Cash Management Protection (CMP)

A product of Healthcare Financial Management Corporation

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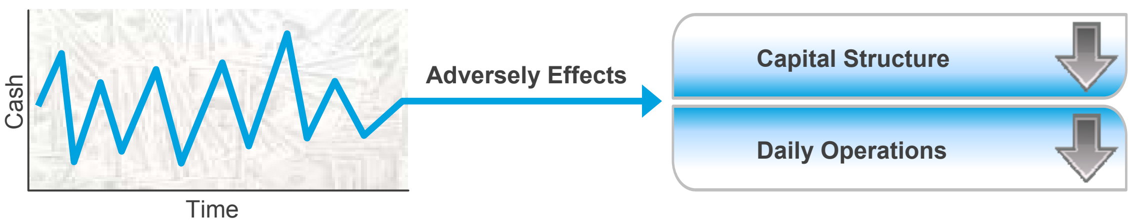
The Problem: Inconsistent Cash Flows



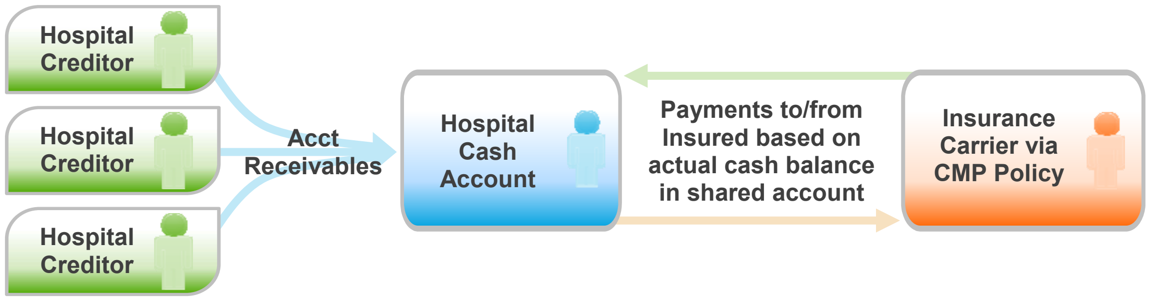
- Identified by a majority of hospital executives as their number one financial concern

The Solution: HFMC's Cash Management Protection Policy

- CMP guarantees a pre-determined minimum cash balance in insureds' accounts each week regardless of actual revenues collected
- CMP program is an insurance-based product that maintains the minimum cash balance for an insured via collections on an insurance policy
- CMP has other applications for hospitals such as funding expansion and new medical equipment

The Mechanics: How CMP Works

- Policy coverage amount is based on historic annual cash flows
- Coverage equates to 1/52nd of annual cash flow, so as to limit exposure to the carrier to one week's cash guarantee
- When the insured's actual cash balance falls below the stated cash balance guarantee, a claim is made against the CMP Policy
- When cash flows exceed the stated cash balance, a recovery is made by the insurance carrier
- A shared and coordinated cash receivables account makes payments and recoveries quick and easy for both parties
- HFMC and Insurer receive weekly updates on cash flows and account receivables to ensure a sound understanding of the insureds financial position and ability to make changes as needed



The Competition

- HFMC is unaware of any other insurance-based risk management product available to the healthcare industry
- The pricing and structure of available financing alternatives are cost prohibitive and/or unattractive or inappropriate to the hospital industry.

Bond Financing
Does not provide operating capital. Difficult for non-rated hospitals to attain

Retail Bank
Requires hard collateral, which in most cases is pledged to bond holders

Commercial Lenders
May lend, but will only do so at uncompetitive high rates

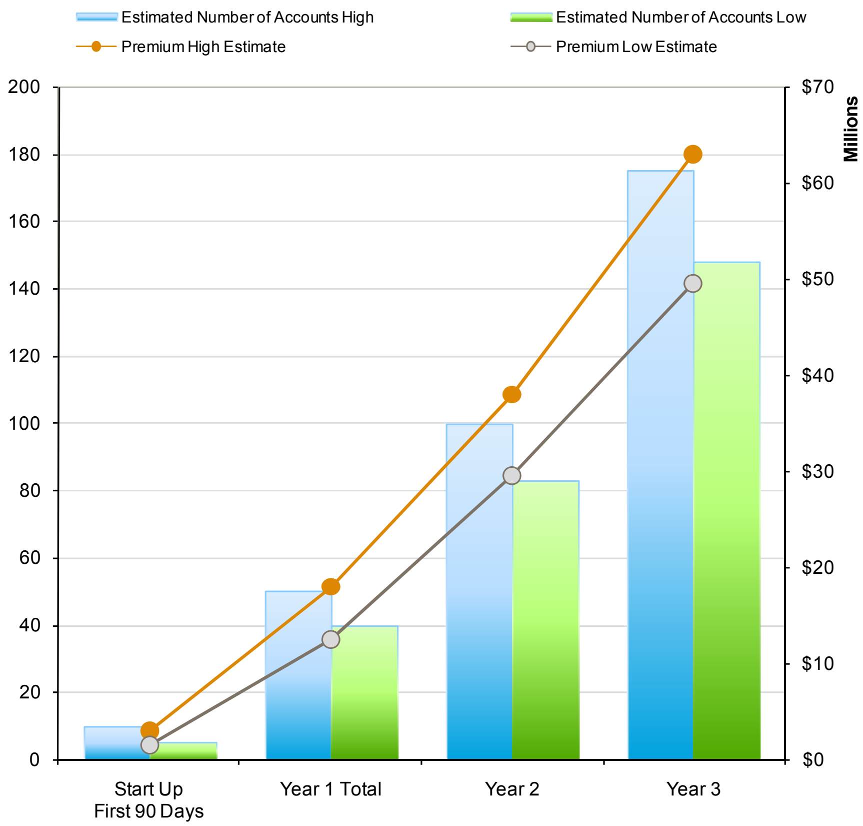
Factor Company
Requires steep discounts on A/Rs of up to 30%, making them an option of last resort only

CMP—A Demonstrated History of Profitability

- HFMC brought the CMP Policy to market first with Cigna and later with Kemper, and produced single digit loss ratios for both companies
- During the entire history of the CMP Policy, customer retention was 100%, as insureds grew to depend on the consistency of cash flow provided by the Policy

The CMP Opportunity

- HFMC seeks to partner with a qualified insurance underwriter to reintroduce the CMP Policy
- Demand for the product remains strong, and many former clients and brokers familiar with the CMP Policy continue to actively request the product
- Based on the Company's strict underwriting criteria, HFMC anticipates the target market will consist of approximately 40% of the entire US Hospital market
- The Company projects a market share of approximately 4% within 36 months of re-launching the CMP Policy
- HFMC intends to deliver CMP to the market with a high degree of confidence that due to market knowledge and stringent underwriting criteria, the product loss ratio can be contained to approximately 3%



Time Period	Estimated Number of Accounts High	Estimated Number of Accounts Low	Premium High Estimate	Premium Low Estimate
First 90 Days	10	5	$3,000,000	$1,500,000
Year 1 Total	50	40	$18,000,000	$12,500,000
Year 2	100	83	$38,000,000	$29,500,000
Year 3	175	148	$63,000,000	$49,500,000