

ra c c m m ra c d a l i a a
B la ' r r r r f f c r c t t . T a
c m m r d d a l i t b t r d c a d
r r r a r m t i a . S m c m r
a d c a f l i a a a r m a a a c c a b l
r a d - f f r r t t i a f a B ' r r l l , a d
t a b a i f f b c r b r c t .

• N r f Car Fr B Cr B S a i d , r Mar la d ,
D r c f C m b a , a d D la ar , a c d a a
f t r c d \$ 1 7 5 m m ar 2 0 0 5
l d t d : \$ 6 0 m m r d c r m m r m d r a
c r a b a a r a f 1 . 5 % ; \$ 2 2 m m r - d
b d , d r c r c r a f r m d r a - c m
r ; \$ 8 . 7 m m t c m m a t
a d d r c a r a a a a f a d d a f t a a l
c a r a m d f f r t c t ; a d \$ 2 . 5 m m t
m a a r r l - t t
f c t r b t i c a l c a r . S m c r c d a l a
f r t d m r c m m a t
c a r a c r r a l a r t c f a r - t a l l a
r m m r a m d r a t a m r l a c m
m - t c r a m a r . O D r c f C m b a
c m r a d c a c t c i a m d , t a r r -
r m m m m a r , m a l a m a d r r r c
t d \$ 4 1 m m \$ 6 1 m m c m m t b f
t D r c (c m a r d t i l i a a \$ 2 m m 2 0 0 4) .
W a l f d t c m m r t m a b
r a a b l , D r c ' r a c d a r m d a
r r c e d , m a , b a d m a l a , t r t f a c a l
r t , c a d d m r f r c m m t i a
r r l a d , b t t a a r b l f t a
l a ' b a r d f d r c r t d t m a m t t i
c r b t a d a b t f c a r .

• A f D c . 3 1 , 2 0 0 4 , r r r f r f B Cr
a d B S a i d f N f a Car l a a d c r a d \$ 4 8 5
m m a r r f r a r f \$ 3 5 0 m m 2 0 0 3
a d 2 0 0 4 . O b l l a b r d c d a t
l l a r m a l d a l l a r l a r t d t
l a ' l f f r r c d r r t d r m m
r a c r a a m m a l a a r l d - t
r a c c m m r t d l a d m c r m a a t
t . A r b l l a b t r d c d a a - t a
c m l f r m l a f r l m t a m t f c a r r
t a l a c l d t a a d f t c d
t t a c t a a t f d t a a l t

ra c f r r d . T a l a a a r d a a
b l l a r i c c - d a d l d b a c t t t a l
r f a t a l d r b b c r b r f t t r
a f t t r d r t r - d f r a r .

A f r f a l c a r r a a a a
t c f c a t a r a a d / r t l l
c l d f a c c a b l c a m a . l f a c , a f r a
l 1 3 , 2 0 0 5 , d a a l d , S a F r a c c ' t t
a r r c r d r a l r r f C a l f r a P a c f c
M d c a l C r - t t t t a l 3 0 d a t r d t
c t a r r r a a d c d d t 2 0 0 1 ,
2 0 0 2 , a d 2 0 0 3 b m r a a 1 0 % a l l d f r a l f a r
m m f r m r r t a . (N c m c f 1 0 %
d f r r a r c a r c a r d t c a r d m
m a m t .) T a t a l a l r r d t b d r t
t t a t b a c , ' b l c a l a d a r m - r r
a m t f c a r t c a r b r - d d t l - c m a t t .

T a a r c a t i f l l d r : **Mark
Bartlett, M.A.**, c r d a d c a f f a c a l
f f c r f B Cr B S a i d f M c a D r t ;
Michael Delucia, Ph.D., J.D., r a a a t r
r a l a d d r c r f c a r a b l t t N
H a m a r A r t G r a l O f f c C t c r d ; **Charles
Goheen, M.S.M.**, c a f f a c a l f f c r f a F a l l
C m m H a l a P l a W r c r , M a ; **John O'Brien,
M.B.A.**, r d a d c a f t f f c r f U M a
M m r a l H a l a C a r , l c . , W r c r , a d **Gerald Wedig,
Ph.D.**, r f r a d r a r c a r r a a c m c ,
c r r a f a c , a d - r a c a l a c a r
r a a a W l l a m E . S m G r a d a S c h l f
B A d m t r a , U - r f R c a t r , N Y r .
Bruce McPherson, M.H.A., d r c r f a A l l a c
f r A e a c N r f H a l a C a r , W a t , D . C . ,
m d r a d t

Bruce McPherson: W a a d a l l f t a d t
c r a b l c t f a r f t a d r r f
r f a l a c a r r a a t ?

John O'Brien: l a r f a l c r l a r r
a r a a r t f a c r a a a r c - r . W a r
c a r m a a a a l , c a l l r f
a l , f a c c a b l b l l a d c l l c r a c c f r
t a r d . T a b l c m r f a t a l
l d m a f c c a r d r a t t a r a

fca al. Tā blic al ... al car
na ar d r la l l, a d f a
al rid b a rid f a d
S al ar ra l d b
CEO ar r a alar r la
c r f, al r a al ar r all
l r c (W r c r) r r al f r
r f, b r d r a d c l l, d r b c
r l - c r d . Tā b l i a a
al f l ar ra c c r ab r b
acc ab l r r la r c ar ab l

Mark Bartlett: f r a r f a l a
r c l a l d f r l r a l l
r r r a r a l a a a l l b d
l ' . A r r a a l d a c d b a r
c f a r a c a a c l d b
t t a l l r . r a a f c a
r a t a l a a l l r c a r r
Pr d r a a l a a l l d r a
a f r a c f r m . Tā a a a
a a t t a l d r r t i c a l
b c a d / t b d , a d f c r
l d l t a r a , a d f r . S
r a a f c a r r l - r r l
r r c , a r d a c a d a a
a b l - r a l t r a d a c a b d f r
r r r

Charles Goheen: l r m a r l a c (W r c r , M a) ,
a a d r r c c l - r r a
a r r f a r , t a a l a l a d b r t a a
t t d r r f r r f a r . A a a t t
l a r a r b l a f f r d t r
d r c a r r f a c r c a a a
a l a l a a r l d b . A l , c a t t a J a
O ' B r d a r l r , r ' a l l b f a a a d
a a t l l a a l a l a t t d . Y
l a a a r d r l l , a d l a r a r t
c c r d t a a c l d r r a l l d a t
m a r . E m l r , r d r , a l l r a l a l a , a d
r l a r a r a l l a r c c r d a b a

Michael DeLucia: F r m a r l a r
b l c a r r c a r a b l l r a c c ,
c a a a c a , r r r f
a a r , a a t a c a a r r a l
t t t t t t t c t a a t t r a l

f f c . M m b r f b l c , a , c a b r
c a l , a d a c a a a b a a
IRS F r m 990 (d a a a l c a r a b l
r a a b a a l l) , a a b l c
b l a f a c a r , t a r r b l l r a c c a r
r d a r a , a d f r . Tā c a b r
f r m d . l a l l - r r d f f c a c c r
a a r l a r b c a a d l a , N
H a r , a a l M a a c a t t , a a
r a a r r f a a l a d t r f a t t
a b r r c a b f r d .
Tā a , a f r a d d r a c c a b l
l d , b l a f a c a b f a a r
r f c , b t t a r a t t

c a l l a r r b l a r c r a f
b l c t d r a b a c a r a b l f a a r a l a r
r f a a b d - r l l f a c a l l .
Tā a , r t t t r f a r l a a d
r c l l l a r a a d m a d f a
r f , l c a d r a d a . A l l
a a r a a b d a r a a , a d
l l a r a d - r r f d r a a r a ,
W l l , a r a a ? Tā a , r a r
d a a

Gerald Wedig: l d ' a a r a l b l c
c a r l d r a d r f r a a d t
a r a r f . W a l a c a M B A d a b t t
b c
a d r f a b l d a r f t
a b ? l c a l l r c b l a a r , a l a a r t
S l d c r a l b r r d f r a l b l c
r a a r c a f a d a a r
f r r , c r d d c a l d a r , a d f r .
Tā r a c c d t l c a l c c r .

McPherson: L ' m b a c : S a r
r f a l a d r r d r , d t t r f t
d r f a d r ?

O'Brien: S c l a r d a U M a M r a l l a a
l f m d N Y r a a c r d - r a a t c .
W r c b l - a b l r r f r m a c
d b - r a a d a f c a a a d , a d ' a l
r t d a a a a r r f a r a . l c a , b
a c , l a a A - r a d a l , m a b f a r r f t

ar a , ad ma a 100 da fca n na d. l' m
r ' 130 da . l b l - na r r f r n al
ra t d rad fr - r rad 2003. S a a t a
l f t a b r m d ma r
r - a t a d / r a , ac r c n l , r
r ac a t c m m t na ma b d r t d. W na
m f m ar ar , t r, fr m S a dard & P r t
a d M d ' , a b d r r , , W ll, t

c r all t f f na bala c n . S a a
na add t al r r r r r r t
mar , na r ca n, b l d r r b ca
r t a a t b r r \$300 m ll r \$400 m ll .

Ta ca al d a r r all, r m f
t c n l . L a r b c . E r t f l i t na n
na ac r a d all c m r, d n ca r d r t
t a d l c r c m d cal r c r d m r . A n l t
t da c ma la f r m al t c l d t \$60, \$70,
\$80 m ll f r a l a r r acad m c m d cal c t

Ta n r b d f r r t r la , c r a
r t d f r r r d - ar a m t t . F r m a r - d r
a d na r r a t c r a , m r na
50% fr t a r a c m t fr m d car a d
M d cad, n d a t a f a cal r b l m .
l Ma ac t , M d cad t t t a 59% f r
c . T a t t d Wa n a d r ar t
al ab a Bala c d b d Ac ll. E r ca l a t
f d r a l d f c m b r a d f r na M d car ' t
t b a a n f n da . S t n a a
t fca b l t m a r a r na ma b 50%,
60%, 65% f r a r m , na d b r b a b l
na a d na . M r a d m r n al a ar b t
t t t , l t m m t n ba , - t f m
ca al d t ' b m . L ' n l d bac n r ad b l d
m r t .

McPherson: W a d r f t a l a d ar
a d r t ?

Goheen: A n Fall C m m t H a l n Pla , d t
c all t t d l na t ar a r a c c m a
na a m a a m t f r . W d t l d
ad a r t b a b l t m n a r t . Y a t
l a r m ar t l d f t t t d llar t na
r ma a r ma l \$23 m ll la a r a a
r la t l m all r al n al a . T a a ' na t t t

na adl n a r, na n a l ab t 2% f
r . l f t l d t bac a d l a t na
c t t n ' d ma b na t a d f r r . B t t t t d
t t t t ac : H r t n l l n al t la ma all t d
t f m a t t f r b d l .

o r ca al d f r fac l a d m ar c r a l
m all r na na ar f r a b acad m c m d cal c r
l J n t , t t t ar fca . W r l a t
all d t a ma r ad r c m r t m
na c l d a l t f m ll f d llar . W r al
a r c m m ar , l a a l ac
a d r r r t r a t , na t d b l r r
fca d llar . L J n , t al b
ca al mar . W a l r f a cal na d m r d
t fca l - r n la f r r f r ar , ll r c - d
a f a r t ar m r t . T a all d r f l na
r r r t r ' a a l - l na n l d l t t t
l d m t t t car a fca t t t t r a
t r m m .

Wedig: l n r ' a m ra b mad n r
b n ca . T a d fca al t d na J n a d C n a l
ar al ab ar call a d cr t ar call b
mad b CEO a d CFO . T a l d r ll ll na n
na . C m l , r d r m t n r f o car
r t t b l m a a acc ca al, r f m
ac n a c r a l - l f ar t t a f t c r d t
mar t .

Bartlett: W a l na ' na d a r b l m a all t t
c r d mar t n ar a na na d f t m t
t fca l t l l d r a d n r - b a d
ca al f r m la . T a a ' ar t r b t ca al
r r m . F r a m l , n n M d car A e t a a
n al a b t r o c c m t t m ar r
l t a a t all fca t r t r m m
d llar . l M c n a , r l t - r t n ar
a a r b \$4 b ll a d \$6 b ll t f add al
t m m . T a r t - b a d ca al f r m la na ar d b
r na r f r n al na r a c c m a r t r n ll
l - l fca ar fr r na r m m t c r a .
A m t r t na a t l d a r a a b l
ar mar - r f r t ar , ll r r n ca al
na c m m d t na r t a . H - r t f a c t
t t all n r - b a d ca al f r m la r r t na a

r f l fca al da 1. E f d ' add
b r t a d r r ar 10% 14%
a ar, r add ca al ac
rc dra . S r r a a t t a d ,
r ad r r b l c m da r r d
add ab \$300 l l a ar t t
r ca al r t .

McPherson: W r d r -ba d ca al f r m a
c m fr m , Mar ?

Bartlett: T r f r m a l f a d l d b r Na al
A ca fl r a c C m r c c t
ac ar . T r B Cr a d B S d A ca (BCBSA)
a ar f l a -l c r c , a d a
a al f r r l a r r r c . l M c a ,
r l l a d m a d m a r -ba d ca al
ra . T r m m 200% a d m a m 1,000% .
U d r BCBSA l c r c , r f a ca l a
c d r d b ar d f d r 375% , a m ca
r t r a m r r r a m . l f a ar a
ar t b r ac t 200% , BCBSA r a t r
d -l c t adra t B Cr a d B S d
a m a d m ar .

McPherson: Ar r ca al d f r c b t r f t
a d f r -r f t ?

Bartlett: T r d f f r c t f r -r f ' a b l t acc
add al ca al m c ar m t m m ar t
r a r f d acc m l a r b r t A d a
r r r r d d , - b r ca b
c r a d . S r a , c a d t m l t m c m
ar ab l t t ca al t .

Wedig: T r a ' a d m a c d b m ad m r r l
acr t b ar d ab f r -r f a d r f t r a a
all c r . S m m l l t t a al t a a
r f t a b t ba , m c m m l l all
t ca t t a t d t addr t ca t c t r a t

O'Brien: Al t l , f r b d r a t all m a t
t , m a t a f r m d b r t t t a t
t all a a t t . O r r , m a b d
c t a m a ba call ar l m a ac l r
r a f a r a lac , r r f r m l t t
t b d r d , r a m a l f -d c r r a .
Y r r r , G r r , m t m d m - d

r c ' l l ba t r + , f r m c m t m
m ca m .

McPherson: G all ca al d m a r b
d d r b , m d r r a t a b d c d
m r , a d m m ca , ar t a d r + ca b
d t d c m b f ?
t t t t

Bartlett: W r r r a a m a d r all
r + ar da a al t l r r rd , f r
b c t t a a , m c m d m a b ? T r a al
t d f t d l m a t l t t d d
t m r ca l b l a t a d c m m t

O'Brien: W d ' r all f m d l l a r a m f
- m t c m b f t . W l m r a t
- a l m t m A m r c a H t al A ca ' F t r
McGra Pr C m m f r H t al E c l l c
C m m S t c , a d ac ar - a l a a c l f
d r d t al m m a a l f r r r . W a a
t call l t a t - a t f m a t r add
c m m t t a d t c ar l t al d l l ar
- l m a t m a t r l c a l m ar t ar ac all
- t t f ca d l l a r m da b c a f
d t d f b l c a l m a d t r b l c r r a m .
W r m fill m d . l ' r all all ab t a
m c m a d t m a ca t m al f
l f ar d t . F r a c , f t 66 m al car r - d r
Ma ac m m a t - f r d l fr car
a d d c r c l c . W t a t c d m a ar
r - d 50% d c all a t m a fa m l
c m f t \$94,000 . l add t , fa a t t a r - d
f r f r m al car , all f r m ca al t l l r ff
t a t ' t r b l l . T r ca l c m a r m a t
t d t b t - r c l m m al , t m m t
m r a t m al t t t m t t r t t
ac m t t t al t t t m t t r t t

Goheen: m m a r c m m t m al m ,
a d - r b d m r f r m r a a t c a d
m a m f r m b t . l r all ar f m
DNA t m lac , t m m t d a .
All m l ar t c d t ar c a t t c m m t
- m r m , ar c a t l c a l b ar d , a d d
m a - r m ca . A ar f r - r a l l t d r c ,
t b ar d l a m m ca ar - bac t m
c m m t m ar d l l a r a l l a - d t t . A

J a d a r i r , a r a c ...
lac i UMa M r a l a d Fall r a i l
b c a r a d n a ' b t b t a t
t t .

O'Brien: C a r i a d a a d a d UMa M r a l
t a d t t r r c t t a l a b c l d t
t d a d r t r t r a l a f r t
c a r d a c f c . W a r r m l a r
a a d f l a a l l a a l d d
r . l f d t t t r a d i r a r t a f
t a r a a t d t a c t r t r d r
a d a r l l a d r a c r d b l t
b a l f a l l f i l l . B c a f
r c l l a b r a a r d c t a l a r m t
l d c f a a r t r a a t .

McPherson: S a r d a r m f
f r a r l a r r c r a r d t t r f , r t t ,
a d c t b f r d d b t r f a l a c a r
r a a t , r r d ?

DeLucia: T a a b c a r a
d f f r . M a t , N H a m a r , f a r i c t a a d
l a f a r r d f f r f r m a a f d a f
l d r a d M a a c t t a a r r
r l a r t c . E r a r r a l ' f f c a a
a f r t l t t . E , l a a c t t
b f a a r a r r a a l d t c r a f t
t a r r ' b a l a c . E r c t b f t
a f a r i d r c . l b a c a l l a , W a t
d c l a a r d t . W r t a l t ;
a t f r m r c t a d a a t
c a r f a a r l a a d d . T a r
a r t a l d , r c a b c a a ' a a
c a d . l a t a a t t a d t d
a c b f t a t M a r l a d . T a a a l
l d a c a .

O'Brien: l a a f r m b l r c t b f r r t d
a d a r d , a d l b l r a a l l a l a l d b r r d
t a a l l d t a c l a a t t r d f r t
t c t r m t c a d c a r , t t
c t a l a r m r f f r , a d a l . l
r d t r m t a c a t
M a a c t t . l d t a r t t a a r a c a r

c a d c a r b a l a 5% f r r t
a a t r f a . l b l t b l c f l t t
a a r d f r l a .

DeLucia: T a C a r l c H a l A c a r d
f a r i c l a r d l t a f c b f .
l a r l l c m r t a d a r d a f d f a d
t r r a a r d n a c t b f a d t

Wedig: l a r c l a r i a r l f r r m a r d
a a c r a a b a r l a l d a l
a r t d b a r d d a a c a r a r m t
W a c c m b f , l r a l l f a r a t
m r l a f a r a r a c t c f c f r l a ,
a a r f a l a c a r r a a r a f i b l
t a d d r t r t a d r a c . T a b
t a f f c r a c (. . , a r b a r d t
c r r a f a l f d a d f r m d
d a l) a l c b f r r
r r m a r l d t d . T a t l l r a a t
t a l r a a r r t t c t t

O'Brien: l a r b G r a d M . A d , a r
d a l a l a r t b a c c a b l , a r r
a a t t a a f a c t f t
S a r b a - O l (a 2002 f d r a l l a d d t r c
r b m r c r r a d c l a r r a c c) t
F r m 990 a d I R S f l r m t r d
a a r r l . l d ' a a r b l t a a r
t t r a l r r r m f f c a l a t t a . l
t a a r a r t a a a f a l f
t r f a a r d r a t t a r c t

Bartlett: l a r a c a a f r
r f t t l c a d m a a t b a r d . A l d a r i r ,
M c a a a a r a c a a a b a r d
c a a l l a a b a r d l c t r c c f d
b a t . W r r d a 35 m b r b a r d
r t t a r r a t b l a b r l a r m l r ,
r r a , r d r , d a l a b c b r
r r a , m a l l r r r a , a d
W a t t d b a c a l m d i f r r
b a l a c a d l l c d r a t f r d
c t

McPherson: Waa ca b d b a r f a l a car
r a a r t fr all r r d c a t b l c
rc t t t d ar a dr t , r a a'
b d t t t ?

Goheen: W a a r f l a cal a - r
ar, r a d r ar al a r a r t t
r t . A a r l , r r t a a t r a a
t b t m d d l ra f r c m t t r t a a
t r , t a cal r ab t t r m a t l l
r t m c m .

Bartlett: W a r c l b d m r
d t . l f a t a cal r t r B Cr
B S a d f M c a a d a a \$ 2 b i l l f
r r , a r N . l f a t r a l a
d a a \$ 4 2 7 r r c - r t a l d cal c l a m
c t , a r Y . W r d a l t t a m
b r , l d a d f r l . S l a r f a
a r t ar f c m ca t t cal t
a a r r ca d r a d t r m fr -
ba d ca t a l f r a a d a l l a c a cal t f f .

O'Brien: l a a l l a b a a r r a l l d r a r
a a t c m ca t a b t . W a l a l t
b r c r m a l f r m t f r - r f , l m d r
m c a a c a l l c t t b i t a b r c r . T a r a r
a a m a t a a t t d t c m , a d f a r
f r l t a d d t r l b t
t a d c a r a b l r a a . T a a r
t r d ' r t m a l l r c m - b a d r a a ,
a t l c f d b a c f r m c m t r a - t r
r f r m a c , a d a r t r a t f t f
t c m t .

N r f a l a car r - d r a d a r d t
a d t r c m a d b t r a t
T a r ' a r d a m l Ma a c t t . T a r ' a l t
f c c r a b t t f P a r r H a l a c a r , m c a t
e d Ma G t r a l , B r a a a d W m ' , a d r r
r - d r c m . B t t r a l t a a P a r r a a
d f l r a t b c a t a d t t r a r d a r
t a l d a c c a d c m t a l a m r t m
t f r m r l r a b l c t C a l a a d R - r .
T a a a r l a d t a r a a , J m a ,
a a b a r a l t a a l l a d t t
a a l d a c c f r a r d a d b l c
a c c a b l a l t m . l d ' a a P a r r
m a d l a t a r r t b a b l \$ 1 0 0 m t t a d t '
a l t f d t b c e l a l t a r t
r a a d m r t t t f r t a d
c m . l a a t t d t r t a d
a a a a P a r r H a l a c a r a a d - r t c c f l l ,
r a r t a d t a l t f m a d r r c
c m c a t r a t a b t r r f t a d r t
a d t t t t .