COASTAL BEND HEALTH PLAN • 2460 MORGAN • P.O. BOX 3457 • CORPUS CHRISTI, TX 78404 • (512) 887-0101

April 2, 1985

Dear Colleague:

For the last few months, we have been actively working toward the development of a PHYSICIAN OWNED Independent Practice Association (IPA) model Health Maintenance Organization (HMO). This new IPA-HMO will be an "Open Access" type Plan, designed to give both Physician and Patient the maximum freedom of choice while maintaining necessary controls over health care utilization.

This project was sponsored and financed by 230 individual Physicians from the Corpus Christi area but is being developed for the benefit of all Physicians in the Coastal Bend, encompassing Aransas, Kleberg, Nueces and San Patricio counties. It is our hope that every qualified physician in this area will join us, on an Equal Ownership - Equal Vote basis, in the development of this organization.

The efforts of the last six months should culminate within the next three weeks. We will have complied with all of the laws and bureaucratic rules necessary to offer this organization to you. Within the next three weeks you will receive an Offering Circular (Prospectus) which will provide you all the details on cost and ownership/membership requirements. Additionally, we plan to hold four general meetings throughout the area to give you the opportunity to ask questions and receive direct, clear answers. You will be informed of the time and location of these meetings.

We urge you to give this offering careful consideration. We view this as one of the few opportunities we will have to directly control our own destiny. We hope that you will review the Offering Circular, that you will attend the meetings and that you will join us in this investment in our future.

Sincerely,

Roberto Bosquez, M.D President

Truman F.

Treasurer

- hitchor no

F./James McCutchon, M.D. Vice President

Lowell J. Kepp, Jø. Secretary