



**October 6, 2005**

**To:** OHI Board, OHS Board and UOP Board

Dear Board Members:

Please allow me to take this opportunity to provide you with an update regarding United Oakwood Providers, LLC (UOP).

UOP began its operations in January, 2002 as a contracting entity and full service provider organization offering care management, utilization control, provider network, and many other important services. UOP's inaugural goals were to secure advantageous contracts for Oakwood and its physicians while effectively managing contract performance to drive an enhanced bottom line. Over 3 years later, UOP contracts with the largest HMO's and PPO's in our market and about \$302 million annually in premium revenue is generated through UOP contracts. UOP is one of a few groups selected by Blue Cross to participate in a new multi-million dollar group incentive contract. We have recently entered into several new Medicare contracts. UOP physicians have delivered impressive and recognized results in controlling utilization. As a result, UOP increasingly receives contracts to expand its business.

Founded and operating on the principal of putting patients first, UOP has delivered positive results to our community, the healthcare purchasers, and our providers. This includes a HAP patient satisfaction score of 83%. In fact, UOP is often the organization in our market that healthcare purchasers have come to depend on to control utilization. New and additional business has been driven to UOP providers (including OHI hospitals) by healthcare purchasers due to UOP's effectiveness in delivering positive outcomes.

UOP experienced a record best year during 2004 as we anticipate distributing about \$5 Million to our providers as a result of physician efforts. Since its inception, total distributions to UOP providers are projected to be about \$13 Million. All of this has been accomplished while effectively managing UOP administrative costs.

UOP's future is very bright as our demonstrated results and continued growth indicate. We look forward to meeting the increasing challenges of our health care market. Please call me at 313-240-9867 if you wish to discuss this in any additional detail or have other business opportunities that we can assist with. Thank you for your ongoing support.

Sincerely Yours,

Yasser Hammoud, MD  
CEO and Medical Director