

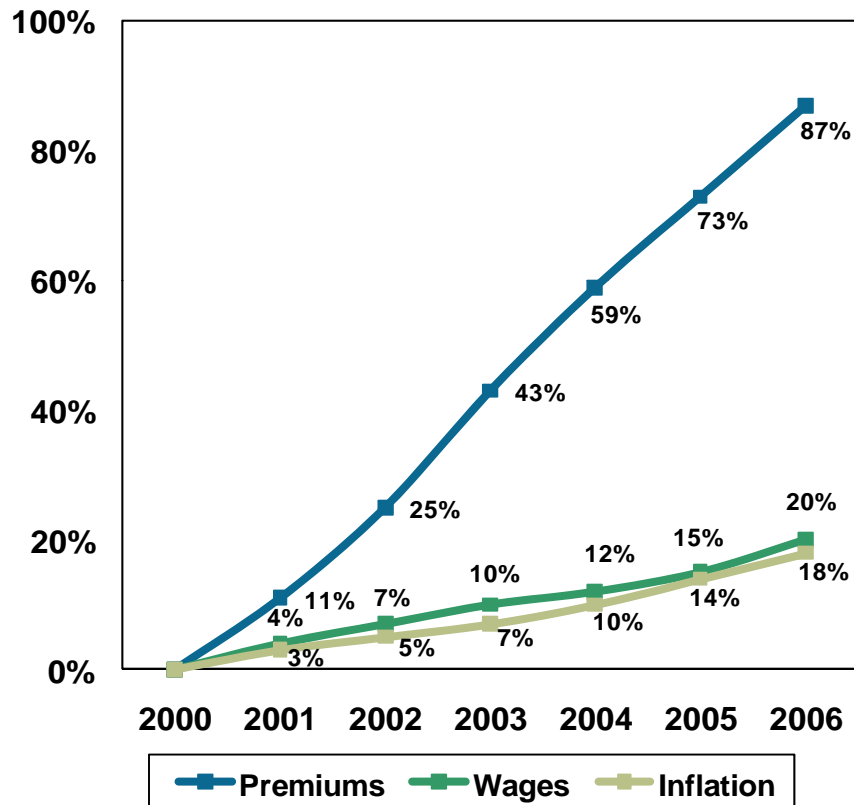


Equity Healthcare Status Update
November 9, 2010

**Vestar HR
Leadership
Conference**

Health Costs: A Major C-Suite Concern

Premiums are Outpacing Wages



Why Costs Increase

- Waste and uneven quality
- Unhealthy lifestyles
- Lack of engaged employees
- Government cost shifting
- Malpractice
- Provider payment systems
- Health reform will increase costs

Solution: Creation of Equity Healthcare

Source: KFF/HRET 2006 Employer Health Benefits Survey, BLS Consumer Price Index.

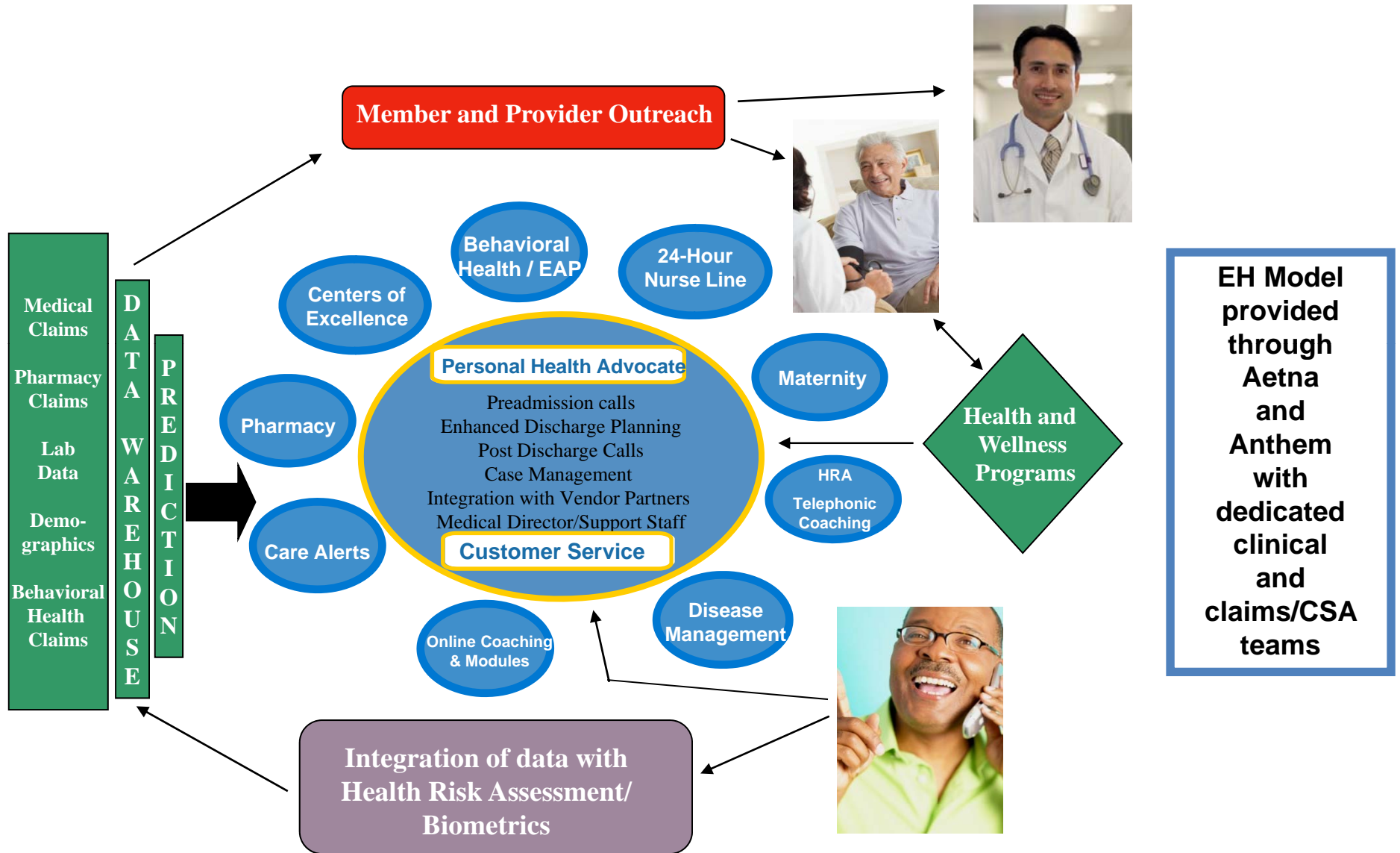
The Equity Healthcare Value Proposition

- A Private Equity Initiative focused on helping portfolio companies manage health care costs
- EH uses volume to get below-market rates AND:
 - Customized clinical model outreaches to at-risk employees
 - ◆ Decreases unnecessary care
 - ◆ Increases employee engagement in lifestyle choices
 - ◆ Separate unit dedicated to EH....clinical team dedicated to each company
 - ◆ Increased staffing ratios with higher and broader skill sets
 - ◆ More robust utilization management process
 - Integrated data base points to company-specific risks and opportunities
 - Offers other turn-key products and services (biometrics and eligibility audit)
- Plug-and-play approach:
 - Portfolio company designs its own benefit plans
 - Continues to use brokers/consultants of its choice
 - Can stay in after divestiture
- EH fees are a not-for-profit model with income returned to portfolio companies

Strategic Focus

- **Growth....**will look for compatible PE firms, other partners
- **Evolution of the core product....**move earlier *and* later in the health-illness spectrum, more focus on wellness and provider choice
- **Expanded EH services....**more use of the integrated data base, more customized recommendations, more proactive best practice sharing
- **Benefit design....**enhance incentive strategies to drive engagement and steerage + benefit design optimization
- **Private sector-driven reform...**drive health plans to innovate in measurement, consumerism, payment reform---help shape marketplace

Equity Healthcare Integrated Clinical Model



Equity Healthcare Reaches Critical Mass

- One of the Largest Private Employer Purchasers
- 6 Participating Private Equity Companies
- 300,000 members and \$1.5B annual spend

34 Portfolio Company Members as of 1/1/2011

TOTAL ENROLLMENT:

EMPLOYEES – 144,362

MEMBERS – 298,212

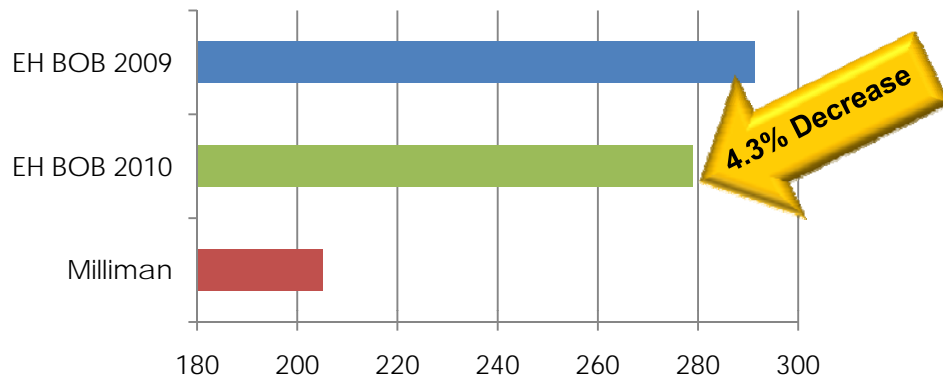
- Welcome New Vestar Member
 - Consolidated Container Company

Equity Healthcare Model Results

- Overall aggregate EH ROI of 13:1 which includes ASO fee reductions and claims savings
- 3-5% decrease in cost trends due to:
 - Higher identification and engagement results than standard models
 - Double digit improvement in population health
 - Improvement in utilization statistics
 - Increased network utilization
 - Significant improvement in population risk scores
- Even better trend results demonstrated for portfolio companies with incentive based programs
- Good operational service statistics
- Outstanding satisfaction results from EH Employer Summits
 - Educational, networking opportunities, solution oriented

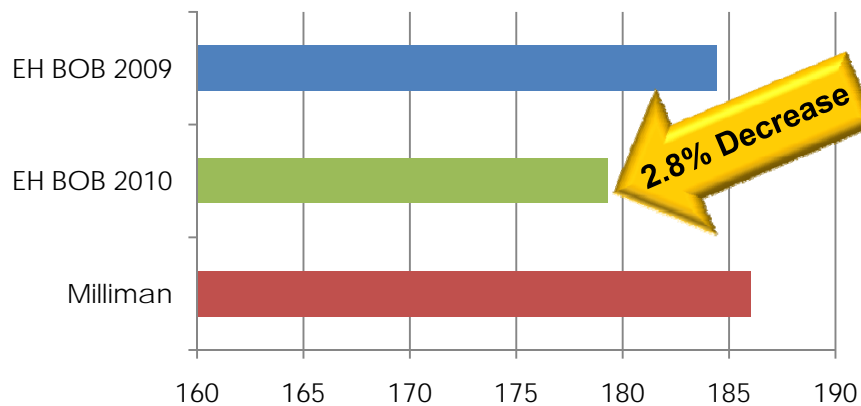
EH Hospital Utilization is Down

Days/1000



**Represents \$8.1M
in Annual Savings**

ER Visits/1000



**Represents \$1.1M
in Annual Savings**

BOB and year over year results reflect employers enrolled in EH in 2009 and 2010.

Current = Incurred 06/09 to 02/10 and Paid 06/09 to 05/10; Prior = Incurred 01/09 to 09/09 and Paid 01/09 to 12/09

What's New with EH

- New CEO (Dr. Robert Galvin)
 - 20 years on employer side (GE): health benefits, CMO, policy
 - Primary Care Physician – still doing clinical care
- Creation of Employer Advisory Group
 - 8 employers representing full diversity of size, industry, and PE Firms
- EH website used for networking and data sharing
- Other products and services
 - Turn-key solutions with preferred pricing and enhanced services
 - Biometric Initiative with Quest Diagnostics (fully integrated into model)
 - Radiology Management with US Imaging
 - Dependent Audits with Continuous Health
 - Stop Loss with SunLife
- Future Initiatives
 - Wellness
 - Decision Support
 - On-site flu shot programs
 - e-second opinion program- (Cleveland Clinic, Harvard)

Portfolio Company Due Diligence Process

- EH contract with vendors expires 12/31/11
 - Currently in a RFP process with national carriers
 - Anticipated finalization mid-February 2011
- EH portfolio company marketing process to begin late February 2011
 - Determine if portfolio company is eligible for EH (i.e., self insured)
 - Provide deeper overview of EH
 - Analyze company's current health benefits and cost performance
 - Present EH evaluation (i.e., fees, services, guarantees, discounts, disruption)
- Portfolio company provides Go/No Go decision
- Sign contracts with EH, insurers, data base vendor
- Implementation begins

Activities Occur in Conjunction with Renewal Schedule