

11/9/05

To our valued RxPertise clients:

Please allow me to update you on the RxPertise Roadmap, a phrase that describes the path of evolution of our software and how it will help you in the coming years. As you know, Managed Health Care Associates, Inc. (MHA) only recently completed its acquisition of RxPertise last June, yet in this brief time, we've already supplied our 6.1 Enterprise users with a maintenance update, and we're finalizing our testing on our upcoming version 6.5, which we'll be exhibiting at the November ASCP convention next week. Dozens of new features are being incorporated into 6.5 based upon suggestions from our client base that I've been collecting over the past year. And we're already in the planning stages for the versions beyond 6.5 that will make our software the undisputed choice for computerized Medication Regimen Review (MRR).

As you are well aware, LTC pharmacy is about to go through some big changes. The RxPertise software model, and its accompanying business model, may have made sense a few years ago, but certainly cannot continue with the advent of MMA and upcoming changes to the State Operations Manual, not to mention e-prescribing, which is looming around the corner. Previously, there was a significant jump in features between RxPertise versions, but the versions were not released as timely as some of you wanted. Under the new ownership of MHA, our goal is to provide new versions on a regular basis, as often as 1-2 times per year.

That kind of commitment cannot come without changes to the software's business model. RxPertise was fairly unique in the software industry, in that our software purchase price included support and maintenance updates. MHA realizes, and I agree, that the LTC environment that we're about to experience will be far too fluid to continue selling and supporting the software as we have been doing. We need to provide, and you need to rely on, a software solution for your MRRs that will be able to adapt and evolve to keep you competitive in the LTC industry.

When RxPertise 6.5 is released, which we're targeting for 12/05, we will institute a new pricing schedule for the software that will be in effect through calendar year 2006. Instead of paying several hundred dollars per license to upgrade your software from the older version to the latest version, as you've done in the past, MHA will instead make available the RxPertise maintenance plan, which when purchased now, will provide the following: 1) RxPertise 6.5 when it is released 12/05; 2) RxPertise 6.7, scheduled for a Spring '06 release; 3) RxPertise 7.0, scheduled for a Fall '06 release; 4) any maintenance updates or software patches for these versions; 5) unlimited technical support. After 1/1/07 and going forward, annual renewals of the maintenance plan will then be purchased to continue support of your RxPertise license.

Please note that there are discounts for volume purchases of both new licenses and maintenance plans. On top of that, MHA members will enjoy an additional discount, which is reflected on the order form. Please also note that clients that choose not to purchase the maintenance plan the remainder of this calendar year will be given a grace period until 2/28/06. From 3/1/06, any requests to purchase the maintenance plan regrettably will be declined. Instead, the full purchase price of a new license would then be due.

Here is the pricing schedule that will be in effect from 11/05 through calendar year 2006:

The purchase of a new license of RxPertise and maintenance plan will qualify for the following: 1) full installation packet of most current RxPertise; 2) 12 month enrollment in the RxPertise maintenance plan, which includes technical support, maintenance updates, software patches and new versions released during 2006. The maintenance plan is billed annually and will expire 12/31/06. Please refer to the pricing schedule below to determine the price of the item(s) you are purchasing.

2005-2006 Pricing Schedule*:

Tier	# of Licenses	Price of Software (\$)	Maintenance Plan (\$)	Volume Discount Rate
Tier 1	1	2000.00	600.00	0%
Tier 2	2 to 5	1800.00	540.00	10%
Tier 3	6 to 9	1700.00	486.00	15%
Tier 4	10 to 15	1600.00	437.40	20%
Tier 5	16+	1300.00	393.66	30% (Max)

*** Please note: MHA members will enjoy a 20% discount on this published pricing schedule up to but not exceeding the prices listed in Tier 5.**

I think it's significant to note that RxPertise will continue to be sold to independent consultant pharmacists and those organizations (such as hospitals) that can not become MHA members. We anticipate, beyond RxPertise 6.5, that a "standard" version will be made available to those clients, while a "professional" version containing exclusive features, data and functionality will be made available to MHA members. Additionally, our existing Enterprise clients will enjoy the many improvements to the software while retaining their own specialized functionalities.

Very exciting things are going to happen to RxPertise, and I am certain that your loyalty to our software and its new owners will only grow stronger. Thank you again for your support of RxPertise.

Regards,

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Managed Health Care Associates, Inc.