



Contact:

Richard Angeloni
Corporate Director, Communications
(415) 972-4307
rangeloni@btmg.com

Press Statement

Brown & Toland and Federal Trade Commission Reach Settlement about BTMG's PPO Business Model

SAN FRANCISCO, CALIF. (February 9, 2004) Brown & Toland Medical Group and the Federal Trade Commission (FTC) reached a settlement regarding a complaint the FTC filed in July 2003 concerning the medical group's Preferred Provider Organization (PPO) business model.

This settlement allows Brown & Toland to continue to offer a managed PPO product. As part of this settlement, Brown & Toland agreed to offer its contracted PPO plans the opportunity to terminate, however, termination of existing PPO contracts is not required.

"We are pleased to proceed forward with our PPO program," said Gloria Austin, Brown & Toland's Chief Executive Officer. "We are continuing to enhance our clinical integration programs for the PPO product to benefit our patients and physicians.

"We have focused on enhancing clinical integration of our PPO network by including the ability to audit and report on patient claims data," Austin continued. "Brown & Toland is using this data to improve patient care. We have already launched a case management program for PPO patients. As a result, it is clear that we are well on the way to addressing the issues raised by the complaint. We have put the litigation behind us in order to focus our resources on patient care."

The FTC settlement does not mean there is an admission of wrongdoing. As the FTC noted in its announcement, a consent agreement is for settlement purposes only and does not constitute an admission of law violation.

With the settlement, Brown & Toland Medical Group (BTMG) will continue to operate a PPO program for its network of more than 650 community physicians and their patients.