

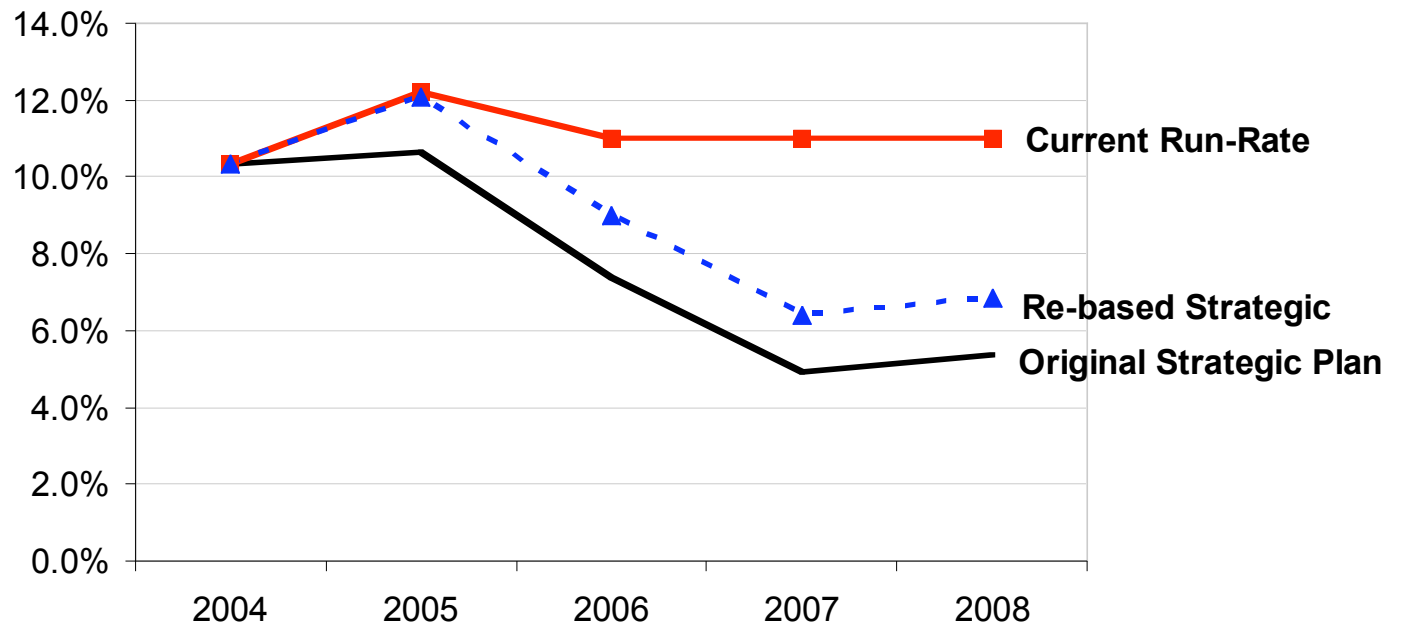
Capitalizing on Our Opportunities in 2006 and 2007

Kathy Lancaster

Delivery System Operations Leaders Group Meeting
March 26, 2006

Expenses in 2005, however, grew 12.0% over 2004, which is 1.3 percentage points higher than the budgeted growth rate of 10.7%.

Programwide Expense (PMPM Growth)



Current Run-Rate Op Income	\$1,474	\$803	\$20	(\$2,148)	(\$5,039)
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Needed Expense Trend To	10.3%	12.1%	8.2%	4.7%	4.0%
Return to Strategic Plan Targets					