

**Meriter Health Services/Meriter Hospital
Facsimile Cover Sheet**

To: Steve Junior
Hearing Examiner
FAX: 266-9935

From: Terri Potter
Meriter Health Services
Phone #608/267-6210
FAX #608/267-6357

Date: December 10, 2004

Message:

Mr. Junior,

I am faxing a letter of support for the filing by University Health Care, Inc. to reacquire the Unity Health Plan.

Terri Potter
President
Meriter Health Services

Number of pages transmitted including this page: 3

Additional Message:

Please contact us (608)267-6210 to report problems with this transmittal.

December 10, 2004

Hearing Examiner
c/o Steve Junior
Senior Insurance Examiner
Bureau of Financial Analysis & Examinations
P.O. Box 7873
Madison, WI 53707-7873

Re: OCI Case # 04-C29300

Dear Mr. Junior:

I am writing in support of the filing by University Health Care, Inc. to reacquire the Unity Health Plan.

I have seen the positive impact of provider-owned HMO's in the southern Wisconsin marketplace and believe the employer purchasers and enrollees of the Unity Health Plan will be best served through this reacquisition. Key factors in my position include the following points:

1. Healthcare is a local service.

Consumers receive their health care services from local providers (e.g. physicians, hospitals, home health agencies, nursing homes, optometrists, etc.). Consumers ultimately choose a health plan that supports their personal choice of providers that deliver the standard of care congruent with their personal and family needs.

2. Provider-owned health plans deliver greater value for each premium dollar invested.

The percent of health care services delivered to enrollees is far greater with provider-owned HMO's over time than publicly traded health plans. Administrative costs are typically lower and the profit margin is lower. The consumer receives a much higher return on their investment in premium in medical services.

3. Locally owned, provider-owned health plans support greater clinical performance by providers.

Locally owned, provider-owned health plans focus considerable resources on supporting clinical improvement initiatives designed to improve the health of their enrollees and their community. These clinical improvement initiatives are customized to the needs of local enrollees. For example, case management and disease management programs are designed to meet the needs of local enrollees. Provider owners are rewarded for system thinking that leads to clinical improvements at the individual as well as the community level. The referral and prior authorization processes are usually more streamlined and customer friendly. This is in contrast to the episodic approach fostered by the larger and usually publicly traded health plans.

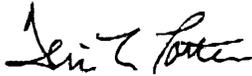
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Steve Junior
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The southern Wisconsin community has benefited greatly from the presence of provider-owned health plans including Dean Health Plan, Group Health Cooperative and Physicians Plus Insurance Corporation. While Unity has been operated by Blue Cross of Wisconsin in recent years, UHC has been fully engaged in the governance of the plan to offer provider guidance in its operations.

The UW Health family has good working relationships with local providers and area businesses to improve the quality of life in our community. Meriter is a partner with UW Health in several forums – joint ownership of Wisconsin Dialysis, Madison United Hospital Laundry, and the Physicians Plus Surgery Center. We have collaborative relationships with UW Health through the Madison Patient Safety Collaborative, the Wisconsin Collaborative for Healthcare Quality, the Biomedical Collaborative, and the Dane County Health Council. These collaboratives create additional mechanisms for UW Health to foster relationships to enhance success in operating a health plan in this marketplace.

In summary, I believe that the southern Wisconsin community will benefit from the UHC reacquisition of the Unity Health Plan. UHC has the capacity and relationships to operate a successful health plan for the benefit of its enrollees.

Sincerely,



Terri L. Potter
President