



**For Immediate Release**

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## **HealthSmart Announces Agreement to Acquire Preferred Health Plan, Inc.**

**(Dallas, Texas) March 12, 2014** — HealthSmart Holdings, Inc. announced today that it has entered into a definitive agreement to acquire Preferred Health Plan, Inc. Headquartered in Louisville, Kentucky, Preferred Health Plan (PHP) offers flexible, affordable health plans customized to the individual needs of employers. Terms of the transaction were not disclosed.

As a third party administrator, PHP assists in virtually all phases of administering self-funded plans, including benefit design consulting services, network access, comprehensive plan management reporting, managed care services and stop-loss reinsurance protection. PHP's local proprietary network – Partnership PPO – offers its members a choice of 4,000 Louisville area hospitals, physicians and allied healthcare providers. After being acquired by the Risen group in 2004, PHP grew by nearly 300%, becoming a popular regional choice for benefit consultants and their employer clients.

Following the completion of the transaction, HealthSmart will have annual revenues of nearly \$200 million and more than 1,600 employees. Additionally, HealthSmart will have a strong local presence in the greater Louisville area.

"Both PHP and HealthSmart were founded to administer a full range of managed care services for self-funded employers, making this combination an excellent fit," said Norm Risen, CEO of Preferred Health Plan. "Our combined capabilities will provide an expanded range of administrative and managed care options and create terrific value for our respective clients."

"As a leading independent provider of managed care solutions for self-funded employers across the country, HealthSmart is recognized for the quality and cost-effectiveness of its care management services," said Daniel D. Crowley, President and Chairman of HealthSmart. "Our entrepreneurial spirit allows us to deliver high quality solutions that meet the individual needs of our clients. That spirit continues with the acquisition of PHP, a respected regional organization that shares our commitment to customer service, and we welcome their clients and employees to the growing HealthSmart family."

Rick Mitchum, President, will continue his current role and lead sales and retention efforts for PHP and HealthSmart in the Kentucky market.

### **About HealthSmart**

For more than 40 years, HealthSmart has offered a wide array of customizable and scalable health plan solutions for self-funded employers. HealthSmart's comprehensive service suite addresses individual health from all angles. This includes claims and benefits administration, provider networks, pharmacy benefit management services, business intelligence, onsite employer clinics, care management, a variety of health and wellness initiatives and web-based reporting. The Company's headquarters is in Irving, Texas, with regional hubs throughout the country. HealthSmart's mission is to improve member health and reduce healthcare costs.

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### **About Preferred Health Plan**

Founded in 1983, PHP is headquartered in Louisville, Kentucky. PHP's professional staff, system technologies, proprietary local PPO network, and its strategic alliances with regional and national preferred provider organizations, are all reasons why PHP is a good choice for employers in the region who choose to self-fund their health benefit plans.

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