, Sheet 1). We do not believe that the missing information would have any material impact on the overall results contained in this report. Figures showing the combined results of only those HMOs which had data available in each year from 2001 – 2005 are shown in Schedule AIS-1, Sheet 2.

The HMOs selected to be included in this report were based upon the New York State HMO Guide, other information provided by the New York State Insurance Department and information from the National Association of Insurance Commissioners. In some cases, an organization was listed as an HMDI (Hospital, Medical & Dental Service or Indemnity). In those instances, we used information contained in the New York State Insurance Department supplemental data filing to obtain the HMO portion of the experience.

¹⁰It appears that the reasons for these four HMOs having such significantly different average revenue per member month than the other HMOs may be related to the type and / or amount of business written. However, based upon the data available to us, we were not able to determine the specific reasons for the large variance of these four HMOs from the other HMOs included in this study.

New York HMO Profitability

ALL NEW YORK HMO'S COMBINED

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	17,418,377,109	16,896,357,674	17,409,656,827	15,670,517,489	14,528,911,226	81,923,820,325
Total Medical and Hospital Expenses	14,227,892,029	14,027,974,470	14,318,795,581	13,010,081,107	12,394,904,628	67,979,647,814
Claims Adjustment Expenses	500,181,846	519,065,710	460,604,084	434,140,231	353,154,053	2,267,145,925
Total Administrative Expenses	1,498,887,778	1,429,490,295	1,454,608,953	1,320,803,680	1,254,749,448	6,958,540,154
Other Underwriting Items	15,153,330	-5,371,074	12,132,526	19,622,513	6,746,777	48,284,072
Net Underwriting Gain (Loss)	1,176,262,126	925,198,273	1,163,515,683	885,869,958	519,356,320	4,670,202,360
Net Investment Gain (Loss)	104,327,405	106,866,060	114,578,654	128,919,384	144,742,821	599,434,324
Total Other Income	17,839,731	10,434,008	12,726,978	13,297,124	8,111,952	62,409,793
Net Income or (Loss) Before Tax	1,298,429,262	1,042,498,341	1,290,821,315	1,028,086,466	672,211,093	5,332,046,477
Number of Member Months	71,637,590	74,707,442	83,065,494	80,177,039	83,194,009	392,781,574

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	81.7%	83.0%	82.2%	83.0%	85.3%	83.0%
Claims Adjustment Expenses	2.9%	3.1%	2.6%	2.8%	2.4%	2.8%
Total Administrative Expenses	8.6%	8.5%	8.4%	8.4%	8.6%	8.5%
Other Underwriting Items	0.1%	-0.0%	0.1%	0.1%	0.0%	0.1%
Net Underwriting Gain (Loss)	6.8%	5.5%	6.7%	5.7%	3.6%	5.7%
Net Investment Gain (Loss)	0.6%	0.6%	0.7%	0.8%	1.0%	0.7%
Total Other Income	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Net Income or (Loss)	7.5%	6.2%	7.4%	6.6%	4.6%	6.5%
Average Revenue per Member Month	\$243	\$226	\$210	\$195	\$175	\$209
Average Expense per Member Month	\$227	\$214	\$196	\$184	\$168	\$197

New York HMO Profitability

ALL NEW YORK HMO'S WITH COMPLETE DATA COMBINED

Five Year Summary of Income Statement Items

<i>Dollars</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	17,418,377,109	16,733,219,211	16,051,791,481	14,466,904,301	13,607,413,743	78,277,705,845
Total Medical and Hospital Expenses	14,227,892,029	13,878,879,161	13,126,153,106	11,969,455,863	11,586,732,043	64,789,112,202
Claims Adjustment Expenses	500,181,846	511,164,560	409,794,551	383,427,453	316,918,974	2,121,487,384
Total Administrative Expenses	1,498,887,778	1,411,365,887	1,351,555,271	1,209,819,330	1,159,977,345	6,631,605,611
Other Underwriting Items	15,153,330	-4,871,073	8,632,525	21,923,076	2,511,241	43,349,099
Net Underwriting Gain (Loss)	1,176,262,126	936,680,676	1,155,656,028	882,278,579	541,274,140	4,692,151,549
Net Investment Gain (Loss)	104,327,405	104,061,475	111,793,622	125,848,102	140,712,608	586,743,212
Total Other Income	17,839,731	10,425,271	12,577,743	12,897,368	8,095,354	61,835,467
Net Income or (Loss) Before Tax	1,298,429,262	1,051,167,422	1,280,027,393	1,021,024,049	690,082,102	5,340,730,228

<i>Annual Increase</i>					
Income Statement Items	2004 to 2005	2003 to 2004	2002 to 2003	2001 to 2002	2001 to 2005
Total Revenues	4.1%	4.2%	11.0%	6.3%	28.0%
Total Medical and Hospital Expenses	2.5%	5.7%	9.7%	3.3%	22.8%
Claims Adjustment Expenses	-2.1%	24.7%	6.9%	21.0%	57.8%
Total Administrative Expenses	6.2%	4.4%	11.7%	4.3%	29.2%
Other Underwriting Items	-411.1%	-156.4%	-60.6%	773.0%	503.4%
Net Underwriting Gain (Loss)	25.6%	-18.9%	31.0%	63.0%	117.3%
Net Investment Gain (Loss)	0.3%	-6.9%	-11.2%	-10.6%	-25.9%
Total Other Income	71.1%	-17.1%	-2.5%	59.3%	120.4%
Net Income or (Loss)	23.5%	-17.9%	25.4%	48.0%	88.2%

New York HMO Profitability

AETNA HEALTH INC.

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	1,034,110,455	1,206,947,710	1,339,621,149	1,616,969,787	2,031,761,764	7,229,410,865
Total Medical and Hospital Expenses	721,604,490	984,562,527	1,020,297,135	1,298,067,887	1,760,616,377	5,785,148,416
Claims Adjustment Expenses	19,026,777	26,583,188	30,608,914	38,942,037	52,841,721	168,002,637
Total Administrative Expenses	122,711,685	128,228,382	118,824,438	93,668,608	174,332,761	637,765,874
Other Underwriting Items	4,948,392	-5,950,203	-1,638,966	12,756,343	-621,788	9,493,778
Net Underwriting Gain (Loss)	165,819,111	73,523,816	171,529,628	173,534,912	44,592,693	629,000,160
Net Investment Gain (Loss)	19,061,392	27,103,648	27,205,424	37,032,934	41,414,727	151,818,125
Total Other Income	0	0	0	0	0	0
Net Income or (Loss) Before Tax	184,880,503	100,627,464	198,735,052	210,567,846	86,007,420	780,818,285
Number of Member Months	2,998,881	3,860,837	4,731,848	6,455,824	9,746,026	27,793,416

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	69.8%	81.6%	76.2%	80.3%	86.7%	80.0%
Claims Adjustment Expenses	1.8%	2.2%	2.3%	2.4%	2.6%	2.3%
Total Administrative Expenses	11.9%	10.6%	8.9%	5.8%	8.6%	8.8%
Other Underwriting Items	0.5%	-0.5%	-0.1%	0.8%	-0.0%	0.1%
Net Underwriting Gain (Loss)	16.0%	6.1%	12.8%	10.7%	2.2%	8.7%
Net Investment Gain (Loss)	1.8%	2.2%	2.0%	2.3%	2.0%	2.1%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	17.9%	8.3%	14.8%	13.0%	4.2%	10.8%
Average Revenue per Member Month	\$345	\$313	\$283	\$250	\$208	\$260
Average Expense per Member Month	\$290	\$294	\$247	\$224	\$204	\$237

New York HMO Profitability

AMERICHoice of New York Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	246,304,890	229,185,121	196,008,191	147,034,351	113,227,565	931,760,118
Total Medical and Hospital Expenses	196,742,270	199,729,772	133,994,305	97,332,041	75,634,916	703,433,304
Claims Adjustment Expenses	11,469,991	10,202,553	6,331,360	5,215,749	4,148,848	37,368,501
Total Administrative Expenses	27,305,741	23,725,976	22,847,370	25,545,827	15,474,569	114,899,483
Other Underwriting Items	0	0	0	0	-110,174	-110,174
Net Underwriting Gain (Loss)	10,786,888	-4,473,180	32,835,156	18,940,734	18,079,406	76,169,004
Net Investment Gain (Loss)	2,521,159	1,421,124	1,559,423	1,036,244	957,223	7,495,173
Total Other Income	0	0	2,532	5,652	13,527	21,711
Net Income or (Loss) Before Tax	13,308,047	-3,052,056	34,397,111	19,982,630	19,050,156	83,685,888
Number of Member Months	1,356,766	1,283,672	1,112,452	832,820	699,890	5,285,600

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	79.9%	87.1%	68.4%	66.2%	66.8%	75.5%
Claims Adjustment Expenses	4.7%	4.5%	3.2%	3.5%	3.7%	4.0%
Total Administrative Expenses	11.1%	10.4%	11.7%	17.4%	13.7%	12.3%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.0%
Net Underwriting Gain (Loss)	4.4%	-2.0%	16.8%	12.9%	16.0%	8.2%
Net Investment Gain (Loss)	1.0%	0.6%	0.8%	0.7%	0.8%	0.8%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	5.4%	-1.3%	17.5%	13.6%	16.8%	9.0%
Average Revenue per Member Month	\$182	\$179	\$176	\$177	\$162	\$176
Average Expense per Member Month	\$174	\$182	\$147	\$154	\$136	\$162

New York HMO Profitability

ATLANTIS

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005#	2004	2003	2002	2001	Combined
Total Revenues		19,275,388	21,224,727	46,786,934	13,529,343	100,816,392
Total Medical and Hospital Expenses		11,748,162	11,511,091	38,870,737	11,568,969	73,698,959
Claims Adjustment Expenses		742,481	1,504,694	1,425,751	0	3,672,926
Total Administrative Expenses		7,256,348	6,485,360	9,560,013	5,518,426	28,820,147
Other Underwriting Items		-1	1	0	0	0
Net Underwriting Gain (Loss)		-471,602	1,723,581	-3,069,567	-3,558,052	-5,375,640
Net Investment Gain (Loss)		13,471	22,929	119,091	37,608	193,099
Total Other Income		136	124,767	371,768	0	496,671
Net Income or (Loss) Before Tax		-457,995	1,871,277	-2,578,708	-3,520,444	-4,685,870
Number of Member Months		84,918	91,312	229,176	82,226	487,632

As a Percent of Total Revenues

Income Statement Items	2005#	2004	2003	2002	2001	Combined
Total Revenues	ERR	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	ERR	60.9%	54.2%	83.1%	85.5%	73.1%
Claims Adjustment Expenses	ERR	3.9%	7.1%	3.0%	0.0%	3.6%
Total Administrative Expenses	ERR	37.6%	30.6%	20.4%	40.8%	28.6%
Other Underwriting Items	ERR	-0.0%	0.0%	0.0%	0.0%	0.0%
Net Underwriting Gain (Loss)	ERR	-2.4%	8.1%	-6.6%	-26.3%	-5.3%
Net Investment Gain (Loss)	ERR	0.1%	0.1%	0.3%	0.3%	0.2%
Total Other Income	ERR	0.0%	0.6%	0.8%	0.0%	0.5%
Net Income or (Loss) Before Tax	ERR	-2.4%	8.8%	-5.5%	-26.0%	-4.6%
Average Revenue per Member Month	ERR	\$227	\$232	\$204	\$165	\$207
Average Expense per Member Month	ERR	\$233	\$214	\$218	\$208	\$218

The 2005 Annual Statement is not yet available.

New York HMO Profitability

CAPITAL DISTRICT PHYSICIAN'S HEALTH PLAN Five Year Summary of Income Statement Items

<i>Dollars</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	772,746,626	870,736,660	804,939,385	707,947,461	626,725,164	3,783,095,296
Total Medical and Hospital Expenses	676,069,955	765,595,269	745,833,477	643,673,105	544,476,852	3,375,648,658
Claims Adjustment Expenses	32,491,325	39,064,115	36,639,407	36,909,930	22,210,293	167,315,070
Total Administrative Expenses	47,679,382	40,155,719	28,396,576	27,286,960	38,177,440	181,696,077
Other Underwriting Items	-1,531,947	1,643,633	-1,542,000	1,000,000	-934,423	-1,364,737
Net Underwriting Gain (Loss)	18,037,911	24,277,924	-4,388,075	-922,534	22,795,002	59,800,228
Net Investment Gain (Loss)	6,600,173	5,373,356	6,758,238	5,848,598	8,042,836	32,623,201
Total Other Income	0	0	0	0	0	0
Net Income or (Loss) Before Tax	24,638,084	29,651,280	2,370,163	4,926,064	30,837,838	92,423,429
Number of Member Months	3,080,336	3,627,190	3,822,876	3,740,530	3,597,701	17,868,633

<i>As a Percent of Total Revenues</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	87.5%	87.9%	92.7%	90.9%	86.9%	89.2%
Claims Adjustment Expenses	4.2%	4.5%	4.6%	5.2%	3.5%	4.4%
Total Administrative Expenses	6.2%	4.6%	3.5%	3.9%	6.1%	4.8%
Other Underwriting Items	-0.2%	0.2%	-0.2%	0.1%	-0.1%	-0.0%
Net Underwriting Gain (Loss)	2.3%	2.8%	-0.5%	-0.1%	3.6%	1.6%
Net Investment Gain (Loss)	0.9%	0.6%	0.8%	0.8%	1.3%	0.9%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	3.2%	3.4%	0.3%	0.7%	4.9%	2.4%
Average Revenue per Member Month	\$251	\$240	\$211	\$189	\$174	\$212
Average Expense per Member Month	\$245	\$233	\$212	\$190	\$168	\$208

New York HMO Profitability

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Five Year Summary of Income Statement Items

Income Statement Items	<i>Dollars</i>					Combined
	2005#	2004	2003	2002	2001	
Total Revenues		143,863,075	200,207,197	178,549,030	136,277,540	658,896,842
Total Medical and Hospital Expenses		137,347,147	186,330,965	147,418,712	111,681,309	582,778,133
Claims Adjustment Expenses		7,158,669	4,946,945	6,166,663	0	18,272,277
Total Administrative Expenses		10,868,060	14,155,800	19,971,590	20,662,758	65,658,208
Other Underwriting Items		-500,000	3,500,000	-2,300,563	4,235,536	4,934,973
Net Underwriting Gain (Loss)		-11,010,801	-8,726,513	7,292,628	-302,063	-12,746,749
Net Investment Gain (Loss)		2,791,114	2,734,393	2,906,834	3,881,106	12,313,447
Total Other Income		8,601	24,468	27,988	16,598	77,655
Net Income or (Loss) Before Tax		-8,211,086	-5,967,652	10,227,450	3,595,641	-355,647
Number of Member Months		514,336	816,341	805,249	640,123	2,776,049

Income Statement Items	<i>As a Percent of Total Revenues</i>					Combined
	2005#	2004	2003	2002	2001	
Total Revenues	ERR	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	ERR	95.5%	93.1%	82.6%	82.0%	88.4%
Claims Adjustment Expenses	ERR	5.0%	2.5%	3.5%	0.0%	2.8%
Total Administrative Expenses	ERR	7.6%	7.1%	11.2%	15.2%	10.0%
Other Underwriting Items	ERR	-0.3%	1.7%	-1.3%	3.1%	0.7%
Net Underwriting Gain (Loss)	ERR	-7.7%	-4.4%	4.1%	-0.2%	-1.9%
Net Investment Gain (Loss)	ERR	1.9%	1.4%	1.6%	2.8%	1.9%
Total Other Income	ERR	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	ERR	-5.7%	-3.0%	5.7%	2.6%	-0.1%
Average Revenue per Member Month	ERR	\$280	\$245	\$222	\$213	\$237
Average Expense per Member Month	ERR	\$301	\$256	\$213	\$213	\$242

The 2005 Annual Statement is not yet available.

New York HMO Profitability

COMMUNITY BLUE Five Year Summary of Income Statement Items

<i>Dollars</i>						
Income Statement Items	2005#	2004#	2003	2002	2001##	Combined
Total Revenues			1,135,649,123	977,293,838	770,886,582	2,883,829,543
Total Medical and Hospital Expenses			994,048,630	853,585,915	683,959,330	2,531,593,875
Claims Adjustment Expenses			44,333,711	43,095,341	36,207,642	123,636,694
Total Administrative Expenses			82,203,404	81,292,421	68,299,887	231,795,712
Other Underwriting Items			0	0	0	0
Net Underwriting Gain (Loss)			15,063,378	-679,839	-17,580,277	-3,196,738
Net Investment Gain (Loss)			0	0	0	0
Total Other Income			0	0	0	0
Net Income or (Loss) Before Tax			15,063,378	-679,839	-17,580,277	-3,196,738
Number of Member Months #			5,219,016	5,392,104	5,101,596	15,712,716

<i>As a Percent of Total Revenues</i>						
Income Statement Items	2005#	2004#	2003	2002	2001##	Combined
Total Revenues	ERR	ERR	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	ERR	ERR	87.5%	87.3%	88.7%	87.8%
Claims Adjustment Expenses	ERR	ERR	3.9%	4.4%	4.7%	4.3%
Total Administrative Expenses	ERR	ERR	7.2%	8.3%	8.9%	8.0%
Other Underwriting Items	ERR	ERR	0.0%	0.0%	0.0%	0.0%
Net Underwriting Gain (Loss)	ERR	ERR	1.3%	-0.1%	-2.3%	-0.1%
Net Investment Gain (Loss)	ERR	ERR	0.0%	0.0%	0.0%	0.0%
Total Other Income	ERR	ERR	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	ERR	ERR	1.3%	-0.1%	-2.3%	-0.1%
Average Revenue per Member Month	ERR	ERR	\$218	\$181	\$151	\$184
Average Expense per Member Month	ERR	ERR	\$215	\$181	\$155	\$184

The 2004 and 2005 Annual Statements were not available. Member months were estimated from total membership numbers.

Claim adjustment and administrative expenses split by 2002 percentages.

New York HMO Profitability

CONNECTICARE OF NEW YORK, INC.

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	932,185	18,509	19,788	15,673	8,558	994,713
Total Medical and Hospital Expenses	4,098	14,524	10,572	14,075	7,685	50,954
Claims Adjustment Expenses	29,320	0	0	0	0	29,320
Total Administrative Expenses	993,353	1,646,838	436,377	365,472	1,726,610	5,168,650
Other Underwriting Items	0	0	0	0	0	0
Net Underwriting Gain (Loss)	-94,586	-1,642,853	-427,161	-363,874	-1,725,737	-4,254,211
Net Investment Gain (Loss)	136,317	545,511	338,509	454,392	479,377	1,954,106
Total Other Income	0	0	100,000	0	0	100,000
Net Income or (Loss) Before Tax	41,731	-1,097,342	11,348	90,518	-1,246,360	-2,200,105
Number of Member Months	62	38	48	40	26	214

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	0.4%	78.5%	53.4%	89.8%	89.8%	5.1%
Claims Adjustment Expenses	3.1%	0.0%	0.0%	0.0%	0.0%	2.9%
Total Administrative Expenses	106.6%	8897.5%	2205.3%	2331.9%	20175.4%	519.6%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Underwriting Gain (Loss)	-10.1%	-8876.0%	-2158.7%	-2321.7%	-20165.2%	-427.7%
Net Investment Gain (Loss)	14.6%	2947.3%	1710.7%	2899.2%	5601.5%	196.4%
Total Other Income	0.0%	0.0%	505.4%	0.0%	0.0%	10.1%
Net Income or (Loss) Before Tax	4.5%	-5928.7%	57.3%	577.5%	-14563.7%	-221.2%
Average Revenue per Member Month	\$15,035	\$487	\$412	\$392	\$329	\$4,648
Average Expense per Member Month	\$16,561	\$43,720	\$9,311	\$9,489	\$66,704	\$24,528

New York HMO Profitability

ELDERPLAN, INC.

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	250,718,004	214,635,730	158,216,268	122,866,454	100,209,284	846,645,740
Total Medical and Hospital Expenses	189,686,275	159,416,605	119,363,310	101,287,679	75,907,781	645,661,650
Claims Adjustment Expenses	16,191,915	14,691,308	6,384,193	5,653,215	4,499,697	47,420,328
Total Administrative Expenses	29,571,979	24,746,091	29,311,892	23,669,169	18,839,561	126,138,692
Other Underwriting Items	0	0	0	0	4,999,353	4,999,353
Net Underwriting Gain (Loss)	15,267,835	15,781,726	3,156,873	-7,743,609	-4,037,108	22,425,717
Net Investment Gain (Loss)	1,849,007	809,092	645,178	1,580,261	1,802,423	6,685,961
Total Other Income	0	0	0	3,603	0	3,603
Net Income or (Loss) Before Tax	17,116,842	16,590,818	3,802,051	-6,159,745	-2,234,685	29,115,281
Number of Member Months	179,429	161,384	142,246	126,467	103,632	713,158

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	75.7%	74.3%	75.4%	82.4%	75.7%	76.3%
Claims Adjustment Expenses	6.5%	6.8%	4.0%	4.6%	4.5%	5.6%
Total Administrative Expenses	11.8%	11.5%	18.5%	19.3%	18.8%	14.9%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	5.0%	0.6%
Net Underwriting Gain (Loss)	6.1%	7.4%	2.0%	-6.3%	-4.0%	2.6%
Net Investment Gain (Loss)	0.7%	0.4%	0.4%	1.3%	1.8%	0.8%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	6.8%	7.7%	2.4%	-5.0%	-2.2%	3.4%
Average Revenue per Member Month	\$1,397	\$1,330	\$1,112	\$972	\$967	\$1,187
Average Expense per Member Month	\$1,312	\$1,232	\$1,090	\$1,033	\$1,006	\$1,156

New York HMO Profitability

EMPIRE HEALTHCHOICE HMO, INC.**

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	2,188,097,446	1,780,983,537	1,470,278,886	561,768,350	29,472,781	6,030,601,000
Total Medical and Hospital Expenses	1,837,408,054	1,479,968,855	1,200,808,499	440,573,067	26,718,161	4,985,476,636
Claims Adjustment Expenses	99,224,182	97,198,295	66,639,000	27,773,353	1,049,628	291,884,458
Total Administrative Expenses	133,426,452	98,568,228	89,065,226	46,600,178	3,992,262	371,652,346
Other Underwriting Items	-20	0	0	0	0	-20
Net Underwriting Gain (Loss)	118,038,778	105,248,159	113,766,161	46,821,752	-2,287,270	381,587,580
Net Investment Gain (Loss)	20,226,314	12,072,727	5,007,259	1,092,613	856,562	39,255,475
Total Other Income	-404,975	-89,820	-435,496	-775,529	61,500	-1,644,320
Net Income or (Loss) Before Tax	137,860,117	117,231,066	118,337,924	47,138,836	-1,369,208	419,198,735
Number of Member Months	6,560,225	5,733,771	5,007,935	2,382,921	173,765	19,858,617

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	84.0%	83.1%	81.7%	78.4%	90.7%	82.7%
Claims Adjustment Expenses	4.5%	5.5%	4.5%	4.9%	3.6%	4.8%
Total Administrative Expenses	6.1%	5.5%	6.1%	8.3%	13.5%	6.2%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Underwriting Gain (Loss)	5.4%	5.9%	7.7%	8.3%	-7.8%	6.3%
Net Investment Gain (Loss)	0.9%	0.7%	0.3%	0.2%	2.9%	0.7%
Total Other Income	0.0%	0.0%	0.0%	-0.1%	0.2%	0.0%
Net Income or (Loss) Before Tax	6.3%	6.6%	8.0%	8.4%	-4.6%	7.0%
Average Revenue per Member Month	\$334	\$311	\$294	\$236	\$170	\$304
Average Expense per Member Month	\$316	\$292	\$271	\$216	\$183	\$284

** Empire writes approximately 2% of their business in New Jersey.

New York HMO Profitability

EXCELLUS

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001##	Combined
Total Revenues	1,910,220,587	1,798,222,758	1,817,879,161	1,992,592,178	2,028,022,665	9,546,937,349
Total Medical and Hospital Expenses	1,592,579,193	1,541,026,612	1,566,910,021	1,766,956,735	1,827,775,437	8,295,247,998
Claims Adjustment Expenses	84,168,883	76,202,365	54,383,210	84,297,511	85,511,781	384,563,750
Total Administrative Expenses	86,469,712	80,495,898	89,644,364	76,031,789	77,126,995	409,768,758
Other Underwriting Items	16,200,000	0	0	0	0	16,200,000
Net Underwriting Gain (Loss)	130,802,799	100,497,883	106,941,566	65,306,143	37,608,452	441,156,843
Net Investment Gain (Loss)	0	0	0	0	0	0
Total Other Income	0	0	0	0	0	0
Net Income or (Loss) Before Tax	130,802,799	100,497,883	106,941,566	65,306,143	37,608,452	441,156,843
Number of Member Months	22,554,647	22,415,842	22,985,010	20,855,744	23,063,423	111,874,666

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001##	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	83.4%	85.7%	86.2%	88.7%	90.1%	86.9%
Claims Adjustment Expenses	4.4%	4.2%	3.0%	4.2%	4.2%	4.0%
Total Administrative Expenses	4.5%	4.5%	4.9%	3.8%	3.8%	4.3%
Other Underwriting Items	0.8%	0.0%	0.0%	0.0%	0.0%	0.2%
Net Underwriting Gain (Loss)	6.8%	5.6%	5.9%	3.3%	1.9%	4.6%
Net Investment Gain (Loss)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	6.8%	5.6%	5.9%	3.3%	1.9%	4.6%
Average Revenue per Member Month	\$85	\$80	\$79	\$96	\$88	\$85
Average Expense per Member Month	\$79	\$76	\$74	\$92	\$86	\$81

Claim adjustment and administrative expenses split by 2002 percentages.

New York HMO Profitability

GHI HMO SELECT, INC. D/B/A GHI HMO Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	174,979,498	122,452,412	93,014,401	72,709,119	59,557,939	522,713,369
Total Medical and Hospital Expenses	164,189,572	102,926,397	80,621,223	63,765,272	53,762,027	465,264,491
Claims Adjustment Expenses	4,182,972	3,637,618	3,495,893	3,424,290	0	14,740,773
Total Administrative Expenses	17,847,578	12,490,835	9,921,510	8,767,602	8,688,385	57,715,910
Other Underwriting Items	0	0	0	-53,399	3,260,313	3,206,914
Net Underwriting Gain (Loss)	-11,240,624	3,397,562	-1,024,225	-3,194,646	-6,152,786	-18,214,719
Net Investment Gain (Loss)	393,306	309,874	138,108	160,780	199,298	1,201,366
Total Other Income	0	0	0	8,175	21,554	29,729
Net Income or (Loss) Before Tax	-10,847,318	3,707,436	-886,117	-3,025,691	-5,931,934	-16,983,624
Number of Member Months	715,315	506,884	410,784	376,405	353,749	2,363,137

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	93.8%	84.1%	86.7%	87.7%	90.3%	89.0%
Claims Adjustment Expenses	2.4%	3.0%	3.8%	4.7%	0.0%	2.8%
Total Administrative Expenses	10.2%	10.2%	10.7%	12.1%	14.6%	11.0%
Other Underwriting Items	0.0%	0.0%	0.0%	-0.1%	5.5%	0.6%
Net Underwriting Gain (Loss)	-6.4%	2.8%	-1.1%	-4.4%	-10.3%	-3.5%
Net Investment Gain (Loss)	0.2%	0.3%	0.1%	0.2%	0.3%	0.2%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	-6.2%	3.0%	-1.0%	-4.2%	-10.0%	-3.2%
Average Revenue per Member Month	\$245	\$242	\$226	\$193	\$168	\$221
Average Expense per Member Month	\$260	\$235	\$229	\$202	\$186	\$229

New York HMO Profitability

HEALTH INSURANCE PLAN OF GREATER NEW YORK Five Year Summary of Income Statement Items

<i>Dollars</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	3,554,713,858	3,220,784,332	2,922,395,164	2,493,022,420	2,115,926,859	14,306,842,633
Total Medical and Hospital Expenses	2,877,154,198	2,587,998,224	2,313,472,803	2,028,853,273	1,790,182,295	11,597,660,793
Claims Adjustment Expenses	70,159,930	67,833,504	43,068,488	35,581,493	32,393,875	249,037,290
Total Administrative Expenses	386,067,396	364,235,694	305,376,761	259,274,732	222,758,083	1,537,712,666
Other Underwriting Items	0	0	0	0	0	0
Net Underwriting Gain (Loss)	221,332,334	200,716,910	260,477,112	169,312,922	70,592,606	922,431,884
Net Investment Gain (Loss)	0	0	0	0	0	0
Total Other Income	0	0	0	0	0	0
Net Income or (Loss) Before Tax	221,332,334	200,716,910	260,477,112	169,312,922	70,592,606	922,431,884
Number of Member Months #	10,823,772	10,691,232	10,450,464	10,075,260	8,885,748	50,926,476

<i>As a Percent of Total Revenues</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	80.9%	80.4%	79.2%	81.4%	84.6%	81.1%
Claims Adjustment Expenses	2.0%	2.1%	1.5%	1.4%	1.5%	1.7%
Total Administrative Expenses	10.9%	11.3%	10.4%	10.4%	10.5%	10.7%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Underwriting Gain (Loss)	6.2%	6.2%	8.9%	6.8%	3.3%	6.4%
Net Investment Gain (Loss)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	6.2%	6.2%	8.9%	6.8%	3.3%	6.4%
Average Revenue per Member Month	\$328	\$301	\$280	\$247	\$238	\$281
Average Expense per Member Month	\$308	\$282	\$255	\$231	\$230	\$263

Member months were estimated using total membership.

New York HMO Profitability

HEALTH NET OF NEW YORK, INC. Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	525,664,051	519,820,218	465,914,532	416,157,081	356,926,787	2,284,482,669
Total Medical and Hospital Expenses	427,222,301	462,079,039	398,558,955	324,451,325	339,457,955	1,951,769,575
Claims Adjustment Expenses	16,254,566	15,449,681	8,136,899	4,071,836	0	43,912,982
Total Administrative Expenses	62,614,389	55,618,169	57,503,797	59,319,667	54,799,113	289,855,135
Other Underwriting Items	251,921	0	0	0	930,776	1,182,697
Net Underwriting Gain (Loss)	19,320,874	-13,326,671	1,714,881	28,314,253	-38,261,057	-2,237,720
Net Investment Gain (Loss)	5,161,238	4,414,572	4,037,387	4,499,515	5,648,209	23,760,921
Total Other Income	-127,174	-239,960	0	258,284	0	-108,850
Net Income or (Loss) Before Tax	24,354,938	-9,152,059	5,752,268	33,072,052	-32,612,848	21,414,351
Number of Member Months	2,340,565	2,579,972	2,520,853	2,384,791	2,576,511	12,402,692

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	81.3%	88.9%	85.5%	78.0%	95.1%	85.4%
Claims Adjustment Expenses	3.1%	3.0%	1.7%	1.0%	0.0%	1.9%
Total Administrative Expenses	11.9%	10.7%	12.3%	14.3%	15.4%	12.7%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	0.3%	0.1%
Net Underwriting Gain (Loss)	3.7%	-2.6%	0.4%	6.8%	-10.7%	-0.1%
Net Investment Gain (Loss)	1.0%	0.8%	0.9%	1.1%	1.6%	1.0%
Total Other Income	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Net Income or (Loss) Before Tax	4.6%	-1.8%	1.2%	7.9%	-9.1%	0.9%
Average Revenue per Member Month	\$225	\$201	\$185	\$175	\$139	\$184
Average Expense per Member Month	\$216	\$207	\$184	\$163	\$153	\$184

New York HMO Profitability

HORIZON HEALTHCARE OF NEW YORK, INC.

Five Year Summary of Income Statement Items

<i>Dollars</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	936,321	791,365	1,021,526	1,130,774	306,643	4,186,629
Total Medical and Hospital Expenses	640,730	756,743	560,366	942,153	277,224	3,177,216
Claims Adjustment Expenses	21,300	85,671	292,187	222,208	283,536	904,902
Total Administrative Expenses	219,342	229,628	398,801	2,020,318	2,577,914	5,446,003
Other Underwriting Items	0	0	0	0	0	0
Net Underwriting Gain (Loss)	54,949	-280,677	-229,828	-2,053,905	-2,832,031	-5,341,492
Net Investment Gain (Loss)	-17,369,620	23,071	21,169	37,985	144,789	-17,142,606
Total Other Income	0	0	0	0	0	0
Net Income or (Loss) Before Tax	-17,314,671	-257,606	-208,659	-2,015,920	-2,687,242	-22,484,098
Number of Member Months	4,616	4,712	4,028	5,561	1,632	20,549

<i>As a Percent of Total Revenues</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	68.4%	95.6%	54.9%	83.3%	90.4%	75.9%
Claims Adjustment Expenses	2.3%	10.8%	28.6%	19.7%	92.5%	21.6%
Total Administrative Expenses	23.4%	29.0%	39.0%	178.7%	840.7%	130.1%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Underwriting Gain (Loss)	5.9%	-35.5%	-22.5%	-181.6%	-923.6%	-127.6%
Net Investment Gain (Loss)	-1855.1%	2.9%	2.1%	3.4%	47.2%	-409.5%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	-1849.2%	-32.6%	-20.4%	-178.3%	-876.3%	-537.0%
Average Revenue per Member Month	\$203	\$168	\$254	\$203	\$188	\$204
Average Expense per Member Month	\$191	\$228	\$311	\$573	\$1,923	\$464

New York HMO Profitability

INDEPENDENT HEALTH ASSOC. Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	854,553,762	841,688,553	812,749,844	754,097,276	710,999,488	3,974,088,923
Total Medical and Hospital Expenses	727,930,709	731,222,684	717,031,528	649,604,808	622,830,853	3,448,620,582
Claims Adjustment Expenses	31,378,262	28,671,485	42,232,587	49,766,309	43,770,259	195,818,902
Total Administrative Expenses	54,943,352	52,076,114	39,653,467	25,523,115	22,447,985	194,644,033
Other Underwriting Items	1,529,887	-1,800,000	5,100,000	0	-21,281	4,808,606
Net Underwriting Gain (Loss)	38,771,552	31,518,270	8,732,262	29,203,044	21,971,672	130,196,800
Net Investment Gain (Loss)	9,304,645	5,515,577	5,061,169	6,649,180	6,783,367	33,313,938
Total Other Income	14,415,292	10,334,362	5,212,464	3,776,646	0	33,738,764
Net Income or (Loss) Before Tax	62,491,489	47,368,209	19,005,895	39,628,870	28,755,039	197,249,502
Number of Member Months	3,244,529	3,655,664	3,937,700	4,099,852	4,270,735	19,208,480

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	85.2%	86.9%	88.2%	86.1%	87.6%	86.8%
Claims Adjustment Expenses	3.7%	3.4%	5.2%	6.6%	6.2%	4.9%
Total Administrative Expenses	6.4%	6.2%	4.9%	3.4%	3.2%	4.9%
Other Underwriting Items	0.2%	-0.2%	0.6%	0.0%	0.0%	0.1%
Net Underwriting Gain (Loss)	4.5%	3.7%	1.1%	3.9%	3.1%	3.3%
Net Investment Gain (Loss)	1.1%	0.7%	0.6%	0.9%	1.0%	0.8%
Total Other Income	1.7%	1.2%	0.6%	0.5%	0.0%	0.8%
Net Income or (Loss) Before Tax	7.3%	5.6%	2.3%	5.3%	4.0%	5.0%
Average Revenue per Member Month	\$263	\$230	\$206	\$184	\$166	\$207
Average Expense per Member Month	\$251	\$222	\$204	\$177	\$161	\$200

New York HMO Profitability

MAGNAHEALTH

Five Year Summary of Income Statement Items

	Dollars					
Income Statement Items	2005#	2004#	2003	2002	2001	Combined
Total Revenues			784,299	983,386	804,018	2,571,703
Total Medical and Hospital Expenses ##			751,789	749,880	962,977	2,464,645
Claims Adjustment Expenses ##			24,183	25,023	27,437	76,644
Total Administrative Expenses			209,118	160,326	291,032	660,476
Other Underwriting Items			0	0	0	0
Net Underwriting Gain (Loss)			-200,791	48,157	-477,428	-630,062
Net Investment Gain (Loss)			27,710	45,357	111,499	184,566
Total Other Income			0	0	0	0
Net Income or (Loss) Before Tax			-173,081	93,514	-365,929	-445,496
Number of Member Months			2,749	3,270	2,902	8,921

	As a Percent of Total Revenues					
Income Statement Items	2005#	2004#	2003	2002	2001	Combined
Total Revenues	ERR	ERR	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses ##	ERR	ERR	95.9%	76.3%	119.8%	95.8%
Claims Adjustment Expenses ##	ERR	ERR	3.1%	2.5%	3.4%	3.0%
Total Administrative Expenses	ERR	ERR	26.7%	16.3%	36.2%	25.7%
Other Underwriting Items	ERR	ERR	0.0%	0.0%	0.0%	0.0%
Net Underwriting Gain (Loss)	ERR	ERR	-25.6%	4.9%	-59.4%	-24.5%
Net Investment Gain (Loss)	ERR	ERR	3.5%	4.6%	13.9%	7.2%
Total Other Income	ERR	ERR	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	ERR	ERR	-22.1%	9.5%	-45.5%	-17.3%
Average Revenue per Member Month	ERR	ERR	\$285	\$301	\$277	\$288
Average Expense per Member Month	ERR	ERR	\$358	\$286	\$442	\$359

The 2004 and 2005 Annual Statements were not available.

Split into claims adjustment and total medical expenses by all companies combined percent.

New York HMO Profitability

MANAGED HEALTH, INC.

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	306,410,131	231,007,038	168,416,206	171,102,599	272,206,895	1,149,142,869
Total Medical and Hospital Expenses	260,779,946	202,468,214	143,421,716	145,232,909	239,769,698	991,672,483
Claims Adjustment Expenses	0	0	0	0	0	0
Total Administrative Expenses	42,332,561	29,335,174	27,020,886	28,332,706	28,336,232	155,357,559
Other Underwriting Items	0	0	0	0	-1,541,391	-1,541,391
Net Underwriting Gain (Loss)	3,297,624	-796,350	-2,026,396	-2,463,016	5,642,356	3,654,218
Net Investment Gain (Loss)	3,375,785	1,024,669	698,106	1,179,551	3,473,882	9,751,993
Total Other Income	0	0	124,936	0	0	124,936
Net Income or (Loss) Before Tax	6,673,409	228,319	-1,203,354	-1,283,465	9,116,238	13,531,147
Number of Member Months	391,736	314,162	222,917	261,420	1,010,866	2,201,1010

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	85.1%	87.6%	85.2%	84.9%	88.1%	86.3%
Claims Adjustment Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Administrative Expenses	13.8%	12.7%	16.0%	16.6%	10.4%	13.5%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	-0.6%	-0.1%
Net Underwriting Gain (Loss)	1.1%	-0.3%	-1.2%	-1.4%	2.1%	0.3%
Net Investment Gain (Loss)	1.1%	0.4%	0.4%	0.7%	1.3%	0.8%
Total Other Income	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	2.2%	0.1%	-0.7%	-0.8%	3.3%	1.2%
Average Revenue per Member Month	\$782	\$735	\$756	\$655	\$269	\$522
Average Expense per Member Month	\$774	\$738	\$765	\$664	\$264	\$520

New York HMO Profitability

MDNY HEALTHCARE, INC. Five Year Summary of Income Statement Items

<i>Dollars</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	116,315,588	134,856,367	153,275,617	159,116,488	146,561,160	710,125,220
Total Medical and Hospital Expenses	101,890,896	116,380,716	131,964,828	137,828,210	122,601,150	610,665,800
Claims Adjustment Expenses	1,687,929	2,930,073	2,575,162	0	0	7,193,164
Total Administrative Expenses	15,684,533	16,658,800	17,307,608	20,003,588	21,640,520	91,295,049
Other Underwriting Items	-450,903	-47,012	0	2,705,859	4,327,045	6,534,989
Net Underwriting Gain (Loss)	-2,496,867	-1,066,210	1,428,019	-1,421,169	-2,007,555	-5,563,782
Net Investment Gain (Loss)	95,438	109,444	90,615	140,416	300,658	736,571
Total Other Income	0	0	0	0	0	0
Net Income or (Loss) Before Tax	-2,401,429	-956,766	1,518,634	-1,280,753	-1,706,897	-4,827,211
Number of Member Months	400,947	498,214	626,106	713,714	698,324	2,937,305

<i>As a Percent of Total Revenues</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	87.6%	86.3%	86.1%	86.6%	83.7%	86.0%
Claims Adjustment Expenses	1.5%	2.2%	1.7%	0.0%	0.0%	1.0%
Total Administrative Expenses	13.5%	12.4%	11.3%	12.6%	14.8%	12.9%
Other Underwriting Items	-0.4%	0.0%	0.0%	1.7%	3.0%	0.9%
Net Underwriting Gain (Loss)	-2.1%	-0.8%	0.9%	-0.9%	-1.4%	-0.8%
Net Investment Gain (Loss)	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	-2.1%	-0.7%	1.0%	-0.8%	-1.2%	-0.7%
Average Revenue per Member Month	\$290	\$271	\$245	\$223	\$210	\$242
Average Expense per Member Month	\$296	\$273	\$243	\$225	\$213	\$244

New York HMO Profitability

MVP HEALTH PLAN***

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	1,021,183,435	975,886,759	934,646,798	857,106,892	773,898,307	4,562,722,191
Total Medical and Hospital Expenses	886,217,896	854,220,174	809,480,062	732,262,846	679,084,724	3,961,265,702
Claims Adjustment Expenses	37,721,394	34,971,641	3,207,895	0	0	75,900,930
Total Administrative Expenses	66,907,052	74,835,419	96,799,252	103,847,423	80,580,309	422,969,455
Other Underwriting Items	0	-1	0	5,213,367	-458,199	4,755,167
Net Underwriting Gain (Loss)	30,337,093	11,859,526	25,159,589	15,783,256	14,691,473	97,830,937
Net Investment Gain (Loss)	6,322,576	4,591,647	4,499,472	4,369,791	4,834,361	24,617,847
Total Other Income	3,106,552	-638,950	5,777,021	7,264,189	4,824,892	20,333,704
Net Income or (Loss) Before Tax	39,766,221	15,812,223	35,436,082	27,417,236	24,350,726	142,782,488
Number of Member Months	3,795,098	3,945,251	4,179,079	4,156,927	4,304,535	20,380,890

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	86.8%	87.5%	86.6%	85.4%	87.7%	86.8%
Claims Adjustment Expenses	3.7%	3.6%	0.3%	0.0%	0.0%	1.7%
Total Administrative Expenses	6.6%	7.7%	10.4%	12.1%	10.4%	9.3%
Other Underwriting Items	0.0%	0.0%	0.0%	0.6%	-0.1%	0.1%
Net Underwriting Gain (Loss)	3.0%	1.2%	2.7%	1.8%	1.9%	2.1%
Net Investment Gain (Loss)	0.6%	0.5%	0.5%	0.5%	0.6%	0.5%
Total Other Income	0.3%	-0.1%	0.6%	0.8%	0.6%	0.4%
Net Income or (Loss) Before Tax	3.9%	1.6%	3.8%	3.2%	3.1%	3.1%
Average Revenue per Member Month	\$269	\$247	\$224	\$206	\$180	\$224
Average Expense per Member Month	\$261	\$244	\$218	\$202	\$176	\$219

*** MVP writes approximately 12% of their business in Vermont.

New York HMO Profitability

OXFORD HEALTH PLANS (NY), INC. Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	2,806,159,162	3,081,045,538	3,356,988,706	3,256,015,477	3,188,825,033	15,689,033,916
Total Medical and Hospital Expenses	2,214,053,529	2,472,259,427	2,647,209,939	2,571,701,082	2,535,895,816	12,441,119,793
Claims Adjustment Expenses	50,387,045	63,143,656	72,286,378	70,836,612	70,209,336	326,863,027
Total Administrative Expenses	223,340,146	250,389,180	282,795,687	288,725,448	279,095,581	1,324,346,042
Other Underwriting Items	0	0	0	0	-31,029,209	-31,029,209
Net Underwriting Gain (Loss)	318,378,442	295,253,275	354,696,702	324,752,335	334,653,509	1,627,734,263
Net Investment Gain (Loss)	29,723,465	31,810,127	48,129,654	53,876,842	56,310,597	219,850,685
Total Other Income	907,144	1,079,139	1,848,041	2,356,948	3,381,327	9,572,599
Net Income or (Loss) Before Tax	349,009,051	328,142,541	404,674,397	380,986,125	394,345,433	1,857,157,547
Number of Member Months	7,546,089	9,330,975	11,448,327	12,505,712	13,132,864	53,963,967

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	78.9%	80.2%	78.9%	79.0%	79.5%	79.3%
Claims Adjustment Expenses	1.8%	2.0%	2.2%	2.2%	2.2%	2.1%
Total Administrative Expenses	8.0%	8.1%	8.4%	8.9%	8.8%	8.4%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	-1.0%	-0.2%
Net Underwriting Gain (Loss)	11.3%	9.6%	10.6%	10.0%	10.5%	10.4%
Net Investment Gain (Loss)	1.1%	1.0%	1.4%	1.7%	1.8%	1.4%
Total Other Income	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
Net Income or (Loss) Before Tax	12.4%	10.7%	12.1%	11.7%	12.4%	11.8%
Average Revenue per Member Month	\$372	\$330	\$293	\$260	\$243	\$291
Average Expense per Member Month	\$330	\$299	\$262	\$234	\$217	\$261

New York HMO Profitability

ROCHESTER AREA HEALTH MAINTENANCE ORGANIZATION, INC., D/B/A PREFERRED CARE

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	786,967,173	670,887,807	585,358,983	499,021,438	442,169,325	2,984,404,726
Total Medical and Hospital Expenses	654,900,559	579,805,772	504,671,966	431,194,538	385,293,871	2,555,866,706
Claims Adjustment Expenses	4,289,085	4,647,406	4,805,214	5,710,553	0	19,452,258
Total Administrative Expenses	56,710,733	48,547,288	41,817,136	39,665,135	36,741,614	223,481,906
Other Underwriting Items	0	0	0	0	4,606,319	4,606,319
Net Underwriting Gain (Loss)	71,066,796	37,887,341	34,064,667	22,451,212	15,527,521	180,997,537
Net Investment Gain (Loss)	8,659,260	2,527,862	1,582,658	1,912,871	1,983,732	16,666,383
Total Other Income	0	0	0	0	0	0
Net Income or (Loss) Before Tax	79,726,056	40,415,203	35,647,325	24,364,083	17,511,253	197,663,920
Number of Member Months	2,175,806	1,967,299	1,900,568	1,756,561	1,861,479	9,661,713

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	83.2%	86.4%	86.2%	86.4%	87.1%	85.6%
Claims Adjustment Expenses	0.5%	0.7%	0.8%	1.1%	0.0%	0.7%
Total Administrative Expenses	7.2%	7.2%	7.1%	7.9%	8.3%	7.5%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	1.0%	0.2%
Net Underwriting Gain (Loss)	9.0%	5.6%	5.8%	4.5%	3.5%	6.1%
Net Investment Gain (Loss)	1.1%	0.4%	0.3%	0.4%	0.4%	0.6%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	10.1%	6.0%	6.1%	4.9%	4.0%	6.6%
Average Revenue per Member Month	\$362	\$341	\$308	\$284	\$238	\$309
Average Expense per Member Month	\$329	\$322	\$290	\$271	\$229	\$290

New York HMO Profitability

UNITEDHEALTHCARE OF NEW YORK, INC.

Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	434,794,712	425,412,010	394,342,769	334,691,568	343,738,524	1,932,979,583
Total Medical and Hospital Expenses	345,015,489	335,282,602	295,244,950	292,754,104	298,019,661	1,566,316,806
Claims Adjustment Expenses	7,055,503	10,713,086	16,585,495	15,022,357	0	49,376,441
Total Administrative Expenses	49,071,034	45,443,529	41,905,750	27,862,741	24,349,311	188,632,365
Other Underwriting Items	-5,794,000	1,282,510	6,713,490	0	18,074,315	20,276,315
Net Underwriting Gain (Loss)	39,446,686	32,690,283	33,893,084	-947,634	3,295,237	108,377,656
Net Investment Gain (Loss)	4,901,804	3,832,709	4,011,708	4,499,226	5,056,305	22,301,752
Total Other Income	145,543	-19,500	-51,755	-600	-236,000	-162,312
Net Income or (Loss) Before Tax	44,494,033	36,503,492	37,853,037	3,550,992	8,115,542	130,517,096
Number of Member Months	1,614,039	1,633,589	1,593,074	1,389,479	1,462,999	7,693,180

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	79.4%	78.8%	74.9%	87.5%	86.7%	81.0%
Claims Adjustment Expenses	1.6%	2.5%	4.2%	4.5%	0.0%	2.6%
Total Administrative Expenses	11.3%	10.7%	10.6%	8.3%	7.1%	9.8%
Other Underwriting Items	-1.3%	0.3%	1.7%	0.0%	5.3%	1.0%
Net Underwriting Gain (Loss)	9.1%	7.7%	8.6%	-0.3%	1.0%	5.6%
Net Investment Gain (Loss)	1.1%	0.9%	1.0%	1.3%	1.5%	1.2%
Total Other Income	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%
Net Income or (Loss) Before Tax	10.2%	8.6%	9.6%	1.1%	2.4%	6.8%
Average Revenue per Member Month	\$269	\$260	\$248	\$241	\$235	\$251
Average Expense per Member Month	\$245	\$240	\$226	\$242	\$233	\$237

New York HMO Profitability

VYTRA HEALTH PLANS LONG ISLAND, INC. Five Year Summary of Income Statement Items

Dollars

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	238,626,070	276,158,902	282,416,486	236,431,709	210,423,664	1,244,056,831
Total Medical and Hospital Expenses	219,975,245	220,485,704	233,689,879	188,696,692	165,087,557	1,027,935,077
Claims Adjustment Expenses	9,018,282	11,747,973	9,435,741	0	0	30,201,996
Total Administrative Expenses	40,287,628	39,189,873	37,825,891	39,296,104	37,838,016	194,437,512
Other Underwriting Items	0	0	1	0	-1	0
Net Underwriting Gain (Loss)	-30,655,085	4,735,352	1,464,974	8,438,913	7,498,092	-8,517,754
Net Investment Gain (Loss)	2,007,113	2,362,315	1,891,893	1,343,036	2,234,507	9,838,864
Total Other Income	-202,651	0	0	0	0	-202,651
Net Income or (Loss) Before Tax	-28,850,623	7,097,667	3,356,867	9,781,949	9,732,599	1,118,459
Number of Member Months	864,832	1,135,928	1,263,660	1,166,771	1,086,086	5,517,277

As a Percent of Total Revenues

Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	92.2%	79.8%	82.7%	79.8%	78.5%	82.6%
Claims Adjustment Expenses	3.8%	4.3%	3.3%	0.0%	0.0%	2.4%
Total Administrative Expenses	16.9%	14.2%	13.4%	16.6%	18.0%	15.6%
Other Underwriting Items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Underwriting Gain (Loss)	-12.8%	1.7%	0.5%	3.6%	3.6%	-0.7%
Net Investment Gain (Loss)	0.8%	0.9%	0.7%	0.6%	1.1%	0.8%
Total Other Income	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income or (Loss) Before Tax	-12.1%	2.6%	1.2%	4.1%	4.6%	0.1%
Average Revenue per Member Month	\$276	\$243	\$223	\$203	\$194	\$225
Average Expense per Member Month	\$311	\$239	\$222	\$195	\$187	\$227

New York HMO Profitability

WELLCARE OF NEW YORK, INC. Five Year Summary of Income Statement Items

<i>Dollars</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	193,943,155	131,697,885	94,287,621	67,107,206	56,445,338	543,481,205
Total Medical and Hospital Expenses	133,826,624	82,679,301	63,007,572	54,264,062	43,332,003	377,109,562
Claims Adjustment Expenses	5,423,185	3,390,942	2,686,528	0	0	11,500,655
Total Administrative Expenses	34,703,730	24,749,052	14,702,482	14,012,748	10,454,084	98,622,096
Other Underwriting Items	0	0	0	300,906	1,029,586	1,330,492
Net Underwriting Gain (Loss)	19,989,616	20,878,590	13,891,039	-1,470,510	1,629,665	54,918,400
Net Investment Gain (Loss)	1,358,033	214,150	117,652	133,867	189,755	2,013,457
Total Other Income	0	0	0	0	28,554	28,554
Net Income or (Loss) Before Tax	21,347,649	21,092,740	14,008,691	-1,336,643	1,847,974	56,960,411
Number of Member Months	989,900	761,572	576,101	460,441	337,171	3,125,185

<i>As a Percent of Total Revenues</i>						
Income Statement Items	2005	2004	2003	2002	2001	Combined
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Medical and Hospital Expenses	69.0%	62.8%	66.8%	80.9%	76.8%	69.4%
Claims Adjustment Expenses	2.8%	2.6%	2.8%	0.0%	0.0%	2.1%
Total Administrative Expenses	17.9%	18.8%	15.6%	20.9%	18.5%	18.1%
Other Underwriting Items	0.0%	0.0%	0.0%	0.4%	1.8%	0.2%
Net Underwriting Gain (Loss)	10.3%	15.9%	14.7%	-2.2%	2.9%	10.1%
Net Investment Gain (Loss)	0.7%	0.2%	0.1%	0.2%	0.3%	0.4%
Total Other Income	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Net Income or (Loss) Before Tax	11.0%	16.0%	14.9%	-2.0%	3.3%	10.5%
Average Revenue per Member Month	\$196	\$173	\$164	\$146	\$167	\$174
Average Expense per Member Month	\$176	\$146	\$140	\$149	\$163	\$156

GLOSSARY OF TERMS FOR HMO PROFITABILITY REPORT

TOTAL REVENUE – The amount of money a company receives for the sales of goods and services during a particular accounting period. This consists mainly of premium income, and can include other items such as health care and non-healthcare revenues.

MEDICAL & HOSPITAL EXPENSE – Medical expenses such as hospital and surgical expenses, physician's visits, other professional services, prescription drugs and other medical services.

CLAIM ADJUSTMENT EXPENSES – The cost involved in the adjustment and settlement of claims, excluding the amount of the claim itself. This includes items such as salaries of the claim personnel, rent, payments to utilities and other overhead related to the adjustment and settlement of claims.

ADMINISTRATIVE EXPENSES - The expenses of operating an insurance company not related to the adjustment of claims. This can include functions such as marketing, underwriting, billing and financial reporting. This includes items such as salaries, rent, payments to utilities and other overhead.

OTHER UNDERWRITING ITEMS – Increase in reserves for life and accident and health contracts.

NET UNDERWRITING GAIN OR LOSS – Total revenue less medical & hospital expenses, claims adjustment expenses, administrative expenses and other underwriting items.

NET INVESTMENT GAIN – Income generated by the investment of assets. Insurers have two main sources of income, net underwriting gain (or loss) and investment income.

TOTAL OTHER INCOME – Additional items which affect net income for the accounting period but are not included in underwriting or investment income.

NET INCOME – Net underwriting gain (or loss) plus net investment gain plus total other income.

MEMBER MONTHS – The total of all months that each member is covered by a plan. One member covered for 1 month equals 1 member month. As an example, an HMO which covers an average of 250,000 members over the course of the year will have 3,000,000 member months for the year (= 250,000 average members per month X 12 months). The number of member months is a measure of the exposure to the payment of costs for an HMO.

