

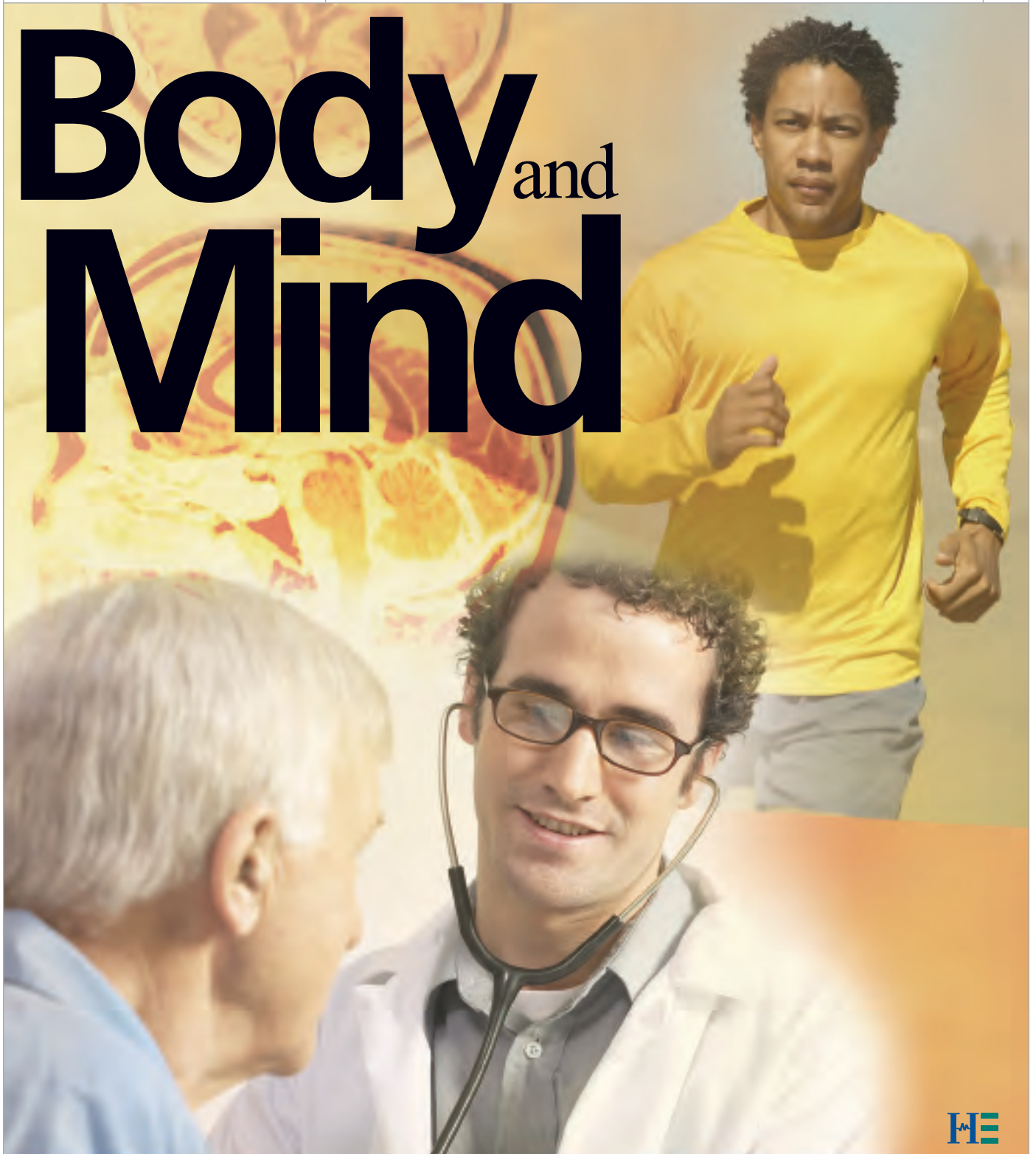


HEALTH EXECUTIVE

**Eileen Auen talks about the benefits of
integrating medical and behavioral healthcare.**

Michelle Rivera reports.

Body and Mind





APS CEO Eileen Auen

When entrepreneurial psychologist Kenneth Kessler founded APS Healthcare in 1992, he initially focused on the behavioral side of medicine. After building out his expertise in that area, APS started to integrate the medical side of healthcare into its programs.

He stepped down as the company's CEO and founder this summer, naming Eileen Auen as the new head of APS. She had big shoes to fill, replacing the organization's 13-year veteran leader. "It was a huge transition for the organization after having the same leader for so long," Auen said. "We adjusted well because the company is filled with qualified people who were excited about the change and taking the company to the next level."

Auen's new focus is to help the organization continue its evolution from a small, entrepreneurial, behavioral healthcare foundation to one focused on the philosophy of simultaneously treating the body and mind.

"It has been a completely natural movement, and we found that the rest of the market, even the companies who started on the medical side, are increasingly trying to incorporate behavioral change aspects into their programs," said Auen.

Behavior modification

APS, a \$200 million organization, provides a range of services, including health management, behavioral health, and quality improvement services for about 20 million public sector and commercial members in 25 states.

The company operates with the belief of managing healthcare for the mind and body.

Recent studies have shown that there is a link between mental and physical health. "We manage them together, and that gives patients a better outcome," said the CEO. "Getting people to modify their behavior so they can live healthier lifestyles should be a core part of every disease management program. Changing behavior is something we excel in because of our roots in mental and behavioral health, so we're uniquely positioned among disease management companies."

Managing both physical and mental illnesses simultaneously is gaining importance—managing them separately costs more, and patients typically take longer to recover. One statistic shows that 25% of people with chronic diseases suffer from depression. Each year, that causes about \$200 million in lost workdays and \$44 billion in lost productivity. "It's big," said Auen. "When you hear about people becoming increasingly focused on treating the mind and body, it's statistics like that are the driver."

Customized offerings

The organization's programs have shown a great return on investment with customers. Auen said a big reason for that is the company's ability to customize products. "We're extremely flexible and are able to create custom programs for customers," she said. "We're a mid-sized company with enough resources to serve the biggest and smallest clients."



APS leadership receiving the 2005 Disease Management Association of America's Recognizing Excellence Award for Best Government Disease Management Program



Selected members of APS Executive Leadership Team (pictured left to right) – Brett McIntyre – CFO, Eileen Auen – CEO and Jay Krueger – SVP, Business Strategy

APS offers a spectrum of health management products in areas such as diabetes, asthma, cardiac, cancer, maternity, and wellness. Each product integrates medical management and behavioral health techniques.

Many of its health management programs are unique and community based, Auen said. “We often build them in partnership with physician and local community groups. If you think about individuals with chronic disease, one important challenge is finding a way to connect with them, and what better

way of doing that than through their physician’s office or places in the community where they receive care.”

APS also offers behavioral health and employee assistance programs (EAP) that it sells to employers and health plans on an integrated or standalone basis. “Our model is built on customized programs for our clients. By doing this, we deliver much better value.”

Looking ahead

APS wants to take its health management programs to the next level. APS has designed a number of customized medical-behavioral programs for both health plans and large employers. “We think we’re differentiated now, but the bar keeps moving, so we’re really focused on trying to use our experience to create the next generation model,” said the chief executive. “We envision taking all our programs and pulling them together into an integrated product.”

Auen continued, “Our focus is on the segment of the market that appreciates custom, flexible approaches to designing health management programs and recognizes that managing the physical and mental together is the best way to care for their employees or members.”



APS clinicians at a customer health fair in Puerto Rico

APS' Programs Include:

Disease Management

**Utilization Management/
Utilization Review**

Case Management

Health and Wellness



Absence Management

Managed Behavioral Health

Employee Assistance Programs

Informatics Consulting

External Quality Review



APS' approach to health management and close partnerships with customers has been recognized across the industry. The company won several awards this year for its programs, including the Disease Management Association of America's best public sector disease management program award in 2005. It also received the EAPA Quality Award for EAP Excellence in 2002 and 2004. "I'm very optimistic about not only our company and growth prospects, but also the impact that companies like ours will have on the overall healthcare system," Auen said.



APS clinicians reviewing behavioral health care plans



APS is a leading provider of specialty healthcare solutions that cover more than 20 million members in the United States and the Commonwealth of Puerto Rico. We offer customized, integrated healthcare solutions across three major healthcare product lines:

■ HEALTH MANAGEMENT ■ BEHAVIORAL HEALTH ■ QUALITY IMPROVEMENT

APS' PRODUCT PORTFOLIO

- Disease Management
- Utilization Management/Utilization Review
- Case Management
- Health and Wellness
- Absence Management
- Managed Behavioral Health
- Employee Assistance Programs
- Informatics Consulting
- External Quality Review

Programs can be purchased on a fully integrated or stand-alone basis.

THE APS DIFFERENCE

- 10+ Years of Experience Delivering Disease Management Programs Infused with 20+ Years of Behavioral Change Experience
- URAC Accredited for Disease Management and Behavioral/Medical UM and CM
- Disease Management Program ROIs Ranging from 2:1 to 5:1
- Expertise Serving Corporate and Government Employers, Health Plans, Taft-Hartley Trust Funds and Public Sector
- 2005 Recipient of the DMAA's Recognizing Excellence Award for Best Government DM Program

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