



finding a better way

NEWS RELEASE

**JULY 22, 2008
FOR IMMEDIATE RELEASE**

**CONTACT: TOM DONEY, PRESIDENT
CYPRESS BENEFIT ADMINISTRATORS
920-968-4613**

**LISA LECHOWICZ, CEO AND FOUNDER
HDM CORP.
402-951-4500**

HDM BENEFIT SOLUTIONS MERGES WITH CYPRESS BENEFIT ADMINISTRATORS

Omaha, NE – HDM Benefit Solutions, an Omaha, Nebraska-based third party insurance administrator, is merging with Cypress Benefit Administrators of Appleton, Wisconsin, in a transaction that principals of both organizations note will bring more product and technology options to clients in Nebraska and other locations throughout the country. The sale is effective on August 1, 2008 and is the second Cypress acquisition of an Omaha-based TPA in the past year.

Little is expected to change internally as a result of the merger, according to Tom Doney, president of Cypress. Doney said claim administration and customer service responsibilities will continue to be offered out of the HDM Benefit Solutions office in Omaha utilizing the employees currently handling those duties. Dozens of employers representing more than 10,000 employees and family members currently access HDM Benefit Solution's services, which will be added to the 7,000+ lives that Cypress took on via an acquisition of GMS, Inc. in Omaha last July.

Lisa Lechowicz, CEO and Founder of HDM Corp., indicated that Cypress was a good fit for the sale of HDM Benefit Solutions. "Cypress brings the scale and focus needed to provide Omaha-area clients with exceptional health care administrative services," Lechowicz said.

"The acquisition represents an important step for Cypress Benefit Administrators as we continue to expand our focus throughout the country," said Doney. "With our experience in administering employer benefit plans in 39 states, our state-of-the-art technology and

expertise in consumer-driven health plans, we can bring plan options currently unavailable to HDM Benefit Solutions' clients."

The Consumer-Driven Health Plan model has become an increasingly popular plan design for employers looking to control their employee benefit expenses, according to Doney. Cypress Benefit Administrators' clients across the country currently access an array of Health Savings Accounts (HSA) and Healthcare Reimbursement Arrangements (HRA) as part of their Consumer-Driven Health Plan programs. "These plan options will all be offered to clients, as well as other employers and insurance brokers as Cypress continues to market its services throughout the region," Doney said.

The merged organizations plan on concentrating on a seamless integration of the companies throughout August and introducing additional services to clients and agents through the remainder of 2008.

HDM Corp. will continue to **find a better way** to administer health care by servicing its clients with solutions for payers and providers, and HIPAA compliance products.

HDM Corp. is a woman-owned, Omaha-based company dedicated to helping its nationwide clients find a better way to administer health care. The company processes more than 30 million health care transactions annually and seeks customized solutions for its clients, whether they are health care payers, providers, or employers who offer self-insured plans. To learn more about HDM Corp., visit www.hdmcorp.com.

Cypress Benefit Administrators, formed in May of 2000, currently administers self-funded medical, dental and other employee benefit plans for over 150 clients in 39 states. The purchase of HDM Benefit Solutions follows the GMS acquisition on July 1 of last year, which was preceded by the purchase of Employee Benefit Strategies, a Kalamazoo, Michigan-based TPA in October of 2004 and HEP Administrators in Oconomowoc, Wisconsin in July of 2005.

Editor's Note: Self-funded (a/k/a self-insured) employers act as their own "insurance company" by paying their own claims, administrative costs and creating financial safeguards against large, unexpected claims. In other words, the employer retains the risk for the cost of medical, dental and other services covered under the plan. Over 70% of all U.S. employers self-fund at least some of their employee benefit plans (SOURCE: Society For Professional Benefit Administrators (SPBA), Chevy Chase, MD, based on information from the Congressional Budget Office, General Accounting Office and Health Care Financing Administration.