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NEWS RELEASE

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Rocky Mountain Health Plans Announces Unprecedented Medicare Premium Reductions

***Premiums Reduced by \$108-228 per year
Vision Discount Program Added***

(GRAND JUNCTION, Colo.) - Rocky Mountain Health Plans (RMHP) today announced it is lowering monthly premiums statewide by up to 30 percent on its two lowest priced Medicare HMO benefit plans¹.

The move comes in response to the passage of the *Medicare Modernization Act of 2003*, which allows managed care plans to make changes in their plan offerings. RMHP is taking advantage of this new opportunity by making a one-time reduction in premiums and passing the savings on to current and future 2004 Medicare beneficiaries. After a thorough review of its Medicare plans, RMHP determined health care costs were rising less than anticipated for two plans (Standard and Value) and as a result of this unexpected trend, the Colorado-based non-profit is able to make adjustments to its premiums. Members will also have access to a new vision discount program in addition to the plan's already-rich benefit packages.

Effective April 1, 2004, monthly premiums will for the RMHP Standard Plan (an annual savings of \$84 to \$204, depending on the member's service area) and the RMHP Value Plan (an annual savings of \$84 to \$240, depending on the member's service area).

(more)

¹ Pending approval by the Centers for Medicare & Medicaid Services (CMS)

Following, is a full breakdown of premium reductions:

New Monthly Premiums

	<u>PLAN</u>	<u>New Premium</u>	<u>Previous Premium</u>	<u>Savings Per Month/Year</u>	<u>Savings Percentage</u>
<i>Metro Denver:</i>	Standard:	\$25	\$34	\$9/\$108	27%
	Value:	\$74	\$93	\$19/\$228	20%
<i>Front Range:</i>	Standard:	\$39	\$56	\$17/\$204	30%
	Value:	\$79	\$99	\$20/\$240	20%
<i>Western Colorado:</i>	Standard:	\$49	\$56	\$7/\$84	13%
	Value:	\$99	\$106	\$7/\$84	7%

“Today’s announcement reinforces our dedication to Medicare beneficiaries throughout Colorado,” said John Hopkins, President and CEO, RMHP. “As a non-profit and the fastest-growing Medicare HMO in Colorado², we were able to respond to this opportunity and pass savings on to Medicare beneficiaries since we are not bound by corporate mandates to maximize profits on our plans. We are confident that members will continue to look to us for increased value, enhanced benefits, and as an organization that is making health care work. Other insurers have come and gone, but for 30 years we have remained committed exclusively to this state.”

Based on data released by the Centers for Medicare & Medicaid Services (CMS), Rocky Mountain Health Plans’ Medicare HMO enrollment grew by nearly 30 percent in the past year (Denver and Boulder) and more than nine percent statewide, leading all competitors.

Hopkins added, “We recognize that many Medicare beneficiaries are on a fixed income and we are pleased to offer these premium savings. We know that every dollar counts and that they will enthusiastically respond to our premium reductions and plan offerings.” Members will continue to pay Medicare Part B premium to the federal government. Beneficiaries will continue to have unlimited generic drug benefits on all three plans and have the option to access out-of-network benefits through Original Medicare.

New Vision Discount Program

Beginning April 1, 2004 RMHP Medicare members will have access to a new vision discount program. The program, offered by VSP, provides discounts on eye exams and contact lens exams, as well as discounts on full sets of prescription eyeglasses, from VSP Network doctors.

“Quality vision care offered as a supplement to a comprehensive medical benefit plan is key to a person’s overall health and well being,” said Jill Bernard, Senior Managed Care Account Executive, VSP. “VSP is a not-for-profit organization with a commitment to providing access to quality vision care services to as many Coloradans as possible. We are very pleased to be associated with an organization like Rocky Mountain Health Plans who shares this commitment to the people of Colorado.”

For more information, call RMHP Medicare Customer Service at 800-346-4643 for an enrollment application or to speak to a plan representative. Representatives are available Monday through Friday between 8:00 a.m. and 5:00 p.m. (TDD for the hearing impaired 800-704-6370).

About Rocky Mountain Health Plans

Based in Grand Junction, RMHP is celebrating its 30th Anniversary and commitment to Colorado. RMHP is the only HMO to offer statewide coverage, made possible by the organization's extensive physician and hospital network. Today, the company provides health care coverage to approximately 120,000 Coloradans, including more than 18,500 Medicare HMO members.

RMHP offers a full array of products, through commercial group and individual plans as well as Medicare, Medicaid, and Child Health Plan Plus programs. Since 1977, Rocky Mountain Health Plans has offered federally qualified HMO plans through a contract with the Centers for Medicare and Medicaid Services. In the 2003 *Health Matters Quality Report*, produced by the Colorado Business Group on Health, Rocky Mountain Health Plans was the only health plan in Colorado to receive a ***Significantly Higher Than Average*** score for overall quality of health care.

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² Among Colorado Medicare HMO providers July 2002 to July 2003 – Source: CMS