

Aetna To Acquire ActiveHealth Management

Aetna will purchase leading medical management and health care data analytics company

ActiveHealth to continue operating as branded, standalone business serving broad range of existing and new customers

HARTFORD, Conn., May 13, 2005 — Aetna (NYSE: [AET](#)) today announced that it has entered into an agreement to acquire ActiveHealth Management, a clinically-focused, technology-driven health management and health care data analytics company, headquartered in New York, N.Y. This acquisition presents an opportunity for focused growth for ActiveHealth as a branded, standalone business, benefiting from its association with Aetna, while further strengthening Aetna's strategic focus on innovation, information and integration.

Aetna will acquire privately held ActiveHealth for approximately \$400 million and expects to finance the transaction from available cash. The transaction is subject to customary closing conditions and federal Hart-Scott-Rodino anti-trust regulatory approval. Aetna expects to close the transaction during the second quarter of 2005 and that it will become accretive to earnings within 12 months following the closing.

"ActiveHealth is a strong company with unrivaled expertise in patient safety and medical quality," said John W. Rowe, M.D., Aetna chairman and CEO. "Through the use of its patented Care Engine®, ActiveHealth provides and will continue to provide vital clinical data products and services to a broad range of customers, including health plans, employers, public agencies under state government-funded Medicaid programs, federal government-funded Medicare programs and others.

"Aetna places strong emphasis on medical management, and ActiveHealth's ability to provide practical, timely, clinical decision support to physicians and members can improve patient safety and medical quality and reduce medical costs."

Aetna intends to operate ActiveHealth as a branded, standalone business, led by Lonny Reisman, M.D., together with management and staff. It intends to maintain its high standards of service and innovation in serving its broad range of customers. ActiveHealth will continue to operate in a manner designed to ensure compliance with HIPAA, the health information privacy act. In addition, there will be separation of duties for its management and continuation of the technical measures required to secure data and ensure confidentiality among clients.

Aetna has been a customer of ActiveHealth since 2002, and has private-labeled the CareEngine® powered services it uses under the name MedQuerySM. Other health plans also have placed the services they purchase from ActiveHealth under private labels.

"This acquisition positions Aetna to enhance the scope of our medical cost, quality and patient safety capabilities, while increasing our ability to serve new market segments," said Ronald A. Williams, Aetna president. "Evidence-based medical management is critical for the entire health care industry. We intend to profitably grow ActiveHealth, with its unique service model, as a stand-alone medical management business that provides world-class services to a full line of customers."

"We believe this new relationship sets the stage for ActiveHealth to continue to lead in developing new solutions and technologies focused on evidence-based medicine and innovative applications of technology, while benefiting from the leadership and resources of one of the nation's leading health care companies," said Lonny Reisman, M.D., CEO of ActiveHealth. "For all our valued customers, it's business as usual. We will continue to maintain our strong emphasis on protecting patient and customer data. All of us at ActiveHealth are committed to continuing our focus on delivering valuable and innovative services powered by the CareEngine® System. "

Founded in 1998, ActiveHealth Management provides clinical decision support to physicians and members on an individualized basis and health care data analytics tools that enable customers to analyze the health

care of their entire covered membership. These products and services, powered by the patented CareEngine® System, are designed to improve clinical care and outcomes and reduce medical costs. ActiveHealth, a privately held company backed primarily by venture capital funds Psilos Group, Constellation Ventures, a Bear Stearns asset management fund, and certain Merrill Lynch affiliates, has approximately 300 employees, with offices in New York, Chicago, Cleveland and Chantilly, Va. ActiveHealth's standalone products include CareEngine Clinical Decision Support and Informed Care Management - a technology-based complete disease management solution, and the company's data analytic arm HDMS—Health Data Management Solutions. ActiveHealth also offers a suite of other products and services: Custom Formulary, Health Management Tool, Clinical Performance Measures, Health Advocacy, Patient Decision Support, Utilization Management and Case Management services. Designed to help physicians improve care while reducing medical costs, the CareEngine® System is the ActiveHealth patented state-of-the-art technology platform that works by creating a virtual medical record from health plan claims data, drug claims data and lab test results. The system continually compares this patient data to the latest evidence-based medicine and standards of care, to identify treatment opportunities for those most at risk. These opportunities or suggestions - called Care Considerations - are then communicated to the treating physician and/or patient with the goal of improving the patient's health.

As one of the nation's leading providers of health care, dental, pharmacy, group life, disability and long-term care benefits, Aetna puts information and helpful resources to work for its approximately 14.4 million medical members, 12.8 million dental members, 9.0 million pharmacy members and 14.0 million group insurance members to help them make better informed decisions about their health care and protect their finances against health-related risks. Aetna provides easy access to cost-effective health care through a nationwide network of more than 672,000 health care professionals, including approximately 400,000 primary care and specialist doctors and 4,084 hospitals. For more information, please visit www.Aetna.com. (Figures as of March 31, 2005)

ADDITIONAL INFORMATION; CAUTIONARY STATEMENT -- Certain information in this press release is forward looking, including, but not limited to, the projected earnings accretion and other future growth and benefits projected to be realized from this transaction and the expected timing of the closing. Forward-looking information is based on management's estimates, assumptions and projections, and is subject to significant uncertainties and other factors, many of which are beyond Aetna's and ActiveHealth's control. Important risk factors could cause actual future results and other future events to differ materially from those currently estimated by management. Those risk factors include, but are not limited to: the ability to successfully develop and integrate the business operations described herein in a timely and cost-efficient manner (including obtaining the required regulatory approvals on a timely basis to close the transaction and operate the business); the ability to realize projected revenue and cost and expense synergies; the ability to retain current membership of ActiveHealth and grow its membership in the future; retention of key personnel of ActiveHealth; changes in the status of information technology and intellectual property of Enzyme, including the patent on its CareEngine product, or of the industry; failure of medical management companies, including Enzyme, to improve health care outcomes; and adverse government regulation or review.