

Metropolitan Health Networks Files to Become Florida HMO; Company Pushes Ahead to Fill Medicare Advantage Need in Martin, St. Lucie, and Okeechobee Counties

WEST PALM BEACH, Fla., Nov 18, 2004 (BUSINESS WIRE) -- Metropolitan Health Networks, Inc. (MDPA), a provider of high quality, comprehensive healthcare services to patients in South and Central Florida, announced today that its wholly owned subsidiary, METCARE Health Plans, Inc., has filed an application with the Florida Department of Financial Services, Office Of Insurance Regulation for a certificate of authority to operate a Health Maintenance Organization (HMO) focused on the provision of Medicare Advantage services. METCARE Health Plans, Inc. has also filed the requisite application for a health care provider certificate with the Agency for Health Care Administration. The Company anticipates operating initially in the counties of Martin, St. Lucie and Okeechobee.

Commenting on the licensing of the HMO, Debra Finnel, Metropolitan's President & Chief Operating Officer, stated, "We are very excited to officially begin the process of launching our Medicare Advantage plan in Florida's Treasure Coast. This new business represents a natural extension in our core expertise of providing high quality healthcare to Florida's growing Medicare population. We are targeting Florida's communities that are underserved by the Medicare Advantage program, a program that has been revitalized by the recently enacted Medicare Modernization Act. Of 2003 (MMA)."

Michael Earley, Chairman & Chief Executive Officer of Metropolitan stated, "This program is becoming a bigger part of the Florida market and our application to become a licensed HMO is in keeping with our plan to diversify our revenue stream in this market. There are over 80,000 Medicare eligible lives in Martin, St. Lucie and Okeechobee counties who are currently underserved by managed health care and could be added to the approximate 26,000 we currently serve in the areas of South and Central Florida on behalf of Humana." Earley continued, "Other than the initial capitalization of the HMO, Metropolitan will have modest capital expenditures to commence HMO operations, and the roll out will be planned to compliment our existing business initiatives and relationship with Humana." Earley concluded, "Over the past 24 months all of us at Metropolitan have worked very hard to ensure that our company has adequate financial resources, and the necessary regional and statewide relationships to support the successful launch of our HMO. We are proud to say that the initial start-up costs and reserve requirements can be funded from Metropolitan's own resources, and we expect that any future funding requirements could be met with internally-generated funds or through the capital markets."