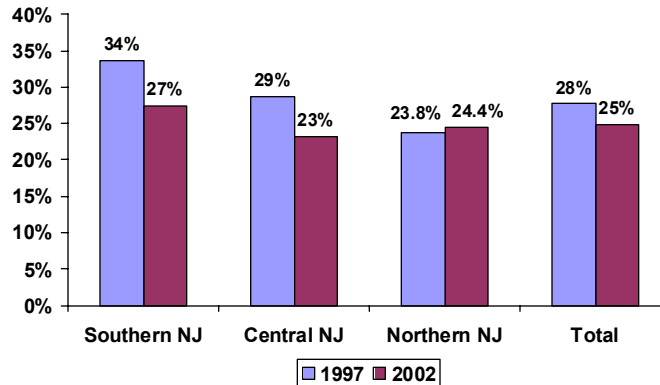


## INDUSTRY TRENDS

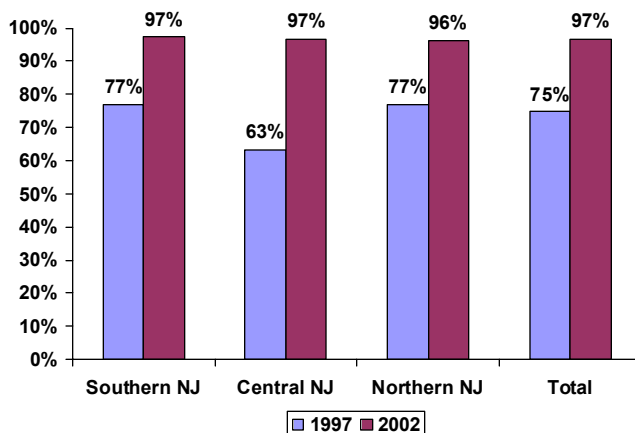
### New Jersey Managed Care Market

Total HMO Penetration 1997 - 2002

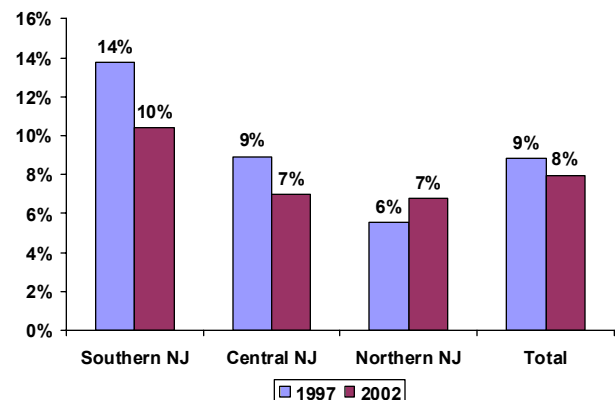


- Consistent with national trends, HMO penetration in much of New Jersey has declined in the last five years
- New Jersey's overall managed care penetration has always been well below the national average
- In Northern NJ, however, penetration has not yet begun to decline, suggesting that 25% is the leveling off point

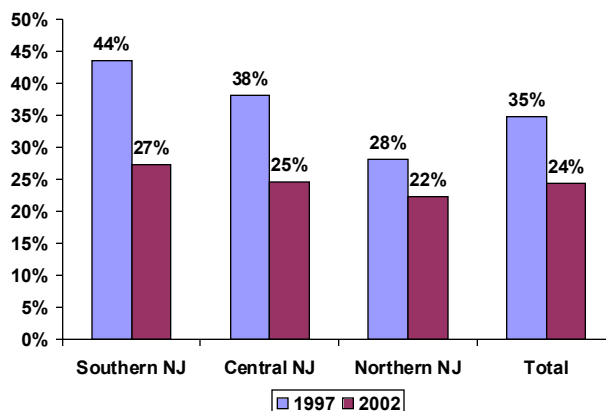
Medicaid HMO Penetration 1997 – 2002



Medicare HMO Penetration 1997 – 2002



### Commercial HMO Penetration 1997 - 2002



- Medicaid HMO penetration increased dramatically due to the mandated program
- However, due to wavering support by many payors, Medicare HMO penetration has declined in most of New Jersey, with the exception of Northern New Jersey
- Commercial penetration is down in all parts of the state

### New Jersey Commercial HMO Market Share 1997 - 2002

	South Jersey		Central Jersey		North Jersey	
	1997	2002	1997	2002	1997	2002
Aetna/USHC	55%	44%	37%	34%	29%	27%
Horizon (HMO Blue)	10%	12%	10%	12%	10%	12%
Amerihealth	10%	26%	1%	6%	0%	2%
HealthNet	7%	12%	12%	24%	9%	27%
Cigna	2%	2%	5%	7%	6%	8%
HIP	7%	-	16%	-	7%	-
Oxford	1%	2%	9%	11%	19%	15%
Prudential	5%	-	4%	-	7%	-
Other	3%	1%	6%	7%	13%	9%
Total	100%	100%	100%	100%	100%	100%

- The players have changed over time
- Horizon, with only 12% of the Commercial market in all areas, has 62% of the Medicare HMO market and 42% of the Medicaid market statewide
- In all three markets, Aetna has lost market share between 1997 and 2002 while HealthNet, Amerihealth and, to a lesser degree, Horizon have grown significantly
- Southern New Jersey has fewer players due to failures and market consolidation

Sources: New Jersey Department of Health and Senior Services, U.S. Census, CMS & DGA Partners Analysis

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