



INSPIRIS

INSPIRED CARE FOR THE FRAIL ELDERLY

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INSPIRIS to serve Humana's Phoenix frail, elderly population

August 15, 2006 Brentwood, TN--INSPIRIS, the Brentwood, Tenn.-based provider of care management for the frail elderly, announced today a new contract with Humana of Arizona Inc. to provide care for eligible enrollees in Humana's Medicare Advantage and commercially-insured health plans in the Phoenix metropolitan area. INSPIRIS uses a nurse practitioner-led care management model to deliver pro-active, preventative health care and to improve the quality of life for enrolled members in nursing home and post-acute care settings, working through health plans that serve Medicare, Medicaid and commercially-insured members.

There are approximately 28,000 Humana Medicare Advantage members and approximately 86,000 commercial members in the Arizona market. Beginning June 1, 2006, INSPIRIS implemented its CarePlus program serving Humana enrollees in the nursing home community. Led by a registered nurse practitioner in coordination with a physician, the INSPIRIS clinical team delivers bedside care in 68 different nursing homes in the Phoenix metropolitan area. INSPIRIS care teams visit patients weekly, in contrast with the typical nursing home patient who receives a physician visit once every 60 days.

“As a result of this intensified care, we catch problems early so there are fewer acute care admissions to the hospital,” said Gregg Lehman, INSPIRIS' president and chief executive officer. “This greatly improves the quality of life for our patients, many of whom are from the World War II generation—what has been called the Greatest Generation.”

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Under the contract with Humana, INSPIRIS will also coordinate care for enrollees in the post-acute care setting for short-term rehabilitation. Through the program, an INSPIRIS nurse practitioner or physician visits the patient and makes a clinical assessment, reviews the therapy plan and coordinates care. The INSPIRIS team also communicates with the patient's primary care physician, and works with the patient's family to ensure a smooth transition from the short-term facility.

INSPIRIS' hands-on, high-contact approach helps lower the cost to deliver care for frail, elderly patients, a group which typically incurs health care costs exceeding their monthly premium payments.

"The continuum of care in the U.S. health care delivery system has been fragmented by the specialization of providers," said Mark E. Kiffer, DO, MBA, vice president and chief medical officer, senior products segment, Humana Western Region. "Primary care physicians typically no longer visit and manage the care of their patients in hospitals, skilled nursing facilities and custodial care nursing homes. Although not universally true, most primary care physicians now confine their practice to their office." Kiffer said this trend has resulted in the emergence of hospitalist physicians in the acute care setting and a lack of adequate physician staffing in skilled nursing and custodial care facilities.

"The end result is that much of the care for the frail elderly in the nursing facilities is coordinated through telephonic communications with clinical providers. Declining health status often goes undetected until symptoms are so severe that it may result in a telephone order by the busy clinician, who is caught at another facility miles away, to transport the patient to the nearest emergency room by ambulance " he said.

Under the direction of a physician medical director, INSPIRIS places a nurse practitioner and support personnel in nursing care facilities on a regular basis.

Under the INSPIRIS program, signs and symptoms of declining health status in frail, elderly patients are recognized early and appropriate adjustments to therapy are made on a timely basis. The overall result is a smoother continuum of care for the population with an improved quality of care and reduction in health care costs.

The need for coordinated, quality care for the frail elderly is expanding as more baby boomers reach retirement age. Between 2005 and 2015, the U.S. Census Bureau projects the over-65 population to increase by almost 28 percent, while the total U.S. population increases by just 9 percent. The number of those over age 85 is expected to increase 16.8 percent over the same period. About 20 percent of this population is in a long-term care facility, and about one third report fair or poor health.

Studies published in the *Journal of the American Geriatrics Society* and *Gerontologist* show that a combination of intense management by nurse practitioners in the nursing-home setting can reduce hospitalizations for nursing home residents by 45 percent and emergency room visits by 50 percent.

INSPIRIS measures its program success in reduced costs, decreased hospital admissions and utilization of skilled nursing, improved outcomes, and overall patient and family satisfaction. A recent analysis of Medicare claims data for an INSPIRIS client population indicated INSPIRIS lowered the medical loss ratio for nursing home members from approximately 140 percent down to about 80 percent. Hospitalizations were reduced by 74 percent, emergency room admissions were reduced by 46 percent and skilled nursing facility days were reduced by 85 percent.

“INSPIRIS’ care leads to much higher patient satisfaction,” Lehman said. “From the patient’s perspective, the incidence of health problems is lowered because we take care of them early. We use high-tech techniques to achieve good old-fashioned medicine.”

About INSPIRIS

INSPIRIS is a unique health care management company focused on improving the quality of life for the elderly population, while reducing the cost to Medicare Advantage health plans. INSPIRIS partners with individual health plans to provide acute, post-acute, custodial and hospice-care programs that address the needs of the plan's membership. For more information about INSPIRIS, visit <http://www.inspiris.com>.

About Humana

Humana Inc., headquartered in Louisville, Ky., is one of the nation's largest publicly traded health benefits companies, with approximately 9.3 million medical members. Humana offers a diversified portfolio of health insurance products and related services through traditional and consumer-choice plans to employer groups, government-sponsored plans, and individuals.

Over its 45-year history, Humana has consistently seized opportunities to meet changing customer needs. Today, the company is a leader in consumer engagement, providing guidance that leads to lower costs and a better health plan experience throughout its diversified customer portfolio.

More information regarding Humana is available to investors via the Investor Relations page of the company's web site at <http://www.humana.com>.

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