

# UNITEDHEALTH GROUP CALIFORNIA HEALTH CARE INVESTMENT PROGRAM

An Investment Program Specifically Designed to Increase Access to Capital  
by Qualified California Health Care Entities Serving Underserved,  
Low-Income and Underinsured Communities and Populations within California

## PROGRAM INFORMATION OVERVIEW

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*This Program Information Overview is intended to provide summary information as of June 9, 2008, and does not necessarily include all information relating to the California Health Care Investment Program. UnitedHealth Group will evaluate each investment on a case by case basis and may or may not make an investment in a qualified healthcare entity based on a number of factors not necessarily described in this overview document.*

# UNITEDHEALTH GROUP CALIFORNIA HEALTH CARE INVESTMENT PROGRAM

## BACKGROUND

The California Health Care Investment Program was formed as the result of the acquisition of PacifiCare Health Systems (PacifiCare) and its affiliated companies by UnitedHealth Group, Incorporated (UnitedHealth). The purpose of the Program is to provide access to capital through a dedicated investment portfolio for health care entities providing services to currently underserved, low-income and underinsured communities and or populations throughout California.

UnitedHealth has formed the California Health Care Investment Program in consultation with the Department of Managed Health Care and the California Department of Insurance and employs a collaborative effort of industry, state and investment professionals as well as representatives of associations and California health care entities.

This Investment Program is funded by PacifiCare of California (a UnitedHealth subsidiary) representing a portion of their general account investment portfolio in the state of California and is separate and apart from any Charitable or Grant Commitments or Programs. Program investments will be subject to the sound and prudent investment policy of UnitedHealth as well as the financial standards required by the California Department of Insurance, the California Department of Managed Health Care and the National Association of Insurance Commissioners.

### INVESTMENT COMMITMENT

#### **The Program Expects to invest \$200 Million by December 2010**

Additional Investments will be made over the 20 Year Life of the Program after the date of Full Investment  
Investments will be made up to \$20 Million per Healthcare Entity

#### **Investments will be made in Qualified California Healthcare Entities**

Serving Primarily Rural, Underserved, Low-Income and Underinsured Communities and Populations

#### **Diversified Mix of Investments**

Geographical Representation - Mix of Healthcare Entities - Uses of Funds

#### **Consistent with UnitedHealth's Investment Policies and Guidelines**

All Investments subject to Credit Review and Evaluation  
Investments that do not negatively affect UnitedHealth's Capital Requirements

## HEALTHCARE ENTITY - PROGRAM QUALIFICATION

Before investment consideration, healthcare entities must qualify for the Program as determined by UnitedHealth as serving Rural, Underserved, Low-Income or Underinsured communities or populations. Qualification (using Federal and/or State Government definitions) will be based on Designations, Service Area, Populations Served or Other Considerations. Other factors will also be taken into consideration for determining whether a Healthcare Entity qualifies within the context and spirit of the Investment Commitment and will be reviewed on a case by case basis. Program qualification does not insure an investment will be made. Examples of qualification considerations include:

- **Designations** – Disproportionate Share Hospital, Safety Net Hospital or Safety Net Clinic, Private Essential Access Hospital, Critical Access Hospital, Public Hospital, 1204a Clinic
- **Service Area** – Medically Underserved Area or Population, Health Professional Shortage Area, Rural, Frontier
- **Populations Served** – Low-Income and/or Uninsured. Income level at or below 200% of the Federal Poverty Level equal to, or greater than, the average for the State. Uninsured populations with high Medi-Cal and/or Medicare patients.
- **Other Considerations** – Based on Rational Areas for delivery of services that may not conform to geographical boundaries. Communities and Populations served that do not easily fit the criteria above but meet the spirit of the Investment Commitment.

# UNITEDHEALTH GROUP

## CALIFORNIA HEALTH CARE INVESTMENT PROGRAM

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### USES OF FUNDS

Proceeds from investments may be used for a broad range of uses including but not limited to: Expansion of Facilities or Services, Physical and Technology Infrastructure, Refunding, Etc.

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| <ul style="list-style-type: none"><li>▪ Expansion and upgrade of Physical and Technology Infrastructure</li><li>▪ Improvement of Electronic Healthcare Technology including the use, application and exchange of Healthcare Records</li><li>▪ Expansion of Services &amp; Equipment Purchases</li></ul> | <ul style="list-style-type: none"><li>▪ Costs of Construction, Acquisition, Renovation, Enlargement, Enhancement, Renewal or Modernization of Healthcare Facilities</li><li>▪ Support for the Coordinated Care Model</li><li>▪ Refunding of Higher Cost Debt Obligations</li><li>▪ Other Uses that Improve Access to Healthcare</li></ul> |
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### TYPES OF INVESTMENTS

**New Issue Tax-Exempt and Taxable Bond Issues**  
Including Public Offering Securities and Private Placements

**Other Investment Options**  
New Market Tax Credits, Structured Securities, Pool Programs

**Investment Alternatives that Meet the Spirit of the Investment Commitment**  
Consideration of Investment Alternatives that meet Investment Policy Guidelines and do not place additional Capital Requirements on UnitedHealth.

### PROGRAM BENEFITS

The California Health Care Investment Program is designed to provide meaningful social and economic benefits to Rural, Underserved, Low-Income and Underinsured Communities and Populations by making capital more accessible to Healthcare Entities serving this segment of the California Healthcare Market.

Program Benefits will vary by Healthcare Entity based on individual needs, requirements, uses of funds and support in obtaining capital. The Program's Investment Advisor, McDonnell Investment Management LLC, will work with the Healthcare Entity's financial advisor or investment banker to review investment opportunities and at times help in the structuring of investments for qualification and consideration for the Program. If the Healthcare Entity does not have a financial advisor the Program will make recommendations.

Examples of Program Benefits:

- **A More Cost Effective Financing Option** - than would normally be available in the marketplace
- **A Lower Cost of Funds** - than would be available in the Marketplace without Program Involvement
- **Flexibility in design of Maturity and Term Structures** - with 100% Loan to Value Financing.
- **Access to Institutional Investment Pricing, Research and Support** - including the addition of credit enhancement and or insurance as desired or needed

For Information Regarding Program qualification please contact  
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Financial Advisors and Investment Bankers please contact  
McDonnell Investment Management - Richard Ciccarone, Chief Research Officer at [CiccaroneR@McdMgmt.com](mailto:CiccaroneR@McdMgmt.com)

# UNITEDHEALTH GROUP CALIFORNIA HEALTH CARE INVESTMENT PROGRAM

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