

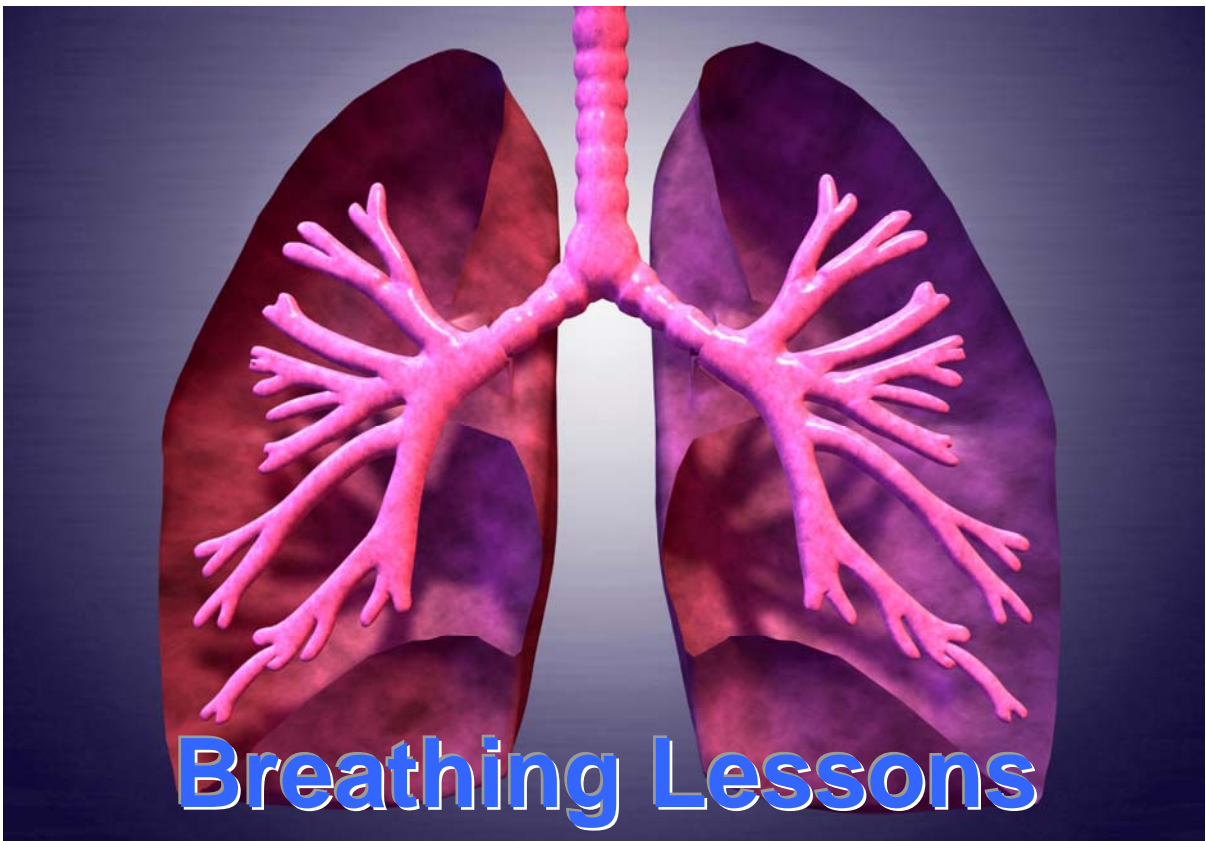
HealthExecutive

Where Leadership Begins

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CORPORATE SPOTLIGHT

Tom Futch is shaping the future of respiratory care.



In five short years, Meridian Healthcare Group, headquartered in Tallahassee, Florida, has become a nationally recognized leader in the field of pulmonary medicine providing services to 10 million patients annually in 38 states.

As one of the largest providers of contract therapy and disease state management in the United States, Meridian has built a national network of clinical programs in hospitals, skilled nursing facilities, outpatient clinics, homecare centers, polysomnography laboratories and respiratory pharmacies. Meridian’s customers range from independent healthcare providers to national public companies.



Meridian Service Area

Meridian’s rapid growth shouldn’t be too surprising, considering its senior management was recruited from some of the leading healthcare companies in the country such as Sun Healthcare Group, Gulf South Medical Supply, Interim HealthCare, Quest Diagnostics, Integrated Health Services, Hospital Corporation of America and Apria Healthcare, among others.

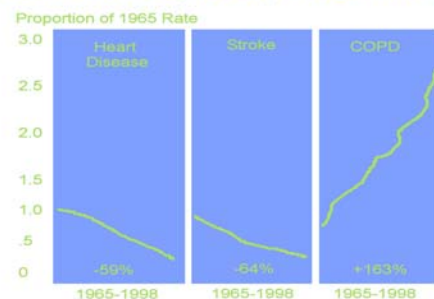
The Company’s president and chief executive officer, Tom R. Futch, a seasoned professional with thirty-five years of healthcare experience founded the company in 2001. Futch had previously been instrumental in the development of several investor-owned industry giants that included SunCare, Gulf South Medical Supply, Meadowbrook Rehabilitation Group, Mariner Healthcare, MedRehab and Rehab Hospital Services. Futch was a respiratory therapist and hospital administrator early in his career so he quickly recognized a market opportunity to develop a disease state management company that could treat the country’s burgeoning population of patients with chronic pulmonary disease

CHRONIC LUNG DISEASE

Chronic diseases have become an increasingly important cause of morbidity and mortality in the modern world. Chronic Obstructive Pulmonary Disease (“COPD”) is a slowly progressive disease of the airways that is characterized by the loss of lung function. COPD is frequently thought of as a disease of the elderly, yet 50% of all COPD patients are under 65 years old.

The Centers for Disease Control (“CDC”) estimated that COPD resulted in 119,000 deaths, 726,000 hospitalizations and 1.5 million emergency room visits in 2000 alone. COPD mortality increased 42% between 1979 and 1998. COPD is projected to be the third leading cause of death in the United States by 2020, despite reduced cigarette smoking rates.

Percent Change in Age-Adjusted Death Rates, U.S., 1965-1998



The National Heart, Lung and Blood Institute estimates the economic impact of chronic lung disease in the United States to be in excess of \$32 billion annually.

There are over 30 million Americans that currently have pulmonary disease and would benefit from Meridian's programs. However, amazingly less than 15% of the COPD patients have access to pulmonary rehabilitation programs.

Since 2001, this healthcare provider has created a nationwide network to address the increase in demand for respiratory care and pulmonary rehabilitation services.

"The pent up demand creates a unique opportunity for Meridian. There is not a single week that we do not receive a call from a patient questioning why we don't have a clinic in their community," says Branden Futch, Meridian's Director of Marketing. Every year, more than 250,000 elderly patients with pulmonary disease are admitted to skilled nursing facilities. With the senior population rapidly rising and an estimated 80 million baby boomers knocking on the door to retirement, that number will soon look very small according to industry sources.

Meridian has established a continuum of care that includes respiratory pharmacies, home medical equipment, pulmonary function laboratories, sleep centers, rehabilitation clinics as well as partnering with physicians, hospitals and skilled nursing facilities to provide care to their pulmonary patients.

Pulmonary rehabilitation programs have been recommended as an integral part of the health management of patients with chronic obstructive lung disease. Meridian's pulmonary rehabilitation programs have been proven to reduce symptoms of dyspnea and improve exercise capacity and the overall quality of life of their patients.

RECIPE FOR SUCCESS

Since the Company's founding in 2001, Meridian has grown to become one of the largest providers of pulmonary medicine in the country.

Meridian initially grew exclusively through organic development in physician clinics and skilled nursing facilities. Futch wanted to perfect his delivery model and be assured of the clinical outcomes before expanding nationally. The Company must have gotten the recipe correct because the market response has been nothing short of phenomenal!

In June of 2005 Meridian made its first strategic acquisition — Symphony Respiratory Services ("Symphony"). Symphony immediately added critical mass to Meridian's existing network with its hospital and skilled nursing facility contracts. Symphony provided the missing pieces of Meridian's disease state

management program with its respiratory pharmacy and home care centers which have now been renamed Golden Care.

Meridian intends to continue to expand its operations through (i) programmatic expansion of existing sites; (ii) organic development of programs in current services areas; (iii) development of additional programs with its corporate clients and (iv) select strategic acquisitions. “This strategy will capitalize on the growing demands for the company’s services, the highly fragmented nature of the company’s competitors and enable Meridian to leverage its existing client base,” according to Futch.

“Meridian Recipe”:

- Large Patient Population
- Expanding Demand for Services
- Proven Clinical Model
- Access to Capital
- Experienced Management Team



PROVEN RESULTS

In 2003, the National Emphysema Treatment Trial (NETT), a five-year, randomized study, evaluated the effectiveness and safety of pulmonary rehabilitation for patients with advanced emphysema. The results proved just how important organizations like Meridian are to the treatment of pulmonary disease.

After pulmonary rehabilitation, 1,218 patients at 17 medical centers were randomly assigned for either surgical or medical treatment. Researchers identified the characteristics that helped predict the outcome of the surgery for individual patients: the patient’s exercise capacity, and the distribution of emphysema.

“At the start of the NETT study, all participants received six to 10 weeks of pulmonary rehabilitation,” Futch stated. “This national study provided scientific evidence to the medical benefits that have been achieved by thousands of patients treated at our clinics since Meridian’s founding.”



“Meridian’s comprehensive approach to disease state management has become an established way to enhance standard therapy to control symptoms, optimize functional capacity, and reduce the medical and economic burdens of patients with disabling lung disease of all ages”, according to Rajesh Patel, M.D., a pulmonary disease specialist that has partnered with Meridian to develop two pulmonary programs in Dayton, Ohio.

Meridian's pulmonary program is an innovative clinical model that is physician directed and provides an individualized treatment plan. The goal of the Meridian program is to reduce medical symptoms, decrease disability, increase functional ability, increase exercise capacity, and improve the overall quality of life.

SHAPING THE FUTURE OF RESPIRATORY CARE

The healthcare industry has experienced major changes due to the pressing need to contain costs, improve services and meet the medical requirements for an aging population. Meridian has accumulated the largest data base in the country on patients with pulmonary disease and their team of experts are constantly evaluating the Company's treatment protocols to assure that they are achieving optimal results.



Meridian's primary focus is pulmonary disease. That focus has allowed the Company to unite physicians, hospitals, nursing facilities and home healthcare providers to achieve their goal of providing quality services at an affordable price. Through its partnerships Meridian has established the ability to direct patients to the appropriate delivery site whether it is a hospital or the patient's home. The Company's clinical staff provides everything from diagnostic testing, to life support to home delivery of respiratory pharmaceuticals and medical equipment.

Meridian provides its clients a turnkey approach to the development and management of pulmonary programs by providing the equipment, personnel, policies & procedures and working capital necessary to assure success.

Futch has been shaping the future of respiratory care for over four decades. During this time he has learned that respiratory care is not a single, uniform, one size fits all approach to medical care, but is composed of a variety of interventions, some specific, others more globally beneficial he told HealthExecutive.

A WORLD OF DIFFERANCE



The Meridian strategy is more than placing the right boxes on a chart: it is an integration of the Company's culture, management practices and resources. Futch believes that the key to Meridian's continued success are its physician partners and the hundreds of dedicated respiratory therapists that comprise Meridian's talented labor force.

Futch has the vision to see significant changes unfolding in the healthcare system and the resources to turn the opportunities into reality. His knowledge of clinical practices, healthcare regulations and third-party payor guidelines has allowed Meridian to accurately target its program development on projects that are successful.

By working with his physician partners Futch is building a disease state management platform for the future and assuring that Meridian continues to make a world of difference in the lives of the patients it treats.



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