

Humana Military
Healthcare Services
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TRICARE SOUTH CONTRACT EXTENSION AND BID PROTEST UPDATE

January 25, 2010

Dear TRICARE Provider:

The purpose of this letter is to update you on Humana Military's current TRICARE contract and TRICARE Management Activity's (TMA) decision last July to award the contract for the next generation of TRICARE for the South Region to UnitedHealth Military and Veterans Services, LLC (UMVS), a subsidiary of UnitedHealth Group.

First of all, we are pleased to let you know that TMA has extended Humana Military's current TRICARE South Region contract through March 31, 2011, and you will see no change in the administration of that contract by Humana Military until then.

By way of background, a few days after we were notified of the Government's decision on the award of the contract, Humana Military filed a protest with the General Accountability Office (GAO). On October 28, 2009, Humana Military was advised the GAO upheld our protest and recommended TMA reevaluate the proposals submitted by Humana Military and UMVS. On December 22, 2009, we were advised that TMA notified GAO of its intent to implement corrective action consistent with the GAO protest decision.

At this time, we are unable to determine the specific nature or timing of the corrective action to be implemented by TMA, or what effect such corrective action will have upon the ultimate disposition of the contract award.

TMA is in the process of implementing the corrective actions recommended by the GAO and we will notify you of additional information as it becomes available. Status of the contract, new information, and any changes for provider services will be posted at www.humana-military.com.

Thank you for your continued support of the TRICARE program and our military. We look forward to many more years of our strong partnership with you in serving the dedicated men and women of the United States Armed Forces and their family members.

Sincerely,

A handwritten signature in black ink that reads "Richard J. Mancini". The signature is written in a cursive style.

Richard J. Mancini
Director, Network Operations
Humana Military Healthcare Services