



...Master Riding the Risk Management Wave

Trauma Carve-out Program February 20, 2003



Carve-out Description

Cyrca's first dollar Trauma Carve-out product will include full management and financial responsibility for entire episodes for inpatient hospital admissions resulting from the following diagnoses:

<i>ICD-9 DIAGNOSIS</i>	<i>ICD-9 DESCRIPTION</i>
800 - 804	Fracture of Skull
805 - 809	Fracture of Neck or Trunk
810 - 829	Fracture of Upper or Lower Limb
830 - 839	Dislocation
840 - 849	Sprains and Strains of Joints and Adjacent Muscles
850 - 854	Intracranial Injury, Excluding Skull Fracture
860 - 869	Internal Injury of Thorax, Abdomen, and Pelvis
870 - 897	Open Wound of Head, Neck, Trunk, or Limbs
900 - 904	Injury to Blood Vessels
905 - 909	Late Effects of Injuries, Poisonings, Toxic Effects, and Other External Causes
910 - 924	Superficial Injury or Contusion with Intact Skin Surface
925 - 929	Crushing Injury
930 - 939	Effects of Foreign Body Entering Through Orifice
940 - 949	Burns
950 - 957	Injury to Nerves and Spinal Cord
958 - 959	Certain Traumatic Complications and Unspecified Injuries
960 - 989	Poisoning and Toxic Effects

Episode Description



The Trauma Episode begins with emergency care for a covered trauma defined diagnosis.



The Trauma Episode ends with completion of outpatient rehabilitation.



All Trauma Carve-out Coverage is subject to plan benefit limitations.

Services Included in Carve-out Episode



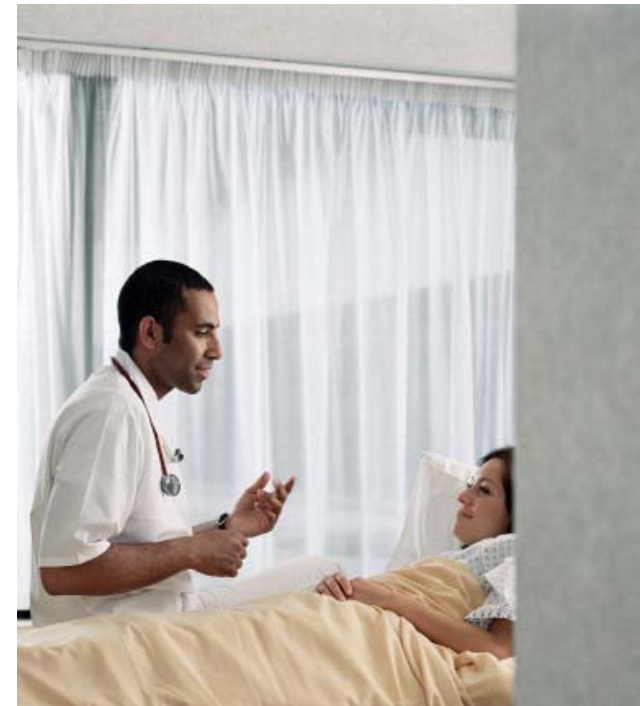
Services provided during the inpatient stay, including inpatient rehabilitation.




Emergency room services associated with a resulting inpatient admission are included.




Physician, professional, and outpatient rehabilitation services associated with the covered episode are included.



Cyrca's Case Management



Case management for Trauma cases will be triggered by an inpatient admission for a covered diagnosis.



Case management continues through completion of outpatient rehabilitation.



Cyrca's Target Market



All commercial blocks of insured lives exceeding 3,000 members including PPOs, HMOs, PHOs, employer groups, and associations.



Blocks of business with lesser degrees of medical management may find this more appealing than those MCOs already utilizing a high degree of medical management.

Cyrca's Trauma Carve-out Strategy



Healthcare costs continue to soar and risk managers are seeking alternative solutions.



Potential customers will consider new approaches that can provide immediate impact.



Trauma product (alongside the Transplant product) fits Cyrca's strategy to offer highly specialized risk management carve-out programs.



Carve-out products mesh easily with excess of loss or stop loss programs.

Pricing Considerations

- ✓ Cyrca continues to study claim cost value of Trauma Carve-out (awaiting a Milliman study).
- ✓ Current Cyrca estimates indicate that annual admissions per thousand for the included diagnoses are in the 5.5 to 7 range (10% or more of total admissions).
- ✓ Current estimated costs are in the \$15K to \$20K per episode range. This results in an estimated per member per month range of \$7 to \$12.

