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Commercial Insurance Market Embraces Unique and Innovative Medica Products

Medica Commercial Division Achieves Record Enrollment

MINNETONKA, Minn – New products and programs introduced by Medica for a Jan. 1, 2011 effective date already are proving popular with Medica's commercial business.

Medica's innovative new program, My Health RewardsSM, experienced an enrollment of 22,000 members in its first month of availability. The program, unique and proprietary to Medica, rewards members with gift cards, lower premium contributions, richer benefits and most importantly, improvements in their health and well-being. To earn the rewards, Medica members complete a Personal Health Profile (Medica's health assessment), complete health and wellness activities including biometric screenings and ensure they are up-to-date on preventive services.

Programs like My Health Rewards are effective in managing health care cost. According to a November 2010 report by Buck Consultants, of the employers who measured the effect of wellness programs on their health care cost trend rate, 61 percent saw a 2 to 5 percent decrease in those costs. Meanwhile, Medica's own data, based on early analysis of My Health Rewards, demonstrates that members enrolled in the program are three times more likely to complete a Personal Health Profile and four times more likely to participate in other health and wellness activities.

"In order for an employer sponsored wellness program to have impact it needs to activate the targeted population," said benefits consultant Barry Fitzpatrick, vice president, human capital practice at the Willis Group. "To create a sustainable impact the program must tap into the intrinsic motivators that drive individual behaviors. Willis has been successful in accomplishing this type of activation using programs like My Health Rewards. In our experience employers can initiate change by starting with turnkey solutions."

Another 15,000 new members enrolled in Medica's new consumer directed healthcare product, Medica Consumer Directed SolutionSM. The product features an exclusive partnership with OptumHealth that integrates consumer-directed health plans with health savings accounts, healthcare reimbursement accounts, and flexible savings accounts and also offers retiree solutions and COBRA administration.

"Employers and their employees are finding Medica's products attractive because they engage members in managing their health and have a demonstrated return on investment," said Scott Reid, Medica vice president of product strategy and development. "Our newest products -- My Health Rewards and the Medica Consumer Directed Solution -- feature unique and innovative health plan offerings not available before in this market."

Medica's commercial division experienced a 21,100 membership increase on January 1. Membership in that segment of Medica's business now stands at 1,356,564, the largest commercial enrollment in the health plan's history.

About Medica

Medica is a health services company headquartered in Minneapolis and active in the Upper Midwest. With approximately 1.67 million members, the non-profit company provides health care coverage in the employer, individual, Medicaid, Medicare and Medicare Part D markets in Minnesota and a growing

number of counties in North Dakota, South Dakota and Wisconsin. Medica also offers national network coverage to employers who also have employees outside the Medica regional network.

Medica has the highest accreditation status, Excellent, from the National Committee for Quality Assurance (NCQA®) for its Minnesota Medicaid HMO plans and commercial health plans in Minnesota and North Dakota. Medica's vision is to become the community's health plan of choice, trusted for its integrity, respected for its service, and admired for its commitment to innovation and efficiency.

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