



NEWS

For Immediate Release

Elder Health Assumes Responsibility for AmeriChoice Medicare Plan

Philadelphia, PA, August 1, 2005 - Elder Health Pennsylvania HMO, Inc. (Elder Health) announced today that it has assumed the Medicare Advantage book of business of AmeriChoice of Pennsylvania, Inc. (AmeriChoice) under an agreement approved by the Centers for Medicare and Medicaid Services (CMS) effective August 1, 2005.

With the addition of the AmeriChoice membership, Elder Health will serve over 13,000 Medicare beneficiaries, becoming one of the larger Medicare Advantage plans in Pennsylvania. Based in Philadelphia, Elder Health has been a Medicare Advantage plan since 2002 and currently serves over 7,100 Medicare beneficiaries throughout Pennsylvania. Elder Health's service area includes Philadelphia, Bucks, Delaware and Montgomery Counties. It recently expanded into Allegheny County in Western Pennsylvania.

"We are excited about having the opportunity to expand our benefits to a much larger group of seniors," says Jason Feuerman, President of Elder Health. "We are very committed to our Medicare growth strategy. We believe our support and enthusiasm for this agreement speaks to our commitment to being a leading provider of Medicare plans throughout the Commonwealth. The added membership will better position Elder Health as a market leader in the Medicare Advantage program going into 2006."

Elder Health is one of the fastest growing Medicare Advantage plans in Pennsylvania. Their focus has been serving the frail, urban-based elderly by providing an enhanced level of primary and preventive healthcare to a typically underserved population. Elder Health offers additional benefits beyond those of traditional Medicare.

About Elder Health:

Elder Health Pennsylvania, a health plan with a Medicare contract, is a subsidiary of Elder Health, Inc., a ten-year old Baltimore-based company focused on innovation and service for Medicare beneficiaries. Elder Health's subsidiary plans emphasize preventive services, wellness, and added benefits at reduced cost to promote member health.

###

For additional information contact:

Jason Feuerman
215.606.6365
Jason.feuerman@elderhealth.com

Richmond Simpson
502.261.9100, ext. 211
richmond.simpson@vimarc.com