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BLUEGRASS FAMILY HEALTH AND RMS ANNOUNCE DOUBLE DIGIT MEDICAL COST SAVINGS

Lexington, KY and McGaw Park, IL, January 12, 2004 – Bluegrass Family Health (BFH) and RMS announced today the results of a medical cost analysis for BFH members diagnosed with End Stage Renal Disease (ESRD) care managed by RMS.

“Our goal was to continue to provide our members with outstanding clinical outcomes while containing costs,” said Rick Schultz, M.S.N., M.H.A., Director of Population Health Management. “RMS’ expertise in providing comprehensive care for a very ill patient population has been demonstrated during this first year.”

" RMS continues to deliver superior clinical and quality outcomes for Bluegrass Family Health members. These clinical outcomes are a testament to the success disease management programs can have when care for complex chronic illnesses is coordinated effectively, and we look forward to continuing this relationship," said Eugenia Smither, RN, CHP Disease Management and Community Education Coordinator.

A significant contribution to the savings achieved is an 18% reduction in hospital inpatient bed days. “This reduction results from our field-based nursing programs’ focus on comprehensive care coordination and co-morbidity management,” stated Dorothy Hailston, Director of Clinical Services for RMS.

“RMS has clearly demonstrated that effective disease management delivers improved clinical outcomes and patient quality of life, as well as a reduction in medical costs and a healthy return on investment for our client, Bluegrass Family Health,” said Frank Basile, MD, General Manager of RMS.

Approximately 10 million Americans suffer from chronic kidney failure, or reduced kidney function. A subset of that group, more than 300,000, is currently undergoing treatment for ESRD, the complete loss of kidney function, which typically requires four-hour long hemodialysis treatments three times a week. The ESRD patient population is growing by about 7 percent per year. Treatment costs for each patient run between \$50,000 and \$100,000 annually.

Bluegrass Family Health, a non-profit Health Maintenance Organization, has been in operation since 1993, and is a wholly-owned subsidiary of the Baptist Healthcare System. BFH currently has more than 124,000 members. For more information, visit the BFH website at www.bgfh.com. Since 1997, RMS has teamed with nephrologists to create a nationwide renal care delivery system that provides high-quality, cost-effective care for patients with chronic kidney failure and ESRD, while offering predictable costs for health plans. Over the past six years, RMS has become the nation’s leading provider of chronic kidney disease management services. RMS coordinates the care of patients across the nation for commercial health plans and government sponsored plans.

RMS, an NCQA accredited renal disease management program, is an affiliate of DaVita Inc. For more information on RMS, visit the RMS Website at www.rm-dm.com.

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