



May 27, 2009

Dear Participating Provider:

I am pleased to share some exciting news with you. PacificSource Health Plans has agreed to acquire Primary Health, Inc., including Idaho Physicians Network (IPN). A letter of intent was recently signed by both parties and we expect the transaction to close within the next few months.

PacificSource is an independent, not-for-profit health insurer with a 76-year history here in the Northwest. It is headquartered in Springfield, Oregon, and has offices in Boise and throughout Oregon. The company currently provides medical and dental benefits to more than 4,000 employers and covers 127,000 people with its group and individual health insurance plans. It also provides self-funded employee benefit plans, flexible spending accounts, HRAs, and COBRA administration services through its subsidiaries, Manley Services and Select Benefit Administrators. Most importantly, like Primary Health, PacificSource has demonstrated a commitment to helping more people in more communities gain access to affordable, quality healthcare.

Operationally, you should expect to benefit from this acquisition because of PacificSource's breadth of administrative capabilities, online tools and their commitment to deliver exceptional, localized customer service. The strength and reputation of IPN is one of the major reasons PacificSource is interested in acquiring Primary Health Inc.

I look forward to sharing more information with you in the coming weeks as this arrangement progresses. In the meantime, if you have questions, please feel free to contact me.

Sincerely,

*Linda Duer*

Linda Duer, Executive Director  
Idaho Physicians Network  
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