

Client: Trustmark/CoreSource

Date: 4/17/07

Draft #: 1

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Arcadia Resources-NGS Article for CoreSource Report

(Head): **NGS-American's Newest Client: Arcadia Resources Inc.**

(Body copy): NGS-American president Kim Gunter announced April 11 that the company had been chosen over several competitors to provide TPA services to Arcadia Resources Inc. (stock symbol KAD, web site: www.arcadiaresourcesinc.com). Arcadia is a Southfield, Michigan-based provider of comprehensive home care, temporary staffing, mail order pharmacy, and home medical equipment. It also operates wellness clinics in Walgreen's, Meijer, and other major retail-chain stores.

The one-year contract becomes effective June 1, 2007, and includes medical and dental benefits administration as well as utilization-review services. It will add approximately 500 employee lives to NGS' growing book of business. As a result, Arcadia, which is now a fully insured client of Blue Cross/Blue Shield of Michigan, will become self-insured for the first time in its history.

As of January, Arcadia ranked #24 on Crain's Michigan Business list of Macomb County's largest employers. However, Arcadia operates nationally: With 75 locations in 21 states in 2003, the company had revenues of \$75 million.

Gunter credited sales executive Nick Corridor with leading the months-long effort to win Arcadia's business. "We were up against BCBS not only as the fully insured incumbent, but also as a separate, competing TPA," Gunter explained. "There was also another national insurer vying for the business. Nick and the rest of our team did a great job."

Corridor noted that transparency of costs was a key factor in Arcadia's decision. "We were able to point out to the client how one of the other competitors was hiding administrative fees in other line items of its proposal. That, plus the fact that the NGS proposal had no such hidden fees in it, helped us build a strong bond of trust with the client, even though it appeared we were not the low-cost provider."

In terms of providers, Arcadia's employees initially will have a choice of national networks PPOM, PHCS, PHCS Healthy Directions, and Pharmacare. However, Corridor added, "a few months after Arcadia switches to NGS, we will begin looking for regional-provider networks which might offer a better fit for employees in each area where Arcadia's people are based."