

*Our
Defining
Year*

2006 ANNUAL REPORT



HEALTH CHOICE NETWORK

A Letter from the Chairman of the Board and the President and CEO

Friend of Health Choice Network:

In the life of all organizations, there inevitably comes times of great change. Whether these periods are called turning points, paradigm shifts, milestones or new horizons, they provide equal amounts of opportunity and challenge.

For us at Health Choice Network, we are in the midst of just such a period. We are calling 2006 "Our Defining Year." In this annual report we will discuss the path that has brought us to this threshold, our current programs and achievements, and the new directions in which we will be heading.

Less than two years ago, we celebrated our 10th Anniversary of service to community health centers, and since that time a number of events and milestones have brought tremendous change to Health Choice Network.



- In September of last year, we realized one of our long-standing dreams by moving Health Choice Network into our own custom-designed, state-of-the-art facility.
- In December of last year, we lost our founder and long-time leader Betsey K. Cooke. Her vision and inspiration continue to guide us as we move forward in "Our Defining Year."
- Early this year we began negotiations with a partner organization to provide prepaid mental health services to more than 70,000 patients in Miami-Dade County.
- This year we were named a lead partner in School Health Connect, a new project bringing much needed health care to public school students at 64 sites in Miami-Dade County.
- This year we are moving forward with plans to form a Provider Service Network to assist the State of Florida as it begins Medicaid reform.

Change is definitely in the air. We invite you to read our 2006 Annual Report and learn how Health Choice Network will continue to fulfill our mission to the communities we serve and how we will meet the challenges and opportunities we face during "Our Defining Year."

Sincerely:



Col. Brodes Hartley, Jr.
*Chairman of the
Board of Directors*



Kevin Kearns
*President and
Chief Executive Officer*

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Our Defining Year

A Proud Legacy of Service to Community Health



In 1994, a group of community health centers discovered that by linking together and creating a network they could receive the advantages and expertise of a large health system while remaining independent. This unique and powerful alliance, now held up as a national model for others to follow, is called Health Choice Network.

The founding members of the Network recognized the common bonds all community health centers share. They invested in each other and learned from each other. And by unifying certain aspects of community health centers - such as information technology and financial services - each Network member receives the highest level of professionalism and expertise while remaining an independently operated and controlled community health center. Betsey K. Cooke, formerly the director of the Primary Health Care Consortium, was named the Network's CEO.

The founding centers from Miami-Dade County - Economic Opportunity Family Health Center, Community Health of South Dade, Helen B. Bentley Family Health Center and Camillus Health Center - were soon joined by Ft. Myers-based Family Health Centers of Southwest Florida. The new member from across the Everglades contributed their automated business systems as well as their technology talents.

The area of managed care remained a focus for all Network members. Although the Network was not yet large enough to become a full-fledged HMO, a management services organization called Atlantic Care was formed in 1997 to allow the Network to take risks and share rewards.

Taking advantage of members' partnerships with faith-based institutions, the Network created *Healthy Body, Healthy Soul* in 1998 to further develop community outreach, health education and disease prevention programs. In 1999, one of the Network's founding leaders, Jessie Trice, was diagnosed with terminal cancer. Before her death, she enlisted the help of U.S. Congresswoman Carrie Meek and U.S. Senator Connie Mack to help establish a program that would go beyond primary and secondary care into clinical trials, screening and research. The Jessie Trice Cancer Prevention Project was born.

By the dawn of the new century, Health Choice Network was receiving national recognition for its innovations and successes. Across the country in New Mexico, a group of community health centers wanted to take advantage of HCN's expertise. Closer to home, the Broward Community and Family Health Center joined the Network. By 2002, the Network welcomed Citrus Health Network, a Miami-Dade mental health network, as well as, Miami Beach Community Health Center. Following the model of New Mexico, a group of centers from Utah also joined HCN.

During these years, Health Choice Network was also gaining corporate partners and winning major grants. A new patron category of membership was created and it included hospitals, research centers, managed care companies and health care companies. In 2003, HCN received a \$4 million federal grant to implement electronic health records in all its Florida centers.

Throughout its first decade of growth and success, the Network has remained bound to its goals of improving access to quality health care for all and reducing disparities in minority and underserved communities. The reach of Health Choice Network has spanned languages, cultures, races and geography to link a vast array of health care communities into one powerful force.

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Programs & Services

Community health centers that own and control the Network operate more efficiently, can deliver care more effectively and are working together to care for more patients. The shared functions integrated through the Network include:

Central accounting services, payroll, human resources, practice management, central billing, CFO functions

System maintenance, training and support, software, hardware, CIO functions

Electronically document, communicate and track patient medical information

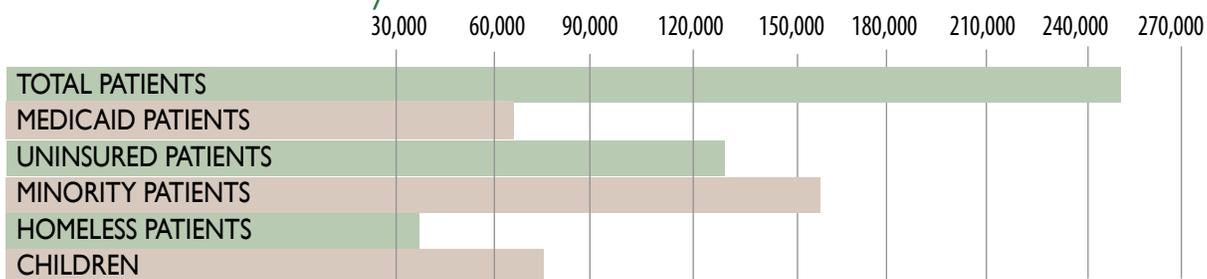
Faith-based health promotion, disease prevention and outreach program

Improve patient care through common service agreements, automated pharmacy and risk management

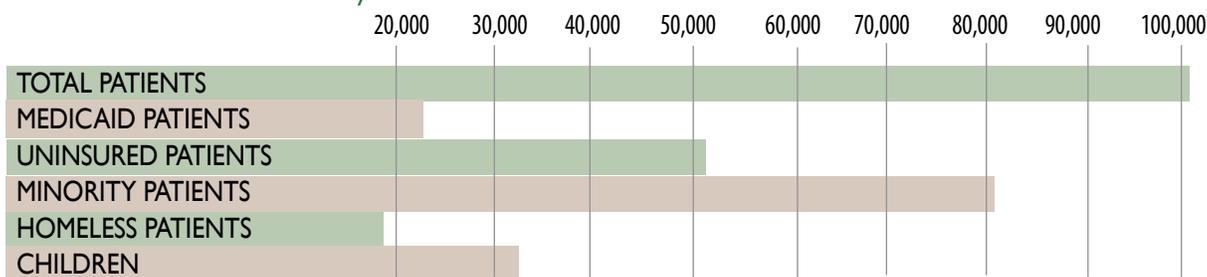
Manages risk contracts with HMO's on behalf of member centers

Innovative community-based programs for the prevention and treatment of diseases

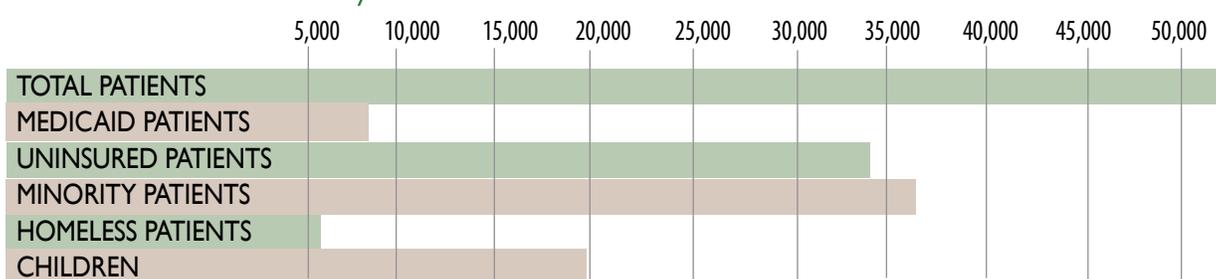
Patients served by Florida member centers in 2005



Patients served by New Mexico member centers in 2005



Patients served by Utah member centers in 2005



Health services provided by member centers in 2006

- Family practice
- Pediatrics
- Obstetrics & gynecology
- Pharmacy
- Dental
- Radiology
- Podiatry
- Vision services
- Behavioral health
- Health screening & prevention
- Substance abuse treatment
- Community & patient outreach
- Patient education
- School-based centers
- Disease management
- Extended hours of service
- Care for special populations
 - Migrants & seasonal farmworkers
 - Homeless
 - HIV/AIDS
- Faith-based partnerships
- Healthy Start
- Case management
- Other specialized services

Our Defining Year

Recent Program Highlights

Electronic Health and Oral Health Records

Health Choice Network has continued to bolster its national reputation for implementing electronic health record systems. By adopting newly evolved technologies, HCN members are providing their patients with faster service, reduced errors and safer transmission of information to labs, pharmacies, hospitals and medical specialists. Members are also benefiting from better monitoring, managing and tracking of diseases and lab results.

Healthy Body, Healthy Soul

This faith-based health promotion and disease prevention program aims to improve health outcomes in Black and Hispanic communities by reaching them through their community churches and outreach educational and screening activities. Its Pediatric Asthma Project screened 1,394 children last year and enrolled another 123 additional children in the program.

Senior Immunization Program

More than 3,000 low income seniors received much-needed influenza vaccinations at no cost in this successful program coordinated by Health Choice Network in partnership with the Health Foundation of South Florida.

Jessie Trice Cancer Prevention Project - 2005



Betsey Cooke Honored For A Life of Service to Community Health



Although we lost our founder and long-time leader at the end of 2005, she continues to be honored and remembered in many ways.

At the **Fifth Annual Jessie Trice Cancer Prevention Benefit**, hundreds showed their love for Betsey as she received the Connie and Priscilla Mack Cancer Advocacy Award presented by Former U.S. Congresswoman Carrie Meek. The event raises

awareness and much needed funds for projects that prevent and treat cancer within minority and uninsured

communities. The **Sixth Annual Jessie Trice Cancer Prevention Benefit will be held in October 2006.**

Community health leaders from across the nation joined with Betsey's family and friends for a moving and uplifting memorial service at her passing last December.



Earlier this year, the National Association of Community Health Centers in Washington, D.C. permanently named its Grass Roots MVP award in honor of Betsey. The first recipient of the national award was presented posthumously to Betsey. Accepting the award was HCN Vice Chair Lalai Hamric.

CareNet Discount Medical Plan Launched

In the summer of 2005, Health Choice Network and five of its member centers launched CareNet, a new medical card discount plan aimed at the more than 500,000 uninsured in Miami-Dade County.

CareNet provides deeply discounted medical services at 16 health center sites throughout Miami-Dade. The plan is designed for anyone who cannot afford health insurance because of income, health status, age or residency. CareNet members include small businesses, hourly wage-earners, students, service employees, the self-employed and families.



Membership is \$25 per month.

Once enrolled, members are charged a flat fee for primary doctor and dentist visits (\$25), laboratory tests (\$5) and some prescription drugs (starting at \$10). Other services will be available at discounts of up to 60 percent.

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New Directions for Our Defining Year Leads

With new partners, new programs and new opportunities, Health Information Technology Leading the Way

In his 2004 State of the Union Address to Congress, President Bush called for the majority of Americans to have an electronic health record within the next 10 years. Health Choice Network has risen to this challenge. More than 75 percent of our member center patients in Florida now have an electronic health record and we are quickly expanding this success to our partners in Utah and New Mexico.

Our providers are taking advantage of the electronic records to order lab tests and receive e-sign lab results. They can order prescriptions from the patients' preferred pharmacy with just a few computer clicks, and can instantly verify possible interactions with other medications or allergies. They are electronically documenting key health factors, findings and health plans. They are reviewing education materials with patients so they can better manage their health conditions. All this information is conveniently available from a notebook computer while spending quality time with the patient. Similarly, our dental providers are utilizing electronic dental records to store exam information and to develop treatment plans.

The ability to access electronic health data has

enabled our centers to more effectively manage the care of the population they serve. With the direction of our Clinical Committee, our centers can now track the health status of patients and use the data to improve health outcomes.

Health Choice Network is actively involved in State and National Health Information Technology (HIT) initiatives. We are active participants in the South Florida Health Information Initiative (SFHII) that will soon facilitate the secure exchange of health information between providers.

HCN is also at the forefront in the development of a Personal Health Record that will assist patients in managing their day to day care, providing a transportable health record as they change providers and assisting with health needs during disasters.

Health Information Technology is clearly a critical component to the future of our healthcare delivery system and our ability to improve outcomes. Through the commitment of HCN and our member centers, we are ensuring that our patients will experience the benefits of HIT advances that lead to healthier outcomes in our most vulnerable communities.



Health Connect in Our Schools



Beginning in the 2006-07 school year, Health Choice Network and five of its member health centers will provide

much-needed health care to nearly 70,000 students in the Miami-Dade public schools.

The new program, called Health Connect in Our Schools, is funded by the Children's Trust and will bring health care to 64 public schools, including elementary, middle and high schools. HCN will

coordinate several teams of health professionals that will rotate among the schools. The member centers providing care will be **Community Health of South Dade, Citrus Health Network, Helen B. Bentley Family Health Center, Children's Psychiatric Centers and Economic Opportunity Family Health Center.**

HCN member centers have a long and distinguished history of providing quality health care in public schools. Additional benefits HCN offers to the schools include the Electronic Health and Oral Health Records system, centralized information technology system, centralized billing and additional technical assistance.

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2006 and Beyond to New Destinations

Choice Network will be traveling new paths in the years ahead.



HCN Assists Medicaid With Prepaid Mental Health Care

With a distinguished track-record of providing quality health care to underserved communities, Health Choice Network and its affiliated community-based members are uniquely qualified to assist Florida in its efforts to reform our Medicaid system.

Our federally-qualified member centers are the established medical home for patients and their families, providing a long-term continuity of care. Combining this tradition of care with the Network's fiscal and information technology expertise creates an impressive partner for the State's Medicaid reform efforts.

Health Choice Network is currently partnering with Magellan Health Services to provide State of Florida Medicaid Prepaid Behavioral Health Services to more than 70,000 patients in Miami-Dade County. This exciting new contract makes Health Choice Network's member centers responsible for the management of outpatient mental health services for more than 70,000 patients. The contract was approved by the Agency for Health Care Administration and brings us together with a highly respected partner organization.

In addition, we will also be adding



new staff to service this endeavor. Within a year, we expect to renovate our building's additional unfinished office space to our growing needs for more space.



HCN Planning Provider Service Network

Since HCN anticipates additional opportunities similar to this exciting new project, the Network is moving forward with plans to form a Provider Service Network.

This process includes discussions with several potential partners, including managed care organizations and information technology companies. The executive staff and member centers have provided support, expertise and leadership in making this important decision.

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Serving 25 member health centers operating 165 sites in three states

FLORIDA

Broward Community and Family Health Centers
Rosalyn Frazier, President and CEO

Camillus Health Concern
Alina Perez-Stable, Executive Director

Children's Psychiatric Centers
Robert Nolan, Ph.D., President and CEO

Citrus Health Network
Mario Jardon, CEO

Community Health Centers of Pinellas
Pat Mabe, CEO

Community Health of South Dade
Col. Brodes H. Hartley Jr., President and CEO

Economic Opportunity Family Health Center
Annie Neasman, President and CEO

Family Health Centers of Southwest Florida
Lalai S. Hamric, President and CEO

Family Medical and Dental Centers
Dwayne Yates, President and CEO

Health Care Center for the Homeless
Bakari Burns, CEO

Helen B. Bentley Family Health Center
Caleb A. Davis, President and CEO

Miami Beach Community Health Center
Kathryn Abbate, Executive Director

Premier Community HealthCare Group
Norma Bruce, Interim CEO

Tampa Community Health Centers
Charles Bottoms, CEO

NEW MEXICO

New Mexico Health Choice Network
David Roddy, CEO

Ben Archer Health Center
Mary Alice Garay, Executive Director

Health Centers of Northern New Mexico
Alfredo Vigil, Executive Director

La Casa de Buena Salud
Seferino Montano, Executive Director

La Clinica de Familia
Harriett Brandstetter, Executive Director

Las Clinicas del Norte
Andy Lopez, Executive Director

La Familia Medical Center
Rick Adesso, Executive Director

UTAH

Utah Health Choice Network
Chris Viavant, Project Manager

Carbon Medical Service Association
Yvonne Jensen, Executive Director

Community Health Centers of Salt Lake
Eligio White, Executive Director

Enterprise Valley Medical Clinic
CJ Hansen, Executive Director

Green River Medical Center
Mary Winters, Executive Director

Mountainlands Community Health Center
Lynn Hudgens, Executive Director

Wasatch Homeless Health Care Center
Allan Ainsworth, Executive Director

Wayne Community Health Center
Gina Flanagan, Executive Director



HEALTH CHOICE NETWORK

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