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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91184047
Party	Plaintiff Farmaco-Logica B.V.
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Submission	Testimony For Plaintiff
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Filer's e-mail	Paul.Kuks@farmlog.net
Signature	/paul kuks/
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Farmaco-Logica B.V.

Opposer,

versus

TriZetto Corporation f/k/a The TriZetto  
Group, Inc.

Applicant.

Opposition no. 91184047

Serial no. 77029672

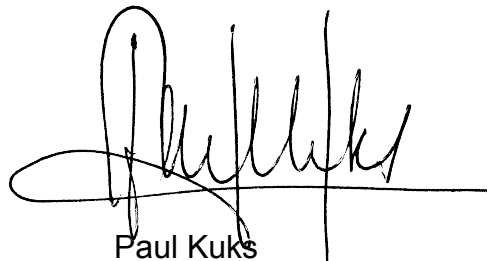
**NOTICE OF FILING OF TESTIMONIAL DEPOSITION RECORD**

Pursuant to 37 CFR §2.124, opposer Farmaco-Logica B.V. hereby gives notice that the Record of Testimonial Deposition of Paul Kuks taken down on November 11, 2015, was filed with the Trademark Trial and Appeal Board on November 25, 2015.

Opposer requests that the instant proceeding, suspended on October 22, 2015, be resumed.

Dated: November 16, 2015

Respectfully submitted,



Paul Kuks  
Farmaco-Logica B.V.  
Wolkendek 17  
3454 TG DE MEERN  
The Netherlands

Paul.Kuks@farmlog.net

managing director of plaintiff

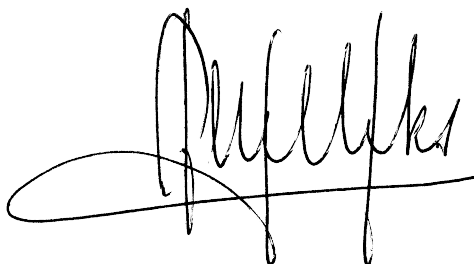
## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing:  
Notice of filing of testimonial deposition record  
Record of testimonial deposition of Paul Kuks taken down on November 11, 2015  
is being deposited via electronic mail on this 16<sup>th</sup> day of November, 2015 to:

tmdnvr@faegrebd.com  
marc.levy@faegrebd.com  
katie.feiereisel@faegrebd.com  
brian.brown@faegrebd.com

and by registered first class mail by carrier PostNL on this 16<sup>th</sup> day of November, 2015,  
in an envelope addressed to:

Mr. Marc C. Levy, Esq.  
FAEGRE BAKER DANIELS LLP  
1700 Lincoln Street, Suite 3200  
Denver, CO 80203-4532  
United States of America

A handwritten signature in black ink, appearing to read 'Paul Kuks', with a large, sweeping horizontal stroke underneath the main text.

Paul Kuks

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Application Serial No. 77029672  
By The TriZetto Group, Inc. for the mark: FACETS  
Filed: October 26, 2006  
Published for opposition on May 29, 2007

Farmaco-Logica B.V.

Opposer,

versus

TriZetto Corporation f/k/a The TriZetto Group,  
Inc.

Applicant.

Opposition no. 91184047

Serial no. 77029672

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## **Introduction**

On October 16, 2015, Opposer Farmaco-Logica B.V. (hereinafter: "Opposer") gave notice of this testimonial deposition on written questions. On the same day, Opposer's questions propounded during this testimony deposition were submitted to counsel of Applicant TriZetto Corporation (hereinafter: "Applicant"). On October 30, 2015, Applicant raised objections to most of the questions but did not serve cross-questions. Applicant's objections have been included in this record.

## **Examination of Paul Kuks**

Pursuant to 37 Code of Federal Regulations §2.124, Mr. Paul Kuks (hereinafter: "Witness"), managing director of Farmaco-Logica B.V., located at Wolkendek 17, 3454 TG DE MEERN, The Netherlands, appeared before me, J. Hagen, civil-law notary at Pastoor Ohlleen 25, 3451 CB VLEUTEN, The Netherlands, to testify in the matter captioned above, on Wednesday November 11, 2015 at 11:00 hours local time.

The questions were put forward to the Witness after being duly sworn by me: "Do you solemnly swear that you will tell the truth, the whole truth and nothing but the truth, in answer to the several questions now to be put to you?". The answers were taken down by me immediately after each question. The transcript was then read and signed by the Witness in my presence. The Witness deposes and says:

### **QUESTION 1**

Please, state your name, job title, employer's name, and employer's address.

### **ANSWER**

Paul Kuks, managing director of Farmaco-Logica B.V., Wolkendek 17, 3454 TG DE MEERN, The Netherlands.



**QUESTION 2**

Can you identify the document attached as Exhibit 1?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a confirmation of the order I personally gave for the registration of the internet domain name "phacet.us" to my company, Farmaco-Logica B.V.

**QUESTION 3**

Why did your company register this domain name?

**OBJECTION RAISED BY APPLICANT:**

Lack of relevance.

**ANSWER**

To target customers in the United States of America with our Phacet products and services.

**QUESTION 4**

Can you identify the document attached as Exhibit 2?

**OBJECTION RAISED BY APPLICANT:**

Lack of relevance.

**ANSWER**

Yes, it shows the registration details in connection with the domain name "phacet.us" after I queried the web service at <http://drwhois.com> on November 18, 2011.

**QUESTION 5**

Is the domain name still owned by your company?

**OBJECTION RAISED BY APPLICANT:**

Lack of relevance.

**ANSWER**

Yes.

**QUESTION 6**

What happens if anyone enters the uniform resource locator "www.phacet.us" in the address field

of a web browser and subsequently presses the Enter key?

**OBJECTION RAISED BY APPLICANT:**

Lack of relevance.

**ANSWER**

Such a person will be redirected to my company's website at "www.phacet.com".

**QUESTION 7**

Since when is this redirection mechanism in place?

**OBJECTION RAISED BY APPLICANT:**

Lack of relevance.

**ANSWER**

I don't recall exactly since when users are being redirected this way, but it works like this at least since January 1, 2011.

**QUESTION 8**

Can you identify the document attached as Exhibit 3?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a screenprint of a demonstration of the very same redirection mechanism for "www.phacet.us" when I used the web-based redirection checker available at <http://www.internetofficer.com/seo-tool/redirect-check/> on November 11, 2011.

**QUESTION 9**

Can you identify the document attached as Exhibit 4?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a screen print I made on November 12, 2011 from the website page found at and downloaded by me from <http://www.phacet.com/en/products+and+services/consultancy/>

**QUESTION 10**

Is the text of this website page at this moment identical to the text shown on this screen print?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes.

**QUESTION 11**

Can you identify the document attached as Exhibit 5?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a screen print I made on November 12, 2011 of the website page found at and downloaded by me from <http://www.phacet.com/en/products+and+services/phacet+info/>. It describes our product "Phacet Info".

**QUESTION 12**

Can you identify the document attached as Exhibit 6?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a screen print I made on November 22, 2011 of the website page found at and downloaded by me from <http://healthsystempharmacistsmarketplace.com/> after I entered the search term "phacet". It briefly describes the products my company has been and is marketing from December 2011 till now in the United States of America.

**QUESTION 13**

Please describe in more detail the product that is called "Phacet Oncology Desktop" on this website.

**OBJECTION RAISED BY APPLICANT:**

Lack of relevance; calls for narrative response.

**ANSWER**

This is a system for prescribing drug treatment courses for patients suffering from cancer. After prescription, the system supports the preparation and dispensing of those drugs. Finally, the system calculates the costs of these drugs in order to allow these costs to be claimed with a health insurance company.

**QUESTION 14**

What type of customers would typically use this system?

**OBJECTION RAISED BY APPLICANT:**

Lack of relevance; lack of foundation; calls for speculation.

**ANSWER**

Doctors, nurses, pharmacists, pharmacy technicians and business administrators.

**QUESTION 15**

Can you identify the document attached as Exhibit 7?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, is an email message I received on June 15, 2012 from Ms. Hillary Bullard who at that time was working for a marketing company called RXinsider.

**QUESTION 16**

Why, to the best of your knowledge, did you receive this message?

**OBJECTION RAISED BY APPLICANT:**

Lack of relevance; lack of foundation; calls for speculation.

**ANSWER**

I explained my company's product portfolio to her at a trade show in Baltimore (MD) held on June 9-13, 2012. She announced that she would contact me by email about the possibility of providing marketing support to my company.

**QUESTION 17**

Can you identify the document attached as Exhibit 8?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a screen print I made on November 18, 2011 of the website page found at and downloaded by me from <http://www.a2zinc.net/> after I looked up the floor plan of the trade show “ASHP Midyear Clinical Meeting & Exhibition” of the American Society of Health-system Pharmacists held in New Orleans on December 4-8, 2011. It shows a detail of this floor plan indicating the location of my company's exhibit.

**QUESTION 18**

Can you identify the document attached as Exhibit 9?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a screen print I made on November 18, 2011 of the website page found at and downloaded by me from <http://www.a2zinc.net/> after I looked up the floor plan of the trade show “ASHP Midyear Clinical Meeting & Exhibition” of the American Society of Health-system Pharmacists held in New Orleans on December 4-8, 2011. It shows a description of my company's software products during that trade show.

**QUESTION 19**

Can you identify the document attached as Exhibit 10?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a copy I made of the “Yellow Pages” guide distributed during the trade show “ASHP Midyear Clinical Meeting & Exhibition” of the American Society of Health-system Pharmacists held in

New Orleans on December 4-8, 2011. It shows the front page of the guide and a page that shows a description of my company's software products during that trade show.

**QUESTION 20**

Can you identify the document attached as Exhibit 11?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a photograph I took on December 7, 2011 of my company's exhibit booth during the trade show "ASHP Midyear Clinical Meeting & Exhibition" of the American Society of Health-system Pharmacists held in New Orleans on December 4-8, 2011.

**QUESTION 21**

Can you identify the document attached as Exhibit 12?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a copy I made of the "Yellow Pages" guide distributed during the trade show "ASHP Summer Meeting & Exhibition" of the American Society of Health-system Pharmacists held in Baltimore on June 9-13, 2012. It shows the front page of the guide and a page that shows a description of my company's software products during that trade show.

**QUESTION 22**

Can you identify the document attached as Exhibit 13?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a photograph I took on June 12, 2012 of my company's exhibit booth during the trade show "ASHP Summer Meeting & Exhibition" of the American Society of Health-system Pharmacists held in Baltimore on June 9-13, 2012.

**QUESTION 23**

Can you identify the document attached as Exhibit 14?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a copy I made of the “Yellow Pages” guide distributed during the trade show “ASHP Midyear Clinical Meeting & Exhibition” of the American Society of Health-system Pharmacists held in Las Vegas on December 2-6, 2012. It shows the front page of the guide and a page that shows a description of my company's software products during that trade show.

**QUESTION 24**

Can you identify the document attached as Exhibit 15?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a photograph I took on December 3, 2012 of my company's exhibit booth during the trade show “ASHP Midyear Clinical Meeting & Exhibition” of the American Society of Health-system Pharmacists held in Las Vegas on December 2-6, 2012.

**QUESTION 25**

Can you identify the document attached as Exhibit 16?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a copy I made of the “Yellow Pages” guide distributed during the trade show “ASHP Summer Meeting & Exhibition” of the American Society of Health-system Pharmacists held in Minneapolis on June 1-5, 2013. It shows the front page of the guide and a page that shows a description of my company's software products during that trade show.

**QUESTION 26**

Can you identify the document attached as Exhibit 17?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a photograph I took on June 4, 2013 of my company's exhibit booth during the trade show "ASHP Summer Meeting & Exhibition" of the American Society of Health-system Pharmacists held in Minneapolis on June 1-5, 2013.

**QUESTION 27**

Can you identify the document attached as Exhibit 18?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a copy I made of the "Yellow Pages" guide distributed during the trade show "ASHP Summer Meeting & Exhibition" of the American Society of Health-system Pharmacists held in Las Vegas on May 31-June 4, 2014. It shows the front page of the guide and a page that shows a description of my company's software products during that trade show.

**QUESTION 28**

Can you identify the document attached as Exhibit 19?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is a photograph I took on June 2, 2014 of my company's exhibit booth during the trade show "ASHP Summer Meeting & Exhibition" of the American Society of Health-system Pharmacists held in Las Vegas on May 31-June 4, 2014.

**QUESTION 29**

Can you identify the document attached as Exhibit 20?



**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it consists of the first 25 pages (of 730 pages in total, version of the year 2011) of the administrator manual of my company's product "Phacet Oncology Desktop".

**QUESTION 30**

How did you use this manual.

**OBJECTION RAISED BY APPLICANT:**

Lack of relevance.

**ANSWER**

I showed it to potential US customers during the trade shows I referenced earlier, explaining to them that an English translation will become available.

**QUESTION 31**

Can you identify the document attached as Exhibit 21?

**OBJECTION RAISED BY APPLICANT:**

Object to question and exhibit for lack of relevance.

**ANSWER**

Yes, it is an e-mail message I sent on August 28, 2013 to 133 potential customers in the United States of America in order to promote my company's product "Phacet.info".

**QUESTION 32**

Can you identify the document attached as Exhibit 22?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded by me from <http://www.trizetto.com/PayerSolutions/CareManagement/>. Like TriZetto Corporation, my company Farmaco-Logica B.V. delivers software solutions for health care management, so we are competitors in this field.

**QUESTION 33**

Can you identify the document attached as Exhibit 23?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded by me from <http://www.trizetto.com/AboutUs/CorporateProfile/>.

**QUESTION 34**

Can you identify the document attached as Exhibit 24?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded by me from <http://www.trizetto.com/PayerSolutions/CoreAdministration/Facets/LinesofBusiness/>.

**QUESTION 35**

Can you identify the document attached as Exhibit 25?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded by me from <http://www.trizetto.com/Provider-Solutions/Physicians/claims-processing>.

**QUESTION 36**

Can you identify the document attached as Exhibit 26?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded

by me from <http://www.trizetto.com/Provider-Solutions/Physicians/claims-status-inquiry/>.

**QUESTION 37**

Can you identify the document attached as Exhibit 27?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded by me from <http://www.trizetto.com/Provider-Solutions/Physicians/>.

**QUESTION 38**

Can you identify the document attached as Exhibit 28?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded by me from <http://www.trizetto.com/Provider-Solutions/Physicians/patient-eligibility/>.

**QUESTION 39**

Can you identify the document attached as Exhibit 29?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded by me from <http://www.trizetto.com/Provider-Solutions/Physicians/patient-financial-responsibility/>.

**QUESTION 40**

Can you identify the document attached as Exhibit 30?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded

by me from <http://www.trizetto.com/Provider-Solutions/Physicians/patient-statements/>.

**QUESTION 41**

Can you identify the document attached as Exhibit 31?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on January 30, 2015 of the website page found at and downloaded by me from <http://www.trizetto.com/Provider-Solutions/Physicians/reimbursement-management/>.

**QUESTION 42**

Can you identify the document attached as Exhibit 32?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains a number of pages from a quarterly report of The TriZetto Group signed by its CEO on May 8, 2006. I found this report at and downloaded it on November 15, 2010 from the website at <https://www.sec.gov/edgar/searchedgar/companysearch.html> after having entered “trizetto” as the search term.

**QUESTION 43**

Can you identify the document attached as Exhibit 33?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains a number of pages from a quarterly report of The TriZetto Group signed by its CEO on August 7, 2006. I found this report at and downloaded it on November 15, 2010 from the website at <https://www.sec.gov/edgar/searchedgar/companysearch.html> after having entered “trizetto” as the search term.

**QUESTION 44**

Can you identify the document attached as Exhibit 34?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains a number of pages from a quarterly report of The TriZetto Group signed by its CEO on November 11, 2006. I found this report at and downloaded it on November 15, 2010 from the website at <https://www.sec.gov/edgar/searchedgar/companysearch.html> after having entered “trizetto” as the search term.

**QUESTION 45**

Can you identify the document attached as Exhibit 35?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains a number of pages from a yearly report of The TriZetto Group signed by its CEO on March 16, 2007. I found this report at and downloaded it on November 7, 2010 from the website at <https://www.sec.gov/edgar/searchedgar/companysearch.html> after having entered “trizetto” as the search term.

**QUESTION 46**

Can you identify the document attached as Exhibit 36?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains a number of pages from a quarterly report of The TriZetto Group signed by its CEO on May 8, 2007. I found this report at and downloaded it on November 15, 2010 from the website at <https://www.sec.gov/edgar/searchedgar/companysearch.html> after having entered “trizetto” as the search term.

**QUESTION 47**

Can you identify the document attached as Exhibit 37?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains a number of pages from a quarterly report of The TriZetto Group signed by its CEO on August 8, 2007. I found this report at and downloaded it on November 15, 2010 from the website at <https://www.sec.gov/edgar/searchedgar/companysearch.html> after having entered “trizetto” as the search term.

**QUESTION 48**

Can you identify the document attached as Exhibit 38?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains a number of pages from a quarterly report of The TriZetto Group signed by its CEO on November 2, 2007. I found this report at and downloaded it on November 14, 2010 from the website at <https://www.sec.gov/edgar/searchedgar/companysearch.html> after having entered “trizetto” as the search term.

**QUESTION 49**

Can you identify the document attached as Exhibit 39?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains a number of pages from a yearly report of The TriZetto Group signed by its CEO on February 15, 2008. I found this report at and downloaded it on November 13, 2010 from the website at <https://www.sec.gov/edgar/searchedgar/companysearch.html> after having entered “trizetto” as the search term.

**QUESTION 50**

Can you identify the document attached as Exhibit 40?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains a number of pages from a quarterly report of The TriZetto Group signed by its CEO on August 8, 2008. I found this report at and downloaded it on November 13, 2010 from the website at <https://www.sec.gov/edgar/searchedgar/companysearch.html> after having entered “trizetto” as the search term.

**QUESTION 51**

Can you identify the document attached as Exhibit 41?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a press release statement of The TriZetto Group of January 12, 2009. I found this document and downloaded it on August 3, 2012 from the webserver at [http://integratedhealth.trizetto.com/ExternalContent/TriZetto/IHMX/PRESRELEASES/6900 1/Pharma %20Press%20Release.pdf](http://integratedhealth.trizetto.com/ExternalContent/TriZetto/IHMX/PRESRELEASES/6900%201/Pharma%20Press%20Release.pdf)

**QUESTION 52**

Can you identify the document attached as Exhibit 42?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains the first 14 pages of a user manual describing (part of) the functionality of computer software called “Facets” and appears to be published by The TriZetto Group. I searched for this manual and downloaded the complete manual on August 15, 2010 from the website at <http://www.scribd.com>.

**QUESTION 53**

Can you identify the document attached as Exhibit 43?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains pages from a white paper apparently produced by The TriZetto Group, dated 2010. I downloaded this document on August 3, 2012 from the web server at [http://trizettoexperience.com/pdf/IHM\\_Powering\\_A\\_New\\_Era\\_Of\\_Healthcare.pdf](http://trizettoexperience.com/pdf/IHM_Powering_A_New_Era_Of_Healthcare.pdf).

**QUESTION 54**

Can you identify the document attached as Exhibit 44?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains pages from a product and services brochure apparently produced by The TriZetto Group, dated 2010. I downloaded the entire document on August 17, 2012 from the webserver at [http://trizettoexperience.com/pdf/TriZetto\\_Payer\\_Solutions\\_Brochure.pdf](http://trizettoexperience.com/pdf/TriZetto_Payer_Solutions_Brochure.pdf).

**QUESTION 55**

Can you identify the document attached as Exhibit 45?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains pages from a products and services brochure apparently produced by The TriZetto Group, dated 2010. I downloaded the entire document on August 3, 2012 from the web server at [http://www.trizettoexperience.com/pdf/TriZetto\\_Product\\_Services\\_Brochure.pdf](http://www.trizettoexperience.com/pdf/TriZetto_Product_Services_Brochure.pdf).

**QUESTION 56**

Can you identify the document attached as Exhibit 46?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.



**ANSWER**

Yes, it contains pages from of training brochure apparently produced by The TriZetto Group, dated 2010. I downloaded the entire document on August 17, 2012 from the webserver at <http://tzu.trizetto.com/XLMS/uploads/TriZetto%20Training%20Catalog.pdf>.

**QUESTION 57**

Can you identify the document attached as Exhibit 47?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it contains pages from a presentation apparently produced by The TriZetto Group, dated January 29, 2010. I downloaded the file containing this presentation on August 15, 2010 from the website at <http://trizettoresources.com/Main/Pages/TriZetto/IHMX/showcollateral.aspx?oid=74454&ssid=18&hid=2..&sf=1>.

**QUESTION 58**

Can you identify the document attached as Exhibit 48?

**ANSWER**

Yes, it is a copy of a letter that I wrote and sent on behalf of my company to The TriZetto Group on August 21, 2010.

**QUESTION 59**

Can you identify the document attached as Exhibit 49?

**ANSWER**

Yes, it is a reply letter that I received on August 31, 2010 from The TriZetto Group's counsel by email in reply to my company's letter in Exhibit 48.

**QUESTION 60**

Can you identify the document attached as Exhibit 50?

**ANSWER**

Yes, it is an e-mail message I sent on September 1, 2010 on behalf of my company to The

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TriZetto Group's counsel in reply to the letter in Exhibit 49.

**QUESTION 61**

Can you identify the document attached as Exhibit 51?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and downloaded by me from <http://www.trizetto.com/company/corporateHistory.asp>.

**QUESTION 62**

Can you identify the document attached as Exhibit 52?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and downloaded by me from <http://www.trizetto.com/company/corporateprofile.asp>.

**QUESTION 63**

Can you identify the document attached as Exhibit 53?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and downloaded by me from <http://www.trizetto.com/hpSolutions/coreAdministration.asp>.

**QUESTION 64**

Can you identify the document attached as Exhibit 54?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and

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downloaded by me from <http://www.trizetto.com/hpsolutions/facetsFXI.asp>.

**QUESTION 65**

Can you identify the document attached as Exhibit 55?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from <http://www.trizetto.com/hpsolutions/medicaid.asp>.

**QUESTION 66**

Can you identify the document attached as Exhibit 56?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from <http://www.trizetto.com/hpsolutions/medicarepdm.asp>.

**QUESTION 67**

Can you identify the document attached as Exhibit 57?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from <http://www.trizetto.com/hpsolutions/memberEnrollment.asp>.

**QUESTION 68**

Can you identify the document attached as Exhibit 58?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and

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downloaded by me from <http://www.trizetto.com/hpsolutions/memberService.asp>.

**QUESTION 69**

Can you identify the document attached as Exhibit 59?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from <http://www.trizetto.com/hpsolutions/providerService.asp>.

**QUESTION 70**

Can you identify the document attached as Exhibit 60?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from <http://www.trizetto.com/newsEvents/pressKitCompanyHistory.asp>.

**QUESTION 71**

Can you identify the document attached as Exhibit 61?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from <http://www.trizetto.com/newsEvents/pressKitGlossary.asp>.

**QUESTION 72**

Can you identify the document attached as Exhibit 62?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and

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downloaded by me from <http://www.trizetto.com/newsEvents/pressKitHIPAAfaqs.asp>.

**QUESTION 73**

Can you identify the document attached as Exhibit 63?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from <http://www.trizetto.com/newsEvents/pressKitIndustryInfo.asp>.

**QUESTION 74**

Can you identify the document attached as Exhibit 64?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from [http://www.trizetto.com/newsevents/pressReleases/2006-09-12\\_McKessonSettlement.asp](http://www.trizetto.com/newsevents/pressReleases/2006-09-12_McKessonSettlement.asp).

**QUESTION 75**

Can you identify the document attached as Exhibit 65?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from [http://www.trizetto.com/newsevents/pressReleases/2007-02-22\\_BCBSTNPOSDirect.asp](http://www.trizetto.com/newsevents/pressReleases/2007-02-22_BCBSTNPOSDirect.asp).

**QUESTION 76**

Can you identify the document attached as Exhibit 66?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and downloaded by me from [http://www.trizetto.com/newsevents/pressReleases/2008-09-24\\_FacetsPlatform.asp](http://www.trizetto.com/newsevents/pressReleases/2008-09-24_FacetsPlatform.asp).

**QUESTION 77**

Can you identify the document attached as Exhibit 67?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and downloaded by me from [http://www.trizetto.com/newsEvents/pressReleases/2008-12-08\\_Reports.asp](http://www.trizetto.com/newsEvents/pressReleases/2008-12-08_Reports.asp).

**QUESTION 78**

Can you identify the document attached as Exhibit 68?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and downloaded by me from [http://www.trizetto.com/newsEvents/pressReleases/2009-01-12\\_SanoviaPartnership.asp](http://www.trizetto.com/newsEvents/pressReleases/2009-01-12_SanoviaPartnership.asp).

**QUESTION 79**

Can you identify the document attached as Exhibit 69?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and downloaded by me from <http://www.trizetto.com/newsevents/pressReleases/2009-06->

23\_PHRAnnouncement.asp.

**QUESTION 80**

Can you identify the document attached as Exhibit 70?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from [http://www.trizetto.com/newsevents/pressReleases/2009-07-22\\_SalesAutomation.asp](http://www.trizetto.com/newsevents/pressReleases/2009-07-22_SalesAutomation.asp).

**QUESTION 81**

Can you identify the document attached as Exhibit 71?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from [http://www.trizetto.com/newsevents/pressReleases/2009-09-01\\_LovelaceBPO.asp](http://www.trizetto.com/newsevents/pressReleases/2009-09-01_LovelaceBPO.asp).

**QUESTION 82**

Can you identify the document attached as Exhibit 72?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and  
downloaded by me from [http://www.trizetto.com/newsevents/pressReleases/2009-11-17\\_VBBSolutions.asp](http://www.trizetto.com/newsevents/pressReleases/2009-11-17_VBBSolutions.asp).

**QUESTION 83**

Can you identify the document attached as Exhibit 73?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and downloaded by me from [http://www.trizetto.com/newsEvents/pressReleases/2010-02-04\\_CCHP.asp](http://www.trizetto.com/newsEvents/pressReleases/2010-02-04_CCHP.asp).

**QUESTION 84**

Can you identify the document attached as Exhibit 74?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on August 11, 2011 from the website page found at and downloaded by me from [http://www.trizetto.com/partners\\_payerSolutionsList.asp](http://www.trizetto.com/partners_payerSolutionsList.asp).

**QUESTION 85**

Can you identify the document attached as Exhibit 75?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on July 22, 2012 from the website page found at and downloaded by me from <http://www.trizetto.com/Conference/PC2012/Exhibitors/>.

**QUESTION 86**

Can you identify the document attached as Exhibit 76?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on July 22, 2012 from the website page found at and downloaded by me from <http://integratedhealth.trizetto.com/Main/Pages/TriZetto/IHMX/showcollateral.aspx?oid=73068&hid=2462&sid=2466&ssid=18&pagename=TriZetto-Facets-HIPAA-Privacy-Module-Managing-and-Safeguarding-Protected-Health-Information-Impac.aspx>.



**QUESTION 87**

Can you identify the document attached as Exhibit 77?

**OBJECTION RAISED BY APPLICANT:**

Object to question for lack of foundation; object to exhibit for lack of authentication and hearsay.

**ANSWER**

Yes, it is a screen print I made on July 22, 2012 from the website page found at and downloaded  
by me from <http://www.trizetto.com/PayerSolutions/IndividualandSmallGroup/>.



Paul Kuks  
November 11, 2015



J. Hagen, civil-law notary  
November 11, 2015

**Exhibit 1: order confirmation domain name “phacet.us”**

Your Order is Confirmed

From: [Network Solutions <support@networksolutions.com>](mailto:support@networksolutions.com)  
To: [kuks@farmlog.net](mailto:kuks@farmlog.net)  
Date: 22-03-2007 15:57

NetworkSolutions

Order Confirmation

Dear Network Solutions® Customer,

Thank you for your order and for continuing to give us the opportunity to help you meet your online needs.

**Here is your order confirmation:**

Order Number: 257877632  
Order Amount: \$34.99  
Credit Card: xxxxxxxxxxxx3809

**Ordered By:**

User ID: 2827630  
User Name: Paul Kuks

Account Number: 2827630  
Account Holder: FARMACO.LOGICA BV  
Primary Contact: Paul Kuks (2827630)

Domain Name: PHACET.US  
Term: 1 year(s)  
Price: \$34.99  
Exp. Date: 2008-03-22

To protect your Network Solutions domain name registration from unauthorized or fraudulent transfers, we activate our free Domain Protect service for each of your domain names automatically. This feature blocks domain name transfers until you, or your designated contact, turns the feature "off". This step allows you to control the "transferability" of your domain names, and provides protection against "domain hijackers." Please note that if you choose to turn Domain Protect "off" at any time, your domain name will be at greater risk of being "slammed" (fraudulently transferred).

Domain Protect is quick and easy to manage through your Network Solutions account. Simply login using the link below, and click on the domain name you want to change. On the Domain Details page, you can turn Domain Protect "On" or "Off".  
<http://www.networksolutions.com>

Network Solutions hosting packages are feature-rich and a great value - starting as low as \$9.96 a month with annual agreement - including a FREE domain name. Visit us at <http://ads.networksolutions.com/landing?code=P61C515S700N0B11A1D255E0000V158> to learn more.

Private Registration protects your personal contact information. Deter spammers, telemarketers, identity thieves and others who "mine" the public WHOIS database, by keeping your information hidden. Visit us at <http://ads.networksolutions.com/landing?code=P68C378S700N0B11A1D231E0000V103> to learn more. Please note, Private Registration is not available on .us domain names.

Network Solutions® has partnered with industry leaders to provide exclusive offers on services that will make managing your business easier. Visit us at <http://www.networksolutionsretail.com/partners/> to learn more.

If you have any questions or need assistance, please visit the Customer Service Center at <http://www.networksolutions.com/help/index.jsp>.

Once again, thank you for choosing Network Solutions®. We are committed to providing you with the solutions, services, and support to help you succeed online.

Sincerely,

Network Solutions® Customer Support

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**Exhibit 2: “who is” information domain “phacet.us”**

**TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 2**



**DrWhois.com :: The World's MOST Advanced Whois Server**

Enter Domain Name or IP Address

phacet.us

Whois

us.whois-servers.net

Domain Name: PHACET.US  
Domain ID: D12182730-US  
Sponsoring Registrar: .US REGISTRAR L.L.C.  
Registrar URL (registration services): www.networksolutions.com  
Domain Status: clientTransferProhibited  
Registrant ID: 2827630  
Registrant Name: FARMACO.LOGICA BV  
Registrant Organization: FARMACO.LOGICA BV  
Registrant Address1: Wolkendek 17  
Registrant City: DE MEERN  
Registrant Postal Code: 3454 TG  
Registrant Country: Netherlands  
Registrant Country Code: NL  
Registrant Phone Number: +1.31306665538  
Registrant Facsimile Number: +1.31306665701  
Registrant Email: farmlog@attglobal.net  
Registrant Application Purpose: P1  
Registrant Nexus Category: C31/NL  
Administrative Contact ID: 2827630  
Administrative Contact Name: FARMACO.LOGICA BV  
Administrative Contact Organization: FARMACO.LOGICA BV  
Administrative Contact Address1: Wolkendek 17  
Administrative Contact City: DE MEERN  
Administrative Contact Postal Code: 3454 TG  
Administrative Contact Country: Netherlands  
Administrative Contact Country Code: NL  
Administrative Contact Phone Number: +1.31306665538  
Administrative Contact Facsimile Number: +1.31306665701  
Administrative Contact Email: farmlog@attglobal.net  
Administrative Application Purpose: P1  
Administrative Nexus Category: C31/NL  
Billing Contact ID: 2827631  
Billing Contact Name: PAUL KUKS  
Billing Contact Address1: Wolkendek 17  
Billing Contact City: DE MEERN  
Billing Contact Postal Code: 3454 TG  
Billing Contact Country: Netherlands  
Billing Contact Country Code: NL  
Billing Contact Phone Number: +1.313066655  
Billing Contact Facsimile Number: +1.313066657  
Billing Contact Email: kuks@farmlog.net  
Technical Contact ID: 2827630  
Technical Contact Name: FARMACO.LOGICA BV  
Technical Contact Organization: FARMACO.LOGICA BV  
Technical Contact Address1: Wolkendek 17  
Technical Contact City: DE MEERN  
Technical Contact Postal Code: 3454 TG  
Technical Contact Country: Netherlands  
Technical Contact Country Code: NL  
Technical Contact Phone Number: +1.31306665538

**TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 2**

Technical Contact Facsimile Number: +1.31306665701  
Technical Contact Email: farmlog@attglobal.net  
Technical Application Purpose: P1  
Technical Nexus Category: C31/NL  
Name Server: NS65.WORLDNIC.COM  
Name Server: NS66.WORLDNIC.COM  
Created by Registrar: .US REGISTRAR L.L.C.  
Last Updated by Registrar: .US REGISTRAR L.L.C.  
Domain Registration Date: Thu Mar 22 14:56:50 GMT 2007  
Domain Expiration Date: Wed Mar 21 23:59:59 GMT 2012  
Domain Last Updated Date: Thu Jan 21 07:42:53 GMT 2010

>>>> Whois database was last updated on: Fri Nov 18 12:19:19 GMT 2011 <<<<

NeuStar, Inc., the Registry Administrator for .US, has collected this information for the WHOIS database through a .US-Accredited Registrar. This information is provided to you for informational purposes only and is designed to assist persons in determining contents of a domain name registration record in the NeuStar registry database. NeuStar makes this information available to you "as is" and does not guarantee its accuracy. By submitting a WHOIS query, you agree that you will use this data only for lawful purposes and that, under no circumstances will you use this data: (1) to allow, enable, or otherwise support the transmission of mass unsolicited, commercial advertising or solicitations via direct mail, electronic mail, or by telephone; (2) in contravention of any applicable data and privacy protection laws; or (3) to enable high volume, automated, electronic processes that apply to the registry (or its systems). Compilation, repackaging, dissemination, or other use of the WHOIS database in its entirety, or of a substantial portion thereof, is not allowed without NeuStar's prior written permission. NeuStar reserves the right to modify or change these conditions at any time without prior or subsequent notification of any kind. By executing this query, in any manner whatsoever, you agree to abide by these terms.

NOTE: FAILURE TO LOCATE A RECORD IN THE WHOIS DATABASE IS NOT INDICATIVE OF THE AVAILABILITY OF A DOMAIN NAME.

All domain names are subject to certain additional domain name registration rules. For details, please visit our site at [www.whois.us](http://www.whois.us).

[|| Home](#) || [Register a Domain Name](#) || [Contact Us](#) || [World's Best Pets Resource](#) ||

**Exhibit 3: redirection mechanism “phacet.us” to “phacet.com”**

**TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 3**

- [AWStats](#)
- [SEO Articles](#)
- [Tools](#)
- [Robots](#)
- [WordPress](#)
- [Forum](#)

## [InternetOfficer.com](#)

Tools and Articles for Webmasters and SEO's

### Redirect Checker



### Response

Checked link: <http://www.phacet.us>

Type of redirect: **301 Moved Permanently**

Redirected to: <http://www.phacet.com>

[Ads by Google](#)   [Soo Tool](#)   [Soo Checker](#)   [Domain Name](#)   [URL Domain](#)

### Ready for another redirection check ?

Enter

the

URL: Example: [http://www.my\\_site.com/page.cgi?id=123](http://www.my_site.com/page.cgi?id=123)

### The fast and easy redirect checker

This tool provides a simple and precise answer to a question, often asked by SEO's, directory owners and webmasters. It immediately identifies the three main types of redirections : **301 redirect**, **302 redirect** or **HTML redirect (meta refresh)**.

It also detects **frames** (FRAME tag) within the page pointed to by the tested link.

The tool only analyses HTML links. It should not be used with JavaScript links.



**TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 3**

- [AWStats](#)
- [SEO Articles](#)
- [Tools](#)
- [Robots](#)
- [WordPress](#)
- [Forum](#)

## [InternetOfficer.com](#)

Tools and Articles for Webmasters and SEO's

### Redirect Checker



### Response

Checked link: <http://www.phacets.us>

Type of redirect: **301 Moved Permanently**

Redirected to: <http://www.phacet.com>

[Ads by Google](#)   [SEO Tool](#)   [SEO Checker](#)   [Domain Name](#)   [URL Domain](#)

### Ready for another redirection check ?

Enter

the

URL: Example: [http://www.my\\_site.com/page.cgi?id=123](http://www.my_site.com/page.cgi?id=123)

### The fast and easy redirect checker

This tool provides a simple and precise answer to a question, often asked by SEO's, directory owners and webmasters. It immediately identifies the three main types of redirections : **301 redirect**, **302 redirect** or **HTML redirect (meta refresh)**.

It also detects **frames** (FRAME tag) within the page pointed to by the tested link.

The tool only analyses HTML links. It should not be used with JavaScript links.

**Exhibit 4: from website “phacet.com”: consultancy activities**



**Phacet** pharma in  
multifaceted  
health care

- [Home](#)
- [Products and Services](#)
- [Client login](#)
- [Events](#)
- [Search](#)

## Phacet Consultancy

### For software developers

We help developers with the integration of our software into their own products. We love to discuss opportunities for optimisation. We will adapt our software to suit your needs better if possible.

### For end-users

We help end-users with the implementation of software from other vendors and our own open source software. We provide helpdesk services for a variety of products focussed on oncological prescribing, drug compounding and drug administration.

**Exhibit 5: product information “Phacet Info”**

[Home](#)[Products and Services](#)[Client login](#)[Events](#)[Search](#)

## Phacet Info

### What is it?

Phacet<sup>®</sup> Info is an information storage and indexing system designed for health care professionals working in teams. It enables you to store a large volume of documents, such as electronic books and scientific articles. It also allows you to store reviews of clinical problems that have been solved and should be saved for later reference. Once stored, you can view the information and download it to almost any computer or tablet device.

In essence, Phacet<sup>®</sup> Info is an electronic library for literature reference and patient-oriented information.

### How does it work?

You can upload documents to Phacet<sup>®</sup> Info by email or by using an FTP client. All information is automatically indexed when stored.

Phacet<sup>®</sup> Info makes this information available via a viewer on your desktop (many operating systems are supported), a Java-enabled web browser or a tablet device (iOS or Android). The repository typically resides in a data centre and can be accessed online via an encrypted connection.

When a Phacet<sup>®</sup> Info viewer is launched, it shows a desktop environment in which you can browse through your information via a hierarchical folder structure, as in a library with sections and shelves. This allows you to find books and articles relating to a particular subject.

You can also access information using search terms, with or without logical operators (e.g. "OR", "AND"). Using this approach, all documents conforming to the search strategy are displayed and you can pick the ones you want to study in more detail.

We will provide a portal at [www.phacet.info](http://www.phacet.info) to allow access via any Java-enabled web browser, even in an Internet café. The best user experience, however, is obtained by using a viewer installed on your computer or tablet device.

The viewer interface is quite snappy so, in most cases, you can simply read documents using the viewer. You can also download documents from the repository to any email address or directly to your computer if you wish.

### What do you need to use it?

We set up the system in a data centre. To start with, we also fill the repository with a set of documents provided by you, using a folder hierarchy customized for pharmacists. This saves you time, so you can start using the repository right away. We work actively with pharmacists to optimize this hierarchy so that it will continue to suit your needs in the

## **TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 5**

future. You can subscribe to an automatic delivery service of documents that are in the public domain and are relevant for pharmacists in daily professional life.

We provide a technical maintenance service for your repository as well as a backup service. We also provide a scanning service for documents, even for complete reference textbooks, in cases where such documents are not digitally available.

### **How do you benefit from it?**

Phacet<sup>®</sup> Info is a perfect solution for storing and indexing health care information, and sharing it within a group of professional colleagues. It helps you to find your way in the information jungle pharmacists have to deal with each day. It is really simple and intuitive to use. It launches very fast and is also quite stable thanks to the power of open source software.

**Exhibit 6: Phacet company profile on US digital market place**




# Health-System Pharmacist's MARKETPLACE

---


Guide Homepage
Back to Search Results
Tools
Advertisers
Need Help?




Advanced Search




**From National Institutes of Health to NASA**



**Learn More**

**Farmaco-Logica B.V.**  
  
<http://www.phacet.com>



Phacet® - open source software and computer systems for healthcare professionals.  
 Phacet® Oncology Desktop supports oncological prescribing and compounding.  
 Phacet® Compound Server supports compounding in general and interfaces with existing prescribing systems.  
 Phacet® Info is a document and professional advice repository and indexing system.


**List of Categories and Headings**


**Pharmacy Software** Dose Management  
**Pharmacy Software** Drug Reference Database  
**Pharmacy Software** EHR / EMR

**Contact Information**  
 Paul Kuks


+31 306665538  
 +31 306665701  
 Forward to a Friend

Wolkendek 17  
 de Meern, 3454TG


 **e-mail this company**




30 Years  
of  
Pharmacy  
Systems  
Development



Click here to request a demo







Gem offers unparalleled expertise in the design and manufacture of a complete line of life sciences cold storage equipment

- Pharmaceutical
- Blood Bank
- Laboratory
- Vaccine



**Exhibit 7: offer for marketing support of “Phacet” in USA**

Phacet - RXinsider/Thank you!

From: [Hillary Bullard <hbullard@rxinsider.com>](mailto:hbullard@rxinsider.com) (RXinsider)  
 To: [paul.kuks@phacet.com](mailto:paul.kuks@phacet.com)  
 Date: 15-06-2012 21:35  
 Attachments:  

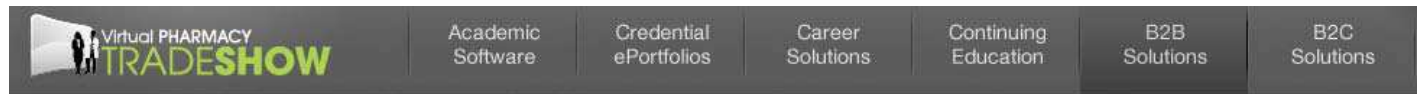
Hi Paul,

It was a pleasure meeting you in Baltimore. I hope it was a successful show for Phacet and that you are having safe travels on to DC and PA.

Please check out the "Pharmacy Compounding" aisle on the Virtual Pharmacy Tradeshow. The Compounding aisle is one of our most popular aisles with an average of 17 visits a day/523 a month! This is a perfect place to showcase Phacet's Compound Server and drive brand awareness, traffic and leads to you.

Let me know your thoughts...


[http://rxshowcase.com/trade\\_show.php/catid-106/catname-Pharmacy\\_Compounding\\_Supplies\\_-\\_Chemicals](http://rxshowcase.com/trade_show.php/catid-106/catname-Pharmacy_Compounding_Supplies_-_Chemicals)



**Virtual Trade Show AISLE:**

## Pharmacy Compounding:

Leading Providers of Compounding Chemicals, Compounding Supplies, Pharmacist Training, Compound Formulas, Quality Control, Technology.



**Virtual Trade Show Aisles**

▶ Automated Dispensing Cabinets - ADC	▶ ePrescribing Solutions	▶ MTM (Medication Therapy Management)	▶ Software (RX Processing):
▶ Automation / Robotics	▶ Error Prevention / Medication Verification	▶ Nuclear Pharmacy	▶ Specialized Care Centers: DIABETES
▶ Bar Coding Systems & Supplies	▶ Financial Services	▶ PBM (Pharmacy Benefit Management)	▶ Specialized Care Centers: DME / HME
▶ Board Exam Review Prep	▶ Gifts	▶ Pill Counters / Tablet Counters	▶ Specialty Pharmacy
▶ Buying & Selling of a Pharmacy	▶ GPO (Group Purchasing Organizations)	▶ Pill Splitters & Tablet Cutters	▶ Staffing Agencies
▶ Careers / Job EXPO	▶ Human Resource Tools	▶ POS Systems (Point of Sale)	▶ State Boards
▶ Carts - Mobile, Medication, COW's...	▶ Infection Control	▶ Power Supply	▶ Supplies (Pharmacy)
▶ Continuing Education (CE, CME, CPE, CNE)	▶ Insurance (Malpractice / Liability)	▶ Printers (Laser, Labels...)	▶ Supply Chain / Pedigree / RFID
▶ Claim Processing & Reconciliation	▶ Infusion - Technology, Supplies, Services	▶ Quality Control / Analytical Testing	▶ Telepharmacy / After-Hours Order Entry
▶ Cleanroom Supplies	▶ IVR (Interactive Voice Response)	▶ Refrigeration / Refrigerators	▶ Tradeshows, Meetings & Expos
▶ Cleanrooms, Hoods, Gloveboxes, Isolators	▶ Long Term Care Resources	▶ Revenue Stream Opportunities	▶ Training Resources
▶ Clinical Databases / Drug Reference	▶ Loyalty Programs for Pharmacies	▶ Robotic Transport (Material & Asset)	▶ Tube Transfer Systems - Air Tubes
▶ <b>Compounding - Supplies, Training...</b>	▶ Management & Consulting Services	▶ RTLS / Asset Management	▶ Unit Dose Technology & Packaging
▶ Credential Presentation ePortfolios	▶ Marketing & Advertising Services	▶ Scales & Balances	▶ USP <797>

Best,  
Hillary

**Hillary Bullard**  
Director of Business Development

Phone: 617.216.6805  
 Fax: 646.329.9766  
**RXinsider**  
 1300 Division Road, Suite 103  
 West Warwick, RI 02893

[RXinsider.com](http://RXinsider.com)



RXinsider is a multi-media and software development company providing innovative solutions to a variety of healthcare disciplines and higher education markets. Our six Business Units include: Academic Software, Job / Career Solutions, Continuing Education Solutions, B2B Solutions, Credential ePortfolios, and B2C Solutions.



**BEEF UP YOUR MARKETING EXPOSURE.**



**Exhibit 8: floor plan of ASHP trade show in 2011**



# THE MIDYEAR 2011

46th ASHP Midyear Clinical Meeting & Exhibition  
New Orleans Ernest N. Morial Convention Center  
New Orleans, Louisiana | December 4-8, 2011

- General
- Education/CE
- Symposia
- Exhibition
- Events
- Residency Showcase
- Careers/PPS
- Travel
- Registration/...

**Navigation Map**

**Exhibitor List**

Search for Exhibitor/Booth

Select Product Category

- Euclid Spiral Paper Tube (221)
- European Association of Hospital Pharmacists (3157)
- Exhibitor Lounge (3157)
- EXP Pharmaceutical Services (3157)
- Fairview Pharmacy Services (3157)
- Farmaco-Logica B.V. (2018)
- FDA (2440)
- Fera Pharmaceuticals (3114)
- FFF Enterprises (753)
- First DataBank Inc (1917)

Exhibitor Login

powered by

Novant Health

Exhibit Hall

1923

2022

First DataBank Inc

1917

Stericycle Inc

Farmaco-Logica B.V.

2018

Walgreens

2019

BD

**Print Options**

Print the area you are viewing

Print the complete Floorplan

**Exhibit 9: deatil of floor plan of ASHP trade show in 2011**

**TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 9****THE MIDYEAR 2011**

46th ASHP Midyear Clinical Meeting & Exhibition  
New Orleans Ernest N. Morial Convention Center  
New Orleans, Louisiana | December 4-8, 2011

[General](#)[Education/CE](#)[Symposia](#)[Exhibition](#)[Events](#)[Residency Showcase](#)[Careers/PPS](#)[Travel](#)[Registration/Hotel](#)**Farmaco-Logica B.V.**

Booth # 2018

[Map It](#)

Wolkendek 17  
De Meern, NL-3454TG  
Netherlands

**Exhibitor Information****Profile:**

Phacet® - open source software and computer systems for healthcare professionals.

Phacet® Oncology Desktop supports oncological prescribing and compounding.

Phacet® Compound Server supports compounding in general and interfaces with existing

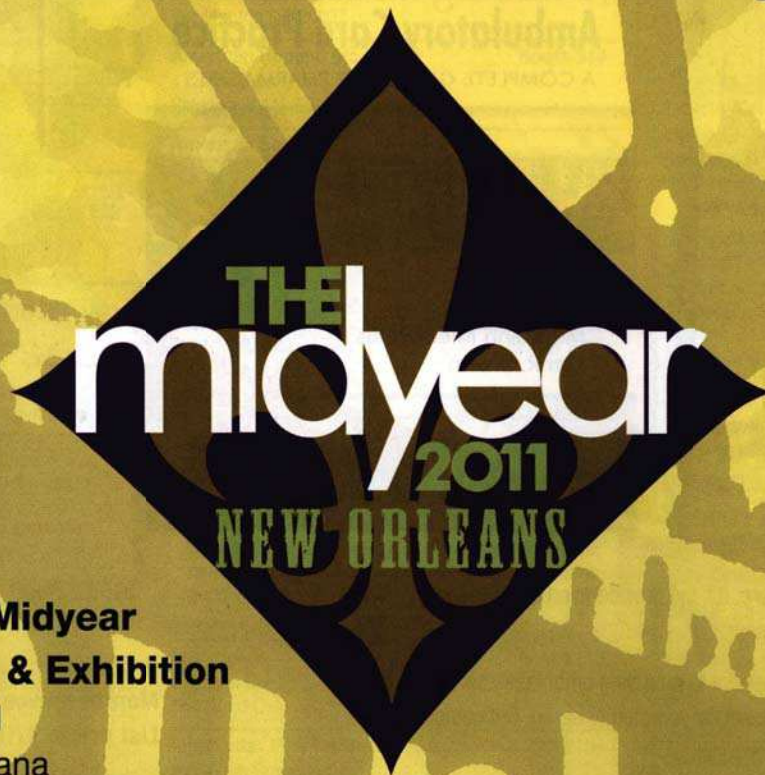
prescribing systems.

Phacet® Info is a document and professional advice repository and indexing system.

**Exhibit 10: “Yellow pages” of ASHP trade show in 2011**

Exhibitor  
**Yellow  
Pages**

**Exhibit Hall Directory**



**The 46th ASHP Midyear  
Clinical Meeting & Exhibition**  
December 4–8, 2011  
New Orleans, Louisiana

**Exhibit Yellow Pages Shopping Guide**

Use this guide to plan your time and locate the products and services you need on The Midyear 2011 exhibit hall floor. With all the choices, you will see familiar names plus companies you may not have been aware of...all providing products and services you need.





# The Midyear 2011 Exhibitors

**CompX Security Products** Booth 2142  
 PO Box 200  
 Mauldin, SC 29662

**Containment Technologies Group, Inc** Booth 1321  
 5460 Victory Drive, Suite 300  
 Indianapolis, IN 46203

**Contec, Inc.** Booth 2438  
 525 Locust Grove  
 Spartanburg, SC 29303

**Cook Children's Health Care System** Booth 2315  
 801 Seventh Avenue  
 Fort Worth, TX 76104

**Cooper-Atkins Corporation** Booth 1436  
 33 Reeds Gap Rd  
 Middlefield, CT 06455

**Cornerstone Therapeutics Inc.** Booth 615  
 1255 Crescent Green Drive, Suite 250  
 Cary, NC 27518

**Covidien** Booth 2046  
 675 McDonnell Blvd  
 Hazelwood, MO 63042  
 Collaborating and Acting  
 Responsibly



to Ensure Safety, (C.A.R.E.S. Alliance) is committed to providing education and enabling tools to healthcare professionals and people with pain, focusing on the safe prescribing, dispensing, storage, use and disposal of opioid analgesics. C.A.R.E.S. Alliance focuses on collaboration, education and innovation to improve outcomes for people with pain.

**Covidien-Medical Supplies** Booth 2050  
 15 Hampshire Street  
 Mansfield, MA 02048

**Covidien-Mallinckrodt** Booth 2047  
 675 McDonnell Boulevard  
 Hazelwood, MT 63042

**Craneware** Booth 1013  
 3340 Peachtree Road NE, Suite 850  
 Atlanta, GA 30326

**Cubist Pharmaceuticals** Booth 1734  
 65 Hayden Avenue  
 Lexington, MA 02421

**CutisPharma Inc.** Booth 3112  
 68 Cummings Park  
 Woburn, ME 01801

**Daiichi Sankyo/ Lilly** Booth 2230  
 Two Hilton Ct.  
 Parsippany, NJ 07054

**Datacist** Booth 1621  
 904 40th Street  
 Bellingham, WA 98229  
 Datacist assists Health-System Facilities in managing their use of Antimicrobials by providing the means to track and analyze all the relevant data associated with an accompanying Antimicrobial Stewardship Program. Developed by Pharmacists, Datacist offers a user-friendly innovative workflow interface, easy administration and comprehensive data analysis.

**Department of Veterans Affairs** Booth 1941  
 1555 Poydras Street  
 New Orleans, LA 70112

**Diagnostica Stago, Inc.** Booth 348  
 5 Century Drive  
 Parsippany, NJ 07054

**Drug Topics** Booth 2320  
 485F US Highway 1 S, Suite 100  
 Iselin, NJ 08830

**Dyna Labs** Booth 431  
 3830 Washington Boulevard  
 St. Louis, MO 63108

**Eisai, Inc.** Booth 2731  
 100 Tice Boulevard  
 Woodcliff Lake, NJ 07677

**Emerlyn Technology** Booth 524  
 2190 White Mountain Highway  
 North Conway, NH 03860-2358

**Emporos Systems Corporation** Booth 423  
 7504 E. Independence Boulevard, Suite 107  
 Charlotte, NC 28227

**Envision Telepharmacy** Booth 1440  
 503 E. Hancock Avenue  
 Alpine, TX 79830

**ePharmPro LLC** Booth 1019  
 601 Upland Avenue, Suite 112  
 Brookhaven, PA 19015

**Epocrates** Booth 1420  
 1100 Park Place, Suite 300  
 San Mateo, CA 94403

**Epson America** Booth 2747  
 2840 Kilroy Airport Way  
 Long Beach, CA 90806

**Equashield, LLC** Booth 2813  
 60 Cuttermill Road, Suite 513  
 Great Neck, NY 11021

EQUASHIELD® is an innovative closed drug transfer device for compounding / administration of hazardous drugs. EQUASHIELD® was developed following comprehensive scientific studies, safety factors and analysis of transfer devices. EQUASHIELD® is a state of the art, completely airtight, user friendly closed system which complies with the most stringent aseptic technique guidelines.

**Euclid Spiral Paper Tube Corp** Booth 2217  
 339 Mill Street, PO Box 458  
 Apple Creek, OH 44606

**European Association of Hospital Pharmacists** Booth 2551  
 Rue Abbe Cuypers 3, B-1040  
 Bruxelles, Belgium

**EXP Pharmaceutical Services Corp** Booth 837  
 48021 Warm Springs Boulevard  
 Fremont, CA 94539

**Fairview Pharmacy Services** Booth 1852  
 711 Kasota Avenue  
 Minneapolis, MN 55414

**Farmaco-Logica B.V.** Booth 2018  
 Wolkendek 17  
 De Meern, NL-3454TG  
 Netherlands



Phacet®—open source software and computer systems for healthcare professionals. Phacet® Oncology Desktop supports oncological prescribing and compounding. Phacet® Compound Server supports compounding in general and interfaces with existing prescribing systems. Phacet® Info is a document and professional advice repository and indexing system.

**FDA** Booth 2440  
 10000 New Hampshire Avenue  
 Silver Spring, MD 20993

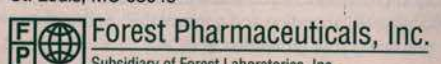
**Fera Pharmaceuticals** Booth 3114  
 134 Birchhill Road  
 Locust Valley, NY 11560

**FFF Enterprises** Booth 753  
 41093 County Center Drive  
 Temecula, CA 92591

**First DataBank Inc** Booth 1917  
 701 Gateway Boulevard, Suite 600  
 South San Francisco, CA 94080

**Follett Corporation** Booth 2547  
 801 Church Lane  
 Easton, PA 18040

**Forest Pharmaceuticals** Booth 1646  
 13600 Shoreline Drive  
 St. Louis, MO 63045



Forest Pharmaceuticals, Inc., is a wholly-owned subsidiary of New York City-based Forest Laboratories, Inc. Forest's longstanding global partnerships and track record developing and marketing pharmaceutical products in the USA have yielded its well-established central nervous system and cardiovascular franchises and an emerging portfolio in anti-infective and respiratory medicine.

**FormWeb** Booth 3116  
 6263 Popular Avenue, Suite 1133  
 Memphis, TN 38119

**Germfree** Booth 1130  
 11 Aviator Way  
 Ormond Beach, FL 32174

**Gilead Sciences, Inc.** Booth 1447  
 333 Lakeside Drive  
 Foster City, CA 94404

**GLC Healthcare** Booth 2024  
 1290 Weston Road, Suite 316  
 Weston, FL 33331

GLC Group is a full-service talent resource offering innovative, flexible and aggressive solutions for leading Fortune 100 and 500 corporation's recruitment needs. GLC provides "mix and match" flexibility—whether it's contingent, permanent, IWO or BP()—through a single point of contact, providing the resources of the entire GLC team.

**Exhibit 11: photograph of exhibit booth floor during ASHP trade show  
in 2011**



Phacet  
open  
source



**MedPr**  
Transformational Technology  
Create "safety" syringe options (won't eliminate  
hazards) with readability of personal from  
lighter as can move a safe to reduce  
exposure to staff, patients and the public.

**hartlett**  
General Hospital

**Exhibit 12: “Yellow pages” of ASHP trade show in 2012**

EXHIBITOR

# YELLOW PAGES



ASHP 2012 SUMMER MEETING & EXHIBITION

June 9–13, 2012  
Baltimore Convention Center  
Baltimore, Maryland

**Exhibit Yellow Pages Products and Services Guide**

Use this guide to plan your time and locate the products and services you need on the ASHP 2012 Summer Meeting exhibit hall floor. With all the choices, you will see familiar names plus companies you may not have been aware of...all providing products and services you need.



# ASHP 2012 Summer Meeting Exhibitors

Last updated May 15, 2012.

**Abbott Booth 906**  
200 Abbott Park Road  
Abbott Park, IL 60064

Abbott is a global, broad-based health care company devoted to discovering new medicines, new technologies and new ways to manage health. Our products span the continuum of care, from nutritional products to medical devices and pharmaceutical therapies. Our comprehensive product line encircles life itself—addressing important health needs for all ages.

**Acute Care Pharmaceuticals Booth 718**  
12225 World Trade Drive, Suite A  
San Diego, CA 92128

Acute Care Pharmaceuticals, full line marketers of clean room disposables for your USP 797 compliance needs is now an authorized distributor of the Sanosil Halo disinfection technology and solutions. The Halo is EPA Approved, while providing a safe, high efficacy disinfection solution that kills 99.99% of healthcare-related pathogens.

**Aethon Booth 902**  
100 Business Center Drive  
Pittsburgh, PA 15205

Aethon<sup>®</sup> improves healthcare efficiency and patient care with innovative logistics, delivery and asset management solutions. Hospitals throughout the U.S. now utilize Aethon's MedEx<sup>™</sup> pharmacy medication management system to improve process and increase efficiencies, allowing staff to focus on their core missions—providing the best patient care possible—as opposed to logistics processes.

**ALK-Abello Booth 511**  
1700 Royston Lane  
Round Rock, TX 78664

ALK-Abello is a research driven, global pharmaceutical company focusing on allergy treatment and diagnosis. Our drug allergy diagnosis product, PRE-PEN, is the only FDA approved skin test for the diagnosis of penicillin allergy.

**Allergan Booth 406**  
2525 Dupont Dr  
Irvine, CA 92612

Founded in 1950, Allergan, Inc., with headquarters in Irvine, California, is a multi-specialty health care company that discovers, develops and commercializes innovative pharmaceuticals, biologics and medical devices that enable people to live life to its greatest potential. Allergan employs 8,500+ people worldwide and operates state-of-the-art R&D facilities and world-class manufacturing plants. Allergan has global marketing and sales capabilities with a presence in 100+ countries.

**American Regent, Inc. Booth 410**  
1 Luitpold Drive  
Shirley, NY 11967

American Regent, is the manufacturer and distributor of Venofer<sup>®</sup>, (iron sucrose injection, USP), the #1 selling IV iron in the U.S.\* Venofer<sup>®</sup> is preservative free and available in 50 mg/2.5 mL, 100 mg/5 mL, and 200 mg/10 mL single use vials. Please visit us at booth number 410 to learn more!

\* Based on IMS Health, National Sales Perspectives<sup>™</sup> - (April 2012) First Quarter 2012 Results—dollar volume (\$) and units (100 mg equivalents).

**Ameridose Booth 413**  
205 Flanders Road  
Westborough, MA 01581

Ameridose is a leading provider of sterile admixed solutions and oral repackaging services to hospital pharmacies nationwide. We are state licensed and FDA registered, exceeding USP standards and meeting cGMP requirements. Our customer commitment includes the promise to deliver best-in-industry product and process quality, customer service, and value.

**Amgen Booth 502**  
1 Amgen Center Dr  
Thousand Oaks, CA 91320

Amgen (NASDAQ:AMGN), a biotechnology pioneer, discovers, develops and delivers innovative human therapeutics. Our medicines have helped millions of patients in the fight against cancer, kidney disease, rheumatoid arthritis and other serious illnesses. With a deep and broad pipeline of potential new medicines, we continue to advance science to serve patients.

**Apexus/340 B Prime Vendor Booth 604**  
125 E John Carpenter Freeway  
Irving, TX 75062

The Apexus/340B Prime Vendor Program is a free and voluntary program for all 340B-covered entities. The Prime Vendor Program serves its participants by: Negotiating sub-340B pricing on pharmaceuticals; establishing distribution solutions and networks that improve access to affordable medications; and providing other value-added products and services, such as 340B split-billing software, pharmacy automation systems and vaccines. For more information, call (888) 340-BPVP (2787) or visit www.340bpvp.com.

## SPONSOR

**APP Pharmaceuticals Booth 402**  
1501 E Woodfield Road, Suite 300 E  
Schaumburg, IL 60173

APP Pharmaceuticals, a company of the Fresenius Kabi Group, is a fully-integrated pharmaceutical company that develops, manufactures and markets injectable pharmaceutical products. Our primary focus is the anesthetic/analgesic, anti-infective, critical care and oncology markets.

**ASHP Advantage Booth 623**  
7272 Wisconsin Ave  
Bethesda, MD 20814

ASHP Advantage, a division of the American Society of Health-System Pharmacists, offers a full range of innovative continuing education services, including live educational symposia, webinars, on-demand CE, podcasts, and publications. Our experience, integrity, and customer service have provided participants with an educational Advantage for over a decade.

**ASHP Research and Education Foundation Booth 622**  
7272 Wisconsin Ave  
Bethesda, MD 20814

The ASHP Research and Education Foundation is the charitable arm of ASHP. Dedicated to fostering safe and effective medication use, the Foundation offers research grant opportunities, leadership training, practice tools and special traineeship programs for health-system pharmacists. Visit us and learn more!

## CORPORATE SUPPORTER

**AvKARE Booth 726**  
615 North First Street  
Pulaski, TN 38478

AvKARE provides quality pharmaceuticals, disposable medical/surgical supplies, and capital medical equipment that are competitively priced and delivered on time, in time, every time. Serving: DOD, VA, NASA, Tricare, IHS, USDA, US Army, US Air Force, US Navy, and USMC.

**Baxter Healthcare Booth 404**  
One Baxter Parkway  
Deerfield, IL 60015

As a global, diversified healthcare company, Baxter International Inc., applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology to create products that advance patient care worldwide.

**BD PhaSeal Booth 707**  
1 Becton Drive  
Franklin Lakes, NJ 07417

BD features a broad array of Healthcare Worker and Patient Safety engineered products; needles and syringes, IV catheters, anesthesia needles and trays, sharps disposal, skin preps, scrubs and flush syringes.

## SPONSOR

**Bedford Laboratories Booth 811**  
300 Northfield Rd  
Bedford, OH 44146

Bedford Laboratories goes Beyond, Above-and-Beyond<sup>™</sup> to provide our customers with pharmaceutical products that improve the health of patients. Bedford Laboratories produces an extensive selection of critical care and medically necessary injectable medications, including oncology products, cardiac agents, anesthesia products and other therapeutic class injectables.

**Bioscience International, Inc. Booth 716**  
11333 Woodgren Drive, Ste 201  
Rockville, MD 20852

The SAS Viable Air Sampler will be displayed—an instrument to achieve USP 797 Compliance for the Environmental Monitoring of Air Quality.

**Board of Pharmacy Specialties Booth 416**  
2215 Constitution Avenue NW  
Washington, DC 20037

The Board of Pharmacy Specialties (BPS) is an autonomous Division of the American Pharmacists Association (APhA), founded in January 1976 to recognize specialties and certify pharmacists in specialized areas of pharmacy practice. Six specialties are currently recognized by BPS, including: 1) nuclear pharmacy, since 1978; 2) nutrition support pharmacy, since 1988; 3) pharmacotherapy, since 1988; 4) psychiatric pharmacy, since 1992; and 5) oncology pharmacy, since 1996. The latest BPS specialty, focused on ambulatory care pharmacy, was approved in June 2009, and is scheduled for its first examination in October. More than 10,450 pharmacist specialists are currently certified by BPS.

**Cactus LLC Booth 523**  
1031 Le Grand Blvd  
Charleston, SC 29492

Cactus, LLC offers a new, "Go Green" solution for pharmaceutical waste disposal rendering unused pharmaceuticals acutely "un-recoverable". The SMART SINK system is designed to be an alternative to a sink, toilet, or waste bin when unused raw pharmaceuticals are "wasted" or disposed of, providing safety and security, eliminating the negative impact to our environment.

## NEW EXHIBITOR

**Calign, Inc. Booth 627**  
912 17th Street, Suite 6  
Santa Monica, CA 90403

Calign is an innovative commercialization company specializing in global market research and consulting for the healthcare industry. We partner with leading healthcare industry suppliers and consumers to address their challenges and identify their highest-value opportunities. Over 80% of our clients operate in the hospital marketplace. Stop by and learn more.

**Clean Harbors Environmental Services Booth 717**  
42 Longwater Drive  
Norwell, MA 02061

Hospital and healthcare professionals rely on Clean Harbors for essential environmental services including pharmaceutical waste management, sharps and medical waste disposal, hazardous waste management, comprehensive pharmaceutical services, recycling, emergency response services, and treatment & disposal of solvents and universal waste.

**Craneware Booth 810**  
3340 Peachtree Road NE, Suite 850  
Atlanta, GA 30326

Craneware is the leader in automated revenue integrity solutions that improve healthcare organizations' financial performance. Craneware solutions help hospitals effectively price, charge, code and retain earned revenue for patient care services and supplies. Clients achieve visibility required to prevent revenue leakage, optimizing reimbursement, increasing operational efficiency and minimizing compliance risk.

**Cumberland Pharmaceuticals Inc Booth 923**  
2525 West End Avenue  
Nashville, TN 37203

Cumberland Pharmaceuticals Inc. is a specialty pharmaceutical company whose mission is to acquire currently marketed and late-stage development pharmaceutical products and grow them through marketing to targeted, underserved physician segments. Cumberland is dedicated to providing high quality products which address unmet medical needs.

**Farnaco-Logica B.V. Booth 722**  
Wolkendek 17  
3454 TG DE MEERN  
The Netherlands

Phacet<sup>®</sup>—open source software and computer systems for healthcare professionals. Phacet<sup>®</sup> Oncology Desktop supports oncological prescribing and compounding. Phacet<sup>®</sup> Compound Server supports compounding in general and interfaces with existing prescribing systems. Phacet<sup>®</sup> Info is a document and professional advice repository and indexing system.

**FDA/CDER Booth 913**  
10001 New Hampshire Ave  
Silver Spring, MD 20993

The FDA's Center for Drug Evaluation and Research (CDER) makes sure that safe and effective drugs are available to improve the health of the American people. CDER ensures that prescription and over-the-counter drugs, both brand name and generic, work correctly and that the health benefits outweigh known risks.

**First Databank Inc Booth 907**  
701 Gateway Boulevard, Suite 600  
San Bruno, CA 94080

First Databank (FDB) provides drug knowledge that helps healthcare professionals make precise medication-related decisions. FDB enables our system developer partners to deliver valuable, useful, and differentiated solutions. We offer over three decades of experience in helping transform drug knowledge into actionable and targeted solutions that improve patient safety and healthcare outcomes.

**Germfree Booth 512**  
11 Aviator Way  
Ormond Beach, FL 32174

Germfree specializes in the production of a full line of stainless steel USP and NIOSH compliant compounding aseptic isolators (CAI & CACI), radiopharmacy isolators, as well as horizontal/vertical laminar flow workstations and chemo hoods. With over 50 years in the industry, Germfree has the experience, technology, and vision to provide the best protection for patients, personnel and products.

## NEW EXHIBITOR

**Getinge-La Calhene, USA Booth 817**  
1325 Field Avenue South  
Rush City, MN 55069

Getinge is a world leader in Contamination Control supplying healthcare institutions with cleaning and disinfections equipment, as well as supplying the pharmaceutical industry with systems and solutions for drug manufacture according to GMP requirements. This combination uniquely positions Getinge as a qualified supplier to hospital pharmacies where patient care meets drug preparation.

**Gilead Sciences, Inc. Booth 823**  
333 Lakeside Drive  
Foster City, CA 94404

Gilead Sciences is a biopharmaceutical company that discovers, develops and commercializes innovative therapeutics in areas of unmet medical need. The company's mission is to advance the care of patients suffering from life-threatening diseases worldwide. Headquartered in Foster City, California, Gilead has operations in North America, Europe and Asia Pacific.

**Health Care Logistics Booth 703**  
PO Box 25  
Circleville, OH 43113

Health Care Logistics provides "special answers to special problems", supplying more than 7,000 hard to find products to hospitals, pharmacies and other health care providers. We provide efficient and effective customer service, free concierge service, offer free samples, evaluations and no minimum orders. Most orders ship the same day.

**Exhibit 13: photograph of exhibit booth floor during ASHP trade show  
in 2012**





**Exhibit 14: “Yellow pages” of ASHP trade show in 2012**

Exhibitor

# Yellow Pages

## Exhibit Hall Directory



**The 47th ASHP Midyear  
Clinical Meeting & Exhibition**  
December 2–6, 2012 | Mandalay Bay Hotel  
Las Vegas, Nevada



### Exhibit Yellow Pages Products and Services Guide

Use this guide to plan your time and locate the products and services you need on The Midyear 2012 exhibit hall floor. With all the choices, you will see familiar names plus companies you may not have been aware of...all providing products and services you need.



American Society of  
Health-System Pharmacists®  
TOGETHER WE MAKE A GREAT TEAM

# The Midyear 2012 Exhibitors

**Check Point by Tempsys** Booth 1266  
5701 Hollis Street  
Emeryville, CA 94608

**Chemocato LLC** Booth 773  
35 East 7th Street  
New York, NY 10003

**Claris Lifescience Inc.** Booth 1276  
1445 US Highway, Suite 130  
North Brunswick, NJ 08902

**Clean Harbors Environmental Services** Booth 1936  
42 Longwater Drive  
Norwell, MA 02061

**NEW EXHIBITOR**

**Clinical and Laboratory Standards Institute** Booth 2366  
950 West Vally Road, Suite 2500  
Wayne, PA 19087

**Codonics** Booth 2159  
17991 Englewood Drive  
Middleburg Heights, OH 44130  
Codonics Safe Label System improves the syringe preparation workflow, automatically printing full color labels containing The Joint Commission required elements. Pharmacy creates/controls the drug formulary for the systems in a safe, secure fashion via its Administration Tool, making clinical pharmacists part of the OR team. SLS utilizes standardized barcode technology and visual/audible confirmations acting as a double-check for the staff preparing and labeling syringes.

**Coldchain Technology Services** Booth 1052  
244 Flight Line Drive  
Spring Branch, TX 78070

**CompleteRx** Booth 423  
3100 S. Gessner, Suite 640  
Houston, TX 77063

**Comprehensive Pharmacy Services** Booth 731  
6409 Quail Hollow Rd  
Memphis, TN 38120

**CompX Security Products** Booth 448  
PO Box 200  
Mauldin, SC 29662

**Containment Technologies Group, Inc** Booth 949  
5460 Victory Drive, Suite 300  
Indianapolis, IN 46203

**Contec, Inc.** Booth 917  
525 Locust Grove  
Spartanburg, SC 29303

**NEW EXHIBITOR**

**Controlled Environment Testing Association** Booth 1821  
1500 Sunday Drive, Suite 102  
Raleigh, NC 27607

**Cook Children's Healthcare System** Booth 2209  
801 7th Ave  
Fort Worth, TX 76104

**Cooper-Atkins Corporation** Booth 1251  
33 Reeds Gap Rd  
Middlefield, CT 06455

**Cornerstone Therapeutics Inc.** Booth 2350  
1255 Crescent Green Drive, Suite 250  
Cary, NC 27518

**Covidien** Booth 872  
15 Hampshire Street  
Mansfield, MA 02048

**NEW EXHIBITOR**

**Covis Pharmaceuticals** Booth 1930  
1513 Walnut Street, Suite 270  
Cary, NC 27511

**Craneware** Booth 2144  
3340 Peachtree Road NE, Suite 850  
Atlanta, GA 30326

**Cubist Pharmaceuticals** Booth 1173  
65 Hayden Avenue  
Lexington, MA 02421

**Cubist Pharmaceuticals** Booth 1358  
65 Hayden Avenue  
Lexington, MA 02421

**CutisPharma** Booth 1950  
68 Cummings Park  
Woburn, MA 01801

**Diagnostica Stago, Inc.** Booth 2129  
5 Century Drive  
Parsippany, NJ 07054  
Stago is a pharmaceutical laboratory, founded in 1945, which now works in the In Vitro Diagnosis (IVD) industry, wholly dedicated to the exploration of hemostasis and thrombosis.

**Dignity Health** Booth 825  
185 Berry Street, Suite 300  
San Francisco, CA 94107

**Drug Topics** Booth 752  
485 F Rt. 1 South, Suite 100  
Iselin, NJ 08830

**DSI Lilly USA** Booth 1871  
Two Hilton Ct.  
Parsippany, NJ 07054

**Dyna Labs** Booth 1045  
3830 Washington Blvd.  
St. Louis, MO 63108

**Eisai, Inc.** Booth 1245  
100 Tice Blvd.  
Woodcliff Lake, NJ 07677

**EMD Millipore** Booth 546  
290 Concord Road  
Billerica, MA 01821

**Emporos Systems Corporation** Booth 1050  
7504 E. Independence Blvd., Suite 107  
Charlotte, NC 28227

**Envision Telepharmacy** Booth 1648  
503 E. Hancock Ave  
Alpine, TX 79830  
Envision Telepharmacy's web-based tools & imaging systems allow pharmacists (yours and/or Envision's) to provide oversight of IV Sterile Compounding, Remote Medication Order Processing, and supervision of others while they perform medication-related activities. An instant picture of in-process orders gives users a fast, dedicated and convenient way of keeping in touch.



**Epson America** Booth 1075  
3840 Kilroy Airport Way  
Long Beach, CA 90806

**Equashield, LLC** Booth 667  
60 Cuttermill Road  
Great Neck, NY 11021

**Euclid Spiral Paper Tube** Booth 456  
339 Mill Street, PO Box 458  
Apple Creek, OH 44606

**European Association of Hospital Pharmacists** Booth 1272  
Rue Abbe Cuyppers 3  
Brussels, 1040  
Belgium

**Excelera Specialty Pharmacy Network** Booth 2228  
711 Kasota Ave. SE  
Minneapolis, MN 55414

**EXP Pharmaceutical Services Corp** Booth 1057  
48021 Warm Springs Blvd  
Fremont, CA 94539

**Fagron** Booth 732  
2400 Pilot Knob Road  
St. Paul, MN 55120

**Farmaco-Logica B.V.** Booth 974  
Wolkendek 17  
De Meern, NL-3454TG  
Netherlands

**FDA** Booth 1630  
10001 New Hampshire Ave  
Silver Spring, MD 20993

**FDA/Center for Drug Evaluation & Research** Booth 814  
7519 Standish Place  
Rockville, MD 20855

**FDA/Office of Compliance** Booth 801  
10903 New Hampshire  
Silver Spring, MD 20993

**Fera Pharmaceuticals** Booth 1934  
134 Brchhill Road  
Locust Valley, NY 11560

**FFF Enterprises** Booth 725  
41093 County Center Dr  
Temecula, CA 92591

**First Databank Inc** Booth 1350  
701 Gateway Blvd., Suite 600  
South San Francisco, CA 94080

**FlavoRx** Booth 1560  
9475 Gerwig Lane  
Columbia, MD 21046

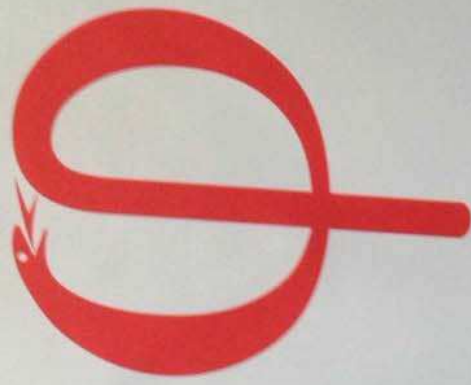
**NEW EXHIBITOR**

**Florajen Probiotics/American Lifeline, Inc.** Booth 1144  
138 First Street, PO Box 149  
Baraboo, WI 53913  
American Lifeline, Inc., makers of Florajen probiotics, is a leading provider of superior probiotic cultures. Founded in 1991 in Madison, Wisconsin by bacteriologists, David Sullivan and Robert Deibel, Ph.D. (former Chairman, University of Wisconsin, Department of Bacteriology), it remains an ethical, science-based company, providing affordable high potency refrigerated probiotics. 20 year record of safety and efficacy.

**NEW EXHIBITOR**

**Fluke Electronics Corp.** Booth 351  
14150 SW Karl Brown Drive #50-209,  
Beaverton, OR 97077

**Exhibit 15: photograph of exhibit booth floor during ASHP trade show  
in 2012**



Phacet<sup>®</sup>

open  
source



**Exhibit 16: “Yellow pages” of ASHP trade show in 2013**

# EXHIBITOR YELLOW PAGES

June 1-5, 2013 | Minneapolis Convention Center | Minneapolis, Minnesota

[www.ashp.org/sm13](http://www.ashp.org/sm13)



ASHP 2013 SUMMER MEETING & EXHIBITION



MEDICATION  
SAFETY  
COLLABORATIVE

## Exhibit Yellow Pages Products and Services Guide

Use this guide to plan your time and locate the products and services you need on the ASHP 2013 Summer Meeting exhibit hall floor.



# ASHP 2013 Summer Meeting Exhibitors

Last updated May 6, 2013.

## CORPORATE SPONSOR

### AbbVie Booth 632

1 North Waukegan Road  
North Chicago, IL 60064

AbbVie is a global, research-based biopharmaceutical company which combines the focus of a leading-edge biotech with the expertise and structure of a long-established pharmaceutical leader.

**abbvie**

### Acute Care Pharmaceuticals Booth 908

12225 World Trade Drive, Suite A  
San Diego, CA 92128

Acute Care Pharmaceuticals is your partner in the compliance of USP regulations, we can supply your facility with the correct disposable products and the knowledge necessary to support the operation of your barrier isolator and all your cleanroom procedures. Pharmacies can purchase at their wholesaler or direct at [www.Pharma-Choice.com](http://www.Pharma-Choice.com)

### ALK, Inc. Booth 610

1700 Royston Lane  
Round Rock, TX 78664

ALK is a research driven, global pharmaceutical company focusing on allergy treatment, prevention and diagnosis. As the world leader in allergy immunotherapy, a treatment given to increase immunity to substances causing allergic symptoms, ALK is devoted to improving the quality of life for people with allergies by creating products that treat the cause of allergies.

### PO American Regent, Inc. Booth 811

PO Box 9001  
Shirley, NY 11967

American Regent, Inc. manufactures and distributes Venofer®, (iron sucrose injection, USP), the #1 selling IV iron in the US\*. Venofer® is available in 50mg/2.5mL, 100mg/5mL and 200mg/10mL single use vials.

\* Based on IMS National Sales Perspective™ (October 2012) Third quarter 2012 Results Dollar Volume (\$) and Units (100mg equivalents).

### Amgen Booth 905

1 Amgen Center Drive  
Thousand Oaks, CA 91320

Amgen, a biotechnology pioneer, discovers, develops, and delivers innovative human therapeutics. Our medicines help millions of patients in the fight against cancer, kidney disease, rheumatoid arthritis, bone disease, and other serious illnesses. With a deep and broad pipeline of potential new medicines, we continue to advance science to serve patients.

## NEW EXHIBITOR

### Amneal Institutional Booth 635

440 US Highway 22 East, Suite 104  
Bridgewater, NJ 08807

Amneal Institutional is a specialized business unit of Amneal Pharmaceuticals. Positioned as "Generic's New Generation," Amneal ranks 7th in total unbranded U.S. prescriptions dispensed (IMS March 2013). Amneal Institutional is dedicated to providing generic injectable products and packaging designed to meet the specific needs of health systems, clinics, and physician's offices.

### Apexus/ 340B Prime Vendor Booth 809

125 E John Carpenter Freeway  
Irving, TX 75062-2324

Founded in 2007, Apexus Inc., a not-for-profit corporation, is the Health Resources and Services Administration's (HRSA) Office of Pharmacy Affairs (OPA) awarded contractor to serve as the prime vendor for the 340B Program.

Apexus is responsible for securing sub-ceiling discounts on outpatient drug purchases, other pharmacy related products and services for participating public hospitals, community health centers and other eligible safety-net healthcare providers electing to join the program.

### ASHP Advantage Booth 730

7272 Wisconsin Ave  
Bethesda, MD 20814

ASHP Advantage, a division of the American Society of Health-System Pharmacists, offers a full range of innovative continuing education services, including live educational symposia, webinars, on-demand Ce, podcasts, and publications. Our experience, integrity, and customer service have provided participants with an educational Advantage for over a decade.

### ASHP Research and Education Foundation Booth 731

7272 Wisconsin Ave  
Bethesda, MD 20814

As ASHP's philanthropic arm, we are dedicated to improving the health and well-being of patients in health systems through appropriate, safe and effective medication use. We offer grant opportunities, leadership training, practice tools and traineeship programs for health-system pharmacists. Please visit our Booth to learn more!

### Astellas Pharma US Inc Booth 810

3 Parkway N, Suite 300  
Deerfield, IL 60015

Astellas is a pharmaceutical company dedicated to improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. Astellas markets products in the areas of Anti-Infectives, Cardiology, Dermatology, Oncology, Transplant, and Urology. For more information please visit our website at [www.astellas.us](http://www.astellas.us)

### Baxter Healthcare Booth 511

One Baxter Parkway  
Deerfield, IL 60015

As a global, diversified healthcare company, Baxter International Inc., applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology to create products that advance patient care worldwide.

### BD Booth 424

1 Becton Drive  
Franklin Lakes, NJ 07417

BD features a broad array of Healthcare Worker and Patient Safety engineered products; needles and syringes; closed system transfer devices; IV catheters; anesthesia needles and trays; sharps disposal; skin preps; scrubs; and flush syringes.

### Bedford Laboratories Booth 711

300 Northfield Road  
Bedford, OH 44146

At Bedford Laboratories, we are steadfast in our pursuit of providing our customers a selection of affordable critical care and medically necessary injectable generic pharmaceuticals. From our dedicated scientists to our quality control experts and compassionate client services professionals Bedford Laboratories is home to many hands committed to care. Please visit us at [www.bedford-labs.com](http://www.bedford-labs.com).

### Bioscience International Booth 924


11333 Woodglen Drive  
Rockville, MD 20852

The newest generation of SAS microbial air monitors, for ensuring full compliance with USP 797 guidelines, cGMP and international monitoring requirements will be displayed.

## EXHIBITOR KEY

 New Exhibitor

 Sponsor

 Corporate Supporter

### Board of Pharmacy Specialties Booth 510

2215 Constitution Avenue NW  
Washington, DC 20037

(BPS) 1) nuclear pharmacy 2) nutrition support 3) pharmacotherapy 4) psychiatric 5) oncology 6) ambulatory care

## NEW EXHIBITOR

### Bracco Booth 608

107 College Road East  
Princeton, NJ 08540

Bracco Imaging S.p.A. is one of the World's leading companies in the diagnostic imaging business. Bracco Imaging develops, manufactures and markets diagnostic imaging agents and solutions that meet medical needs and facilitate clinical solutions. Headquartered in Milan, Italy, Bracco Imaging operates in over 90 markets worldwide, either directly or indirectly, through subsidiaries, joint ventures, licenses and distribution partnership agreements.

### Cactus LLC Booth 927

1031 Legrand Boulevard  
Charleston, SC 29492

Cactus, LLC offers a new, "Go Green" solution for pharmaceutical waste disposal rendering unused pharmaceuticals acutely "un-recoverable". The SMART SNK system is designed to be an alternative to a sink, toilet, or waste bin when unused raw pharmaceuticals are "wasted" or disposed of, providing safety and security, while eliminating the negative impact to our environment.

### Clean Harbors Booth 710

42 Longwater Drive  
Norwell, MA 02061

Hospital and healthcare professionals rely on Clean Harbors for essential environmental services including pharmaceutical waste management, sharps and medical waste disposal, hazardous waste management, comprehensive pharmaceutical services, recycling, treatment & disposal of solvents and universal waste. Visit us at [www.cleanharbors.com](http://www.cleanharbors.com)

### Codonics Booth 926

17991 Englewood Drive  
Middleburg Heights, OH 44130

Safe Label System is an award-winning, FDA approved medical device that improves the safety and accuracy of medication management. SLS ensures labeling compliance and reduces errors anywhere medications are prepared. User-friendly formulary customized by pharmacy with concentrations and rules for use and extends the scope of pharmacy to the point of care. Data analytics provide pharmacy wealth of information, assists with drug reconciliation and can improve billing accuracy.

### Craneware Booth 931

3340 Peachtree Road NE, Suite 850  
Atlanta, GA 30326

Craneware is the leader in automated revenue integrity solutions that improve healthcare organizations' financial performance. Craneware solutions help hospitals effectively price, charge, code and retain earned revenue for patient care services and supplies. Clients achieve visibility required to prevent revenue leakage, optimizing reimbursement, increasing operational efficiency and minimizing compliance risk.

## NEW EXHIBITOR

### ECRS - Catapult Rx Booth 910

277 Howard Street  
Boone, NC 28607

ECRS solutions address the diverse business requirements and growth opportunities health systems and hospitals face today. ECRS' complete point-of-sale (POS) combines a low-profile hardware platform with feature-rich software functionality suitable for outpatient pharmacies, cafeterias and retail gift shops. This flexibility allows for one, complete automation solution across the enterprise

### Excelera Booth 419

711 Kasota Avenue SE  
Minneapolis, MN 55414

The Excelera® company is a national network of health systems with specialty pharmacy capability. Its goal is to deliver comprehensive care to complex patients while improving outcomes and decreasing overall health care costs via innovative care protocols, sophisticated data management, high levels of service, and provider integration at the point of care.

### Farmaco-Logica B.V. Booth 421

Wolkendek 17  
de Meern, 3454TG  
Netherlands

Phacet® - open source software and computer systems for healthcare professionals. Phacet® Oncology Desktop supports oncological prescribing and compounding. Phacet® Compound Server supports compounding in general and interfaces with existing prescribing systems. Phacet® Info is a document and professional advice repository and indexing system.

### First Databank Inc Booth 507

701 Gateway Boulevard, Suite 600  
South San Francisco, CA 94080

First Databank (FDB) provides drug knowledge that helps healthcare professionals make precise medication-related decisions. FDB enables our system developer partners to deliver valuable, useful, and differentiated solutions. We offer over three decades of experience in helping transform drug knowledge into actionable and targeted solutions that improve patient safety and healthcare outcomes.

## SPONSOR

### Fresenius Kabi USA, LLC Booth 904

Three Corporate Drive  
Lake Zurich, IL 60047

Fresenius Kabi USA, LLC markets a broad portfolio of specialty pharmaceutical products with a focus on the anesthetic/analgesic, anti-infective, critical care, and oncology markets.

**APP**  
A Division of Fresenius Kabi USA

### Germfree Booth 418

11 Aviator Way  
Ormond Beach, FL 32174

GERMFREE specializes in the production of stainless steel laminar flow equipment for hospital and pharmacy use. GERMFREE manufactures a full line of USP and NIOSH compliant Compounding Aseptic Isolators (CAI/CACI) as well as horizontal and vertical laminar airflow hoods and chemo hoods. With over 50 years in the industry, GERMFREE has the experience to provide the best protection for patients, personnel and products.

### Getinge Group Booth 819

1325 S Field Avenue South  
Rush City, MN 55069

Getinge is a world leader in Contamination Control supplying healthcare institutions with cleaning and disinfection equipment, as well as supplying the pharmaceutical industry with systems and solutions for drug manufacture according to GMP requirements. This combination uniquely positions Getinge as a qualified supplier to hospital pharmacies where patient care meets drug preparation.

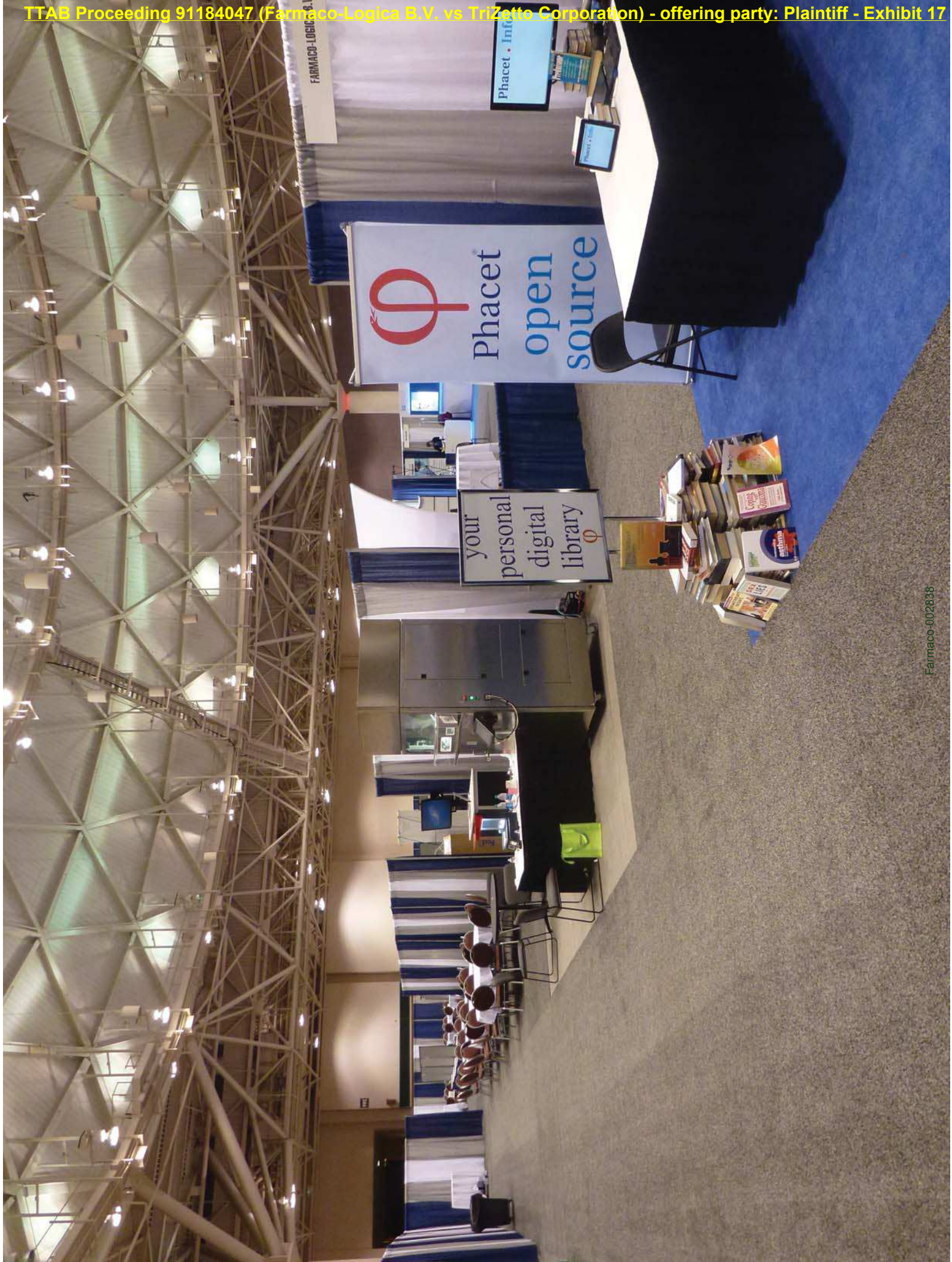
### Gilead Sciences Booth 909

333 Lakeside Drive  
Foster City, CA 94404

Gilead Sciences is a biopharmaceutical company that discovers, develops and commercializes innovative therapeutics in areas of unmet medical need. The company's mission is to advance the care of patients suffering from life-threatening diseases worldwide. Headquartered in Foster City, California, Gilead has operations in North America, Europe and Asia Pacific.



**Exhibit 17: photograph of exhibit booth floor during ASHP trade show  
in 2013**



FARMACO-LOGICA B.V.

Phacet . Int

your personal digital library

Farmaco-002638

**Exhibit 18: “Yellow pages” of ASHP trade show in 2014**

# EXHIBITOR YELLOW PAGES



Summer Meetings and Exhibition

May 31–June 4, 2014 | The Mirage | Las Vegas, Nevada

[www.ashp.org/sm14](http://www.ashp.org/sm14)

## Three Meetings in One



### Exhibit Yellow Pages Products and Services Guide

Use this guide to plan your time and locate the products and services you need on the ASHP 2014 Summer Meeting exhibit hall floor.

# ASHP 2014 Summer Meetings Exhibitors

Updates can be found in the onsite News & Views and ASHPLive Mobile App. (Last updated May 15, 2014.)

**Acute Care Pharmaceuticals Booth 808**  
12225 World Trade Drive, Suite A-E  
San Diego, CA 92128

Acute Care Pharmaceuticals is your partner in the compliance of USP regulations, we can supply your facility with the correct disposable products and the knowledge necessary to support the operation of your barrier isolator and all your cleanroom procedures. Pharmacies can purchase at their wholesaler or direct at [www.Pharma-Choice.com](http://www.Pharma-Choice.com).

## NEW EXHIBITOR

**AdverseEvents, Inc. Booth 712**  
3663 N. Laughlin Road, Suite 102  
Santa Rosa, CA 95403

AdverseEvents is a healthcare informatics company that improves patient safety and reduces systemic healthcare costs through the analysis of post-marketing drug side effect data. Utilizing data-mining and analysis technology, through its proprietary RxSuite™ of analytics, AEI makes post-marketing drug safety data accessible, actionable, and predictable. Provides services to managed care organizations/pharma industry/financial institutions, all while keeping the patient as the key stakeholder.

**Aesynt Booth 713**  
500 Cranberry Woods Drive  
Cranberry Township, PA 16066

Aesynt offers integrated pharmacy automation solutions that help health systems to improve outcomes, build stronger businesses and manage change. Our high-quality, cost-effective and efficient solutions address every point of medication delivery, regardless of medication type or distribution model. Visit Booth #713 to learn how Aesynt is continuously advancing medication management.

**ALK, Inc. Booth 720**  
1720 Royston Lane  
Round Rock, TX 78664

ALK is a research driven, global pharmaceutical company focusing on allergy treatment, prevention and diagnosis. As the world leader in allergy immunotherapy, a treatment given to increase immunity to substances causing allergic symptoms, ALK is devoted to improving the quality of life for people with allergies by creating products that treat the cause of allergies.

**Amgen Booth 618**  
One Amgen Center Drive  
Thousand Oaks, CA 91320

Amgen is committed to unlocking the potential of biology for patients suffering from serious illnesses by discovering, developing, manufacturing and delivering innovative human therapeutics. A biotechnology pioneer since 1980, Amgen has reached millions of patients around the world and is developing a pipeline of medicines with breakaway potential.

**Apexus/ 340B Prime Vendor Program Booth 515**  
290 E John Carpenter Freeway  
Irving, TX 75062

Apexus is HRSA's Office of Pharmacy Affairs awarded contractor serving as the prime vendor for the 340B Program. Apexus is responsible for securing sub-ceiling discounts on outpatient drug purchases, other pharmacy related products and services for public hospitals, community health centers and other eligible safety-net providers participating in the program.

**Arbor Pharmaceuticals, LLC Booth 411**  
6 Concourse Parkway, Suite 1800  
Atlanta, GA 30328

Arbor Pharmaceuticals is an Atlanta, GA based specialty pharmaceutical company which currently markets prescription products for the cardiovascular, hospital and pediatric markets.

**ASHP Booth 626**  
7272 Wisconsin Avenue  
Bethesda, MD 20814

Visit the ASHP booth to learn more about ASHP-developed professional resources including: Specialty Review Course and Recertification Programs, PharmacyTechCE.org, Preceptor's Playbook, Informatics Essentials and UNC Pharmacy Grand Rounds. Information about CE activities conducted by ASHP Advantage will also be available. Stop by to meet keynote speaker Carey Lahrenz (Monday) and to learn how you can get involved with the provider status effort (Tuesday).



**ASHP Research and Education Foundation Booth 627**  
7272 Wisconsin Avenue  
Suite 200  
Bethesda, MD  
20814-4820

The ASHP Research and Education Foundation is the charitable arm of ASHP. Dedicated to fostering safe and effective medication use, the Foundation offers research grant opportunities, leadership training, practice tools and traineeship programs for health-system pharmacists. Visit us to learn more!



**AVKARE Booth 529**  
615 N 1st Street  
Pulaski, TN 38478-2403

AVKARE is a wholesale distributor, that provides quality Pharmaceuticals, Disposable Medical/Surgical Supplies, and Capital Medical Equipment that are competitively priced and delivered on time in time, every time.

**Baxter Healthcare Corporation Booth 621 & ES1**  
1 Baxter Parkway  
Deerfield, IL 60015-4633

Baxter International Inc., through its subsidiaries, develops, manufactures and markets products that save and sustain the lives of people with hemophilia, immune disorders, infectious diseases, kidney disease, trauma, and other chronic and acute medical conditions. As a global, diversified healthcare company, Baxter applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology that advance patient care worldwide.

**BDBooth 427**  
1 Becton Drive  
Franklin Lakes, NJ 07417-1815

BD features a broad array of Healthcare Worker and Patient Safety engineered products; needles and syringes; closed system transfer devices, IV catheters; anesthesia needles and trays; sharps disposal; skin preps; scrubs; and flush syringes.

**Bedford Laboratories Booth 615**  
300 Northfield Rd  
Bedford, OH 44146-4650

Bedford Laboratories® is a leading provider of generic sterile injectable medicines with a focus on acute-care hospitals, group purchasing organizations and oncology treatment centers. Bedford Laboratories develops and distributes a broad portfolio of high-quality, medically necessary medicines to patients in hospitals and clinics across the United States and Puerto Rico through authorized distributors and drug wholesalers. Please visit us at [www.bedfordlabs.com](http://www.bedfordlabs.com).

**Bioscience International Booth 518**  
11333 Woodglen Drive  
Rockville, MD 20852-3071

The newest generation of SAS microbial air monitors, for ensuring full compliance with USP 797 guidelines, cGMP and international monitoring requirements will be displayed.

**Biotest Pharmaceuticals Booth 815**  
5800 Park of Commerce Boulevard, NW  
Boca Raton, FL 33487

Biotest Pharmaceuticals researches and manufactures biotherapeutic products with a specialization in immunology and hematology. Biotest Pharmaceuticals is a leader in the collection of source plasma. Established in 2007, Biotest Pharmaceuticals owns and manages plasmapheresis centers across the United States and operates a state-of-the-art manufacturing facility in Boca Raton, Florida.

**Board of Pharmacy Specialties Booth 511**  
2215 Constitution Avenue, NW  
Washington, DC 20037

(BPS) 1) nuclear pharmacy 2) nutrition support 3) pharmacotherapy 4) psychiatric 5) oncology 6) ambulatory care

**Cardinal Health Booth 818**  
7000 Cardinal Place  
Dublin, OH 43017

Combining our full suite of pharmaceutical services, Cardinal Health Innovative Delivery Solutions helps you transform your pharmacy into a strategic asset—delivering value that supports the patient throughout the continuum of care. From supply chain management solutions to expert consultative services, Innovative Delivery Solutions gives you a highly comprehensive, universal solution for your pharmacy.

**Center For Pharmacy Practice Accreditation Booth 633**  
6517 Excelsior Drive, Suite 205  
Madison, WI 53717

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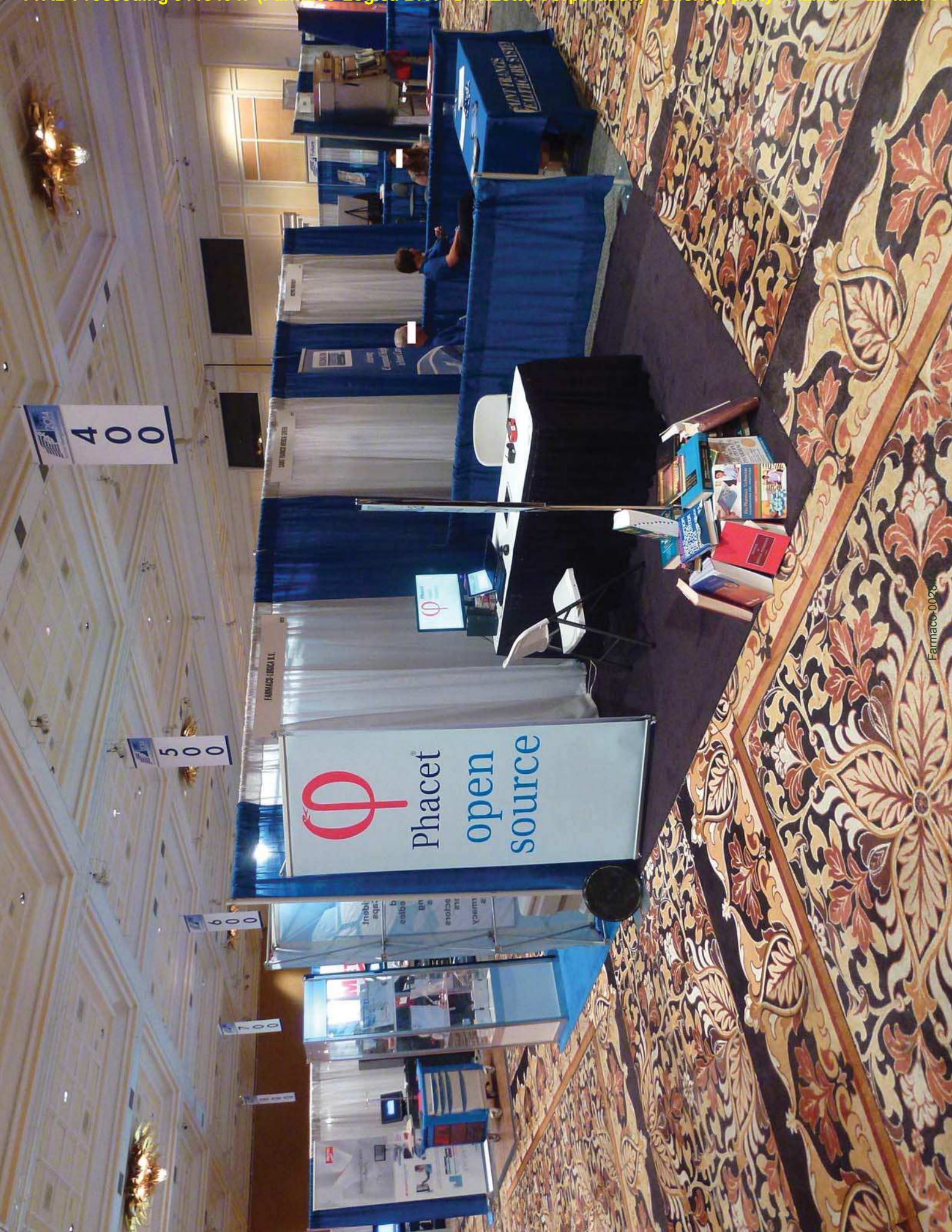
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- New Exhibitor
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**Exhibit 19: photograph of exhibit booth floor during ASHP trade show  
in 2014**



Farmaco-0026

**Exhibit 20: manual “Phacet Oncology Desktop”**



# Phacet Oncology Desktop

*Applicatiebeheerdershandleiding  
versie 1.9*



✉ [helpdesk@farmlog.net](mailto:helpdesk@farmlog.net)  
☎ (00 31)(0) 30 6662024

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# 1 Inleiding

Deze handleiding vormt een aanvulling op de gebruikershandleiding en is bestemd voor applicatiebeheerders van **Phacet Oncology Desktop**. Voor een volledig begrip van deze handleiding dient u hiernaast de gebruikershandleiding te raadplegen, want deze applicatiebeheerdershandleiding dupliceert niet de informatie in de gebruikershandleiding.

In deze handleiding vindt u informatie die niet noodzakelijk is voor het alledaagse gebruik van **Phacet Oncology Desktop**, zoals de manier van installeren van het programma op uw eigen computernetwerkconfiguratie, het toekennen van gebruikersrechten en het verrichten van allerlei instellingen. Alle handelingen die door gewone gebruikers als dagelijkse routine kunnen worden uitgevoerd treft u daarentegen aan in de gebruikershandleiding.

Om applicatiebeheerder te kunnen zijn dient u vertrouwd te zijn met de meest gebruikte commando's van het Microsoft Disk Operating System (MS-DOS<sup>®</sup>) en Microsoft Windows<sup>®</sup>. Indien u de programmatuur gebruikt in een lokaal netwerk (Local Area Network, LAN) dient u enkele commando's van de betreffende netwerkprogrammatuur te kennen of hierin ondersteund te kunnen worden door een systeembeheerder. Naast het hebben van dergelijke kennis beveelt Farmaco-Logica aan dat u ook een dagelijkse

gebruiker van Phacet Oncology Desktop bent omdat u dan gemakkelijker begrijpt waarom en hoe de verschillende instellingen van het programma verricht worden.

Deze handleiding is geldig voor versies van Phacet Oncology Desktop met ingang van 1.9.6.

## 2 Installatie voor de eerste keer



LET OP!

*Dit hoofdstuk beschrijft de installatie van Phacet Oncology Desktop voor de eerste keer. Deze beschrijving is dus niet van toepassing op de installatie van een nieuwe versie over een oudere versie. Zie voor dit laatste het **volgende hoofdstuk**.*

Dit hoofdstuk beschrijft de handelingen waarmee Phacet Oncology Desktop voor de eerste keer geïnstalleerd wordt. Naast de fysieke installatie van alle bestanden wordt een aantal instellingen verricht zodat het programma in gebruik kan worden genomen. Er zijn veel meer instellingen mogelijk dan hier beschreven maar voor de installatie zijn deze niet van belang.

De meeste instellingen die in dit hoofdstuk niet beschreven zijn bevatten standaardwaarden die in de meeste situaties voldoen. Ook zijn de gegevenstabellen gevuld met een aantal testgegevens (test-cliënten, test-ziekenhuizen enzovoort). In eerste instantie kunnen deze gegevens gebruikt worden om de programmatuur te leren kennen door oefening. Zodra het programma in gebruik is genomen voor routinematige productie kunnen deze gegevens gebruikt voor praktijktesten zonder dat dit interfereert met de productiewerkzaamheden.

## 2.1 Systeemvereisten

Phacet Oncology Desktop functioneert op computersystemen met de onderstaande specificaties.

type

IBM-PC-compatibel, tenminste Pentium 200 MHz wordt aanbevolen; voor gebruik van [Phacet Oncology Desktop-Kuren](#) wordt Pentium II, 600 MHz aanbevolen; de benodigde snelheid is mede afhankelijk van het besturingssysteem

werkgeheugen

tenminste 128 MB; het beschikbare werkgeheugen is voor sommige programmaonderdelen van grote invloed op de programmasnelheid

besturingssysteem

Windows<sup>®</sup> 2000/XP/Vista/7  
Het programma functioneert  
wel onder Windows<sup>®</sup> 95/98/ME,  
maar de robuustheid van dit  
besturingssysteem is  
onvoldoende.

programmatuuropslagmedium  
gegevensopslagmedium

Linux<sup>®</sup> met WINE-emulator.  
Getest is SuSE Linux Enterprise  
Desktop 10 met Codeweavers  
CrossOver Office Professional 7  
tenminste 50 MB vrij  
tenminste 500 MB vrij,  
afhankelijk van gebruik

netwerk

In beginsel functioneert de  
programmatuur binnen ieder  
NOS. Getest is een netwerk op  
basis van Microsoft SMB.  
Indien HL7-berichten dienen te  
worden uitgewisseld, dan is  
daarvoor het TCP/IP-protocol  
vereist op het werkstation en het  
computersysteem waarmee de  
berichten worden uitgewisseld  
(meestal het ZIS).

printer(s)

In beginsel voldoet iedere printer, maar dit is mede afhankelijk van uw opmaakwensen. Gaarne aanschaf in overleg.

codepagina

437 (IBM-PC)  
850 (Multilingual Latin-1)  
andere codepagina's kunnen leiden tot een foutmelding bij het starten van de programmatuur en tot een afwijkende weergave van karakters



## 2.2 Systeem-parameters

Om met Phacet Oncology Desktop in Windows 95/98/ME te kunnen werken dienen in het CONFIG.SYS-bestand de volgende commando's te zijn opgenomen.

**FILES=20** (een groter getal dan 20 is toegestaan)

**BUFFERS=20** (een groter getal dan 20 is toegestaan)

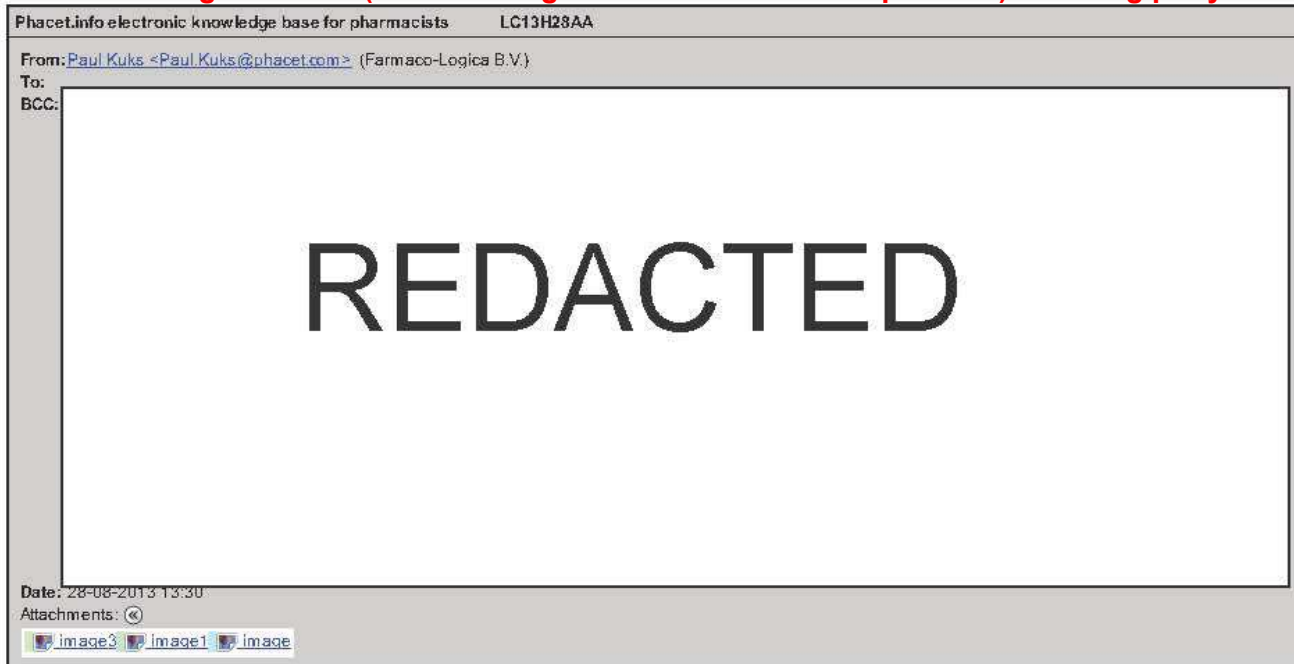
## 2.3 Subdirectory's, installeren bestanden op harde schijf

### 2.3.1 Aanmaak subdirectory's

Het is handig om drie soorten subdirectory's op uw netwerk volume aan te maken:

- 1 Programmastation: een subdirectory voor de programmatuur en optiebestanden; vanuit deze subdirectory dient Phacet Oncology Desktop te worden gestart; iedere gewone gebruiker dient hier uitsluitend lees- en uitvoeringsrechten te hebben; de applicatiebeheerder dient hier eveneens schrijfrechten te hebben
- 2 Gegevensstation: een subdirectory voor gegevensbestanden; iedere gebruiker dient hier lees-, schrijf en uitvoeringsrechten te hebben
- 3 Helpstation: in deze subdirectory worden tijdelijke bestanden aangemaakt bijvoorbeeld bij het aanmaken van een nieuwe index; iedere gebruiker dient hier lees- en schrijfrechten te hebben

**Exhibit 21: Phacet e-mail marketing example**



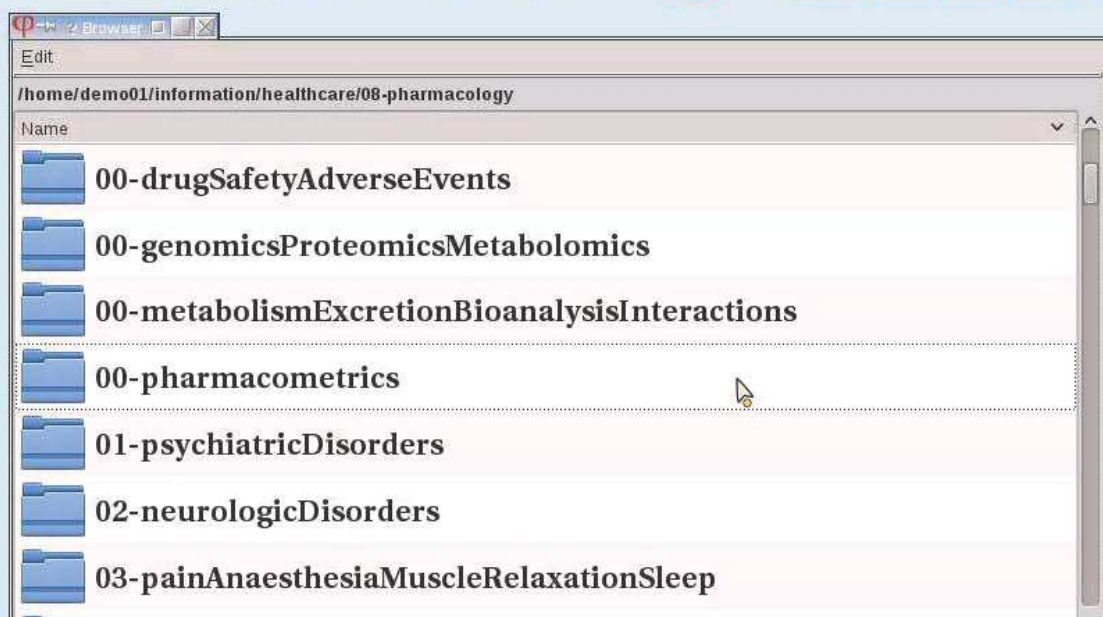
Dear colleague,

I am pleased to inform you about the new version of **Phacet.info** we released today. **Phacet.info** is an electronic knowledge base system for use in the health care field. It provides a continuum between scientific knowledge and individual patient care. It helps to ensure that every patient is treated using all pertinent background health care information available.

**Phacet.info** is designed for groups of collaborating pharmacists who wish to share a common knowledge base of information. Only you and your colleagues determine which books, articles, guidelines, solutions to individual patient problems, hyperlinks and so on should be made available for future reference.

You can access **Phacet.info** through the Internet using a desktop, laptop, or tablet device. Once connected, you can look up information by browsing the folder structure, which provides an intuitive access path for pharmacists to a specific subject.

# Phacet • Info



The full contents of all information stored in **Phacet.info** can also be searched within seconds using the advanced indexing system.

**Phacet Info**

Search results for **benzylpenicillin** (filtered). Documents 1-20 out of at least 94 for [\(show query\)](#) [Next](#)

1 1% relevance **2009Frank-inHospitalAntibioticTherapy-book.pdf**  
 file:///home/demo01/information/healthcare/08-pharmacology/13-infectiousDiseases/2009Frank-inHospitalAntibioticTherapy-book.pdf  
 287 KB  
[Preview](#) [Open](#)

... benzylpenicillins phenoxypenicillins oral penicillins resistant penicillins coccal penicillins penicillin g **benzylpenicillin** sodium procaine **benzylpenicillin** benzathine penicillin penicillin v propicillin oxacillin dicloxacillin flucloxacillin penicillins ureidopenicillins ...

You can send solutions to clinical problems, you solved for individual patients, to **your.name@phacet.info** and have these stored into you knowledge base. The message itself, as well as background documents attached to it (such as scientific articles and treatment guidelines), will become indexed automatically. You can also use the medical record system included in **Phacet.info** to document your interventions for individual patients.

**Phacet.info** is highly configurable and can be used in clinical practice settings as well as in drug information centers.

If you wish to try **Phacet.info**, please contact me for obtaining access to our demonstration server in the US.

Kind regards,

Paul Kuks Pharm.D. Ph.D.

hospital pharmacist - clinical pharmacologist  
 managing director



Farmaco-Logica B.V.  
 Wolkendek 17  
 3454 TG DE MEERN  
 The Netherlands

T +31 30 6622709 (time zone: GMT/UTC +2)

**TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 21**

F +31 30 6665701

E info@phacet.com

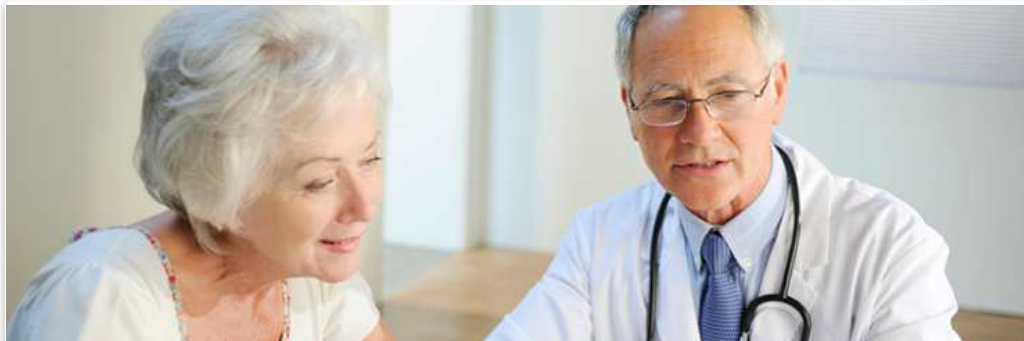
W www.phacet.com

We are sending you this information because you expressed your interest in this topic in the past. If you do not wish to receive further communications from us, please send us a reply with the words **NO MORE INFO** in the subject field.

**Exhibit 22: TriZetto website page “Care Management”**

HOME / PAYER SOLUTIONS / CARE MANAGEMENT

## CARE MANAGEMENT



5% of patients account for almost half of all U.S. healthcare spending (1) while 1% were responsible for 22% of costs (2).

TriZetto provides payers with solutions to identify and manage members through claims information, and also to deploy provider-led population health and quality programs driven by clinical data.

Positive influence over the cost and quality of care requires proactive management of individual members, populations, provider relationships, and quality programs. TriZetto care management and collaborative care solutions coordinate care for members, engage providers, and enable true collaboration.

### CAREADVANCE ENTERPRISE®

TriZetto delivers a leading-edge solution for controlling care management costs, enabling you to consolidate your utilization, disease, and case management processes onto a single platform. The TriZetto CareAdvance Enterprise solution helps transform siloed care management into an advanced, member-focused, integrated program. Successful care management programs reduce costs, personalize interventions, enhance outcomes and improve the quality of care.

### TRIZETTO® COLLABORATIVE CARE SOLUTION

The TriZetto® Collaborative Care Solution, powered by Wellcentive, captures and aggregates patient data from nearly any data source, creating an effective pathway for providers to share the clinical data necessary for payers to operate Patient-Centered Medical Homes (PCMHs), Pay-for-Performance (P4P) programs and other care management and quality initiatives. Payers can enable provider-led Population Health Management by actively engaging caregivers in coordinated, team-based care activities and providers benefit from the ability to monitor clinical goals at the point-of-care and employ a comprehensive view of patient populations, beyond individual episodes and interactions.

### TRIZETTO ADVANTAGE SERVICES®

While TriZetto's care management solutions can help you achieve dramatic results, you'll see results faster when you combine these solutions with TriZetto Advantage Services®. That's because no one has more experience managing and implementing TriZetto applications than TriZetto itself. With TriZetto Advantage Services, you'll experience easier implementations and integrated care management, smoother process transitions and faster business transformation. That translates to measurable results and a competitive edge. Learn more about [TriZetto Advantage Services](#) now.

### CARE MANAGEMENT

CAREADVANCE  
ENTERPRISE®

### DOWNLOAD THE RESEARCH REPORT



### INDUSTRY PERSPECTIVES ON FUTURE TRENDS IN POPULATION HEALTH AND CARE MANAGEMENT

To gain industry perspectives on future trends in care management and PHM, TriZetto conducted a survey of providers and payers across eight segments of healthcare.

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TRIZETTO 2015 HEALTHCARE  
CONFERENCE  
May 17-20

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**CAREADVANCE ENTERPRISE®**

- Overview
- Clinical CareAdvance®
- Personal CareAdvance®

(1) Conwell LJ, Cohen JW. Characteristics of people with high medical expenses in the U.S. civilian noninstitutionalized population, 2002. *Statistical Brief #73*. March 2005. Agency for Healthcare Research and Quality, Rockville, MD. [Read more](#).

(2) Yu WW, Ezzati-Rice TM. Concentration of health care expenses in the U.S. civilian noninstitutionalized population. *Statistical Brief #81*. May 2005. Agency for Healthcare Research and Quality, Rockville, MD. [Read more](#).



**Exhibit 23: TriZetto website page “Corporate Profile”**

HOME / ABOUT US / CORPORATE PROFILE

## CORPORATE PROFILE



Making better healthcare happen

TriZetto is now a Cognizant company.

TriZetto delivers world-class, healthcare IT solutions that enable healthcare organizations to work more efficiently and collaboratively to deliver better health. TriZetto solutions reach 250,000 care providers, streamline processes for more than 350 payers and touch over half the U.S. insured population. TriZetto solutions help health plans and TPAs increase administrative efficiency, improve the cost and quality of care, and succeed in the retail healthcare market. TriZetto solutions help physicians and health systems simplify business processes and execute strategies for population health management, accountable care, and value-based initiatives. TriZetto's healthcare expertise, innovative technology solutions help simplify healthcare for everyone.

## TRIZETTO, A COGNIZANT COMPANY AT-A-GLANCE:

TriZetto Headquarters:  
9655 Maroon Circle  
Englewood, CO 80112 USA  
Phone: 1-800-569-1222

Cognizant World Headquarters:  
500 Frank W. Burr Blvd.  
Teaneck, NJ 07666 USA  
Phone: +1 201 801 0233  
Fax: +1 201 801 0243  
Toll Free: +1 888 937 3277

Cognizant European  
Headquarters:  
1 Kingdom Street  
Paddington Central  
London W2 6BD  
Phone: +44 207 297 7600  
Fax: +44 207 121 0102

Cognizant India Operations  
Headquarters:  
#5/535, Old Mahabalipuram

Chief Executive, TriZetto:  
Jude Dieterman  
Year founded: 1997

## Solution areas:

- Analytics
- Core Administration
- Consumer-Directed
- Medicare/Medicaid
- Care Management
- Network Management
- Portal Technology Solutions
- Application Management Services
- Business Management Services
- Consulting Services
- Solutions Utilities
- Revenue Cycle Management
- Payer-Provider Collaboration
- Accountable Care Solutions

## Key Products:

- Facets™
- QNXT™
- QicLink®
- CareAdvance Enterprise®
- NetworX Suite®
- Provider POS Direct™
- Value-Based Benefits
- Portal Technology Solutions
- Provider Solutions

## Clients:

- Health Plans
- Benefits Administrators
- Health Systems
- Providers

## ABOUT US

- CORPORATE PROFILE
- VISION & MISSION
- LEADERSHIP
- HISTORY
- TRIZETTO CARES
- CONTACT US
- OFFICE LOCATIONS

## FEATURED VIDEO



Together, we can move forward in the "new world" It's a "new world" for payers, physicians and health systems. We must find new ways to improve efficiency, achieve compliance, align incentives, remain agile and collaborate to improve and drive meaningful change. TriZetto has a vision. Click to play. →

## LATEST NEWS

**NOVEMBER 20, 2014**  
Cognizant Completes Acquisition of TriZetto,  
**OCTOBER 21, 2014**  
TriZetto Provider Solutions™ Launches  
**OCTOBER 16, 2014**  
TriZetto's 2014 Executive Vision Summit Brings

Road  
Okkivam Pettai, Thoraipakkam  
**TRIZETTO SOLUTIONS**  
Chennai, 600 096 India  
TriZetto is the industry leader in delivering innovative healthcare information technology solutions to drive administrative efficiency and improved cost and quality of care, providing clients with unique competitive advantages in a volatile healthcare market.  
Phone: +91 (0) 44 4209 8000  
Fax: +91 (0) 44 4209 8000

#### **SOLUTIONS FOR PAYERS**

TriZetto provides an end-to-end solutions approach to help payer organizations succeed—from strategic planning to solution implementation, and from business operations to advisory services. TriZetto technology-enabled solutions drive unparalleled administrative efficiency across payer business processes while enabling new population health management and accountable care models to drive more effective care and better health.

#### **SOLUTIONS FOR PROVIDERS**

TriZetto Provider Solutions integrate with more than 300 practice management/EMR systems to drive intelligent revenue cycle management and use analytics to monitor, catch and fix issues before they create downstream problems. Our multi-constituent, real-time technology platform drives greater collaboration among payers and providers and delivers a high-quality, cost-efficient healthcare experience. Physicians, hospitals and healthcare systems can leverage TriZetto Provider Solutions to help receive fast, accurate payment; move from volume- to value-based care with accountable care; and achieve seamless payer-provider collaboration and information exchange. As more than 200,000 physicians across the country have discovered, TriZetto helps physician organizations concentrate on the real business at hand—improving outcomes for patients.

#### **TRIZETTO'S APPROACH TO TECHNOLOGY**

TriZetto is enabling the HealthWeb community, allowing everyone to work in a more collaborative environment. The HealthWeb community is powered by TriZetto's healthcare Operating System (hOS), which allows smarter and more valuable transactions in real time through workflow, process orchestration and analytics, and takes action to impact results. TriZetto's real-time cloud-enabled solutions provide a safe path on which to move information to and from on-premise solutions, the cloud and the community. The solutions help participants in the HealthWeb community improve the way healthcare is managed and care is delivered, with the opportunity to drive out billions of dollars of waste.

**Exhibit 24: TriZetto website page “Facets Lines of Business”**

HOME / PAYER SOLUTIONS / CORE ADMINISTRATION / FACETS™ / FACETS™ LINES OF BUSINESS AND SPECIALTY PRODUCT SUPPORT

## FACETS™ LINES OF BUSINESS AND SPECIALTY PRODUCT SUPPORT



### INTEGRATE ALL YOUR LINES OF BUSINESS ON A SINGLE PLATFORM.

The TriZetto Facets™ application provides a core administrative platform that can integrate all your lines of business, including:

#### COMMERCIAL

The Facets application can scale to meet the demands of the largest payers. With leading-edge functionality, the Facets solution helps reduce administrative costs

through improved auto-adjudication, integrated workflow management and greater operational efficiency.

#### MEDICARE

TriZetto's comprehensive solutions serve more than 33 percent of Medicare Advantage lives today. With the Facets application, you can support Medicare Advantage and Medicare Part D accretions, changes and deletions, and direct-bill beneficiaries for premiums. The Facets system also supports client service appeals and grievances, reconciles CMS payments, and provides detailed support for discrepancies and retroactive adjustments.

#### MEDICAID

More than 37 percent of all managed Medicaid claims are now processed on TriZetto applications. The Facets system is an industry-leading Medicaid solution, handling claims processing efficiently and delivering effective enrollment, medical management and workflow processes.

#### DISABILITY

The Facets Disability module helps you establish and administer parameters for long-term and short-term disability claims, including payment frequencies and benefit calculations. Facets Disability also manages processing operations for short-term and long-term disability benefits, from specifying a benefit plan and establishing claim and payment generation, to processing year-end W-2 information.

#### DENTAL

Facets Dental provides comprehensive functionality to support your dental business today and scales easily to accommodate growth. With fingertip access to dental-specific functionality, Facets Dental simplifies your dental configurations, automates workflows and increases auto-adjudication. You can improve member satisfaction by pre-determining coverage and out-of-pocket member expenses. And a flexible and highly configurable interface—including built-in preventive-care models—makes it easy to bring new products to market quickly.

#### VISION

The new Facets Vision module helps you automate and administer provider-reimbursement models for vision benefits. Facets Vision supports complex and flexible benefit programs, helping you process claims in real-time, using portals and online views. And you can automatically create additional vision lines to process fees related to frames and materials.

### CORE ADMINISTRATION

FACETS™  
QNXT™  
QICLINK™

### DOWNLOAD WHITEPAPER



#### ICD-10 AND 5010 COMPLIANCE: WHERE DO YOU STAND?

The March Toward Compliance: 2011 Survey Highlights 5010 and ICD-10 Progress and Continuing Challenges

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TRIZETTO 2015 HEALTHCARE CONFERENCE  
May 17-20

### LATEST NEWS

NOVEMBER 20, 2014  
Cognizant Completes Acquisition of TriZetto,  
OCTOBER 21, 2014  
TriZetto Provider Solutions™ Launches  
OCTOBER 16, 2014  
TriZetto's 2014 Executive Vision Summit Brings

**CONSUMER-DIRECTED**

The Facets CDH Account Management module automates management of consumer-directed plans. With Facets CDH, you can accurately and cost-effectively manage FSA, HRA and HSA benefit plans. The CDH module provides real-time administration, integrating plan benefits, debit cards and financial institutions in one system. The module also helps you manage consumer funds and integrates with Web-based tools for more effective health and wellness education.

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**Exhibit 25: TriZetto website page “Physicians Claims Processing”**

## CLAIMS PROCESSING



### CLAIMS PROCESSING

Simplify claims processing and maximize revenue

Healthcare claims processing errors cost you unnecessary amounts of time and money. In fact, administrative costs consume 13 cents of every dollar physician offices make according to the Center for American Progress, June 2012. The amount of time spent managing denied and rejected claims is costly and takes your attention away from what is important – your patients.

Claims Processing Overview

TriZetto Provider Solutions understands that successful technology adoption and integration depend on claims processing solutions that fit smoothly within your practice's current workflow to allow you to get paid quickly and accurately. TriZetto Provider Solutions suite of claims processing solutions simplify claims reimbursement and revenue management. With direct connections to hundreds of payers nationwide, these tools enable us to provide physician offices and medical billing services with the real-time response, extended content, and advanced editing solutions designed to maximize revenue, increase cash flow and fix coding errors before they can impact a practice.

### CLAIMS PROCESSING FEATURES AND BENEFITS

#### Secondary Claims Processing

- Gives patients, providers and insurers access to all claims through a secure, HIPAA-compliant web portal.
- Prompts you to correct missing key data online, reducing delays in processing.
- Uses existing claim information already submitted to quickly create secondary claims.

#### Advanced Coding Edits

- Enables editing of Correct Coding Initiative (CCI), Medical Necessity (NCD/LCD), modifier, age and gender.
- Submits cleaner claims by quickly and automatically identifying coding errors before they're submitted to payers.
- Reduces calls to payers to fix coding errors.
- Rejects or suspends claims with coding errors, giving you maximum flexibility for your particular workflow.

#### Online Claims Correction

- Notifies you of errors in real-time through your client web portal, so you can make the comprehensive edits your payers require without slowing down the process.

#### Electronic Remittance Advice

- Consolidates data from multiple payers into a single, easy-to-read format that's customized to fit your needs.
- Tailors reports to fit your needs, minimizing or reducing the need for any data entry through the entire process.
- Links secondary claims so you always have the latest updates for posting payments.

#### Healthcare Business Intelligence Reports

- Identifies the most common reasons your claims have been rejected, and how much those rejections have cost the practice.
- Integrates with other systems – so you'll never need to enter data to spot problems or areas for improvement.
- Benchmarks your own performance against other organizations, so you can identify areas for improvement.

### PHYSICIAN OFFICE & BILLING SERVICE SOLUTIONS

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- PATIENT FINANCIAL RESPONSIBILITY
- REIMBURSEMENT MANAGEMENT

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- LEARN MORE
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#### ICD-10

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General Inquiry

### CALL

Physician Solutions	1.800.969.3666
Health System Solutions	1.866.252.4656
Analytics Solutions	1.800.753.3638

### DOWNLOAD DATA SHEET



### HOW TO FIGHT BACK AGAINST CLAIM DENIALS, 20 STEPS TO GETTING PAID FASTER

Claim denials are a familiar struggle. But they are just one of many challenges you



- Uncovers trends to help you make smart financial decisions for your organization.
- Sorts search results by provider, procedure, payer or any other variable you choose.

face when managing a successful practice and providing top-notch patient care.

**BROWSE BY**

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**Exhibit 26: TriZetto website page “Physicians Claims Status Inquiry”**

## CLAIM STATUS INQUIRY



### CLAIM STATUS INQUIRY

Monitor the status of your claims with a single click

A healthy revenue cycle depends on staying on top of claims as they progress through a payer’s adjudication system, so you can catch and fix issues early to keep claims on track. However, the manual process of calling payers or visiting multiple payer websites to check claims status is a time-consuming task.

Claims Status Inquiry Overview

With TriZetto Provider Solutions claims status inquiry

solution, physician offices and medical billing services can check the status of their claims with a single click—reducing the need to call payers for information. Easily submit claim status inquiries and receive the most up-to-date status details in seconds.

#### Claims Status Inquiry Benefits and Features

- Reduces calls to individual payers to inquire about claims status.
- Automatically transmits all claim information needed, with no need to manually enter claim data.
- Tracks past claim status inquiries and saved responses for the life of a claim.

#### BROWSE BY

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Analytics Solutions	1.800.753.3638

**Exhibit 27: TriZetto website page “Physician Overview”**

HOME / PROVIDER SOLUTIONS / PHYSICIAN OFFICE AND MEDICAL BILLING SERVICE SOLUTIONS

## PHYSICIAN OFFICE AND MEDICAL BILLING SERVICE SOLUTIONS



### PHYSICIAN OFFICE & BILLING SERVICE SOLUTIONS

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Analytics Solutions	1.800.753.3638

### WHY WE'RE BETTER FOR PHYSICIAN OFFICES AND MEDICAL BILLING SERVICES

Patient billing, payment collections and reimbursement can be a time-consuming process for physician offices and medical billing services. This process will only become more complex as new payment models are implemented. TriZetto Provider Solutions understands that you need a strong partner who can simplify your revenue cycle management, so you can focus on what matters – your patients.

TriZetto Provider Solutions is the trusted revenue cycle management partner for more than 200,000 physician offices and medical billing services across the United States. TriZetto Provider Solutions tools track claims performance; identify opportunities to help you better maximize your revenue, automate claims and billing processes; reduce the number of days claims spend in accounts receivable; and save staff time and frustration.

TriZetto Provider Solutions revenue cycle management tools have robust reporting capabilities that support better management of your patient population and give you the necessary healthcare business intelligence to make smart financial decisions.

The TriZetto Providers Solutions suite of revenue cycle management solutions is preparing physician offices and medical billing services for the new era of healthcare through:

- Strong implementation support. Specialists manage the payer enrollment paperwork to make set-up easy and efficient for your team.
- Smooth integration. TriZetto Provider Solutions offers technical integration with your existing practice management software, so there's no need to leave your system to process claims.
- Powerful data mining tools and analytics. Customized reports allow you to view claims that are outstanding or have been rejected, benchmark yourself among others in the industry and identify areas for revenue cycle performance improvement. This healthcare business intelligence gives you insights, so you can make smart financial decisions.
- Payer collaboration. Leveraging direct connections with thousands of payers nationwide, TriZetto Provider Solutions acts as your liaison to resolve claims issues on your behalf.
- Upfront pricing. A simple, easy-to-understand pricing structure doesn't leave you feeling like you've been nicked and dimed.
- Money back guarantee. If the TriZetto Provider Solutions tools do not reduce a physician's error rate within 90 days, you receive up to \$500 of the initial set-up fees to switch to another revenue cycle management provider.
- Empowered and proactive service team. Highly-trained TriZetto Provider Solutions team members operate with a sense of responsibility for clients' reimbursement. They are rewarded based on how well they monitor, catch and fix claims issues before they impact your revenue.
- Non-binding contracts. You aren't locked into a long-term contract. Pricing is offered on a per provider, per month rate.

### DOWNLOAD SOLUTION SUMMARY



### FIVE TIPS FOR GETTING THE MOST OUT OF YOUR REVENUE CYCLE MANAGEMENT TECHNOLOGY

A LarsonAllen study on revenue cycle management technology shows physician

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practices that are successful technology adopters consistently outperform their peers from a cost and revenue perspective.

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**Exhibit 28: TriZetto website page “Physician Patient Eligibility”**

## PATIENT ELIGIBILITY



### PATIENT ELIGIBILITY

Reduce costly payer rejections with accurate electronic insurance verification

Invalid or incorrect patient insurance eligibility data is one of the most common reasons for front-end claim denials. That is why it's important for physician offices to confirm patient coverage before services are provided. However, traditional patient eligibility and benefits verification by phone is a time-consuming task that leaves staff members on-hold and away from providing patient care.

#### Patient Eligibility Overview

TriZetto Provider Solutions patient eligibility solution provides fast and accurate electronic insurance verification, providing a cost-effective way to reduce costly claim rejections and reduce the hassle of manually confirming patient eligibility. Unlike others in the industry, TriZetto Provider Solutions patient eligibility tool has direct connections with a vast network of payers to conduct electronic insurance verification inquiries. The patient eligibility solution also simplifies the process by translating complicated payer eligibility responses into easy-to-read reports.

#### Patient Eligibility Benefits and Features

- Reduces the time it takes to prepare patient files for a visit.
- Gives you access to real-time insurance verification information from more than 800 payers – including all of Medicaid, Medicare, BlueCross BlueShield and many commercial insurance plans.
- Helps create cleaner medical claims, significantly lowering patient eligibility related claim denials.
- Provides key patient benefits information, including co-pays, deductible balance and co-insurance.
- Provides full payer response in seconds.
- The integrated patient eligibility option interfaces directly with your Practice Management System, reducing mistyped patient information and proactively conducting batch insurance verification checks for upcoming patient appointments.

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**Exhibit 29: TriZetto website page “Physician Patient Financial  
Responsibility”**

## PATIENT FINANCIAL RESPONSIBILITY



### PATIENT FINANCIAL RESPONSIBILITY

Calculate patient financial responsibility at the point of service to reduce bad patient debt

In today's market, high deductibles prevail, healthcare savings accounts are common and co-pays are required for many benefit provisions.

What does this mean for physician offices?

- Patient medical collections now account for one-fourth of a provider's revenue.
- Bad debt rates exceed 36% once the patient actually

leaves your office, according to "Preparing for Patient Self-Pay Overload," Healthcare Technology Online, July 12, 2010.

Patient payments are the most difficult money for physician offices to collect. Most practices use manual methods, which are limited in their accuracy, to calculate patient financial responsibility. If accurate patient payments are not collected in a timely manner, they can have a significant impact on the cash flow of your physician office. Now, more than ever, it is critical that your practice have processes in place to help you with patient collections.

Patient Financial Responsibility Overview (nhxsPricer®)

TriZetto Provider Solutions patient financial responsibility solution provides fast calculation of how much a patient owes at the point of service. The tool puts the power of an adjudication system right in your office, accurately calculating—versus only estimating—what a patient owes. It's the easiest method available today to accurately price claims at the point of service and the most reliable method available for improving patient collections.

Patient Financial Responsibility Benefits and Features

- Reduces the time and money spent on patient collections.
- Dramatically increases the odds of receiving full and timely patient payments.
- Provides accurate patient payment responsibility calculation based on benefit information and payer fee schedules, pricing rules and clinical edit rules.
- Delivers printable, itemized patient statements in seconds, giving your staff the information they need to collect from patients.
- Makes it easy for checkout staff to run patient payment queries without having claims coding knowledge through preloaded quick claim templates.
- Works with any practice management system.

#### BROWSE BY

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### DOWNLOAD SOLUTION SUMMARY



### MANAGING YOUR REVENUE THROUGH IMPROVED PATIENT PAYMENT COLLECTIONS

Not long ago, many patients enjoyed benefit-rich insurance programs with low

- Patient Financial Responsibility
- Reimbursement Management

Responsibility

- Patient Statements
- Medicare Quality Billing – PQRS
- Reimbursement Management

deductibles, small out-of-pocket expenses and 100 percent coverage provisions. In today's market, a patient's insurance program is quite different.



**Exhibit 30: TriZetto website page “Physician Patient Statements”**

## PATIENT STATEMENTS



### PATIENT BILLING

Save money and time on patient billing

Patient billing accounts for one-fourth of a provider's revenue and is the hardest money for physician offices to collect. More than half of patients who don't pay their medical bills say it is because of lack of financing options or delays in receiving their patient statements, according to McKinsey Quarterly, May 2010..

Patient Billing Overview

TriZetto Provider Solutions offers a suite of tools to

improve patient billing and better manage your revenue. The secure, online patient and patient statements solutions are designed to yield faster collection of patient-owed amounts, improve cash flow and reduce billing costs with less effort and paperwork.

Patient Billing Features and Benefits

Patient Statements

- Dramatically reduces patient statement costs—on average, you can save 30 cents per patient statement. For a more accurate figure, visit our [ROI Calculator](#).
- Personalizes recall notices, birthday announcements, reminders, etc.

Online Patient Payment Portal (Patient Exchange)

- Combines online statements and online bill paying into one convenient solution.
- Gives you an easy, secure online option to bill and collect patient payments.
- Allows accessibility anytime, anywhere so you can collect payments from patients whenever and wherever they're ready to pay.
- Boosts accuracy and reduces the time it takes physicians to get paid.
- Provides detailed payment history, which patients can easily print for health savings accounts and tax purposes, reducing the number of calls and requests a medical office receives.
- Automatically e-mails patients when they have a new statement, which reduces paper, printing and postage costs.
- Allows you to download reports that make the process of posting payments more streamlined.
- Builds and maintains your payment site to look like an extension of your own website.
- Encrypts every transaction to provide security and support compliance.

Credit Card Processing

- Provides credit, health savings account and debit card processing.
- Allows you to process checks electronically.
- Integrates with other systems, giving you real-time updates throughout your financial statements.
- Provides customer service support 24 hours a day, 365 days a year.

\*Payment transaction processing provided by TransFirst Health Services, Inc.

### PHYSICIAN OFFICE & BILLING SERVICE SOLUTIONS

#### OVERVIEW

CLAIM STATUS INQUIRY

CLAIMS PROCESSING

PATIENT STATEMENTS

PATIENT ELIGIBILITY

PATIENT FINANCIAL RESPONSIBILITY

REIMBURSEMENT MANAGEMENT

### LEARN MORE

LEARN MORE

REQUEST A DEMO

### RESOURCE CENTER

ICD-10

### CONTACT US

General Inquiry

### CALL

Physician Solutions	1.800.969.3666
Health System Solutions	1.866.252.4656
Analytics Solutions	1.800.753.3638

### EVENTS

[TRIZETTO 2015 HEALTHCARE CONFERENCE](#)  
May 17-20

BROWSE BY

**PHYSICIAN OFFICE & BILLING  
SERVICE SOLUTIONS**

- Overview
- Claims Processing
- Claims Status Inquiry
- Patient Statements
- Patient Eligibility
- Patient Financial Responsibility
- Reimbursement Management

**HEALTH SYSTEM SOLUTIONS**

- Overview
- Attachment Billing
- Claims Processing
- Claims Status Inquiry
- Patient Eligibility
- Patient Financial Responsibility
- Patient Statements
- Medicare Quality Billing – PQRS
- Reimbursement Management

**PROVIDER PARTNERSHIPS**

- Overview

**Exhibit 31: TriZetto website page “Physician Reimbursement  
Management”**



## REIMBURSEMENT MANAGEMENT



### REIMBURSEMENT MANAGEMENT

Automate appeals, recover underpayments and negotiate more favorable payer contracts

For the average [physician office](#), there can be a wide gap between expected and actual claim reimbursement. In fact, payers make inaccurate payments on one out of every 14 [healthcare claims](#) (7.1%), according to the 2013 AMA National Health Insurer Report Card. This missing revenue isn't easy to see when it's hidden and the cost of successfully uncovering and appealing underpaid and denied healthcare claims are expensive. However, if left

unchecked, these claims issues can significantly impact healthcare revenue flow.

[Physician offices](#) also face the overwhelming task of negotiating payer contracts. Comparing one fee schedule to another is often a manual and labor intensive process that only gives you part of the picture. You need deeper healthcare business intelligence tools to negotiate fair terms.

#### Reimbursement Management Overview

TriZetto Provider Solutions levels the playing field between provider and payer with a suite of reimbursement management solutions that help physician offices recover more underpayments, appeal denied claims more successfully and negotiate more favorable payer contracts.

#### Reimbursement Management Benefits and Features

##### Appeals and Underpayments Management (Advanced Reimbursement Manager)

- Precisely uncovers underpaid healthcare claims and organizes denied claims, reducing the need to manually check each payment.
- Improves recovery on underpayments and denied claims appeals.
- Dramatically cuts claim appeal costs to less than \$1 per claim, compared to an industry average of \$25 per claim, according to the Medical Group Management Association. For a more accurate figure, visit our [ROI Calculator](#).
- Automates the appeal process and reduces staff legwork by auto-populating payer-specific redetermination forms and medical appeal letters, along with necessary support documentation.
- Provides quicker turnaround on revenue recovery by using a payer's published edits, pricing rules and reimbursement policies to create the most accurate appeals possible.
- Delivers insights through healthcare business intelligence reports that identify areas of unclear reimbursement rules in your current contracts, so they can be clarified.
- Includes powerful analytic reports that quickly isolate reimbursement issues, such as common claim errors causing denials, so they can be permanently fixed.

##### Payer Contracts Management (contractResolve®)

- Arms you with healthcare business intelligence to negotiate more favorable payer contracts.
- Instantly and accurately measures whether a proposed fee schedule will provide an increase or decrease in healthcare revenue for your physician office.
- Provides the easiest, fastest and most robust way to analyze your payer contract options.
- Goes beyond simple fee schedule comparisons by applying all payer-specific clinical edits and pricing rules to your actual claim history.
- Reduces the manual process of building a fee schedule, analyzing proposed agreements and forecasting healthcare revenue.

### PHYSICIAN OFFICE & BILLING SERVICE SOLUTIONS

#### OVERVIEW

#### CLAIM STATUS INQUIRY

#### CLAIMS PROCESSING

#### PATIENT STATEMENTS

#### PATIENT ELIGIBILITY

#### PATIENT FINANCIAL RESPONSIBILITY

#### REIMBURSEMENT MANAGEMENT

### LEARN MORE

LEARN  
MORE

REQUEST  
A DEMO

### RESOURCE CENTER

#### ICD-10

#### CONTACT US

General Inquiry

#### CALL

Physician Solutions	1.800.969.3666
Health System Solutions	1.866.252.4656
Analytics Solutions	1.800.753.3638

- Modeling tool enables you to see the net impact of various “what if” fee schedule changes at the global level and service-type level.

**BROWSE BY**

**PHYSICIAN OFFICE & BILLING  
SERVICE SOLUTIONS**

- Overview
- Claims Processing
- Claims Status Inquiry
- Patient Statements
- Patient Eligibility
- Patient Financial Responsibility
- Reimbursement Management

**HEALTH SYSTEM SOLUTIONS**

- Overview
- Attachment Billing
- Claims Processing
- Claims Status Inquiry
- Patient Eligibility
- Patient Financial Responsibility
- Patient Statements
- Medicare Quality Billing – PQRs
- Reimbursement Management

**PROVIDER PARTNERSHIPS**

- Overview

**Exhibit 32: TriZetto report to SEC May 5, 2006**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-27501

**The TriZetto Group, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**33-0761159**  
(I.R.S. Employer  
Identification Number)

**567 San Nicolas Drive, Suite 360**  
**Newport Beach, California**  
(Address of Principal Executive Offices)

**92660**  
(Zip Code)

**Registrant's telephone number, including area code: (949) 719-2200**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

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Debt consists of the following for the periods presented (in thousands):

	Notes Payable		Line of Credit	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Long-term convertible debt, due in 2025, interest at 2.75% fixed rate payable semi-annually in arrears	\$100,000	\$ 100,000	\$ —	\$ —
Revolving credit facility of \$100.0 million, interest at the lending institution's prime rate (7.75% at March 31, 2006), payable monthly in arrears	—	—	15,000	—
Other	546	120	—	—
Total debt	100,546	100,120	15,000	—
Less: Current portion	(546)	(120)	—	—
	<u>\$100,000</u>	<u>\$ 100,000</u>	<u>\$ 15,000</u>	<u>\$ —</u>

As of March 31, 2006, the Company had outstanding five unused standby letters of credit in the aggregate amount of \$1.0 million, which serve as security deposits for certain capital and operating leases and insurance policies. The Company is required to maintain a cash balance equal to the outstanding letters of credit, which is classified as restricted cash on the balance sheet.

## 7. Litigation

In September 2004, McKesson Information Solutions LLC ("McKesson") filed a lawsuit against the Company in the United States District Court for the District of Delaware. In its complaint, McKesson alleged that the Company made, used, offered for sale, and/or sold a clinical editing software system that infringes McKesson's United States Patent No. 5,253,164, entitled "System And Method For Detecting Fraudulent Medical Claims Via Examination Of Services Codes." McKesson seeks injunctive relief and substantial monetary damages, including treble damages for willful infringement. On April 4, 2006, in response to the Company's motion for summary judgment, the court ruled, as a matter of law, that the Company's software products do not infringe 12 of the 15 claims of McKesson's patent that were involved in this dispute. The issues related to the remaining three claims of the patent (claims 1, 2 and 16) will be resolved over several phases.

On April 17, 2006, a jury trial commenced on the first phase to determine the issue of infringement of the remaining three claims. On April 26, 2006, the jury decided that the Company's Facets<sup>®</sup>, QicLink<sup>™</sup> and ClaimFacts<sup>®</sup> software products infringe claims 1 and 2, but not claim 16 of the patent. On May 4, 2006, the court decided that it would not entertain post-trial motions involving infringement until the second phase of the trial has been completed. The court also scheduled the second phase of the trial to commence on October 3, 2006 on the issues of the Company's validity, estoppel and laches defenses and on the issue of McKesson's damages, if any.

As of the filing date of this quarterly report on Form 10-Q, the Company has not accrued any liability related to this lawsuit, as the Company did not believe at such time that its liability to McKesson is probable and capable of being reasonably estimated. The Company's attorney fees and other defense costs related to this matter are being expensed as incurred. If the Company does not prevail on certain of its defenses at the second phase of the trial and the injunction sought by McKesson is granted by the Court, the Company could be liable for substantial monetary damages and/or be precluded from offering all or a portion of its clinical editing software to its customers. In addition, pursuant to contractual obligations with many of its Facts<sup>™</sup>, Facets<sup>®</sup> and QicLink<sup>™</sup> customers, the Company may be required, at the Company's cost, to replace all or a portion of its clinical editing software with a non-infringing alternative solution. An adverse decision in this litigation could have a material adverse effect on the Company's results of operations, financial position and/or cash flows.

In addition to the matter described above, the Company is involved in litigation from time to time relating to claims

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### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

We offer a broad portfolio of proprietary information technology products and services targeted to the payer industry, which is comprised of health insurance plans and third party benefits administrators. We offer: enterprise administration software, including Facets Extended Enterprise™ and QicLink Extended Enterprise™; CareAdvance™ care management software; specialized component software, including our NetworX™ products for provider network management, HealthWeb® a suite of web interface tools, CDH Account Management and Workflow add-on modules for Facets® and DirectLink™ direct connectivity claims transaction software; software hosting services and business process outsourcing services, which provide variable cost alternatives to licensing software; and strategic, installation, and optimization consulting services. We provide products and services to 352 unique customers in the health plan and benefits administrator markets, which we refer to as payers. In the first quarter of 2006, these markets represented 90% and 10% of our total revenue, respectively. As of the second quarter of 2005, we were no longer providing services to physician group customers.

We measure financial performance by monitoring recurring revenue and non-recurring revenue, bookings and backlog, gross profit, and net income. Total revenue for the first quarter of 2006 was \$85.3 million compared to \$71.8 million for the same period in 2005. Recurring revenue for the first quarter of 2006 was \$43.7 million compared to \$39.0 million for the same period in 2005. Non-recurring revenue for the first quarter of 2006 was \$41.6 million compared to \$32.8 million for the same period in 2005. Bookings for the first quarter of 2006 were \$87.4 million compared to \$53.1 million for the same period in 2005. Backlog at March 31, 2006 was \$704.6 million compared to \$604.8 million at March 31, 2005. Gross profit was \$40.5 million for the first quarter in 2006 compared to \$32.2 million for the same period in 2005. Net income in the first quarter of 2006 was \$6.8 million compared to \$4.3 million for the same period in 2005. These financial comparisons are further explained in the section below, "Results of Operations."

We generate recurring revenue from several sources, including the provision of outsourcing services, such as software hosting and business process outsourcing services, and the sale of maintenance and support for our proprietary and certain of our non-proprietary software products. We generate non-recurring revenue from the licensing of our software and from consulting fees for implementation, installation, configuration, business process engineering, data conversion, testing and training related to the use of our proprietary, and third-party licensed products. Cost of revenue includes costs related to the products and services we provide to our customers and costs associated with the operation and maintenance of our customer connectivity centers. These costs include salaries and related expenses for consulting personnel, customer connectivity centers' personnel, customer support personnel, application software license fees, amortization of capitalized software development costs, telecommunications costs, facility costs, and maintenance costs. Research and development ("R&D") expenses are salaries and related expenses associated with the development of software applications prior to establishing technological feasibility. Such expenses include compensation paid to software engineering personnel and other administrative, infrastructure and facility expenses and fees to outside contractors and consultants. Selling, general and administrative expenses consist primarily of salaries and related expenses for sales, sales commissions, account management, marketing, administrative, finance, legal, human resources and executive personnel, and fees for certain professional services.

As part of our growth strategy, we intend to increase revenue per customer by continuing to introduce new complementary products and services to our established enterprise software and hosting and business process outsourcing services. Some of these service offerings, including hosting, business process outsourcing, and consulting have a higher cost of revenue, resulting in lower gross profit margins. Therefore, to the extent that our revenue increases through the sale of these lower margin product and service offerings, our total gross profit margin may decrease.

We are continuing to target larger health plan customers. This has given us the opportunity to sell additional services such as software hosting, business intelligence, and business process outsourcing services. As the technology requirements of our customers become more sophisticated, our service offerings have become more complex. This has lengthened our sales cycles and made it more difficult for us to predict the timing of our software and services sales.

In late 2003, a management decision was made to exit certain non-strategic and less profitable product offerings and

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### PART II—OTHER INFORMATION

#### Item 1. Legal Proceedings

In September 2004, McKesson Information Solutions LLC (“McKesson”) filed a lawsuit against us in the United States District Court for the District of Delaware. In its complaint, McKesson alleged that we have made, used, offered for sale, and/or sold a clinical editing software system that infringes McKesson’s United States Patent No. 5,253,164, entitled “System And Method For Detecting Fraudulent Medical Claims Via Examination Of Services Codes.” McKesson seeks injunctive relief and substantial monetary damages, including treble damages for willful infringement. On April 4, 2006, in response to our motion for summary judgment, the court ruled, as a matter of law, that our software products do not infringe 12 of the 15 claims of McKesson’s patent that were involved in this dispute. The issues related to the remaining three claims of the patent (claims 1, 2 and 16) will be resolved over several phases.

On April 17, 2006, a jury trial commenced on the first phase to determine the issue of infringement of the remaining three claims. On April 26, 2006, the jury decided that our Facets<sup>®</sup>, QicLink<sup>™</sup> and ClaimFacts<sup>®</sup> software products infringe claims 1 and 2, but not claim 16 of the patent. On May 4, 2006, the court decided that it would not entertain post-trial motions involving infringement until the second phase of the trial has been completed. The court also scheduled the second phase of the trial to commence on October 3, 2006 on the issues of our validity, estoppel and laches defenses and on the issue of McKesson’s damages, if any.

As of the filing of this quarterly report on Form 10-Q, we have not accrued any liability related to this lawsuit as we did not believe at such time that our liability to McKesson is probable and capable of being reasonably estimated. Our attorney fees and other defense costs related to this matter are being expensed as incurred. If we do not prevail on certain of our defenses at the second phase of the trial and the injunction sought by McKesson is granted by the Court, we could be liable for substantial monetary damages and be precluded from offering all or a portion of our clinical editing software to our customers. In addition, pursuant to contractual obligations with many of our Facts<sup>™</sup>, Facets<sup>®</sup> and QicLink<sup>™</sup> customers, we may be required, at our cost, to replace all or a portion of our clinical editing software with a non-infringing alternative solution. An adverse decision in this litigation could have a material adverse effect on our results of operations, financial position and/or cash flows.

In addition to the matter described above, we are involved in litigation from time to time relating to claims arising out of our operations in the normal course of business. Except as discussed above, as of the filing date of this quarterly report on Form 10-Q, we were not a party to any other legal proceedings, the adverse outcome of which, in management’s opinion, individually or in the aggregate, would have a material adverse effect on our results of operations, financial position and/or cash flows.

#### Item 1A. Risk Factors

##### Cautionary Statement

**This report, and other documents and statements provided or made by us, contain forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. These statements may include statements about our future revenues, profits, results, the market for our products and services, future service offerings, industry trends, client and partner relationships, our operational capabilities, future financial structure and uses of cash or proposed transactions. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “forecasts,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of such terms and other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, you should specifically consider various factors, including the following risks:**

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE TRIZETTO GROUP, INC.

Date: May 8, 2006

By:     
  /s/ JAMES C. MALONE  
  James C. Malone  
  (Principal Financial Officer  
  and Duly Authorized Officer)



EX-32.1 4 dex321.htm CERTIFICATION OF CEO & CFO

EXHIBIT 32.1

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of The TriZetto Group, Inc. (the "Company"), each hereby certifies that to his knowledge on the date hereof

(a) The Form 10-Q of the Company for the quarter ended March 31, 2006, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2006

/s/ Jeffrey H. Margolis

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**Jeffrey H. Margolis**  
**Chief Executive Officer**

Date: May 8, 2006

/s/ James C. Malone

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**James C. Malone**  
**Chief Financial Officer**

EX-31.2 3 dex312.htm CERTIFICATION OF CFO

EXHIBIT 31.2

CERTIFICATIONS

I, James C. Malone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2006

/s/ James C. Malone

Name: James C. Malone

Title: Chief Financial Officer

EX-31.1 2 dex311.htm CERTIFICATION OF CEO

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey H. Margolis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2006

/s/ Jeffrey H. Margolis

Name: Jeffrey H. Margolis

Title: Chief Executive Officer

**Exhibit 33: TriZetto report to SEC August 7, 2006**

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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**x** QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2006

OR

**..** TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-27501

---

**The TriZetto Group, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

---

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**33-0761159**  
(I.R.S. Employer  
Identification Number)

**567 San Nicolas Drive, Suite 360**  
**Newport Beach, California**  
(Address of Principal Executive Offices)

**92660**  
(Zip Code)

**Registrant's telephone number, including area code: (949) 719-2200**

---

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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\$18.85 per share, or 53.0504 shares for each \$1,000 principal amount of Notes, subject to certain adjustments. The Notes bear interest at a rate of 2.75%, which is payable in cash semi-annually.

Debt consists of the following for the periods presented (in thousands):

	<u>Notes Payable</u>		<u>Line of Credit</u>	
	<u>June 30, 2006</u>	<u>December 31, 2005</u>	<u>June 30, 2006</u>	<u>December 31, 2005</u>
Long-term convertible debt, due in 2025, interest at 2.75% fixed rate payable semi-annually in arrears	\$100,000	\$ 100,000	\$ —	\$ —
Revolving credit facility of \$100.0 million, interest at the lending institution's prime rate (8.25% at June 30, 2006), payable monthly in arrears	—	—	4,000	—
Other	754	120	—	—
Total debt	100,754	100,120	4,000	—
Less: Current portion	(754)	(120)	—	—
	<u>\$100,000</u>	<u>\$ 100,000</u>	<u>\$4,000</u>	<u>\$ —</u>

As of June 30, 2006, the Company had outstanding four unused standby letters of credit in the aggregate amount of \$1.0 million, which serve as security deposits for certain capital and operating leases and insurance policies. The Company is required to maintain a cash balance equal to the outstanding letters of credit, which is classified as restricted cash on the balance sheet.

### 7. Loss on Contracts

During the fourth quarter of 2003, the Company decided to wind-down its outsourcing services to physician group customers. In the second quarter of 2005, the Company executed termination agreements with its two remaining physician group customers, allowing the Company to reverse the remaining balance in its loss on contracts accrual of \$2.9 million.

### 8. Litigation

In September 2004, McKesson Information Solutions LLC ("McKesson") filed a lawsuit against the Company in the United States District Court for the District of Delaware. In its complaint, McKesson alleged that the Company made, used, offered for sale, and/or sold a clinical editing software system that infringes McKesson's United States Patent No. 5,253,164, entitled "System And Method For Detecting Fraudulent Medical Claims Via Examination Of Services Codes." McKesson seeks injunctive relief and substantial monetary damages, including treble damages for willful infringement. On April 4, 2006, in response to the Company's motion for summary judgment, the court ruled, as a matter of law, that the Company's software products do not infringe 12 of the 15 claims of McKesson's patent that were involved in this dispute, leaving claims 1, 2 and 16.

On April 17, 2006, a jury trial commenced on the first phase of this case to determine the issue of infringement of the remaining three claims. On April 26, 2006, the jury found that the Company's Facets<sup>®</sup>, QicLink<sup>™</sup> and ClaimFacts<sup>®</sup> software products infringe claims 1 and 2, but not claim 16 of the patent. On May 4, 2006, the court decided that it would not entertain post-trial motions involving infringement until the second phase of the trial has been completed. The court also scheduled the second phase of the trial to commence on October 3, 2006 on the issues of our validity, estoppel and laches defenses and on the issue of McKesson's damages, if any.

Since the first phase of the trial, the Company has been involved in discussions with McKesson to settle this lawsuit. The parties have not yet resolved a number of important issues nor agreed upon a final definitive settlement agreement. Accordingly, there can be no assurance that a settlement will be achieved. The parties, however, have discussed certain terms of a potential settlement, whereby the Company would pay McKesson a royalty fee to allow its existing customers to continue to use its clinical editing software without interruption. The potential settlement also would clarify the manner in which the Company's clinical editing software may or may not be used in future sales. In the

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### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

We offer a broad portfolio of proprietary information technology products and services targeted to the payer industry, which is comprised of health insurance plans and third party benefits administrators. We offer: enterprise administration software, including Facets Extended Enterprise™ and QicLink Extended Enterprise™, and CareAdvance™ enterprise care management software; specialized component software, including our NetworX™ products for provider network management, HealthWeb®, a suite of web interface tools, and CDH Account Management and Workflow add-on modules for Facets®; software hosting services and business process outsourcing services, which provide variable cost alternatives to licensing software; and strategic, installation, and optimization consulting services. We provide products and services to 290 unique customers in the health plan and benefits administrator markets, which we refer to as payers. In the second quarter of 2006, these markets represented 90% and 10% of our total revenue, respectively.

We measure financial performance by monitoring recurring revenue and non-recurring revenue, bookings and backlog, gross profit, and net income. Total revenue for the second quarter of 2006 was \$87.7 million compared to \$72.5 million for the same period in 2005. Recurring revenue for the second quarter of 2006 was \$43.7 million compared to \$40.1 million for the same period in 2005. Non-recurring revenue for the second quarter of 2006 was \$44.0 million compared to \$32.4 million for the same period in 2005. Bookings for the second quarter of 2006 were \$78.6 million compared to \$85.3 million for the same period in 2005. Backlog at June 30, 2006 was \$717.5 million compared to \$638.9 million at June 30, 2005. Gross profit was \$42.5 million for the second quarter in 2006 compared to \$33.4 million for the same period in 2005. Net income in the second quarter of 2006 was \$6.4 million compared to \$5.0 million for the same period in 2005. These financial comparisons are further explained in the section below, "Results of Operations."

We generate recurring revenue from several sources, including the provision of outsourcing services, such as software hosting and business process outsourcing services, and the sale of maintenance and support for our proprietary and certain of our non-proprietary software products. We generate non-recurring revenue from the licensing of our software and from consulting fees for implementation, installation, configuration, business process engineering, data conversion, testing and training related to the use of our proprietary, and third-party licensed products. Cost of revenue includes costs related to the products and services we provide to our customers and costs associated with the operation and maintenance of our customer connectivity centers. These costs include salaries and related expenses for consulting personnel, customer connectivity centers' personnel, customer support personnel, application software license fees, amortization of capitalized software development costs, telecommunications costs, facility costs, and maintenance costs. Research and development ("R&D") expenses are salaries and related expenses associated with the development of software applications prior to establishing technological feasibility. Such expenses include compensation paid to software engineering personnel and other administrative, infrastructure and facility expenses and fees to outside contractors and consultants. Selling, general and administrative expenses consist primarily of salaries and related expenses for sales, sales commissions, account management, marketing, administrative, finance, legal, human resources and executive personnel, and fees for certain professional services.

As part of our growth strategy, we intend to increase revenue per customer by continuing to introduce new complementary products and services, including new cost and quality of care products and services, to our established enterprise software and hosting and business process outsourcing services. Some of these service offerings, including hosting, business process outsourcing, and consulting have a higher cost of revenue, resulting in lower gross profit margins. Therefore, to the extent that our revenue increases through the sale of these lower margin product and service offerings, our total gross profit margin may decrease.

We are continuing to target larger health plan customers. This has given us the opportunity to sell additional services such as software hosting, business intelligence, and business process outsourcing services. As the technology requirements of our customers become more sophisticated, our service offerings have become more complex. This has lengthened our sales cycles and made it more difficult for us to predict the timing of our software and services sales.

In late 2003, a management decision was made to exit certain non-strategic and less profitable product offerings and business lines. This decision included winding down services related to our physician group customers, as well as the

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### PART II—OTHER INFORMATION

#### **Item 1. Legal Proceedings**

In September 2004, McKesson Information Solutions LLC (“McKesson”) filed a lawsuit against us in the United States District Court for the District of Delaware. In its complaint, McKesson alleged that we have made, used, offered for sale, and/or sold a clinical editing software system that infringes McKesson’s United States Patent No. 5,253,164, entitled “System And Method For Detecting Fraudulent Medical Claims Via Examination Of Services Codes.” McKesson seeks injunctive relief and substantial monetary damages, including treble damages for willful infringement. On April 4, 2006, in response to our motion for summary judgment, the court ruled, as a matter of law, that our software products do not infringe 12 of the 15 claims of McKesson’s patent that were involved in this dispute, leaving claims 1, 2 and 16.

On April 17, 2006, a jury trial commenced on the first phase of this case to determine the issue of infringement of the remaining three claims. On April 26, 2006, the jury found that our Facets<sup>®</sup>, QicLink<sup>™</sup> and ClaimFacts<sup>®</sup> software products infringe claims 1 and 2, but not claim 16 of the patent. On May 4, 2006, the court decided that it would not entertain post-trial motions involving infringement until the second phase of the trial has been completed. The court also scheduled the second phase of the trial to commence on October 3, 2006 on the issues of our validity, estoppel and laches defenses and on the issue of McKesson’s damages, if any.

Since the first phase of the trial, we have been involved in discussions with McKesson to settle this lawsuit. The parties have not yet resolved a number of important issues nor agreed upon a final definitive settlement agreement. Accordingly, there can be no assurance that a settlement will be achieved. The parties, however, have discussed certain terms of a potential settlement, whereby we would pay McKesson a royalty fee to allow our existing customers to continue to use our clinical editing software without interruption. The potential settlement also would clarify the manner in which our clinical editing software may or may not be used in future sales. In the event the parties enter into a settlement agreement prior to the second phase of the trial requiring us to pay McKesson a royalty fee, payment of this fee in the amount currently being discussed would not be expected to materially affect our overall financial position or ability to fund future operations. Such amount, however, would have a material adverse impact on our 2006 results of operations and cash flows.

As of the filing of this quarterly report on Form 10-Q, we did not accrue any liability related to this lawsuit as we did not believe at such time that our liability to McKesson is considered probable and can be reasonably estimated. Our attorney fees and other defense costs related to this matter are being expensed as incurred. If we do not prevail on certain of our defenses at the second phase of the trial and the injunction sought by McKesson is granted by the Court, we could be liable for substantial monetary damages and be precluded from offering all or a portion of our clinical editing software to our customers. In addition, pursuant to contractual obligations with many of our Facts<sup>™</sup>, Facets<sup>®</sup> and QicLink<sup>™</sup> customers, we may be required, at our cost, to replace all or a portion of our clinical editing software with a non-infringing alternative solution. An adverse decision in this litigation could have a material adverse effect on our results of operations, financial position and/or cash flows.

In addition to the matter described above, we are involved in litigation from time to time relating to claims arising out of our operations in the normal course of business. Except as discussed above, as of the filing date of this quarterly report on Form 10-Q, we were not a party to any other legal proceedings, the adverse outcome of which, in management’s opinion, individually or in the aggregate, would have a material adverse effect on our results of operations, financial position and/or cash flows.





EX-32.1 4 dex321.htm CERTIFICATION OF CEO AND CFO

EXHIBIT 32.1

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of The TriZetto Group, Inc. (the “Company”), each hereby certifies that to his knowledge on the date hereof

(a) The Form 10-Q of the Company for the quarter ended June 30, 2006, filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2006

/s/ Jeffrey H. Margolis

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**Jeffrey H. Margolis**  
Chief Executive Officer

Date: August 7, 2006

/s/ James C. Malone

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**James C. Malone**  
Chief Financial Officer

EX-31.2 3 dex312.htm CERTIFICATION OF CFO

EXHIBIT 31.2

CERTIFICATIONS

I, James C. Malone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2006

/s/ James C. Malone

Name: James C. Malone

Title: Chief Financial Officer

EX-31.1 2 dex311.htm CERTIFICATION OF CEO

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey H. Margolis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 of The TriZetto Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2006

/s/ Jeffrey H. Margolis

Name: Jeffrey H. Margolis

Title: Chief Executive Officer

**Exhibit 34: TriZetto report to SEC November 6, 2006**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-27501

**The TriZetto Group, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**33-0761159**  
(I.R.S. Employer  
Identification Number)

**567 San Nicolas Drive, Suite 360**  
**Newport Beach, California**  
(Address of Principal Executive Offices)

**92660**  
(Zip Code)

**Registrant's telephone number, including area code: (949) 719-2200**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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Debt consists of the following for the periods presented (in thousands):

	Notes Payable		Line of Credit	
	September 30, 2006	December 31, 2005	September 30, 2006	December 31, 2005
Long-term convertible debt, due in 2025, interest at 2.75% fixed rate payable semi-annually in arrears	\$ 100,000	\$ 100,000	\$ —	\$ —
Revolving credit facility of \$100.0 million, interest at the lending institution's prime rate (8.25% at September 30, 2006), payable monthly in arrears	—	—	6,000	—
Other	405	120	—	—
Total debt	\$ 100,405	\$ 100,120	\$ 6,000	\$ —
Less: Current portion	(405)	(120)	—	—
	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 6,000</u>	<u>\$ —</u>

As of September 30, 2006, the Company had outstanding four unused standby letters of credit in the aggregate amount of \$921,000, which serve as security deposits for certain operating leases. The Company is required to maintain a cash balance equal to the outstanding letters of credit, which is classified as restricted cash on the balance sheet.

### 7. Loss on Contracts

During the fourth quarter of 2003, the Company decided to wind-down its outsourcing services to physician group customers. In the second quarter of 2005, the Company executed termination agreements with its two remaining physician group customers, allowing the Company to reverse the remaining balance in its loss on contracts accrual of \$2.9 million.

### 8. Litigation

In September 2004, McKesson Information Solutions LLC ("McKesson") filed a lawsuit against the Company in the United States District Court for the District of Delaware. In its complaint, McKesson alleged that the Company made, used, offered for sale, and/or sold a clinical editing software system that infringed McKesson's United States Patent No. 5,253,164, entitled "System And Method For Detecting Fraudulent Medical Claims Via Examination Of Services Codes." McKesson sought injunctive relief and substantial monetary damages, including treble damages for willful infringement. On April 4, 2006, in response to the Company's motion for summary judgment, the court ruled, as a matter of law, that the Company's software products did not infringe 12 of the 15 claims of McKesson's patent that were involved in this dispute, leaving claims 1, 2 and 16. On April 17, 2006, a jury trial commenced on the first phase of this case to determine the issue of infringement of the remaining three claims. On April 26, 2006, the jury found that the Company's Facets<sup>®</sup>, QicLink<sup>™</sup> and ClaimFacts<sup>®</sup> software products infringed claims 1 and 2, but not claim 16 of the patent. On May 4, 2006, the court scheduled the second phase of the trial to commence on October 3, 2006 on the issues of the Company's validity, estoppel and laches defenses and on the issue of McKesson's damages, if any.

On September 7, 2006, the Company entered into a Settlement Agreement with McKesson to settle the lawsuit. As part of the Settlement Agreement, the Company agreed to pay McKesson a one-time royalty fee of \$15.0 million for a license in the patent that covers past and future use of the Company's products and services by all existing customers. The \$15.0 million, which was expensed in the third quarter of 2006, is payable in two equal installments on September 30, 2006 and September 30, 2007. The Company's customers with maintenance agreements also will continue to receive software version upgrades that include clinical editing capabilities. Going forward, the Company may continue to include its clinical editing functionality in versions of Facets<sup>®</sup> sold to new health plan customers with 100,000 or fewer members and in versions of QicLink<sup>™</sup> sold to any new customers. The Company has agreed to pay McKesson a royalty fee of 5% of the net licensing revenue received from new sales of Facets<sup>®</sup> and QicLink<sup>™</sup> containing the Company's clinical editing functionality. However, pursuant to the terms of the Settlement Agreement, the Company will no longer include its clinical editing functionality in versions of Facets<sup>®</sup> sold to new customers with more than 100,000 members, beginning

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## [Table of Contents](#)

### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

We offer a broad portfolio of proprietary information technology products and services targeted to the payer industry, which is comprised of health insurance plans and third party benefits administrators. We offer enterprise claims administration software, including Facets Extended Enterprise™ and QicLink Extended Enterprise™, and enterprise cost and quality of care software, including Clinical CareAdvance™, Personal CareAdvance™ and our NetworX™ suite for provider network management. Also, the Company provides a number of component software solutions and add-ons to the enterprise software solutions, including CDH Account Management, Workflow, HealthWeb® and Benefit Cost Modeler. To support these software products, the Company provides software hosting services and business process outsourcing services, giving customers variable cost alternatives to licensing software, as well as strategic, implementation and optimization consulting services. We serve 284 unique customers in the health plan and benefits administrator markets, which we refer to as payers. In the third quarter of 2006, these markets represented 90% and 10% of our total revenue, respectively.

We measure financial performance by monitoring recurring revenue and non-recurring revenue, bookings and backlog, gross profit, and net income. Total revenue for the third quarter of 2006 was \$86.4 million compared to \$73.1 million for the same period in 2005. Recurring revenue for the third quarter of 2006 was \$42.8 million compared to \$39.5 million for the same period in 2005. Non-recurring revenue for the third quarter of 2006 was \$43.6 million compared to \$33.6 million for the same period in 2005. Bookings for the third quarter of 2006 were \$75.9 million compared to \$75.1 million for the same period in 2005. Backlog at September 30, 2006 was \$747.8 million compared to \$663.1 million at September 30, 2005. Gross profit was \$41.4 million for the third quarter of 2006 compared to \$33.3 million for the same period in 2005. Net loss in the third quarter of 2006 was \$5.7 million compared to net income of \$6.5 million for the same period in 2005. These financial comparisons are further explained in the section below, "Results of Operations."

We generate recurring revenue from several sources, including the provision of outsourcing services, such as software hosting and business process outsourcing services, and the sale of maintenance and support for our proprietary and certain of our non-proprietary software products. We generate non-recurring revenue from the licensing of our software and from consulting fees for implementation, installation, configuration, business process engineering, data conversion, testing and training related to the use of our proprietary, and third-party licensed products. Cost of revenue includes costs related to the products and services we provide to our customers and costs associated with the operation and maintenance of our customer connectivity centers. These costs include salaries and related expenses for consulting personnel, customer connectivity centers' personnel, customer support personnel, application software license fees, amortization of capitalized software development costs, telecommunications costs, facility costs, and maintenance costs. Research and development ("R&D") expenses are salaries and related expenses associated with the development of software applications prior to establishing technological feasibility. Such expenses include compensation paid to software engineering personnel and other administrative, infrastructure and facility expenses and fees to outside contractors and consultants. Selling, general and administrative expenses consist primarily of salaries and related expenses for sales, sales commissions, account management, marketing, administrative, finance, legal, human resources and executive personnel, and fees for certain professional services.

As part of our growth strategy, we intend to increase revenue per customer by continuing to introduce new complementary products and services, including new cost and quality of care products and services, to our established enterprise software and hosting and business process outsourcing services. Some of these service offerings, including hosting, business process outsourcing, and consulting have a higher cost of revenue, resulting in lower gross profit margins. Therefore, to the extent that our revenue increases through the sale of these lower margin product and service offerings, our total gross profit margin may decrease.

We are continuing to target larger health plan customers. This has given us the opportunity to sell additional services such as software hosting, business intelligence, and business process outsourcing services. As the technology requirements of our customers become more sophisticated, our service offerings have become more complex. This has lengthened our sales cycles and made it more difficult for us to predict the timing of our software and services sales.



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### **Item 4. Controls and Procedures**

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

Additionally, there were no changes in our internal controls over financial reporting during the quarter ended September 30, 2006 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## **PART II—OTHER INFORMATION**

### **Item 1. Legal Proceedings**

In September 2004, McKesson Information Solutions LLC ("McKesson") filed a lawsuit against us in the United States District Court for the District of Delaware. In its complaint, McKesson alleged that we have made, used, offered for sale, and/or sold a clinical editing software system that infringed McKesson's United States Patent No. 5,253,164, entitled "System And Method For Detecting Fraudulent Medical Claims Via Examination Of Services Codes." McKesson sought injunctive relief and substantial monetary damages, including treble damages for willful infringement. On April 4, 2006, in response to our motion for summary judgment, the court ruled, as a matter of law, that our software products did not infringe 12 of the 15 claims of McKesson's patent that were involved in this dispute, leaving claims 1, 2 and 16. On April 17, 2006, a jury trial commenced on the first phase of this case to determine the issue of infringement of the remaining three claims. On April 26, 2006, the jury found that our Facets<sup>®</sup>, QicLink<sup>™</sup> and ClaimFacts<sup>®</sup> software products infringed claims 1 and 2, but not claim 16 of the patent. On May 4, 2006, the court scheduled the second phase of the trial to commence on October 3, 2006 on the issues of our validity, estoppel and laches defenses and on the issue of McKesson's damages, if any.

On September 7, 2006, we entered into a Settlement Agreement with McKesson to settle the lawsuit. As part of the Settlement Agreement, we agreed to pay McKesson a one-time royalty fee of \$15.0 million for a license in the patent that covers past and future use of our products and services by all existing customers. The \$15.0 million, which was expensed in the third quarter of 2006, is payable in two equal installments on September 30, 2006 and September 30, 2007. Our customers with maintenance agreements also will continue to receive software version upgrades that include clinical editing capabilities. Going forward, we may continue to include our clinical editing functionality in versions of Facets<sup>®</sup> sold to new health plan customers with 100,000 or fewer members and in versions of QicLink<sup>™</sup> sold to any new customers. We have agreed to pay McKesson a royalty fee of 5% of the net licensing revenue received from new sales of Facets<sup>®</sup> and QicLink<sup>™</sup> containing our clinical editing functionality. However, pursuant to the terms of the Settlement Agreement, we will no longer include clinical editing functionality in versions of Facets<sup>®</sup> sold to new customers with more than 100,000 members, beginning November 1, 2006. In these cases, new customers may choose their clinical editing solution from available third-party providers.

In addition to the matter described above, we are involved in litigation from time to time relating to claims arising out of our operations in the normal course of business. Except as discussed above, as of the filing date of this quarterly report on Form 10-Q, we were not a party to any other legal proceedings, the adverse outcome of which, in management's opinion, individually or in the aggregate, would have a material adverse effect on our results of operations, financial position and/or cash flows.

### **Item 1A. Risk Factors**

#### **Cautionary Statement**



EX-32.1 7 dex321.htm CERTIFICATION OF CEO & CFO

EXHIBIT 32.1

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of The TriZetto Group, Inc. (the "Company"), each hereby certifies that to his knowledge on the date hereof

(a) The Form 10-Q of the Company for the quarter ended September 30, 2006, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2006

/s/ Jeffrey H. Margolis

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**Jeffrey H. Margolis**  
Chief Executive Officer

Date: November 6, 2006

/s/ James C. Malone

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**James C. Malone**  
Chief Financial Officer

EX-31.2 6 dex312.htm CERTIFICATION OF CFO

EXHIBIT 31.2

CERTIFICATIONS

I, James C. Malone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2006

/s/ James C. Malone

Name: James C. Malone

Title: Chief Financial Officer

EX-31.1 5 dex311.htm CERTIFICATION OF CEO

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey H. Margolis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2006

/s/ Jeffrey H. Margolis

Name: Jeffrey H. Margolis

Title: Chief Executive Officer

**Exhibit 35: TriZetto report to SEC March 16, 2007**

10-K 1 d10k.htm FORM 10-K

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-K**

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**FOR ANNUAL AND TRANSITION REPORTS  
PURSUANT TO SECTIONS 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

For the fiscal year ended December 31, 2006

OR

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934**

For the transition period from to

Commission file number 000-27501

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**The TriZetto Group, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**33-0761159**  
(I.R.S. Employer  
Identification Number)

**567 San Nicolas Drive, Suite 360**  
**Newport Beach, California**  
(Address of Principal Executive Offices)

**92660**  
(Zip Code)

Registrant's telephone number, including area code: (949) 719-2200

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Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$0.001 par value	The Nasdaq Global Select Market
Series A Junior Participating Stock, \$0.001 par value	

Securities registered pursuant to Section 12(g) of the Act:

[Table of Contents](#)**CAUTIONARY STATEMENT**

This report contains forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “forecasts,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of such terms and other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, you should specifically consider various factors, including the risks outlined in Item 1A under the caption “Risk Factors.” These factors may cause our actual events to differ materially from any forward-looking statement. We do not undertake to update any forward-looking statement.

**PART I****Item 1—Business****OVERVIEW**

TriZetto is distinctly focused on accelerating healthcare payers’ ability to lead the industry’s transformation by providing information technology solutions that enhance revenue growth, drive administrative efficiency and improve the cost and quality of care for their members. We offer a broad portfolio of proprietary information technology products and services targeted to the payer industry, which is comprised of health insurance plans and third party benefits administrators. These include:

- Enterprise core administration software, including Facets<sup>®</sup>, Facts<sup>™</sup>, QicLink<sup>™</sup> and QNXT, including add-on modules such as Workflow, HealthWeb<sup>®</sup>, HIPAA Privacy, CDH Account Management and FXI to provide enhanced functionality for advanced automation, web-based e-business, HIPAA regulations, consumer functionality and interoperability, respectively;
- Cost and quality of care solutions, including our NetworX<sup>™</sup> suite of products for provider network management and CareAdvance<sup>™</sup> suite of care management solutions for both traditional and advanced care management;
- Revenue enhancement software and administrative efficiency solutions for payers that service members in Medicare Advantage, Medicare Part D and Medicaid plans;
- Software hosting services and select business process outsourcing services; and
- Strategic, installation, and optimization consulting services.

In the U.S. healthcare system, payers effectively balance the demands of all the different constituents in the healthcare system including employers, providers, consumers and brokers. As a result, payers are the central aggregation point for data from across the systems and payers are information-intensive businesses. New government regulations, shifting market trends and competition constantly pressure these payers to change their product offerings, business policies and processes. To enable these changes, payers must continually upgrade their information technology systems. Many payers, especially the largest, have traditionally developed their own information systems in-house. But, increasingly in recent years, payers have utilized commercial systems to reduce information technology and business costs, and accelerate their time-to-market for new products and enhanced efficiency.

TriZetto’s large footprint of payers and their members provides unique opportunities to develop and accelerate the adoption of new information technology solutions that will help payers respond and to capitalize on market changes. Including the company’s recent acquisitions, TriZetto technology touches approximately 120 million lives, or nearly half the insured population of the U.S.

We provide products and services to 362 unique customers, including our recent acquisitions, in the health plan and benefits administrator markets. In 2006, these markets represented 90% and 10% of our total revenue, respectively.

The TriZetto Group, Inc. was incorporated in Delaware in May 1997 with the merger of two organizations: System One, a provider of online electronic-funds transfer technology, and Margolis Health Enterprises, a provider of technology consulting to healthcare organizations. The combination created a company dedicated to healthcare information technology products and services. Initially, we focused upon providing hosted software services addressed primarily to the provider market. From 1998 to 2003, we increased our focus on the payer industry. In 2003, we initiated a strategic plan to concentrate exclusively on the payer market and to wind-down our provider business. We completed this plan in 2005 and no longer provide services to the provider market.

We completed our initial public offering in October 1999 and, since that time, have acquired 10 companies: Novalis Corporation, Finserv Health Care Systems, Inc., Healthcare Media Enterprises, Inc., Erisco Managed Care Technologies, Inc. (“Erisco”), Resource Information Management Systems, Inc. (“RIMS”), Infotrust Company, Diogenes, Inc., CareKey, Inc.



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Of the 10 acquisitions, the Erisco and RIMS acquisitions completed in the fourth quarter of 2000, the CareKey acquisition completed in the fourth quarter of 2005, and the QCSI acquisition completed in the first quarter of 2007 were our most significant. Erisco's main product, Facets<sup>®</sup> and QCSI's main product, QNXT, are the leading administrative systems for managed health plans in the country. QicLink<sup>™</sup>, developed by RIMS, is the leading automated claims-processing system for benefits administrators. With these acquisitions, TriZetto obtained a customer base with more than 120 million enrollees (48% of the U.S. insured population) and attained a leadership position in two market segments of the payer industry, health plans and benefits administrators. The products developed by CareKey are proven applications and solutions for the rapidly growing consumer-directed healthcare segment.

## FINANCIAL INFORMATION

Please refer to Item 6, "Selected Financial Data," and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," for a review of revenue, net income, and total assets for the last three years.

## OUR STRATEGY

Rising healthcare costs and health insurance premiums are causing employers, as well as federal and state government programs, to shift more of the cost of healthcare benefits to consumers in the form of higher premium contributions, deductibles, co-insurance and co-payments. Since 2000, average premiums for family coverage in the United States increased 59%, while wages grew only 12%. Typical family out-of-pocket healthcare costs now exceed 10% of the average annual wage. As a result of increased personal spending on healthcare, healthcare consumers (i.e., employees and their family members, individuals, and retirees) are demanding better service, efficiency, and value from their health plan. This includes improved information regarding health care benefit and insurance coverage options, better information to determine the most efficient methods to fund out-of-pocket costs, real-time information regarding benefits eligibility and accessibility, accurate information at the point-of-service regarding out-of-pocket costs (i.e., patient or consumer financial responsibility), real-time information regarding healthcare fund balances and claims payment status, and increased comparative data and intelligence regarding healthcare provider cost (i.e., pricing) and quality.

We believe that payers will play a central and leading role in the evolution of the U.S. healthcare industry. We also believe that most health plans and benefits administrators must evolve and improve their technology infrastructures, software applications, and business processes to compete in this changing healthcare marketplace. We recognize that the evolution of the healthcare industry to a more retail-like environment may be gradual or in steps. Our strategy, therefore, is to protect our existing customers' investment in our products and services through ongoing research and development that allows for systematic upgrades of existing capabilities, while providing both existing and new payer customers with innovative information technology products and services that help them strengthen their IT capabilities, and transform their businesses to prosper in this more consumer-centric environment. Key elements of our strategy include:

- **Help customers anticipate change and migrate toward a successful future.** In 2006, we continued to articulate our vision of the future for health plans and benefits administrators. In 2003, we launched and named these "futures" concepts Health Plan 5.0 and Benefits Administrator 5.0. "5.0" continues to be the centerpiece of our sales strategy, supported by TriZetto's extensive portfolio of solutions and a clear migration path for customers. Over the course of 2006, we introduced additional products and services that provide our customers with the solution components to achieve level or version "5.0."
- **Offer a compelling value proposition.** We are focused on offering a quantified, compelling value proposition that includes such advantages as enhancing payers' revenue growth, driving their administrative efficiency and improving the cost and quality of care for their members. Other benefits include reduced and more predictable information technology costs, more cost effective business processes, lower administrative costs, lower medical costs, less risk and more rapid return on investment, and faster business transformation. Our internal estimates, based on industry benchmarks and customer data, show that return on investment increases with the use of our proprietary software in combination with one or more of our outsourced services.
- **Offer market-leading enterprise administration software for health plans and benefits administrators.** As some of the most information-intensive businesses in the U.S., payers spend about 11% of the premiums they collect on administration activities. Efficient and accurate enterprise administration systems are critical to success. In 2003, we introduced new versions of both Facets Extended Enterprise<sup>™</sup> (or Facets e<sup>2™</sup>) and QicLink Extended Enterprise (QicLink e<sup>2™</sup>) to the marketplace. Facets e<sup>2™</sup> represented a major expansion of our flagship Facets<sup>®</sup> enterprise administration software for health plans. Facets e<sup>2™</sup> provides significant new business and technology enhancements aimed at helping health plans meet emerging market demands, including customer-driven market requirements, integrated e-business functionality, regulatory compliance, and advanced open architecture and web services technologies. QicLink e<sup>2™</sup>

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enterprise solutions. The acquisition of QCSI's QNXT in January 2007 further expands TriZetto's enterprise administration solutions.

- Offer innovative enterprise cost and quality of care application.** Payers spend an average of 86% of premiums collected on the cost of care for members. As the economics of running a plan started to shift in 2005 and 2006, payers began looking to new ways to cut waste and improve care. In early 2004, TriZetto partnered with CareKey, Inc. to offer new cost and quality of care solutions to its payer customers. In December 2005, TriZetto acquired CareKey. Today, the company is unique in offering integrated solutions that address both the unit cost of care as well as the volume usage. TriZetto's suite of cost and quality of care solutions are complementary to our enterprise software solutions and allow us to help payers address the vast majority of healthcare medical costs not focused solely on health plan administration activities. TriZetto's NetworX Pricer™ and NetworX Modeler™ applications allow health plans to improve the provider contracting process, as well as to automate the administration of these provider contracts to reduce the aggregate unit cost of care. Our CareAdvance Enterprise™ suite of advanced care management solutions addresses traditional utilization, case and disease management, as well as provides secure, portable and personalized health records to facilitate proactive population management. By improving patient wellness, these solutions better control the total usage of healthcare resources and reduce payers' aggregate usage-driven costs of care for members. While these applications are architecturally engineered to most easily integrate with other TriZetto products such as Facets®, they are also of high value to customers who run enterprise administration systems not developed by TriZetto.
- Enhance the value of our core enterprise technology with a variety of add-on software solutions and a continuum of services.** In addition to offering leading enterprise administration and care solutions, TriZetto has created a number of high-value add-on systems that increase the performance of TriZetto systems and extend the value and return on investment for customers. TriZetto's enterprise systems are very large applications that require significant work to install and optimize. Like many other enterprise software companies, TriZetto offers complementary services that assist customers in achieving business success, including: professional services, or consulting, for installation and optimization of the company's software. For customers who desire to reduce their data center or overall processing costs, TriZetto also offers software hosting services and business process outsourcing services. These typically are sold as add-ons following the sale of TriZetto software.
- Organize products and services around the customer's main business cycles.** Our solutions are aligned with the way our customers operate internally. Our individual products and services, and complete solutions address the main business cycles of a health plan, which are: product development, revenue management, reimbursement management, customer service, network management, care management, risk management, and general finance and administration. Benefits administrators have largely similar business cycles.
- Leverage our strategic relationships.** We leverage our current strategic relationships and enter into new relationships to expand our customer base and service offerings. We have established co-marketing and sales arrangements with third-party systems integrators and software vendors. As our customer base grows, we intend to expand and strengthen these relationships.
- Selectively pursue acquisitions.** We continually evaluate acquisitions of companies that could expand our market share, product offerings or our technical capabilities. Since our initial public offering in 1999, we have made 10 acquisitions. We may pursue additional acquisitions that we believe create shareholder value.

## OUR PRODUCTS AND SERVICES

TriZetto's mission is to be the premier technology provider focused on healthcare payers. We have historically been a leading core administration company, and through acquisitions have expanded our capabilities. We have targeted five strategic areas that will drive healthcare changes including enterprise core administration, care management, network management, consumer retail healthcare and government programs.

In 2006, we derived approximately 47% of our total revenue from license and maintenance fees for our proprietary enterprise core administration software. Our Facets®, Facts™ and QicLink™ applications are recognized in their respective markets for providing advanced solutions that enhance revenue growth, drive administrative efficiencies and improve the cost and quality of care.

Out of our total revenue in 2006, 2005, and 2004, we spent 15%, 14%, and 14% respectively, on software development (expensed and capitalized), primarily for our proprietary software products.

### Enterprise Core Administration Software

**Facets**<sup>®</sup>. Facets<sup>®</sup> is a comprehensive, flexible, scalable, production-proven, enterprise-wide core administration solution for healthcare payers. Facets<sup>®</sup> provides a functionally rich set of modules that allow health care payers to meet their comprehensive business requirements—across claims processing, claims re-pricing, capitation/risk fund accounting, premium billing, provider

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network management, group/membership administration, referral management, hospital and medical pre-authorization, case management, customer service, and electronic data interchange.

Facets<sup>®</sup> can also be combined with complementary software to address the enterprise-wide needs of a managed care organization. Facets<sup>®</sup> has been expanded through alliances with complementary solutions for physician credentialing, document imaging, workflow management, data warehousing, and decision support.

Facets<sup>®</sup> is available to customers on a hosted or non-hosted basis; it includes core functionality and add on modules that provide the following features and benefits for health plans:

- Flexible, integrated technology to support multiple lines of business and in-depth functionality which provide for the essentials of health plan administration;
- Simplified entry of benefit plan information;
- Enhanced views of customer service data;
- Integrated HIPAA functionality to satisfy standard electronic transactions and privacy regulations;
- Consumer directed healthcare, Medicare and Managed Medicaid solutions;
- Functions to support complex provider contracts and automated pricing of claims;
- Integrated Workflow for claims, customer service and group administration
- Extended integration tools to enable customers to access key business logic
- Extensive use of Service-Oriented Architecture (SOA) that emphasizes Web-enabled interoperability to simplify integration of third-party applications; and
- Choice of leading databases — Oracle, Microsoft SQL and Sybase.

At December 31, 2006, we had 74 implementations of Facets<sup>®</sup> at customers comprising approximately 80 million member lives under contract. Many customers have purchased or are updating to Facets<sup>®</sup> 4.3 and 4.4 to support consumer directed health plans, changes in NPI and workflow improvements. These upgrades are included in customers' annual release fees. In addition, unspecified upgrades generate opportunities to sell consulting and other services to assist with the upgrades, as well as add-on modules that work exclusively with this new version of Facets<sup>®</sup>. In 2006, TriZetto Professional Services created a new Upgrade Service exclusively focused on helping health plans upgrade Facets<sup>®</sup> to a newer version to take advantage of the new capabilities.

**Facts<sup>™</sup>.** Introduced in 1980, Facts<sup>™</sup> is designed for the indemnity insurance market, specifically managed indemnity, and group insurance. Facts<sup>™</sup> software, which we acquired in our acquisition of Erisco, is a legacy software application which is used for the essential administrative transactions of an indemnity plan, including enrollment, rating and premium calculation, billing, and claims processing. At December 31, 2006, we had 33 Facts<sup>™</sup> customers totaling more than 48.5 million lives.

**QicLink<sup>™</sup>.** We believe that QicLink<sup>™</sup> is the nation's most widely-used automated claims administration technology for benefits administrators. Its flexible design is well suited for third party administrators, as well as organizations that self-fund or self-administer their health benefits. QicLink<sup>™</sup> is a full-functioned enterprise system that handles enrollment, customer service, claims adjudication, billing and accounts receivable, re-pricing, and payment process, and is available to customers on a licensed or hosted basis. Recent product releases include functionality improvements designed for the consumer-directed market, debit card processing expanded auto adjudication and web customer service, and technology improvements such as the introduction of the Microsoft.NET framework. At December 31, 2006, we had 135 QicLink<sup>™</sup> customers, totaling more than 7.6 million lives.

**Workflow.** The add-on Workflow application for Facets e<sup>2™</sup> automates manual processes and streamlines workflows, helping health plans to reduce claims turnaround times, improve customer response and facilitate the creation of employer groups. With Facets e<sup>2™</sup> Workflow, claims are prioritized and routed automatically according to rules established by the plan's business staff. Faster claims turnaround times allow health plans to realize lower overall operating costs, as well as nearly immediate return on investment through prompt-pay discounts. Facets e<sup>2™</sup> Workflow functionality for Customer Service focuses on the management of work items that are not resolved upon initial contact with customer service representative. Facets e<sup>2™</sup> Workflow functionality for Group Administration allows customers to administer the creation of new groups and facilitates the group renewal process. The application

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**DirectLink™.** DirectLink™ was added to TriZetto's component offerings in November 2004, built around technology from the acquisition of Diogenes, Inc. DirectLink™ helps payers reduce their dependence on clearinghouses and exchange transactions with providers, employers, and other constituents directly over the Internet – at a fraction of the cost of clearinghouse fees. The technology provides point-to-point connectivity and cutting-edge security features, including encryption, authentication, and tamper protection, which exceed the government's HIPAA security guidelines. DirectLink™ is designed to be easy to use and can be remotely deployed and installed via the Internet, right to the desktop.

**Cost and Quality of Care.** As cost and quality of care issues move to center stage, for health plans, the ability to automate care and provider management becomes key to improving care outcomes and decrease costs. TriZetto offers solutions for both care management and network management.

### **Care management**

Health plans are recognizing that care management will quickly become a required competency for connecting to members in an increasingly consumer-retail world of healthcare. The ability to keep the well from getting sick, to keep the sick out of the hospital and to help the hospitalized recover quickly will reduce overall medical costs. TriZetto offers CareAdvance Enterprise™ to address both personal health records for the consumers and health management for the health plans.

**CareAdvance Enterprise™.** Until 2004, the majority of TriZetto's solutions focused on payers' administrative costs. In 2004, TriZetto partnered with CareKey to offer the CareAdvance™ suite of care management solutions. TriZetto completed its acquisition of CareKey in December 2005 and began marketing the CareAdvance suite as TriZetto CareAdvance Enterprise™. TriZetto CareAdvance Enterprise™ automates all aspects of care management, including: member identification and assessment; guideline-based care planning; member and provider communications; task and team management; ongoing member monitoring, education and care coaching; and multi-stakeholder granular reporting for a variety of constituents. The system integrates with TriZetto's Facets® administrative system as well as other core administration systems to provide real-time access to member administrative data including claims, eligibility, benefits and authorizations. CareAdvance Enterprise™ extends effective care to more members and allows a health plan to serve all its members' medical management needs on one platform, including catastrophic care coordination, chronic disease management, wellness, and family care.

Health plans can license and host the care management enterprise software themselves or have it hosted through TriZetto's Hosting Services. Health plans can also use TriZetto Professional Services to implement and optimize their care management operations. Specific services include: implementation, business process engineering, health program development and launch, and technology and application optimization.

### **Network management**

As cost and quality issues move to center stage for health plans, the ability to automate provider networks, including the contracting and payment cycle becomes key to reducing care costs. Changes to a provider contract by 1% can result in net increases or decreases of millions to a health plan's bottom line. Increasingly complex contracts and intense financial pressures have made network management critical to a health plan's success.

**NetworX™.** NetworX™ was the first enterprise-wide management system and claims re-pricing solution for preferred provider organizations. The NetworX™ product line has been expanded to include a suite of products that addresses the pricing needs of not only PPOs, but also the requirements of health plans for automated pricing of complex facility claims and modeling of contracts. NetworX Pricer™ is a specialized component application, which automates the claims pricing process for health plans. This product is sold as a separate application that can be interfaced to legacy administration systems, as well as to Facets e2™. The NetworX Modeler™ product is a standalone application to support the automated modeling and analysis of contracts to help health plans negotiate with providers in their network. NetworX Pricer™ and NetworX Modeler™ have an innovative interface, which allows users to share contract data between the two systems. NetworX™ complements ClaimsExchange™, a hosted application service, which provides Internet connections that allow preferred provider organizations and healthcare claims payers to exchange claim information online.

Health plans can license the network management software or host it through TriZetto's Hosting Services. Health plans can also use TriZetto Professional Services to implement their network management operations. Specific services include implementation, contract loading third-party interface development, and optimization.

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### Market Solutions

Two pervasive market drivers are driving dramatic changes in healthcare today:

- A surge in government healthcare programs as baby boomers drop out of private plans and into Medicare programs while the Medicaid-eligible population grows
- Continued pressure on the consumer to pay more of individual healthcare costs to offset the rapidly increasing costs

TriZetto has formed two market solutions groups to help drive the technological transformation needed to support government and consumer programs.

### Retail Healthcare Solutions

A change that started with high deductible health plans, the retail healthcare movement is rapidly changing how payers interact with their consumer, provider, broker and employer constituents. TriZetto's Consumer Retail Healthcare Solutions combine our traditional technology solutions with services and third-party applications. Specific retail healthcare solutions include:

**Fund Management.** Combining Facets<sup>®</sup> CDH Account Management Module, Metavante's Benefits Card Platform and financial services, TriZetto's Fund Management solution enables Facets<sup>®</sup> users to administer FSA, HRA and HSA plans on the Facets<sup>®</sup> platform. Our pre-integrated solutions enables debit card access for FSA, HRA and HSA accounts via a single card. Through Metavante, the fund management solution provides integration with ACS/Mellon, HAS Bank, and other preferred financial institutions, for "one-step" HAS account management. Members can track HSA account spending and manage fund investments while benefiting from the health plan's education, online services and enrollment capabilities.

**HealthWeb<sup>®</sup>.** HealthWeb<sup>®</sup> allows health plans to exchange information and conduct business with physician groups, members, employers, and brokers on a secure basis over the Internet. HealthWeb<sup>®</sup> is installed on the health plan's web servers or offered on a hosted basis and then configured according to customer preferences. The HealthWeb<sup>®</sup> applications are easy to use and personalized for each customer, providing access to the business applications and content needed to perform typical healthcare tasks. HealthWeb<sup>®</sup> modules are designed to manage online eligibility, authorizations, referrals, benefit verification, claims status, claims adjudication, and many other transactions benefiting physician offices. The modules also support enrollment, billing, benefit cost modeling, demographic changes, primary care physician selection, identification card requests, and other transactions for employers, brokers, and health plan members.

**Provider POS Direct.** Health plans can use this integrated software solution to enable providers to calculate real-time patient liability or fully adjudicate a claim in real-time before the patient leaves the provider's office. Provider POS Direct helps providers reduce costs associated with growing accounts receivable and collections by allowing the provider to collect true payment at the time of service.

**Professional Services.** TriZetto offers a suite of services specifically for Retail Healthcare including Retail Readiness, Implementation and Optimization. Retail Readiness Services combine strategic planning, business process engineering and implementation services to help a health plan ready its operations to support retail solutions, expanding beyond pure technology implementation.

### Government Programs

TriZetto offers solutions that assist payers as they compete in the rapidly growing Government programs marketplace. With the influx of new members through the aging of the baby-boomers and the passage of the Medicare Modernization Act providing prescription drug coverage for seniors, plans have entered this marketplace in large numbers. TriZetto government solutions, which are built on our core products, allow our customers to expand their offerings to include Medicare Part D, Medicare Advantage and Managed Medicaid.

**Medicare and Medicare Part D.** Building on its Facets<sup>®</sup> Core Administration platform, TriZetto offers targeted solutions for Managed Medicare and Medicare Part D. TriZetto provides core administration software along with Care Management and Network management tools to assist a plan's efforts to control their administrative costs while providing high quality and cost effective care for their seniors. Our FastTrak solution integrates Facets<sup>®</sup>, Hosting Services and BPO to implement a Medicare or Medicare Part D solution in six months. In addition to implementing and optimizing Facets<sup>®</sup> for the Medicare and Medicare Part D business lines, TriZetto also offers a CMS Monitoring Service in which Medicare-knowledgeable TriZetto professionals monitor daily changes in CMS requirements and identify the ramifications of those changes on the health plan's operations.

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**InfoTrust<sup>®</sup>.** The TriZetto Cyber Site also incorporates its powerful InfoTrust<sup>®</sup> methodology to allow health plans to use recovery equipment as a pre-production model environment for application testing. With InfoTrust<sup>®</sup>, TriZetto provides servers and applications as a non-production environment. If a disaster occurs, TriZetto fails over to these environments to recover customers' applications in committed recovery times. This "double use" methodology provides a more cost effective solution for health plans because it minimizes equipment needs.

**Vendor Partner Relationships.** In order to provide our customers with accessibility to other specialty software applications that run integrated and alongside TriZetto solutions, we have acquired rights to license and/or deploy numerous commercially available software applications from a variety of healthcare and other software vendors. These relationships range from perpetual, reusable software licenses and contracts to preferred installer agreements to informal co-marketing arrangements. We enter into relationships with software vendors in order to offer our customers a variety of solutions tailored to their unique information technology needs. Our relationships with our vendor partners are designed to provide both parties with numerous mutual benefits.

**Business Process Outsourcing (BPO).** To complement our software hosting services, we also provide health plans and benefits administrators with transaction processing services for typical back office functions, including claims, billing, and enrollment. Customers typically outsource to us for the following reasons: to improve or maintain service, for more predictable costs, to take advantage of our larger scale, to reduce risk through our performance guarantees, to gain access to our technical and healthcare business expertise, to increase speed-to-market, to ensure business continuity, and to become HIPAA compliant.

Our business process outsourcing services include:

- **Benefit and Provider Configuration Rule Set-Up.** We configure, and can maintain, the customer's software according to the customer's specific benefit plans and provider payment arrangements.
- **Document Imaging/Electronic Data Interchange (EDI) Processing.** We accept and process claim forms, enrollment documents and other documents submitted via paper or EDI, and scan all images for electronic retrieval.
- **Medical, Dental, and Specialty Claims Processing.** We process claims submitted for services under a variety of products and lines of business, adjust payments, and coordinate benefits. We also generate, print, and distribute claims payment checks and remittance notices to appropriate claimants and to health plan members.
- **Membership and Enrollment Processing.** We set up employer group and individual membership information and process transactions regarding benefit plan selection, assignment of primary care physicians, and membership changes. We also issue member identification cards and perform other related administrative tasks.
- **Premium Billing.** We generate, print, and mail invoices, post payments received on behalf of the health plan, and reconcile employer group and individual member accounts against billed amounts.
- **Print and Mailing Services.** We print and mail functional area output documents such as enrollment cards, claims payment checks, remittance notices, premium invoices, broker commission checks, and capitation payments along with supporting documentation.
- **Business Continuity Services.** We have facilities and personnel available to assist customers using our proprietary products to meet business processing requirements in the event of a loss of a customer site.

Health plans can purchase these services on a retainer or project basis. These business process outsourcing services are generally provided in our centralized processing locations. Approximately 200 employees are located at our various processing sites, providing services for customers using our Facets<sup>®</sup>, QicLink<sup>™</sup>, and other proprietary and third-party software systems.

### **Professional Services**

We derived approximately 28% of our revenue from professional services in 2006, mainly from consulting and implementations associated with our proprietary software, software hosting, and other outsourcing contracts. As of December 31, 2006, we employed approximately 250 professional services personnel. Our professional services team helps our customers enhance revenue growth, drive administrative efficiencies and improve the cost and quality of care by implementing and optimizing TriZetto solutions. Our team provides expertise in all aspects of TriZetto's proprietary software products, especially Facets<sup>®</sup>, CareAdvance<sup>™</sup>, QicLink<sup>™</sup>, HealthWeb<sup>®</sup>, HIPAA Gateway, and NetworX<sup>™</sup>, through onsite services, remote support, and customer training in four key areas:

**Product Installation.** Product Installation includes a set of pre-bundled services to help a health plan install a TriZetto application.

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Detecting Fraudulent Medical Claims Via Examination Of Services Codes.” McKesson sought injunctive relief and substantial monetary damages, including treble damages for willful infringement. On April 4, 2006, in response to our motion for summary judgment, the court ruled, as a matter of law, that our software products did not infringe 12 of the 15 claims of McKesson’s patent that were involved in this dispute, leaving claims 1, 2 and 16. On April 17, 2006, a jury trial commenced on the first phase of this case to determine the issue of infringement of the remaining three claims. On April 26, 2006, the jury found that our Facets<sup>®</sup>, QicLink<sup>™</sup> and ClaimFacts<sup>®</sup> software products infringed claims 1 and 2, but not claim 16 of the patent. On May 4, 2006, the court scheduled the second phase of the trial to commence on October 3, 2006 on the issues of our validity, estoppel and laches defenses and on the issue of McKesson’s damages, if any.

On September 7, 2006, we entered into a Settlement Agreement with McKesson to settle the lawsuit. As part of the Settlement Agreement, we agreed to pay McKesson a one-time royalty fee of \$15.0 million for a license in the patent that covers past and future use of our products and services by all existing customers. The \$15.0 million, payable in two equal installments on September 30, 2006 and September 30, 2007, was expensed in the third quarter of 2006. Our customers with maintenance agreements also will continue to receive software version upgrades that include clinical editing capabilities. Going forward, we may continue to include our clinical editing functionality in versions of Facets<sup>®</sup> sold to new health plan customers with 100,000 or fewer members and in versions of QicLink<sup>™</sup> sold to any new customers. We have agreed to pay McKesson a royalty fee of 5% of the net licensing revenue received from new sales of Facets<sup>®</sup> and QicLink<sup>™</sup> containing our clinical editing functionality. However, pursuant to the terms of the Settlement Agreement, we will no longer include clinical editing functionality in versions of Facets<sup>®</sup> sold to new customers with more than 100,000 members, beginning November 1, 2006. In these cases, new customers may choose their clinical editing solution from available third-party providers.

In addition to the matters described above, we are involved in litigation from time to time relating to claims arising out of our operations in the normal course of business. Except as discussed above, as of the filing date of this annual report on Form 10-K, we were not a party to any other legal proceedings, the adverse outcome of which, in management’s opinion, individually or in the aggregate, would have a material adverse effect on our results of operations, financial position and/or cash flows.

### **Item 4—Submission of Matters to a Vote of Security Holders**

No matters were submitted to a vote of our stockholders during the quarter ended December 31, 2006.



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### Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations

#### Overview

We offer a broad portfolio of proprietary information technology products and services targeted to the payer industry, which is comprised of health insurance plans and third party benefits administrators. We offer enterprise claims administration software, including Facets Extended Enterprise™ and QicLink Extended Enterprise™, and enterprise cost and quality of care software, including Clinical CareAdvance™, Personal CareAdvance™ and our NetworX™ suite for provider network management. We also provide a number of component software solutions and add-ons to the enterprise software solutions, including CDH Account Management, Workflow, HealthWeb® and Benefit Cost Modeler. To support these software products, we provide software hosting services and business process outsourcing services, giving customers variable cost alternatives to licensing software, as well as strategic, implementation and optimization consulting services. As of December 2006, we served 320 unique customers in the health plan and benefits administrator markets, which we refer to as payers. In 2006, these markets represented approximately 90% and 10% of our total revenue, respectively.

We measure financial performance by monitoring revenue, bookings and backlog, and net income. Total revenue for 2006 was \$347.9 million compared to \$292.2 million for 2005. Services and other revenue for 2006 was \$272.9 million compared to \$243.5 million for 2005. Products revenue for 2006 was \$75.0 million compared to \$48.7 million for 2005. Operating costs and expenses for 2006 were \$331.0 million compared to \$269.8 million for 2005. Bookings for 2006 were \$381.6 million compared to \$296.6 million for 2005. Backlog at December 31, 2006 was \$858.2 million compared to \$703.4 million at December 31, 2005. Net income in 2006 was \$15.1 million compared to \$22.0 million in 2005. These financial comparisons are further explained in the section below, “Results of Operations.”

We generate services revenue from several sources, including the provision of outsourcing services, such as software hosting and business process outsourcing services, the sale of maintenance and support for our proprietary and certain of our non-proprietary software products, and from consulting fees for implementation, installation, configuration, business process engineering, data conversion, testing and training related to the use of our proprietary, and third-party licensed products. We generate products revenue from the licensing of our software. Cost of revenue includes costs related to the products and services we provide to our customers and costs associated with the operation and maintenance of our customer connectivity centers. These costs include salaries and related expenses for consulting personnel, customer connectivity centers’ personnel, customer support personnel, application software license fees, amortization of capitalized software development costs, telecommunications costs, facility costs, and maintenance costs. Research and development (“R&D”) expenses are salaries and related expenses associated with the development of software applications prior to establishing technological feasibility. Such expenses include compensation paid to software engineering personnel and other administrative, infrastructure and facility expenses and fees to outside contractors and consultants. Selling, general and administrative expenses consist primarily of salaries and related expenses for sales, sales commissions, account management, marketing, administrative, finance, legal, human resources and executive personnel, and fees for certain professional services.

As part of our growth strategy, we intend to increase revenue per customer by continuing to introduce new complementary products and services, including new cost and quality of care products and services, to our established enterprise software and hosting and business process outsourcing services. Some of these service offerings, including hosting, business process outsourcing, and consulting have a higher cost of revenue, resulting in lower gross profit margins. Therefore, to the extent that our revenue increases through the sale of these lower margin product and service offerings, our total gross profit margin may decrease.

We are continuing to target larger health plan customers. This has given us the opportunity to sell additional services such as software hosting, business intelligence, and business process outsourcing services. As the technology requirements of our customers become more sophisticated, our service offerings have become more complex. This has lengthened our sales cycles and made it more difficult for us to predict the timing of our software and services sales.

In late 2003, a management decision was made to exit certain non-strategic and less profitable product offerings and business lines. This decision included winding down services related to our physician group customers, as well as the planned elimination of our hosting and business process outsourcing services for two competing third-party software platforms. Early in the second quarter of 2005, we executed termination agreements with the last two of our remaining physician group customers. We continued to provide outsourced business services through May 2005 when the transition services were completed.

On December 22, 2006, we acquired all of the issued and outstanding shares of Plan Data Management, Inc. The estimated purchase price as of December 31, 2006 was approximately \$19.6 million, which consisted of 491,488 shares of our common stock with a value of \$16.28 per share (which represents the average closing price of TriZetto’s common stock for the 20 trading days

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**Table of Contents****THE TRIZETTO GROUP, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

transactions for the years ending December 31, 2007, 2008 and 2009, are included in the above table totaling \$400,000, \$400,000 and \$140,000, respectively.

Pursuant to the terms of the Agreement and Plan of Merger in connection with the Company's acquisition of CareKey, CareKey stockholders and option holders are entitled to receive three contingent consideration payments of \$8.3 million each (up to \$25.0 million), upon the achievement of certain revenue milestones during the period beginning upon acquisition and ending December 31, 2008. In addition, further consideration payable in cash or stock at our election, may be paid to former CareKey stockholders and option holders if, prior to December 31, 2008, the acquired CareKey products generate revenues in excess of certain revenue milestones and/or if a negotiated multiple of software maintenance revenues of acquired CareKey products during the fiscal year ended December 31, 2009 exceed total purchase consideration made to those former CareKey stockholders and option holders.

Under the Agreement and Plan of Merger with PDM (Note 14), PDM stockholders and option holders may also be entitled to receive contingent consideration as follows: aggregate payments of up to \$5.0 million on or before June 30, 2007, \$5.0 million on or before December 31, 2008, and \$8.0 million on or before December 31, 2009, each subject to reduction if certain revenue thresholds are not satisfied during the applicable measurement period. Additional contingent consideration may be paid on June 30, 2009 if certain revenue thresholds are satisfied, provided that in no event will the aggregate consideration of all payments exceed \$42.0 million. The merger consideration is also subject to adjustment based upon minimum cash and working capital balances. It is expected that 50% of any such payment will be made in cash and 50% will be paid in shares of the Company's common stock.

**10. Litigation**

On October 26, 2004, a jury in California Superior Court, County of Alameda, delivered its verdict in the case of Associated Third Party Administrators v. The TriZetto Group, Inc., a dispute involving technology agreements between Associated Third Party Administrators ("ATPA"), a former QicLink™ customer, and the Company. In its verdict, the jury found that the Company made certain misrepresentations to ATPA in connection with the license of QicLink™ software in 2001 and awarded damages of approximately \$1.85 million, representing primarily the amount of the license fee paid by ATPA. In the first quarter of 2005, a judgment was entered by the court, which included, in addition to damages of \$1.85 million, approximately \$500,000 in pre-judgment interest and recoverable costs. The Company recorded an accrual for the additional \$500,000 of costs in the first quarter of 2005 increasing the total accrual for the dispute to \$2.35 million. In June 2005, the Company entered into a settlement agreement with ATPA in which the Company agreed to pay ATPA \$2.2 million to fully resolve the dispute. The Company paid this amount to ATPA in July 2005. In June 2005, the Company's insurance carrier agreed to reimburse the Company a total of \$1.1 million of the settlement. The reimbursement was received in July 2005 and was recorded as a reduction to expense.

In September 2004, McKesson Information Solutions LLC ("McKesson") filed a lawsuit against the Company in the United States District Court for the District of Delaware. In its complaint, McKesson alleged that the Company made, used, offered for sale, and/or sold a clinical editing software system that infringed McKesson's United States Patent No. 5,253,164, entitled "System And Method For Detecting Fraudulent Medical Claims Via Examination Of Services Codes." McKesson sought injunctive relief and substantial monetary damages, including treble damages for willful infringement. On April 4, 2006, in response to the Company's motion for summary judgment, the court ruled, as a matter of law, that the Company's software products did not infringe 12 of the 15 claims of McKesson's patent that were involved in this dispute, leaving claims 1, 2 and 16. On April 17, 2006, a jury trial commenced on the first phase of this case to determine the issue of infringement of the remaining three claims. On April 26, 2006, the jury found that the Company's Facets®, QicLink™ and ClaimFacts® software products infringed claims 1 and 2, but not claim 16 of the patent. On May 4, 2006, the court scheduled the second phase of the trial to commence on October 3, 2006 on the issues of the Company's validity, estoppel and laches defenses and on the issue of McKesson's damages, if any.

On September 7, 2006, the Company entered into a Settlement Agreement with McKesson to settle the lawsuit. As part of the Settlement Agreement, the Company agreed to pay McKesson a one-time royalty fee of \$15.0 million for a license in the patent that covers past and future use of the Company's products and services by all existing customers. The \$15.0 million, payable in two equal installments on September 30, 2006 and September 30, 2007, was expensed in the third quarter of 2006. The Company's customers with maintenance agreements also will continue to receive software version upgrades that include clinical editing capabilities. Going forward, the Company may continue to include its clinical editing functionality in versions of Facets® sold to new health plan customers with 100,000 or fewer members and in versions of QicLink™ sold to any new customers. The Company has agreed to pay McKesson a royalty fee of 5% of the net licensing revenue received from new sales of Facets® and QicLink™ containing the Company's clinical editing functionality. However, pursuant to the terms of the Settlement Agreement, the Company

EX-32.1 12 dex321.htm SECTION 906 CEO AND CFO CERTIFICATION

EXHIBIT 32.1

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of The TriZetto Group, Inc. (the “Company”), each hereby certifies that to his knowledge on the date hereof

(a) The Form 10-K of the Company for the year ended December 31, 2006, filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2007

/s/ Jeffrey H. Margolis

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**Jeffrey H. Margolis**  
**Chief Executive Officer**

Date: March 16, 2007

/s/ James C. Malone

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**James C. Malone**  
**Chief Financial Officer**

## EX-31.2 11 dex312.htm SECTION 302 CFO CERTIFICATION

EXHIBIT 31.2

## CERTIFICATIONS

I, James C. Malone, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2006 of The TriZetto Group, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 16, 2007

/s/ James C. Malone

Name: James C. Malone

Title: Chief Financial Officer

EX-31.1 10 dex311.htm SECTION 302 CEO CERTIFICATION

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey H. Margolis, certify that:

1. I have reviewed this report on Form 10-K for the year ended December 31, 2006 of The TriZetto Group, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 16, 2007

/s/ Jeffrey H. Margolis

Name: Jeffrey H. Margolis

Title: Chief Executive Officer

**Exhibit 36: TriZetto report to SEC May 8, 2007**

10-Q 1 d10q.htm FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-Q**

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**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2007

OR

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-27501

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**The TriZetto Group, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**33-0761159**  
(I.R.S. Employer  
Identification Number)

**567 San Nicolas Drive, Suite 360  
Newport Beach, California**  
(Address of Principal Executive Offices)

**92660**  
(Zip Code)

**Registrant's telephone number, including area code: (949) 719-2200**

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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### RESULTS OF OPERATIONS

#### Quarter Ended March 31, 2007 Compared to the Quarter Ended March 31, 2006.

**Revenue.** Total revenue increased \$28.2 million, or 33%, to \$113.5 million in the first quarter of 2007 from \$85.3 million for the same period in 2006. Of this increase, \$24.0 million related to services and other revenue and \$4.2 million related to products revenue.

**Services and Other Revenue.** Services and other revenue includes outsourced business services (primarily software hosting and business process outsourcing), maintenance fees related to our software license contracts, consulting services and other revenue. Services and other revenue increased \$24.0 million, or 37%, to \$89.8 million in the first quarter of 2007 from \$65.8 million for the same period in 2006, which includes the acquisitions of PDM and QCSI. This increase was the result of a \$13.7 million increase in consulting services and other revenue, an \$8.7 million increase in software maintenance revenue, and an increase of \$1.6 million in outsourced business services. The increase in consulting services and other revenue was due primarily to new Facets<sup>®</sup>, NetworX<sup>™</sup> and QNXT<sup>™</sup> implementations. The increase in software maintenance revenue was attributable primarily to new agreements for certain Facets<sup>®</sup>, NetworX<sup>™</sup>, HealthWeb<sup>®</sup>, CareAdvance<sup>™</sup> and QNXT<sup>™</sup> customers, as well as annual rate increases from existing customers. The increase in outsourced business services revenue was primarily due to new Facets<sup>®</sup>, NetworX<sup>™</sup>, HealthWeb<sup>®</sup> and CareAdvance<sup>™</sup> hosted customers and increased membership from existing customers.

**Products Revenue.** Products revenue, which includes software license sales, increased \$4.2 million, or 21%, to \$23.7 million in the first quarter of 2007 from \$19.5 million for the same period in 2006, which includes the acquisition of QCSI. The increase in products revenue is primarily the result of increased sales of new Facets<sup>®</sup>, NetworX<sup>™</sup>, HealthWeb<sup>®</sup>, CareAdvance<sup>™</sup> and QNXT<sup>™</sup> license sales to our health plan customers.

**Cost of Revenue – Services and Other.** Cost of revenue for services and other increased \$9.8 million, or 24%, to \$50.1 million in the first quarter of 2007 from \$40.3 million for the same period in 2006 to support the increase in our outsourced business services, software maintenance, and consulting services and other revenue.

Cost of revenue for outsourced business services and software maintenance revenue increased approximately \$3.5 million primarily attributable to higher compensation costs of \$2.6 million, increased investment in infrastructure and technology of \$200,000, a \$200,000 increase in utilization of outside consultants and a \$500,000 net increase in other costs. Higher compensation costs were impacted by increased headcount, including the acquisitions of PDM and QCSI, the impact of annual merit increases in the first quarter of 2007, and an increase in SFAS 123R expense related to stock option and award grants. Higher infrastructure and technology costs were driven by customer and internal upgrades, new operating lease agreements for data center equipment and related maintenance. Increased fees from outside consultants were attributable to a higher utilization of external resources for product support services. The increase in other costs included an overall net increase in telecommunications, postage and freight, and facilities related expenses. These costs were offset in part by a decrease in depreciation expense related primarily to fully depreciated assets and a lower mix of equipment with longer estimated useful lives, offset in part by depreciation related to new additions in the first quarter of 2007.

Cost of revenue for consulting services and other revenue increased \$6.3 million, primarily attributable to higher compensation costs of \$3.2 million, a \$2.1 million increase in outside services, and increased travel costs of \$1.2 million. Higher compensation costs were impacted by increased headcount, including the acquisitions of PDM and QCSI, the impact of annual merit increases in the first quarter of 2007, and an increase in SFAS 123R expense related to stock option grants and restricted stock awards. The increase in outside services was primarily attributable to higher utilization of outside consultants on implementation projects. The overall increase in travel costs were also impacted by increased headcount and the increased level of implementation projects.

As a percentage of total revenue, cost of revenue for services and other approximated 56% in the first quarter of 2007 compared with 61% for the same period in 2006.

**Cost of Revenue - Products.** Cost of revenue for products, which excludes the amortization of acquired technology,





EX-32.1 5 dex321.htm SECTION 906 CEO & CFO CERTIFICATION

EXHIBIT 32.1

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of The TriZetto Group, Inc. (the "Company"), each hereby certifies that to his knowledge on the date hereof

(a) The Form 10-Q of the Company for the quarter ended March 31, 2007, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2007

/s/ JEFFREY H. MARGOLIS

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**Jeffrey H. Margolis**  
**Chief Executive Officer**

Date: May 8, 2007

/s/ JAMES C. MALONE

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**James C. Malone**  
**Chief Financial Officer**

EX-31.2 4 dex312.htm SECTION 302 CFO CERTIFICATION

EXHIBIT 31.2

CERTIFICATIONS

I, James C. Malone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2007

/s/ JAMES C. MALONE

Name: James C. Malone

Title: Chief Financial Officer

EX-31.1 3 dex311.htm SECTION 302 CEO CERTIFICATION

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey H. Margolis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2007

/s/ JEFFREY H. MARGOLIS

Name: Jeffrey H. Margolis

Title: Chief Executive Officer

**Exhibit 37: TriZetto report to SEC August 8, 2007**

10-Q 1 d10q.htm TRIZETTO FORM 10-Q JUNE 30, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-Q**

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**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the quarterly period ended June 30, 2007**

**OR**

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 000-27501**

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**The TriZetto Group, Inc.**

**(Exact Name of Registrant as Specified in Its Charter)**

**Delaware**  
**(State or Other Jurisdiction of  
Incorporation or Organization)**

**33-0761159**  
**(I.R.S. Employer  
Identification Number)**

**567 San Nicolas Drive, Suite 360**  
**Newport Beach, California**  
**(Address of Principal Executive Offices)**

**92660**  
**(Zip Code)**

**Registrant's telephone number, including area code: (949) 719-2200**

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See

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### RESULTS OF OPERATIONS

#### Quarter Ended June 30, 2007 Compared to the Quarter Ended June 30 2006.

**Revenue.** Total revenue increased \$27.1 million, or 31%, to \$114.8 million in the second quarter of 2007 from \$87.7 million for the same period in 2006. Of this increase, \$21.6 million related to services and other revenue and \$5.5 million related to products revenue.

**Services and Other Revenue.** Services and other revenue includes outsourced business services (primarily software hosting and business process outsourcing), maintenance fees related to our software license contracts, consulting services and other revenue. Services and other revenue increased \$21.6 million, or 31%, to \$91.4 million in the second quarter of 2007 from \$69.8 million for the same period in 2006, which includes the impact of the PDM and QCSI acquisitions. This increase was the result of an \$11.3 million increase in consulting services and other revenue, an \$8.5 million increase in software maintenance revenue, and an increase of \$1.8 million in outsourced business services. The increase in consulting services and other revenue was due primarily to new Facets<sup>®</sup>, NetworX<sup>™</sup> and QNXT<sup>™</sup> implementations. The increase in software maintenance revenue was attributable primarily to new agreements for certain Facets<sup>®</sup>, NetworX<sup>™</sup>, HealthWeb<sup>®</sup>, CareAdvance<sup>™</sup> and QNXT<sup>™</sup> customers, as well as annual rate increases from existing customers. The increase in outsourced business services revenue was primarily due to new Facets<sup>®</sup>, NetworX<sup>™</sup>, HealthWeb<sup>®</sup> and CareAdvance<sup>™</sup> hosted customers and increased membership from existing customers.

**Products Revenue.** Products revenue, which includes software license sales, increased \$5.5 million, or 31%, to \$23.4 million in the second quarter of 2007, which includes the impact of the QCSI acquisition, from \$17.9 million for the same period in 2006. The increase was due primarily to new license sales of our QNXT<sup>™</sup> software product.

**Cost of Revenue—Services and Other.** Cost of revenue for services and other increased \$8.9 million, or 21%, to \$50.9 million in the second quarter of 2007 from \$42.0 million for the same period in 2006 to support the increase in our outsourced business services, software maintenance, and consulting services and other revenue.

Cost of revenue for outsourced business services and software maintenance revenue increased approximately \$2.9 million, primarily attributable to a \$1.0 million increase in utilization of outside consultants, higher compensation costs of approximately \$700,000, a \$600,000 increase in telecommunication costs and a \$600,000 net increase in other costs. Increased fees from outside consultants were attributable to a higher utilization of external resources for product support services. Higher compensation costs were impacted by increased headcount, resulting from the acquisition of PDM and QCSI, the impact of the 2007 annual merit increases, and an increase in SFAS 123R expense related to stock option and award grants. Telecommunication costs were also impacted by increased headcount as well as increased spending related to customer connectivity. The increase in other costs was due primarily to an overall net increase in other employee related expenses, postage and freight, and facilities related expenses, offset by a slight decrease in investment in infrastructure and technology costs.

Cost of revenue for consulting services and other revenue increased \$6.0 million, primarily attributable to higher compensation costs of \$2.6 million, a \$2.0 million increase in outside services, increased travel costs of \$1.2 million, and a net increase in other costs of approximately \$200,000. Higher compensation costs were impacted by increased headcount, resulting from the acquisition of PDM and QCSI, the impact of the 2007 annual merit increases, and an increase in SFAS 123R expense related to stock option grants and restricted stock awards. The increase in outside services was primarily attributable to higher utilization of outside consultants on implementation projects. The overall increase in travel costs were also impacted by increased headcount and the increased level of implementation projects. The increase in other costs primarily included a net increase in other employee related expenses and facilities related expenses, slightly offset by a decrease in investment in infrastructure and technology costs.

As a percentage of total revenue, cost of revenue for services and other approximated 56% in the second quarter of 2007 compared with 60% for the same period in 2006.

**Cost of Revenue—Products.** Cost of revenue for products, which excludes the amortization of acquired technology, increased \$1.6 million or 48%, to \$4.8 million in the second quarter of 2007 from \$3.2 million for the same period in

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**Interest Expense.** Interest expense increased \$2.7 million, or 317%, to \$3.5 million in the second quarter of 2007 from \$835,000 for the same period in 2006. The increase is due primarily to a \$1.5 million increase related to borrowings from the term loan and revolving line of credit and a \$1.0 million increase related to the 2012 convertible.

**Change in Fair Value of Derivative Liabilities.** The change in fair value of derivative liabilities was \$2.5 million in the second quarter of 2007 resulting from derivative liabilities in connection with our 2012 convertible notes entered into in April 2007. Derivative liabilities are presented at fair value and are marked to market each period with changes in the fair value recorded in earnings.

**Provision for Income Taxes.** Provision for income taxes was \$4.5 million in the second quarter of 2007 compared to \$356,000 for the same period in 2006. The provision increase is due primarily to the fact that as of January 1, 2007, the Company's valuation allowance, which was available to offset the provision for income taxes as it reversed in 2006, was eliminated. The effective tax rate was 55.4% for the second quarter of 2007 compared with 5.3% for the same period in 2006.

### **Six Months Ended June 30, 2007 Compared to the Six Months Ended June 30 2006.**

**Revenue.** Total revenue increased \$55.3 million, or 32%, to \$228.3 million in the first six months of 2007 from \$173.0 million for the same period in 2006. Of this increase, \$45.6 million related to services and other revenue and \$9.7 million related to products revenue.

**Services and Other Revenue.** Services and other revenue includes outsourced business services (primarily software hosting and business process outsourcing), maintenance fees related to our software license contracts, consulting services and other revenue. Services and other revenue increased \$45.6 million, or 34%, to \$181.2 million in the first six months of 2007 from \$135.6 million for the same period in 2006, which includes the impact of the PDM and QCSI acquisitions. This increase was the result of a \$25.0 million increase in consulting services and other revenue, a \$17.2 million increase in software maintenance revenue, and an increase of \$3.4 million in outsourced business services. The increase in consulting services and other revenue was due primarily to new Facets<sup>®</sup>, NetworX<sup>™</sup> and QNXT<sup>™</sup> implementations. The increase in software maintenance revenue was attributable primarily to new agreements for certain Facets<sup>®</sup>, NetworX<sup>™</sup>, HealthWeb<sup>®</sup>, CareAdvance<sup>™</sup> and QNXT<sup>™</sup> customers, as well as annual rate increases from existing customers. The increase in outsourced business services revenue was primarily due to new Facets<sup>®</sup>, NetworX<sup>™</sup>, HealthWeb<sup>®</sup> and CareAdvance<sup>™</sup> hosted customers and increased membership from existing customers.

**Products Revenue.** Products revenue, which includes software license sales, increased \$9.6 million, or 26%, to \$47.1 million in the first six months of 2007, which includes the impact of the QCSI acquisition, from \$37.5 million for the same period in 2006. The increase was due primarily to new license sales of our QNXT<sup>™</sup> software product.

**Cost of Revenue – Services and Other.** Cost of revenue for services and other increased \$18.7 million, or 23%, to \$101.0 million in the first six months of 2007 from \$82.3 million for the same period in 2006 to support the increase in our outsourced business services, software maintenance, and consulting services and other revenue.

Cost of revenue for outsourced business services and software maintenance revenue increased approximately \$6.8 million, primarily attributable to higher compensation costs of \$3.6 million, a \$1.5 million increase in utilization of outside consultants, a \$1.1 million increase in telecommunications expense and a \$600,000 net increase in other costs. Higher compensation costs were impacted by increased headcount, resulting from the acquisition of PDM and QCSI, the impact of the 2007 annual merit increases and an increase in SFAS 123R expense related to stock option and award grants. Increased fees from outside consultants were attributable to a higher utilization of external resources for product support services. Telecommunication costs were impacted by increased spending related to customer connectivity and employee telecom equipment. The increase in other costs included an overall net increase in postage and freight, facilities related expenses and other employee related expenses. These costs were offset in part by a decrease in depreciation expense related primarily to fully depreciated assets and a lower mix of equipment with longer estimated useful lives, offset in part by depreciation for new additions in the first six months of 2007, primarily related to the acquisitions of PDM and QCSI.





EX-32.1 8 dex321.htm CERTIFICATION OF CEO AND CFO PURSUANT TO 18  
USC SECTION 1350

EXHIBIT 32.1

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer and the Principal Accounting Officer of The TriZetto Group, Inc. (the "Company"), each hereby certifies that to his knowledge on the date hereof

(a) The Form 10-Q of the Company for the quarter ended June 30, 2007, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2007

/s/ Jeffrey H. Margolis

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**Jeffrey H. Margolis**  
Chief Executive Officer

Date: August 8, 2007

/s/ Ronald L. Scarboro

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**Ronald L. Scarboro**  
(Principal Accounting Officer and Duly Authorized Officer)

EX-31.2 7 dex312.htm CERTIFICATION OF CFO PURSUANT TO SEC RULES  
13A-14 AND 15D-14

EXHIBIT 31.2

CERTIFICATIONS

I, Ronald L. Scarboro, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 of The TriZetto Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2007

/s/ Ronald L. Scarboro

Name: Ronald L. Scarboro

Title: Principal Accounting Officer

EX-31.1 6 dex311.htm CERTIFICATION OF CEO PURSUANT TO SEC RULES  
13A-14 AND 15D-14

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey H. Margolis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8 , 2007

/s/ Jeffrey H. Margolis

Name: Jeffrey H. Margolis

Title: Chief Executive Officer

**Exhibit 38: TriZetto report to SEC November 2, 2007**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-Q**

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**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2007

OR

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-27501

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**The TriZetto Group, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**33-0761159**  
(I.R.S. Employer  
Identification Number)

**567 San Nicolas Drive, Suite 360**  
**Newport Beach, California**  
(Address of Principal Executive Offices)

**92660**  
(Zip Code)

**Registrant's telephone number, including area code: (949) 719-2200**

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

In May 2007, we made a decision to sunset our FACTS™ proprietary software product. A formal plan of restructuring was developed and includes four milestones to complete the final coding and release of FACTS™ 7.0. The final milestone to end sales and support of the FACTS™ software product is March 31, 2009. However, we currently intend to convert as many of our existing FACTS™ customers as possible to our Facets® or QNXT™ software platforms. The plan of restructuring includes the elimination of positions within the research and development group, which was formally communicated to all affected employees late in the second quarter of 2007. To retain key employees and to ensure that the final product milestones are achieved, benefit packages were provided and are contingent upon completion of these milestones. We currently estimate that the total amount of severance expense and retention bonuses to be accrued through the final milestone date on March 31, 2009 is approximately \$1.0 million. As of September 30, 2007, we have accrued \$199,000 related to severance expense and retention bonuses.

We are currently conducting an R&D tax credit study. The R&D tax credit is an incentive to retain and increase technological jobs within the United States and to reward innovation. At this time, we are in the process of estimating the potential benefit for 2007 and all prior income tax years.

### **Critical Accounting Policies and Estimates**

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The

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Total quarterly bookings equal the estimated total dollar value of the contracts signed in the quarter. Bookings can vary substantially from quarter to quarter, based on a number of factors, including the number and type of prospects in our pipeline, the length of time it takes a prospect to reach a decision and sign the contract, and the effectiveness of our sales force. Included in quarterly bookings are up to seven years of maintenance revenue and hosting and other services revenue. Bookings for each of the quarters are as follows (in thousands):

	<u>9/30/07</u>	<u>6/30/07</u>	<u>3/31/07</u>	<u>12/31/06</u>	<u>9/30/06</u>
Quarterly bookings	\$74,500	\$93,800	\$99,900	\$139,700	\$75,900

## RESULTS OF OPERATIONS

### Quarter Ended September 30, 2007 Compared to the Quarter Ended September 30 2006.

**Revenue.** Total revenue increased \$20.5 million, or 24%, to \$106.9 million in the third quarter of 2007 from \$86.4 million for the same period in 2006. This increase resulted from an increase of \$26.0 million from services and other revenue offset by a \$5.5 million decline in products revenue.

**Services and Other Revenue.** Services and other revenue includes outsourced business services (primarily software hosting and business process outsourcing), maintenance fees related to our software license contracts, consulting services and other revenue. Services and other revenue increased \$26.0 million, or 39%, to \$93.4 million in the third quarter of 2007 from \$67.4 million for the same period in 2006, which includes the impact of the PDM and QCSI acquisitions. This increase was the result of a \$12.9 million increase in consulting services and other revenue, a \$9.5 million increase in software maintenance revenue, and an increase of \$3.6 million in outsourced business services. The increase in consulting services and other revenue was due primarily to new Facets<sup>®</sup>, NetworX<sup>™</sup> and QNXT<sup>™</sup> implementations. The increase in software maintenance revenue was attributable primarily to new agreements for certain Facets<sup>®</sup>, NetworX<sup>™</sup>, HealthWeb<sup>®</sup>, CareAdvance<sup>™</sup> and QNXT<sup>™</sup> customers, as well as annual rate increases from existing customers. The increase in outsourced business services revenue was primarily due to new Facets<sup>®</sup>, NetworX<sup>™</sup>, HealthWeb<sup>®</sup> and CareAdvance<sup>™</sup> hosted customers and increased membership from existing customers.

**Products Revenue.** Products revenue, which includes software license sales, decreased \$5.5 million, or 29%, from \$19.0 million in the third quarter of 2006 to \$13.5 million for the same period in 2007. The decrease was due primarily to the timing of license sales of our Facets<sup>®</sup>, NetworX<sup>™</sup> and HealthWeb<sup>®</sup> software products offset by an increase in our QNXT<sup>™</sup> software product sales.

**Cost of Revenue—Services and Other.** Cost of revenue for services and other increased \$7.1 million, or 17%, to \$48.9 million in the third quarter of 2007 from \$41.8 million for the same period in 2006 to support the increase in our outsourced business services, software maintenance, and consulting services and other revenue.

Cost of revenue for outsourced business services and software maintenance revenue increased approximately \$3.3 million, primarily attributable to higher compensation and related costs of approximately \$3.4 million, an \$800,000 increase in outside services, and a \$400,000 net increase in other costs. These increases were offset by a \$1.3 million decrease in investment in infrastructure and technology costs. Higher compensation and related costs were impacted by increased headcount, resulting from the acquisition of PDM and QCSI, the impact of the 2007 annual merit increases, and an increase in SFAS 123R expense related to stock option and award grants. Increased fees from outside consultants were attributable to a higher utilization of external resources for product support services. The increase in other costs was due primarily to an overall net increase in telecommunication expense, postage and freight, and facilities related expenses offset by a decrease in travel and bad debt expense.

Cost of revenue for consulting services and other revenue increased \$3.8 million, primarily attributable to higher compensation and related costs of \$1.5 million, a \$1.5 million increase in outside services, and increased travel costs of \$800,000. Higher compensation and related costs were impacted by increased headcount, resulting from the acquisition of PDM and QCSI, the impact of the 2007 annual merit increases, and an increase in SFAS 123R expense related to stock





EX-32.1 5 dex321.htm SECTION 906 CEO AND CFO CERTIFICATION

EXHIBIT 32.1

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer and the Principal Accounting Officer of The TriZetto Group, Inc. (the “Company”), each hereby certifies that to his knowledge on the date hereof

(a) The Form 10-Q of the Company for the quarter ended September 30, 2007, filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2007

/s/ Jeffrey H. Margolis

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**Jeffrey H. Margolis**  
Chief Executive Officer

Date: November 2, 2007

/s/ Robert G. Barbieri

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**Robert G. Barbieri**  
Chief Financial Officer

EX-31.2 4 dex312.htm SECTION 302 CFO CERTIFICATION

EXHIBIT 31.2

CERTIFICATIONS

I, Robert G. Barbieri, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2007

/s/ Robert G. Barbieri

Name: Robert G. Barbieri

Title: Chief Financial Officer

EX-31.1 3 dex311.htm SECTION 302 CEO CERTIFICATION

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey H. Margolis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2007

/s/ Jeffrey H. Margolis

Name: Jeffrey H. Margolis

Title: Chief Executive Officer



**Exhibit 39: TriZetto report to SEC February 15, 2008**

10-K 1 d10k.htm FORM 10-K

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-K**

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**FOR ANNUAL AND TRANSITION REPORTS  
PURSUANT TO SECTIONS 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2007

OR

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 000-27501

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**The TriZetto Group, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**33-0761159**  
(I.R.S. Employer  
Identification Number)

**567 San Nicolas Drive, Suite 360**  
**Newport Beach, California**  
(Address of Principal Executive Offices)

**92660**  
(Zip Code)

Registrant's telephone number, including area code: (949) 719-2200

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Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$0.001 par value	The Nasdaq Global Select Market
Series A Junior Participating Stock, \$0.001 par value	

[Table of Contents](#)**CAUTIONARY STATEMENT**

This report contains forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “forecasts,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of such terms and other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, you should specifically consider various factors, including the risks outlined in Item 1A under the caption “Risk Factors.” These factors may cause our actual events to differ materially from any forward-looking statement. We do not undertake to update any forward-looking statement.

**PART I****Item 1—Business****OVERVIEW**

TriZetto is distinctly focused on accelerating healthcare payers’ ability to lead the industry’s transformation by providing information technology solutions that enhance revenue growth, drive administrative efficiency and improve the cost and quality of care for their members. We offer a broad portfolio of proprietary information technology products and services targeted to the payer industry, which is comprised of health insurance plans and third party benefits administrators. These include:

- Enterprise administration software facilitates core payer operations such as benefit plan design, enrollment, claims processing, billing and payment. Significant administration software products include Facets<sup>®</sup>, QNXT<sup>™</sup>, QicLink<sup>™</sup> and Facts<sup>™</sup>, each of which are targeted to different types of customer needs. In addition, TriZetto offers a number of add-on and standalone components to these software systems such as Facets<sup>™</sup> Workflow, Facets<sup>™</sup> eXtended Integration, QicLink<sup>™</sup> Autodental, and Web Solutions Suite. These component products provide additional functionality or throughput to TriZetto’s core software products as well as third-party enterprise administration systems;
- Cost and quality of care software help payers extend health and wellness services to more of their membership and reduce the costs of care. Significant care management software products include TriZetto CareAdvance Enterprise<sup>®</sup>, which gives payers tools to address the full spectrum of care management for all members, including case, disease, population and utilization management – improving the usage related costs; and TriZetto NetworX Suite<sup>™</sup>, which gives payers tools to better manage provider networks and complex tiered contracts – improving the unit costs of care for members;
- Revenue enhancement software and services help payers capture wasted or misdirected funds, especially for government funded claims. These assist Medicare Advantage and Medicare Part D plans to optimize revenue, reduce administration costs and improve compliance, as well as provide fraud, waste and abuse detection and prevention;
- Software hosting services and select business process outsourcing services reduce customers’ information technology fixed costs and risks, and can accelerate speed-to-market for new insurance product offerings and services; and
- Strategic, installation, and optimization consulting services assure realization of the full benefits of our software, accelerate implementation times and reduce systems architecture risks.

In the U.S. healthcare system, payers effectively balance the demands of all the different constituents in the healthcare system including employers, providers, consumers and brokers. As a result, payers are the central aggregation point for data from across the systems and payers are information-intensive businesses. New government regulations, shifting market trends and competition constantly pressure these payers to improve and change their product offerings, business policies and processes. To enable these changes, payers must regularly upgrade their information technology systems. Many payers, especially the largest, have traditionally developed their own information systems in-house. But, increasingly in recent years, payers have utilized commercial systems to reduce information technology and business costs, and accelerate their time-to-market for new products, enhanced efficiency and competitive advantage.

TriZetto has three unique assets, which drive its value for customers and provide sustainable competitive advantage:

- TriZetto has one of the largest groups of systems experts in the payer industry. This expertise spans hundreds of different payers and systems. This depth of experience provides a unique foundation for understanding customer needs and developing solutions ahead of the market;



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- Leveraging its unique expertise, TriZetto has built one of the largest set of integrated software solutions available to the payer market. For customers, this means one-stop shopping and substantially reduced systems integration cost and risk; and
- TriZetto technology touches more than 146 million lives, which is over half the insured population of the U.S. This large number of payers and members on common technology platforms provides a unique distribution channel into the payer market, through which additional products and services can be delivered. In the longer term, this broad footprint provides opportunities to accelerate the development and adoption of new information technology solutions, such as the next generation of cost and quality of care solutions, real-time claims adjudication and payment, and pay for performance.

We provide products and services to 351 unique customers, including those of our recent acquisitions, in the health plan and benefits administrator markets. In 2007, these markets represented 92% and 8% of our total revenue, respectively.

The TriZetto Group, Inc. was incorporated in Delaware in May 1997 with the merger of two organizations: System One, a provider of online electronic-funds transfer technology, and Margolis Health Enterprises, a provider of technology consulting to healthcare organizations. The combination created a company dedicated to healthcare information technology products and services. Initially, we focused upon providing hosted software services addressed primarily to the provider market. From 1998 to 2003, we increased our focus on the payer industry. In 2003, we initiated a strategic plan to concentrate exclusively on the payer market and to wind-down our provider business. We completed this plan in 2005 and no longer provide services to the provider market.

We completed our initial public offering in October 1999 and, since that time, have acquired 10 companies: Novalis Corporation, Finserv Health Care Systems, Inc., Healthcare Media Enterprises, Inc., Erisco Managed Care Technologies, Inc. (“Erisco”), Resource Information Management Systems, Inc. (“RIMS”), Infotrust Company, Diogenes, Inc., CareKey, Inc. (“CareKey”), Plan Data Management, Inc. (“PDM”), and Quality Care Solutions, Inc. (“QCSI”).

Of the 10 acquisitions, the Erisco and RIMS acquisitions completed in the fourth quarter of 2000, the CareKey acquisition completed in the fourth quarter of 2005, and the QCSI acquisition completed in the first quarter of 2007 were our most significant. Erisco’s main product, Facets® and QCSI’s main product, QNXT™, are the leading administrative systems for managed health plans in the country. QicLink™, developed by RIMS, is the leading automated claims-processing system for benefits administrators. Our CareAdvance™ products, acquired from CareKey, are considered among the leading solutions for care management, which is experiencing rapidly growing demand from employers. With these acquisitions and organic growth, TriZetto built a customer base with more than 146 million enrollees (59% of the U.S. insured population) and attained a leadership position in two market segments of the payer industry, health plans and benefits administrators.

## FINANCIAL INFORMATION

Please refer to Item 6, “Selected Financial Data,” and Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” for a review of revenue, net income, and total assets for the last three years.

## OUR STRATEGY

Rising healthcare costs and health insurance premiums are causing employers, as well as federal and state government programs, to shift more of the cost of healthcare benefits to consumers in the form of higher premium contributions, deductibles, co-insurance and co-payments. Between 2002 and 2007, average premiums for family coverage in the United States increased 78%, while wages grew only 19%. Typical family out-of-pocket healthcare costs now exceed 10% of the average annual wage. As a result of increased personal spending on healthcare, healthcare consumers (i.e., employees and their family members, individuals, and retirees) are demanding better service, efficiency, and value from their health plan. This includes improved information regarding health care benefit and insurance coverage options, better information to determine the most efficient methods to fund out-of-pocket costs, real-time information regarding benefits eligibility and accessibility, accurate information at the point-of-service regarding out-of-pocket costs (i.e., patient or consumer financial responsibility), real-time information regarding healthcare fund balances and claims payment status, and increased comparative data and intelligence regarding healthcare provider cost (i.e., pricing) and quality.

We believe that payers will play a central and leading role in the evolution of the U.S. healthcare industry. We also believe that most health plans and benefits administrators must evolve and improve their technology infrastructures, software applications, and business processes to compete in this changing healthcare marketplace. We recognize that the evolution of the healthcare industry to a more retail-like environment may be gradual or in steps. Our strategy, therefore, is to protect our existing customers’ investment in our products and services through ongoing research and development that allows for systematic upgrades of existing

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- Help customers anticipate change and migrate toward a successful future.** We have always articulated for our customers our vision of the future of healthcare and the technology necessary to get there. In 2007, we introduced a new vision concept, Integrated Healthcare Management, which identifies three core systems areas, which must converge to provide shared information and aligned incentives throughout the healthcare supply chain. As health benefit administration, care management, and constituent engagement systems converge, consumers will see significant improvements in the coordination of their benefits and care. Every year, the company introduces additional products and services that provide our customers with systems components that help them build for the future.
- Offer a compelling value proposition.** We are focused on offering a quantified, compelling value proposition that includes such advantages as enhancing payers' revenue growth, driving their administrative efficiency and improving the cost and quality of care for their members. Other benefits include reduced and more predictable information technology costs, more cost effective business processes, lower administrative costs, lower medical costs, less risk and more rapid return on investment, and faster business transformation. Our internal estimates, based on industry benchmarks and customer data, show that return on investment increases with the use of our proprietary software in combination with one or more of our outsourced services.
- Offer market-leading enterprise administration software for health plans and benefits administrators.** As some of the most information-intensive businesses in the U.S., payers spend about 11% of the premiums they collect on administration activities. Efficient and accurate enterprise administration systems are critical to success. We continuously upgrade our enterprise administration systems to provide leading functionality for new and changing market demands. Software customers are entitled to these new versions of our software as part of their paid maintenance agreements. With the acquisition of QCSI in January 2007, TriZetto believes it holds the three leading enterprise administration software engines for health plans of any size and for benefit administrators: Facets<sup>®</sup>, QNXT<sup>™</sup> and QicLink<sup>™</sup>.
- Offer innovative enterprise cost and quality of care applications.** Payers spend an average of 86% of premiums collected on the cost of care for members. But disease management programs only affect costs for a small portion of the total membership. With the increasing pressure of continuously rising medical costs, payers are looking for additional ways to manage the costs of care. At the same time, employers are increasingly demanding value-added care management and wellness programs from insurers. These two factors are driving increasing interest in TriZetto's cost and quality of care solutions, which address both the unit costs of care as well as the volume usage related costs. TriZetto's suite of cost and quality of care solutions are complementary to our enterprise software solutions and allow us to help payers address the vast majority of healthcare medical costs not focused solely on health plan administration activities. TriZetto's NetworX Pricer<sup>™</sup> and NetworX Modeler<sup>™</sup> applications allow health plans to improve the provider contracting process, as well as to automate the administration of these provider contracts to reduce the aggregate unit cost of care. Our CareAdvance Enterprise<sup>™</sup> suite of advanced care management solutions addresses traditional utilization, case and disease management, as well as provides secure, portable and personalized health records to facilitate proactive population management. By improving patient wellness, these solutions better control the total usage of healthcare resources and reduce payers' aggregate usage-driven costs of care for members. While these applications are architecturally engineered to most easily integrate with other TriZetto products such as Facets<sup>®</sup>, they are also of high value to customers who run enterprise administration systems not developed by TriZetto.
- Enhance the value of our core enterprise technology with a variety of add-on software solutions and a continuum of services.** In addition to offering leading enterprise administration and care management solutions, TriZetto has created a number of high-value add-on systems that increase the performance of TriZetto systems and extend the value and return on investment for customers. TriZetto's enterprise systems are very large applications that require significant work to install and optimize. Like many other enterprise software companies, TriZetto offers complementary services that assist customers in achieving business success, including: professional services, or consulting, for installation and optimization of the company's software. For customers who desire to reduce their data center or overall processing costs, TriZetto also offers software hosting services and business process outsourcing services. These typically are sold as add-ons following the sale of TriZetto software.
- Organize products and services around the customer's main business cycles.** Our solutions are aligned with the way our customers operate internally. Our individual products and services, and complete solutions address the main business cycles of a health plan, which are: product development, revenue management, reimbursement management, customer service, network management, care management, risk management, and general finance and administration. Benefits administrators have largely similar business cycles.

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- **Leverage our strategic relationships.** We leverage our current strategic relationships and enter into new relationships to expand our customer base and service offerings. We have established co-marketing and sales arrangements with third-party systems integrators and software vendors. As our customer base grows, we intend to expand and strengthen these relationships.
- **Selectively pursue acquisitions.** We continually evaluate acquisitions of companies that could expand our market share, product offerings or our technical capabilities. Since our initial public offering in 1999, we have made 10 acquisitions. We may pursue additional acquisitions that we believe create shareholder value.

## OUR PRODUCTS AND SERVICES

TriZetto is powering Integrated Healthcare Management, the systematic application of processes and shared information to optimize the coordination of benefits and care for the healthcare consumer. With its technology touching nearly half of the U.S. insured population, TriZetto is uniquely positioned to drive the convergence of health benefit administration, care management and constituent engagement. The company provides premier information technology solutions that enable payers and other constituents in the healthcare supply chain to improve the coordination of benefits and care for healthcare consumers.

Building upon its premier position in core administrative capabilities, over the past five years, TriZetto has pioneered the next generation of advanced care management and provider network technologies while introducing a unique and innovative approach to engaging all players in the healthcare supply chain through our integrated constituent model. TriZetto solutions include enterprise core administration, care management, network management, consumer retail healthcare and government programs.

In 2007, we derived approximately 48% of our total revenue from license and maintenance fees for our proprietary enterprise core administration software. Our Facets<sup>®</sup>, QNX<sup>™</sup>, Facts<sup>™</sup> and QicLink<sup>™</sup> applications are recognized in their respective markets for providing advanced solutions that enhance revenue growth, drive administrative efficiencies and improve the cost and quality of care.

Of our total revenue in 2007, 2006, and 2005, we spent 16%, 15%, and 14% respectively, on software development (expensed and capitalized), primarily for our proprietary software products.

### Enterprise Core Administration Software

**Facets<sup>®</sup>.** Facets<sup>®</sup> is a comprehensive, flexible, scalable, production-proven, enterprise-wide core administration solution for healthcare payers. Facets<sup>®</sup> provides a functionally rich set of modules that allow health care payers to meet their comprehensive business requirements—across claims processing, claims re-pricing, capitation/risk fund accounting, premium billing, provider network management, group/membership administration, referral management, hospital and medical pre-authorization, case management, customer service, and electronic data interchange.

Facets<sup>®</sup> can also be combined with complementary software to address the enterprise-wide needs of a managed care organization. Facets<sup>®</sup> has been expanded through alliances with complementary solutions for physician credentialing, document imaging, workflow management, data warehousing, and decision support.

Facets<sup>®</sup> is available to customers on a hosted or non-hosted basis; it includes core functionality and add-on modules that provide the following features and benefits for health plans:

- Flexible, integrated technology to support multiple lines of business and in-depth functionality which provide for the essentials of health plan administration;
- Simplified entry of benefit plan information;
- Enhanced views of customer service data;
- Integrated HIPAA functionality to satisfy standard electronic transactions and privacy regulations;
- Consumer directed healthcare, Medicare and Managed Medicaid solutions;
- Functions to support complex provider contracts and automated pricing of claims;

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- Extensive use of Service-Oriented Architecture (SOA) that emphasizes Web-enabled interoperability to simplify integration of third-party applications; and
- Choice of leading databases — Oracle, Microsoft SQL and Sybase.

At December 31, 2007, we had 78 implementations of Facets® at customers comprising approximately 84 million member lives under contract. Many customers have purchased or are updating to Facets® 4.3 through 4.5. Over 90 enhancements have been made in recent versions of Facets® with an emphasis on supporting government programs, consumer retail, customer service and scalability. These upgrades are included in customers' annual release fees. In addition, unspecified upgrades generate opportunities to sell consulting and other services to assist with the upgrades, as well as add-on modules that work exclusively with this new version of Facets®.

**QNX™.** QNX™ is a comprehensive, flexible enterprise-wide core administration solution acquired through our acquisition of QCSI. The QNX™ system is a patented, open platform designed based upon a Service Oriented Architecture employing web services (.NET, XML, and Simple Object Access Protocol or SOAP). QNX™ provides a broad set of functionality to healthcare payers to meet their business requirements utilizing a thin client web based user interface. QNX™ core functionality includes: claims processing, claims re-pricing, capitation/risk fund management, premium billing, provider network management, group/membership administration, referral management, hospital and medical pre-authorization, case management, customer service, and electronic data interchange.

QNX™ is available on a hosted or non-hosted basis. QNX™ also offers a number of integrated add-on applications that allow organizations to extend the advantages of QNX™ across multiple lines of business including:

- **QNX™ A/R:** Provides healthcare organizations with one of the industry's most powerful integrated solutions for managing receivables, eligibility and claims;
- **QNX™ Connect:** A proven set of tools and web services which enables the electronic exchange of HIPAA-ready standard transactions between a health plan and their trading partners;
- **QNX™ Dental:** An enterprise dental payer software application system that administers all lines of business and easily manages the complex relationships between the health plan, its members, and providers;
- **QNX™ View:** A web-based application that allows providers, members and sponsors/employers real-time, self-service access to health benefits and claims information via the Internet; and
- **QNX™ Case Management:** Allows health plans to integrate workflows for authorization and referral management, concurrent review, discharge planning, complex case management and chronic care management programs.

At December 31, 2007, we had 45 implementations of QNX™ at customers comprising approximately 15 million member lives under contract.

**Facts™.** Introduced in 1980, Facts™ is designed for the indemnity insurance market, specifically managed indemnity, and group insurance. Facts™ software, which we acquired in our acquisition of Erisco, is a legacy software application which is used for the essential administrative transactions of an indemnity plan, including enrollment, rating and premium calculation, billing, and claims processing. At December 31, 2007, we had 36 Facts™ customers totaling more than 48 million lives.

In May 2007, we made a decision to sunset our FACTS™ proprietary software product. A formal plan of restructuring was developed and includes four milestones to complete the final coding and release of FACTS™ 7.0. The final milestone to end sales and support of the FACTS™ software product is March 31, 2009. However, we currently intend to convert as many of our existing FACTS™ customers as possible to our Facets®, QNX™ or QicLink™ software platforms. The plan of restructuring includes the elimination of positions within the research and development group, which was formally communicated to all affected employees late in the second quarter of 2007. To retain key employees and to ensure that the final product milestones are achieved, benefit packages were provided and are contingent upon completion of these milestones.

**QicLink™.** QicLink™ is one of the nation's most widely-used automated claims administration technology for benefits administrators. Its flexible design is well suited for third party administrators, as well as organizations that self-fund or self-administer their health benefits. QicLink™ is a full-functioned enterprise system that handles enrollment, customer service, claims adjudication, billing and accounts receivable, re-pricing, and payment process, and is available to customers on a licensed,

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**Workflow.** The add-on Workflow application for Facets™ automates manual processes and streamlines workflows, helping health plans to reduce claims turnaround times, improve customer response and facilitate the creation of employer groups. With Facets™ Workflow, claims are prioritized and routed automatically according to rules established by the plan's business staff. Faster claims turnaround times allow health plans to realize lower overall operating costs, as well as nearly immediate return on investment through prompt-pay discounts. Facets™ Workflow functionality for Customer Service focuses on the management of work items that are not resolved upon initial contact with customer service representative. Facets™ Workflow functionality for Group Administration allows customers to administer the creation of new groups and facilitates the group renewal process. The application gives health plans a competitive advantage: faster, more accurate claims adjudication and reduced customer response time, which translates directly into improved service for plan members and providers.

**Cost and Quality of Care.** As cost and quality of care issues move to center stage for health plans, the ability to automate care and provider management becomes key to improving care outcomes and decreasing costs. TriZetto offers solutions for both care management and network management.

### **Care Management**

Health plans are recognizing that care management will quickly become a required competency for connecting to members in an increasingly consumer-retail world of healthcare. The ability to keep the well from getting sick, to keep the sick out of the hospital and to help the hospitalized recover quickly will reduce overall medical costs. TriZetto offers CareAdvance Enterprise™ to address both personal health records for the consumers and health management for the health plans.

**CareAdvance Enterprise™.** Until 2004, the majority of TriZetto's solutions focused on payers' administrative costs. In 2004, TriZetto partnered with CareKey to offer the CareAdvance™ suite of care management solutions. TriZetto completed its acquisition of CareKey in December 2005 and began marketing the CareAdvance™ suite as TriZetto CareAdvance Enterprise™. TriZetto CareAdvance Enterprise™ automates all aspects of care management, including: member identification and assessment; guideline-based care planning; member and provider communications; task and team management; ongoing member monitoring, education and care coaching; personalized health content and interventions; and multi-stakeholder granular reporting for a variety of constituents. The system integrates with TriZetto's Facets® administrative system as well as other core administration systems to provide real-time access to member administrative data including claims, eligibility, benefits and authorizations. CareAdvance Enterprise™ extends effective care to more members and allows a health plan to serve all its members' medical management needs on one platform, including utilization management, catastrophic care coordination, chronic disease management, wellness, and family care for both commercial and Medicare populations.

Health plans can license and host the care management enterprise software themselves or have it hosted through TriZetto's Hosting Services. Health plans can also use TriZetto Professional Services to implement and optimize their care management operations. Specific services include: implementation, business process engineering, health program development and launch, and technology and application optimization.

At December 31, 2007, TriZetto had 18 CareAdvance™ customers, representing more than 18 million lives.

### **Network Management**

As cost and quality issues move to center stage for health plans, the ability to automate provider networks, including the contracting and payment cycle becomes key to reducing care costs. Changes to a provider contract by 1% can result in net increases or decreases of millions to a health plan's bottom line. Increasingly complex contracts and intense financial pressures have made network management critical to a health plan's success.

**NetworX™ Suite.** NetworX™ was the first enterprise-wide management system and claims re-pricing solution for preferred provider organizations. The NetworX™ suite of products helps all types of payer organizations model provider contracts and automate the pricing of complex facility claims. NetworX Pricer™ is a specialized application, which automates the claims pricing process for health plans. NetworX Pricer™ is available as a component solution for integration with any claims system or as an integrated module of Facets. NetworX Modeler™ is a standalone application to support the automated modeling and analysis of contracts to help health plans project the financial implications of contracts when negotiating with providers in their network. NetworX Pricer™ and NetworX Modeler™ have an innovative interface, which allows users to share contract data between the two systems.

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Health plans can license the network management software or host it through TriZetto's Hosting Services. Health plans can also use TriZetto Professional Services to implement NetworX™ for their network management operations. Specific services include implementation, contract loading third-party interface development, and optimization.

### **Market Solutions**

Two pervasive market forces are driving dramatic changes in healthcare today:

- A surge in government healthcare programs as baby boomers drop out of private plans and into Medicare programs while the Medicaid-eligible population grows; and
- Continued pressure on the consumer to pay more of individual healthcare costs to offset the rapidly increasing costs.

TriZetto has formed two market solutions groups to help drive the technological transformation needed to support government and consumer programs.

### **Retail Healthcare Solutions**

A change that started with high deductible health plans, the retail healthcare movement is rapidly changing how payers interact with their consumer, provider, broker and employer constituents. TriZetto's Consumer Retail Healthcare Solutions combine our traditional technology solutions with services and third-party applications. Specific retail healthcare solutions include:

**Fund Management.** Combining Facets® CDH Account Management Module, Metavante's Benefits Card Platform and financial services, TriZetto's Fund Management solution enables Facets® users to administer FSA, HRA and HSA plans on the Facets® platform. Our pre-integrated solutions enables debit card access for FSA, HRA and HSA accounts via a single card. Through Metavante, the fund management solution provides integration with ACS/Mellon, HSA Bank, and other preferred financial institutions, for "one-step" HSA account management. Members can track HSA account spending and manage fund investments while benefiting from the health plan's education, online services and enrollment capabilities.

**Constituent Web Solution.** Constituent Web Solution, formerly HealthWeb®, allows health plans to exchange information and conduct business with providers, members, employers, and brokers on a secure basis over the Internet. The Web Solutions suite (or individual applications for Member Enrollment, Member Service, Provider Service, and Employer/Broker Bill, Enrollment and Service) is installed on the health plan's web servers or offered on a hosted basis and then configured according to customer preferences. The applications are easy to use and personalized for each customer, providing access to the business applications and content needed to perform typical healthcare tasks. Web Solution modules are designed to manage online eligibility, authorizations, referrals, benefit verification, claims status, claims adjudication, and many other transactions benefiting physician offices. The modules also support enrollment, billing, benefit cost modeling, demographic changes, primary care physician selection, identification card requests, and other transactions for providers, employers, brokers, and health plan members. These solutions reduce customer service calls, increase satisfaction levels and trim administrative costs and labor, accelerating the payer's return on investment in technology.

**Benefit Cost Modeler.** Benefit Cost Modeler is a Web-based decision-support tool that calculates the dollar amount that the member can expect to pay for healthcare in the year ahead, based on the parameters of each health plan evaluated and on the member's projected utilization of services. Side-by-side comparisons of the financial implications of each health plan option help employees make choices that make sense.

**Provider POS Direct.** Health plans can use this integrated software solution to enable providers to calculate real-time patient liability or fully adjudicate a claim in real-time before the patient leaves the provider's office. Provider POS Direct helps providers reduce costs associated with growing accounts receivable and collections by allowing the provider to collect true payment at the time of service.

**Professional Services.** TriZetto offers a suite of services specifically for Retail Healthcare including Retail Readiness, Implementation and Optimization. Retail Readiness Services combine strategic planning, business process engineering and implementation services to help a health plan ready its operations to support retail solutions, expanding beyond pure technology implementation.

### **Government Programs**

TriZetto offers solutions that assist payers as they compete in the rapidly growing Government programs marketplace.

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increase their share of these markets must achieve high levels of administrative efficiency, differentiate themselves from competitors, comply with The Centers for Medicare and Medicaid Services (CMS) rules, and provide quality services to their members. TriZetto provides the tools and services to help them achieve these goals.

**Medicare and Medicare Part D.** Facets® and QNXT™ are leading core administration systems for healthcare payers with more than 40 plans relying on TriZetto's core systems for Medicare claims administration. TriZetto offers targeted solutions for Managed Medicare and Medicare Part D. TriZetto provides core administration software along with care management and network pricing for Medicare to assist a plan's efforts to control their administrative costs while providing high quality and cost effective care for their seniors. Our Medicare FastTrak solution integrates Facets, Hosting Services and BPO to implement a solution in six months. As more plans make the decision to outsource their Medicare business, TriZetto is there with Medicare BPO services to assist the plan in managing this critical line of business.

**Medicaid.** TriZetto is also a leader in providing core administration systems for Managed Medicaid plans. Our solutions can efficiently handle claims processing as well as enrollment, medical-management and workflow processes for Medicaid membership. We continue to enhance our solution to accommodate the evolving Medicaid reporting requirements and other administrative demands. Health plans can purchase these solutions in a license, hosted or BPO option, including an integrated solution —FastTrak—that implements in six months.

**PDM.** In 2006, TriZetto acquired Plan Data Management, a leading business solutions company to the Medicare Advantage industry. PDM provides products to assist plans in four key Medicare Advantage requirements including enrollment administration, HCC revenue management, Financial reconciliation and Claims and Prescription Drug Event (PDE) administration. Plan Data Management is also a leading provider of fraud, waste and abuse (FWA) services, currently assisting payers covering over 12 million lives.

**Medicare Consulting Services.** TriZetto consultants can work on-site to assist payers with such tasks as implementing Medicare solutions, development of a plan for entering the Medicare market, and preparing for a CMS audit. Through best-practices models, TriZetto can also help ensure that plans optimize administrative systems.

### **Outsourced Business Services**

In 2007, we derived approximately 21% of our total revenue from outsourced business services. Our outsourced business services fall into two categories, software hosting and application management and business process outsourcing, both of which are described in more detail below.

**Software Hosting and Application Management.** TriZetto Hosting Services include integrating, hosting, monitoring, and managing our proprietary software applications alongside other software applications from third party vendors. We deliver software on a cost-predictable subscription basis, through multi-year contracts that include service levels.

TriZetto Hosting Services include implementing, hosting and supporting Facets®, CareAdvance Enterprise™, Constituent Web Solution®, NetworX™, QicLink™ and the third-party applications with which these systems interface. Dedicated teams provide deep knowledge in technical architecture, application support, performance and tuning, operations and release management. The data center operates 24x7x365 and offers a Class 5 (highest level) data center that includes disaster recovery capabilities that support HIPAA and internal control requirements.

Whether adding new members, or adding care and network management capability, TriZetto's hosting customers turn to us to help them align their strategic and business initiatives. Using TriZetto's Hosting Services, health plans can deliver new products to market faster and better manage capacity fluctuations, provide higher service levels and focus IT resources on strategic initiatives rather than day-to-day operations.

TriZetto's hosted solutions provide complete, professionally managed application management and customization that includes desktop and network connections, software applications, specialized third-party software, information management access and sophisticated reporting capabilities to aid in data analysis and decision making. Customers can choose the combination of our products and services to best meet their business requirements including:

**Hosting.** A comprehensive solution that works for health plans of all sizes. TriZetto Hosting Services include best-practice implementation, and management and support of TriZetto's products. Standard packages include monitoring and reporting of customers' equipment, telecommunications, network services and disaster recovery. Also included is the management of daily

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**Disaster Recovery.** Because compliance is key to any health plan's operations, TriZetto also offers multiple disaster recovery options including a Class 5 (highest level) data center. This facility incorporates advanced technology to ensure the maximum possible disaster preparedness. It includes features such as redundant connectivity, cooling, power sources, generator and fuel systems. TriZetto data centers are staffed 24x7x365 by Facets® experts who know how to recover Facets® more quickly and efficiently than companies that provide only equipment and floor space.

**InfoTrust®.** The TriZetto Cyber Site also incorporates its powerful InfoTrust® methodology to allow health plans to use recovery equipment as a pre-production model environment for application testing. With InfoTrust®, TriZetto provides servers and applications as a non-production environment. If a disaster occurs, TriZetto fails over to these environments to recover customers' applications in committed recovery times. This "double use" methodology provides a more cost effective solution for health plans because it minimizes equipment needs.

**Vendor Partner Relationships.** In order to provide our customers with accessibility to other specialty software applications that run integrated and alongside TriZetto solutions, we have acquired rights to license and/or deploy numerous commercially available software applications from a variety of healthcare and other software vendors. These relationships range from perpetual, reusable software licenses and contracts to preferred installer agreements to informal co-marketing arrangements. We enter into relationships with software vendors in order to offer our customers a variety of solutions tailored to their unique information technology needs. Our relationships with our vendor partners are designed to provide both parties with numerous mutual benefits.

**Business Process Outsourcing (BPO).** To complement our software hosting services, we also provide health plans and benefits administrators with transaction processing services for typical back office functions, including claims, billing, and enrollment. Customers typically outsource to us for the following reasons: to improve or maintain service, for more predictable costs, to take advantage of our larger scale, to reduce risk through our performance guarantees, to gain access to our technical and healthcare business expertise, to increase speed-to-market, to ensure business continuity, and to become HIPAA compliant.

Our business process outsourcing services include:

- **Benefit and Provider Configuration Rule Set-Up.** We configure, and can maintain, the customer's software according to the customer's specific benefit plans and provider payment arrangements;
- **Document Imaging/Electronic Data Interchange (EDI) Processing.** We accept and process claim forms, enrollment documents and other documents submitted via paper or EDI, and scan all images for electronic retrieval;
- **Medical, Dental, and Specialty Claims Processing.** We process claims submitted for services under a variety of products and lines of business, adjust payments, and coordinate benefits. We also generate, print, and distribute claims payment checks and remittance notices to appropriate claimants and to health plan members;
- **Membership and Enrollment Processing.** We set up employer group and individual membership information and process transactions regarding benefit plan selection, assignment of primary care physicians, and membership changes. We also issue member identification cards and perform other related administrative tasks;
- **Premium Billing.** We generate, print, and mail invoices, post payments received on behalf of the health plan, and reconcile employer group and individual member accounts against billed amounts;
- **Print and Mailing Services.** We print and mail functional area output documents such as enrollment cards, claims payment checks, remittance notices, premium invoices, broker commission checks, and capitation payments along with supporting documentation; and
- **Business Continuity Services.** We have facilities and personnel available to assist customers using our proprietary products to meet business processing requirements in the event of a loss of a customer site.

Health plans can purchase these services on a retainer or project basis. These business process outsourcing services are generally provided in our centralized processing locations. Approximately 225 employees are located at our various processing sites, providing services for customers using our Facets®, QicLink™, and other proprietary and third-party software systems.

### **Professional Services**

We derived approximately 31% of our revenue from professional services in 2007, mainly from consulting and implementations associated with our proprietary software, software hosting, and other outsourcing contracts. As of December 31,



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Our professional services team helps our customers implement and leverage technology with end-to-end capabilities that reduce operational risk while accelerating their ability to support new business lines, change consumer behavior with care management and use business intelligence to drive change management.

Our team has the ability to assess, select, implement and optimize technology and processes to match the payers' business needs across all of TriZetto's proprietary software products, including Facets<sup>®</sup>, CareAdvance<sup>™</sup>, QNXT<sup>™</sup>, Constituent Web Solution<sup>®</sup>, HIPAA Gateway, and NetworX<sup>™</sup> Suite. TriZetto offers payers five end-to-end capabilities: product expertise, technology integration, user effectiveness training, operational efficiency, and delivery leadership.

**Product Expertise.** TriZetto provides product-certified, payer industry experts to drive product configuration through implementation, testing, and go-live. With unparalleled product expertise, senior-level product consultants specialized in TriZetto products and vertical markets (e.g., Medicare) typically become a "trusted advisor" to the payer's project team. Product consultants are onsite, dedicated resources for a project duration and have a heavy focus on knowledge transfer. While payers use product consultants typically for implementation and upgrade help, they can also engage this function to troubleshoot problems and optimize operations. Product consulting includes:

- Configuration design;
- Data preparation and analysis;
- Go-live support; and
- Post-implementation optimization.

**Technology Integration.** TriZetto's Technology Integration services enable payers to integrate TriZetto solutions into their IT environments and expand their capabilities to map to business needs. Technology Integration services can be broken into two categories: Technology Consulting and Customer-Specific Solutions. Technology Consulting has three focus areas:

- **Enterprise Architecture services** - Optimize client investment in infrastructure and TriZetto technology to improve scalability and system performance;
- **Environment setup and management:** - Install and maintain test environments during application implementation; and
- **Performance and optimization** - Troubleshoot performance issues and help payers optimize the overall system architecture.

In addition, TriZetto's Customer-Specific Solutions help payers modify TriZetto applications to meet their unique business needs. This includes the following service areas:

- **Conversion services:** Convert customer's legacy system data to TriZetto's systems including Facets<sup>®</sup>, QNXT<sup>™</sup> and NetworX<sup>™</sup>. This includes the migration of customer's existing membership, provider, claims and other data from legacy systems; and
- **Application, Extension, Interfaces and Reports Development:** Includes requirements analysis, design and development of custom solutions including interfaces, extracts, extensions, and mini-applications tailored to customer-specific development needs.

**User Effectiveness.** TriZetto has application training and certification programs for its products. The overall certification program, which was developed in 2007, will be rolled out in early 2008. Application training includes:

- Facets<sup>®</sup> Application and Technical Training Courses;
- NetworX<sup>™</sup> Training Courses;
- CareAdvance<sup>™</sup> Training Courses;
- Training Development Services; and
- Post Go-Live Training Services.

**Operational Efficiency.** TriZetto's Operational Efficiency services help payers increase their administrative efficiency in three key

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### Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations

#### Overview

We offer a broad portfolio of proprietary information technology products and services targeted to the payer industry, which is comprised of health insurance plans and third party benefits administrators. We offer core administration software, including Facets Extended Enterprise™, QicLink Extended Enterprise™, QNXT™, enterprise cost and quality of care software, including Clinical CareAdvance™ and Personal CareAdvance™, and our NetworX™ suite for provider network management. The Company also provides a number of component software solutions and add-ons to the enterprise software solutions, including CDH Account Management, Workflow, Constituent Web Solution® and Benefit Cost Modeler. In addition, in connection with the recent acquisition of PDM, we provide business solutions for Medicare Advantage, Detection and Recovery Services and Healthcare Informatics. To support these software products, the Company provides software hosting services and business process outsourcing services, giving customers variable cost alternatives to licensing software, as well as strategic, implementation and optimization consulting services. As of December 2007, we served 351 unique customers in the health plan and benefits administrator markets, which we collectively refer to as payers. In 2007, these markets represented 92% and 8% of our total revenue, respectively.

We measure financial performance by monitoring revenue, bookings and backlog, and net income. Total revenue for 2007 was \$451.8 million compared to \$347.9 million for 2006. Services and other revenue for 2007 was \$360.5 million compared to \$272.9 million for 2006. Products revenue for 2007 was \$91.3 million compared to \$75.0 million for 2006. Operating costs and expenses for 2007 were \$401.9 million compared to \$331.0 million for 2006. Bookings for 2007 were \$431.4 million compared to \$381.6 million for 2006. Backlog at December 31, 2007 was \$982.6 million compared to \$858.2 million at December 31, 2006. Net income in 2007 was \$28.2 million compared to \$15.1 million in 2006. These financial comparisons are further explained in the section below, “Results of Operations.”

We generate services revenue from several sources, including the provision of outsourcing services, such as software hosting and business process outsourcing services, the sale of maintenance and support for our proprietary and certain of our non-proprietary software products, and from consulting fees for implementation, installation, configuration, business process engineering, data conversion, testing and training related to the use of our proprietary, and third-party licensed products. We generate products revenue from the licensing of our software. Cost of revenue includes costs related to the products and services we provide to our customers and costs associated with the operation and maintenance of our customer connectivity centers. These costs include salaries and related expenses for consulting personnel, customer connectivity centers’ personnel, customer support personnel, application software license fees, amortization of capitalized software development costs, telecommunications costs, facility costs, and maintenance costs. Research and development (“R&D”) expenses are salaries and related expenses associated with the development of software applications prior to establishing technological feasibility. Such expenses include compensation paid to software engineering personnel and other administrative, infrastructure and facility expenses and fees to outside contractors and consultants. Selling, general and administrative expenses consist primarily of salaries and related expenses for sales, sales commissions, account management, marketing, administrative, finance, legal, human resources and executive personnel, and fees for certain professional services.

As part of our growth strategy, we intend to increase revenue per customer by continuing to introduce new complementary products and services, including new cost and quality of care products and services, to our established enterprise software and hosting and business process outsourcing services. Some of these service offerings, including hosting, business process outsourcing, and consulting have a higher cost of revenue, resulting in lower gross profit margins. Therefore, to the extent that our revenue increases through the sale of these lower margin product and service offerings, our total gross profit margin may decrease.

We are continuing to target larger health plan customers. This has given us the opportunity to sell additional services such as software hosting, business intelligence, and business process outsourcing services. As the technology requirements of our customers become more sophisticated, our service offerings have become more complex. This has lengthened our sales cycles and made it more difficult for us to predict the quarterly timing of our software and services sales.

In May 2007, we made a decision to sunset our FACTS™ proprietary software product. A formal plan of restructuring was developed and includes four milestones to complete the final coding and release of FACTS™ 7.0. The final milestone to end sales and support of the FACTS™ software product is March 31, 2009. However, we currently intend to convert as many of our existing FACTS™ customers as possible to our Facets®, QNXT™ or QicLink™ software platforms. The plan of restructuring includes the elimination of positions within the research and development group, which was formally communicated to all affected employees late in the second quarter of 2007. To retain key employees and to ensure that the final product milestones are achieved, benefit packages were provided and are contingent upon completion of these milestones. We currently estimate that the total

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**Table of Contents****THE TRIZETTO GROUP, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)****12. Employee Benefit Plans**

In January 1998, the Company adopted a defined contribution plan (the “401(k) Plan”) which qualifies under Section 401(k) of the Internal Revenue Code of 1986. Employees are eligible to participate the first day of the month following 30 days of employment. Eligible employees may make voluntary contributions to the 401(k) Plan of up to 25% of their annual compensation, not to exceed the statutory limit.

Effective January 1, 2001, the Company provides a discretionary matching contribution to the 401(k) Plan in the amount of \$0.50 for each \$1.00 contributed to the Plan, up to 6% of pay. Employees must be employed on the last day of the Plan Year (December 31) to receive the match. The match has a three-year vesting period after which the employee will be 100% vested. The Company’s cash contributions to the 401(k) plan in 2007, 2006 and 2005 were approximately \$2.8 million, \$2.3 million and \$1.9 million, respectively. The increase in the Company’s cash contributions in 2007 was impacted by the acquisition of PDM and QCSI.

On December 21, 2005, the Company’s Compensation Committee of the Board of Directors formally adopted the Executive Deferred Compensation Plan (the “Plan”). The Plan is an unfunded deferred compensation plan established and maintained for the purpose of providing key management employees with the opportunity to defer the receipt of compensation and to accumulate earnings on such deferrals on a tax-deferred basis. The Company’s Compensation Committee of the Board of Directors determines which key management employees will be eligible to participate in the Plan. Currently, all of the executive officers of the Company are eligible to participate. The Plan is administered by the Company and became effective as of June 30, 2005.

Under the Plan, each participant may elect to defer, for any calendar year, up to 75% of his or her base salary and/or 100% of any commissions and/or bonuses earned during such calendar year. Amounts deferred for each participant are recorded in a bookkeeping account for such participant. Each participant is allowed to make a hypothetical allocation of the amounts credited to his or her account among investment options/indices that the Company makes available from time to time. Each account is credited at least annually with notational earnings equal to the aggregate/weighted average return on the investment options/indices selected by the participant, less expenses. The Company also may credit each participant’s account with a discretionary company contribution. Company contributions vest after three years of service with the Company. The Company’s cash contribution to the Plan in 2007 and 2006 was approximately \$79,000 and \$52,000, respectively.

Upon termination of employment, a participant is entitled to a benefit from the Company equal to the amount of vested contributions credited to his or her account, subject to certain restrictions. Alternatively, a participant may elect to have all or a portion the contributions in his or her account paid in one or more installments, subject to certain waiting period and other restrictions set forth in the Plan.

The Company has purchased life insurance policies with the funds in which the executive officers elected to defer in the Plan. The majority of the non-qualified retirement plan assets are held in a company-owned life insurance policy, whose investment assets are a separately-managed portfolio administered by an insurance company. The assets held under this insurance policy are recorded at estimated fair value with changes in estimated value recorded in net earnings. At the end of fiscal year 2006, the Company was the beneficiary of various insurance contracts on some of the participants in the Plans. At December 31, 2007, these life insurance contracts had cash surrender values of approximately \$1.2 million.

**13. Acquisitions*****CareKey, Inc.***

On December 22, 2005, the Company acquired all of the issued and outstanding shares of CareKey, Inc. (“CareKey”). CareKey is a leading provider of advanced care management software. Prior to the acquisition, the Company had entered into an arrangement at the end of 2003 to integrate CareKey products into its suite of care management solutions (“CareAdvance™”) for sale within the Facets® installed customer base. The combination expands the Company’s market opportunities and increases its customers’ ability to improve the cost and quality of care for their members.

The acquisition was accounted for using the purchase method of accounting and the results of operations have been included in the consolidated financial statements of the Company since the acquisition date. As of December 31, 2005, the excess of the

EX-31.1 5 dex311.htm CERTIFICATION OF CEO SECTION 302

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey H. Margolis, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2007 of The TriZetto Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 15, 2008

/s/ Jeffrey H. Margolis

Name: Jeffrey H. Margolis

Title: Chief Executive Officer

EX-31.2 6 dex312.htm CERTIFICATION OF CFO SECTION 302

EXHIBIT 31.2

CERTIFICATIONS

I, Robert G. Barbieri, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2007 of The TriZetto Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 15, 2008

/s/ Robert G. Barbieri

Name: Robert G. Barbieri

Title: Chief Financial Officer

EX-32.1 7 dex321.htm CERTIFICATION OF CEO AND CFO SECTION 906

EXHIBIT 32.1

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of The TriZetto Group, Inc. (the “Company”), each hereby certifies that to his knowledge on the date hereof

(a) The Form 10-K of the Company for the year ended December 31, 2007, filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 15, 2008

/s/ Jeffrey H. Margolis

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**Jeffrey H. Margolis**  
Chief Executive Officer

Date: February 15, 2008

/s/ Robert G. Barbieri

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**Robert G. Barbieri**  
Chief Financial Officer

**Exhibit 40: TriZetto report to SEC August 8, 2008**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-Q**

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**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2008

OR

**.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-27501

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**The TriZetto Group, Inc.**  
(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**33-0761159**  
(I.R.S. Employer  
Identification Number)

**567 San Nicolas Drive, Suite 360**  
**Newport Beach, California**  
(Address of Principal Executive Offices)

**92660**  
(Zip Code)

**Registrant's telephone number, including area code: (949) 719-2200**

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)



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### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

We offer a broad portfolio of proprietary software and services targeted to the payer industry, which is comprised of health insurance plans and third party benefits administrators. TriZetto's predominant software products comprise six enterprise-class applications for automating all of a payer's core administrative functions, and for automating care management activities, which improve the cost and quality of care consumers receive. Key enterprise software product brands include Facets<sup>®</sup>, QicLink<sup>™</sup>, QNXT<sup>™</sup>, CareAdvance<sup>™</sup> and NetworX. The Company also offers a number of component software products, web-based applications and add-ons to the enterprise software solutions, which provide supplemental functionality or further enhance the efficiency and throughput of the enterprise applications.

To support these software products, the Company provides software hosting, business process outsourcing, and revenue enhancement services, which give customers additional efficiency, revenue and capital cost reduction opportunities. The company also provides professional consulting services, which are predominantly focused on the installation and optimization of the company's software products.

As of June 30, 2008, we served 354 unique customers in the health plan and benefits administrator markets, which we collectively refer to as payers. In the second quarter of 2008, these markets represented 93% and 7% of our total revenue, respectively.

We measure financial performance by monitoring revenue, bookings and backlog, and net income. Total revenue in the second quarter of 2008 was \$117.0 million compared to \$114.8 million for the same period in 2007. Services and other revenue in the second quarter of 2008 was \$101.4 million compared to \$91.4 million for the same period in 2007. Products revenue in the second quarter of 2008 was \$15.6 million compared to \$23.4 million for the same period in 2007. Bookings in the second quarter of 2008 were \$61.7 million compared to \$93.8 million for the same period in 2007. Backlog at June 30, 2008 was \$1.1 billion compared to \$944.4 million at June 30, 2007. Net income in the second quarter of 2008 was \$4.8 million compared to \$3.6 million for the same period in 2007. These financial comparisons are further explained in the section below, "Results of Operations."

We generate services revenue from several sources, including the provision of outsourcing services, such as software hosting and business process outsourcing services, the sale of maintenance and support for our proprietary and certain of our non-proprietary software products, and from consulting fees for implementation, installation, configuration, business process engineering, data conversion, testing and training related to the use of our proprietary, and third-party licensed products. We generate products revenue from the licensing of our software. Cost of revenue includes costs related to the products and services we provide to our customers and costs associated with the operation and maintenance of our customer connectivity centers. These costs include salaries and related expenses for consulting personnel, customer connectivity centers' personnel, customer support personnel, application software license fees, amortization of capitalized software development costs, telecommunications costs, facility costs, and maintenance costs. Research and development ("R&D") expenses are salaries and related expenses associated with the development of software applications prior to establishing technological feasibility. Such expenses include compensation paid to software engineering personnel and other administrative, infrastructure and facility expenses and fees to outside contractors and consultants. Selling, general and administrative expenses consist primarily of salaries and related expenses for sales, sales commissions, account management, marketing, administrative, finance, legal, human resources and executive personnel, and fees for certain professional services.

As part of our growth strategy, we intend to increase revenue per customer by continuing to introduce new complementary products and services, including new cost and quality of care products and services, to our established enterprise software and hosting and business process outsourcing services. Some of these service offerings, including hosting, business process outsourcing, and consulting have a higher cost of revenue, resulting in lower gross profit margins. Therefore, to the extent that our revenue increases through the sale of these lower margin product and service offerings, our total gross profit margin would likely decrease.

We are continuing to target larger health plan customers. This has given us the opportunity to sell additional services such as software hosting, business intelligence, and business process outsourcing services. As the technology

requirements of our customers become more sophisticated, our service offerings have become more complex. This has lengthened our sales cycles and made it more difficult for us to predict the quarterly timing of our software and services sales.

In May 2007, we made a decision to sunset our FACTS™ proprietary software product. A formal plan of restructuring was developed and includes four milestones to complete the final coding and release of FACTS™ 7.0. The final milestone to end sales and support of the FACTS™ software product is approximately March 31, 2009. However, we intend to convert as many of our existing FACTS™ customers as possible to our Facets®, QNXT™ or QicLink™ software platforms. The plan of restructuring includes the elimination of positions within the research and development group, which was formally communicated to all affected employees late in the second quarter of 2007. To retain key employees and to ensure that the final product milestones are achieved, benefit packages were provided and are contingent upon completion of these milestones. We currently estimate that the total amount of severance expense and retention bonuses to be accrued through the final milestone date on March 31, 2009 is approximately \$1.0 million. As of June 30, 2008, we have accrued \$736,000 related to severance expense and retention bonuses, which are reflected in cost of revenue – services and other and research and development in the consolidated statement of income. To date, \$129,000 of these costs have been paid or otherwise settled.



EX-31.1 2 dex311.htm SECTION 302 CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey H. Margolis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 of The TriZetto Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2008

/s/ Jeffrey H. Margolis

Name: Jeffrey H. Margolis

Title: Chief Executive Officer

EX-31.2 3 dex312.htm SECTION 302 CERTIFICATION OF THE PRINCIPAL ACCOUNTING OFFICER

EXHIBIT 31.2

CERTIFICATIONS

I, Carl Long, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2008 of The TriZetto Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2008

/s/ Carl Long

Name: Carl Long

Title: Principal Accounting Officer

EX-32.1 4 dex321.htm CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER  
AND PRINCIPAL ACCOUNTING OFFICER

EXHIBIT 32.1

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

The undersigned, the Chief Executive Officer and the Principal Accounting Officer of The TriZetto Group, Inc. (the "Company"), each hereby certifies that to his knowledge on the date hereof

(a) The Form 10-Q of the Company for the quarter ended June 30, 2008, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2008

/s/ Jeffrey H. Margolis

---

**Jeffrey H. Margolis**  
Chief Executive Officer

Date: August 8, 2008

/s/ Carl Long

---

**Carl Long**  
Principal Accounting Officer

**Exhibit 41: TriZetto press release Sanovia**

# TriZetto, Sanovia Join Forces To Offer First Integrated Platform That Helps Payers Control Pharmacy Costs

## Platform Integrates Medical and Pharmacy Data to Drive Real-Time Pharmacy Utilization Management Decisions

NEWPORT BEACH, Calif. and PHILADELPHIA - Jan. 12, 2009 - The TriZetto Group, Inc. and Sanovia Corporation today announced a definitive partnership agreement to offer the market's first platform that integrates real-time medical data with pharmacy data to automate prior-authorizations of medications and help plans manage pharmacy expenditures.

TriZetto's Facets® and QNXT™ core administration systems will integrate with PA-Logic™, Sanovia's automated pharmacy utilization management application, to confirm member eligibility, benefit design and formulary status and apply best-practice clinical guidelines to evaluate provider requests for select medications. The integrated data platform enables Integrated Healthcare Management and will be available to TriZetto customers in mid-2009.

"In combining the access of real-time medical claims data with Sanovia's pharmacy utilization management application, this integrated system will use built-in intelligence to drive automation, standardization and consistency in the evaluation of pharmaceuticals," said Marty Mattei, Pharm.D., TriZetto's director of pharmacy solutions. "The result will be a more efficient workflow process that helps reduce administrative costs associated with managing the pharmacy benefit. Additionally, because the Integrated Healthcare Management platform enables more efficient collaboration between the payer, provider and member, it will enhance quality of care and help reduce clinical costs by optimizing therapeutic regimens, thereby helping ensure the appropriate use of pharmaceuticals."

"Health plans seek a better way to manage the utilization of expensive specialty pharmaceuticals," said Jerry Osband, M.D., TriZetto's chief medical officer. "Pharmacy staff at payer organizations today must access data from two disparate systems—the core administration application and the pharmacy benefit software—relying on a somewhat manual, paper-intensive process to route and review information and communicate with both patient and physician. This new, integrated platform from TriZetto and Sanovia will automate the process and improve consistency."

"We are very pleased to join together with TriZetto to provide the only solution in the market that will link an automated, paperless pharmaceutical prior-authorization system with a health plan's core medical claims system, offering real-time access to all of the information needed to make timely, accurate and consistently appropriate clinical decisions backed by best-practice clinical guidelines," said Robert Tremain, Sanovia's president and chief executive officer.

TriZetto's Facets and QNXT applications help health plans meet their business requirements across claims processing, claims re-pricing, capitation/risk fund accounting, premium billing, provider network management, group/membership administration, referral management, hospital and medical

PRESS RELEASE

Sanovia  
EXCELLENCE IN PHARMACEUTICAL MANAGEMENT

 TRIZETTO

Powering Integrated Healthcare Management™



pre-authorization, case management, customer service and electronic data interchange. Available on a hosted or non-hosted basis, the two systems can be combined with TriZetto and third-party software to address the enterprise-wide needs of managed care organizations.

Sanovia's PA-Logic uses best-practice clinical guidelines to evaluate pharmaceutical requests, help ensure adherence to benefit designs and enable appropriate decisions when requests are made. The system manages and automates the pharmacy review process on an electronic platform, which reduces slow and error-prone paper-based methods, speeds routing of information and accelerates decisions to help prevent treatment delays. Plans can also allow their participating providers to access the system from their offices via the Internet, and submit requests electronically, thus eliminating the frustration of dealing with paper forms, phone calls and returns for incomplete information. PA-Logic's letter writer and report generator functions automate workflow, produce real-time reports on pharmacy program operations and facilitate communications with patients and physicians.

### **About Sanovia Corporation**

Sanovia integrates smart business practices with automated decision-making technology and best-practice clinical guidelines, delivering proven savings in administrative costs and pharmaceutical spending for managed care companies and their customers. Sanovia's portfolio of innovative products and services meet the increasing challenges of pharmaceutical administration, validation, documentation, utilization, cost and workflow management. Clients use Sanovia's "intelligent" clinical decision support products to balance pharmaceutical cost management with appropriateness of therapy and quality of care. Sanovia is privately held and venture-backed, with no ownership by any pharmacy benefit manager, health plan or pharmaceutical manufacturer. Headquartered in Philadelphia, Sanovia can be reached at 610-521-2211 or at [Sanovia.com](http://Sanovia.com).

### **About TriZetto**

Founded in 1997, TriZetto is the fastest-growing, privately held healthcare information technology company in the U.S. With its technology touching half of the U.S. insured population, TriZetto is Powering Integrated Healthcare Management. TriZetto provides information technology solutions that enable health insurance payers and other constituents in the healthcare supply chain to improve the coordination of benefits and care for healthcare consumers. The company's offerings include enterprise and component software, hosting and business process outsourcing services, and consulting.

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**Exhibit 42: TriZetto manual” Facets claims processing**

**Facets<sup>®</sup>**  
**Claims Processing User Guide**  
**and Supplement**

Releases 2.96, 3.11, 4.11, 4.21, 4.31, 4.41, 4.51, 4.61  
February 2009

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### *Patents*

Clinical editing functionality licensed under U. S. Patent No. 5,253,164.

### *Comments*

Reader comments pertaining to the content of this publication are invited. Your comments are valued and help assist us in preparing future documentation. All comments and suggestions become the property of TriZetto.

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## Document Revision History

The table below lists the changes that have been made to this document.

Date	Chapter	Description
02/20/09	Encounter Processing	Added this chapter.
01/11/2009	Claim/UM Matching Routine	In the Decrementing UM section, information was added to describe how Facets updates information for Confinements.
11/20/2008	entire book	Corrected references to the old <i>Introduction to Facets</i> guide to the current <i>Getting Started</i> guide.
11/20/2008	Claim/UM Matching Routine	In the Matching to a UM Confinement section, added 86 to the listing.
7/25/2008	Claim/UM Matching Routine	In the Referral and Pre-authorization Requirements section, corrected application references in step 2.
2/27/2008	Claim/UM Matching Routine	In the Medical/Covering Provider Full ID section, added information about Specialty relationships.
1/02/2008	Appendix A - Archiving	In the Claims that can be Archived section, corrected Converted, External Pre-Priced claims to status 82.
1/02/2008	Appendix B - Warning Messages	In the Clinical Edits Warning Messages section, added the following messages: 26, 27, 29, 30, 31, 32, 33, 34, 35, 36, 42.
12/4/2007	How to Process a Claim	Corrected the Frequency field definition to be Optional.
12/4/2007	How to Process a Claim	Corrected the Admission Source field definition to remove the words 'user-defined.'
7/17/2007	Additional Claims Processing Functionality	Corrected the text describing Interim Billing to reflect current functionality. Stars 47210.
7/17/2007	entire book	Previously, the guide stated that history claims are loaded into Facets in a status 82. This has been corrected to status 81. Stars 47432.
7/5/2007	Claim/UM Matching Routine	Clarified information in the Referral and Pre-authorization Requirements section.
6/20/2007	Claim/UM Matching Routine	Clarified information in the How to check for matches using UM Service Group section.
3/20/2007	entire book	Reformatted the entire book.
1/11/2007	Claims Adjudication Routine	Added information about Facets disallow Explanation Codes.
11/14/2006	Supplement	Added the Facets release 4.40 enhancements as a new chapter in the Supplement.
06/22/2006	Claims Security	Added information about menu-level security for void and void/reissue functionality.
06/22/2006	Appendix C - System Parameters	This appendix of 2.96 system parameters was removed. The current list of 4.31 system parameters can be found in the Supplement to this user guide.

<b>Date</b>	<b>Chapter</b>	<b>Description</b>
06/21/2006	How to Process a Claim, and Claims Adjudication Routine	Added information to Eligibility section of adjudication routine description stating that if the Plan is not eligible due to termination, the NWST will no longer be eligible.
06/21/2006	Claims Batch Process	In the Claims Batch Descriptions table, corrected claims batch identifiers.
06/21/2006	Additional Claims Processing Functionality	In Additional Topics, Copying a Claim section, corrected list of information that is not copied with the copied claim.
06/21/2006	Processing Control Agent	In Overview section, corrected list of applications in which PCA functionality is available.
03/03/2006	Appendix A - Archiving	Removed obsolete references to the control card and .ini file; corrected the names of the batch jobs.
03/03/2006	Appendix B - Warning Messages	Corrected the description of warning message #37.
08/11/2005	Batch	Added notes to three batches that are not supported by TriZetto in the 4.x releases.

## Claims Processing Overview

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## Overview

Facets is a premier claims management tool that offers a high degree of automation and data capture. Facets provides three options for claims management: claims adjudication, claims pre-pricing and claims logging. Medical and hospital claims can be processed online or electronically. Facets' electronic commerce capabilities are designed to accept external claims. Electronic data interchange (EDI) is the electronic transmission of information between computers. Facets EDI, combined with Facets electronic adjudication, edits submitted claim data for accuracy. With Facets, Managed Care Organizations can handle the complex benefit structures and pricing schedules of all types of plans, including HMO, PPO, POS and Indemnity.

**NOTE:** *The Claims Processing and Claims Reference User Guides document Facets medical and hospital claims processing only. Facets Dental claims processing will be documented separately.*

During the various stages of the adjudication process, Facets interacts with membership eligibility, product benefit parameters, provider pricing agreements, medical management requirements and clinical editing information to provide accurate and highly automated adjudication of claim and encounter submissions. Claims processing uses parameter driven rules for limits, deductibles and copays. MCOs may also establish criteria for automating the claims processing workflow. The revenue code for hospital processing and the pricing parameters for HIAA and MDR can optionally be used for claims pricing. Claims processing utilizes diagnosis codes and procedure codes to read service based rules, and includes parameters for handling COB situations. Claims processing automatically edits for duplicate claims submission.

Facets allows MCOs to generate checks for individual providers or combined checks at a group or IPA level. MCOs can select providers who will be part of a payment cycle and easily adjudicate a claim to accurately account for over and under payments to providers. Facets also captures important 1099 tax information.

## Supplement to Claims Processing User Guide

The Supplement to the *Claims Processing User Guide* includes information that was previously published in the Product Updates for Facets releases 3.11, 4.01, 4.11, 4.21 and 4.31. The Supplement is intended to provide customers with a current picture of the functionality related to the Claims Processing application group.

## Claims Entry

The Facets claims processing applications conform to the CMS 1500, UB92 and ADA formats, which are industry standards. Claims can be entered online or electronically via a proprietary format or the industry standard EDI 837 Claims and Encounter Data Submission transaction set format. Numerous system edits alert the user to any inconsistencies during entry, and pre-defined system warning messages result in increased accuracy and productivity. MCOs can release claims that were previously pending without having to manually reprocess each claim.

## Electronic Adjudication

Electronic adjudication is the high-productivity method for paying claims. Claims are automatically processed during the batch cycle, eliminating the need for claims processor intervention. After comprehensive editing, the system performs the same detailed adjudication functions as the online Facets system.

Claims are submitted for batch adjudication in one of two ways. They can be loaded into the system electronically from an external source in a batch cycle, or entered online by data processing staff using the Electronic Claims Logging applications. Claims logged online are available for customer service inquiries and online edits reduce errors prior to batch submission. With either input method, manual operations are substantially reduced and claims processors can focus their attention on claims that require experienced judgment.

All claims that are electronically submitted go through a detailed series of edits before processing to ensure that claims with data entry errors, or incorrect or missing information, are not processed in the batch cycle. For claims that were submitted electronically, the system indicates the nature of the error(s) and provides access to the claim on a line item basis so errors can be easily corrected. Once corrected, the claim can be submitted in the next batch for completion of the adjudication process. For electronically logged claims, the processor is required to correct errors manually in the processing application.

## Logging Claims

For high productivity, MCOs can use data entry staff to quickly log claims that can then be recalled online to complete the adjudication process. Claims logging reduces processing backlogs and assists customer service inquiries since you can provide the pertinent claims data online prior to full adjudication.

## Pre-Pricing

Facets also accommodates pre-pricing, which is frequently used by PPOs to provide claims payer organizations with information on negotiated provider price amounts without generating payment or updating benefit accumulators. Pre-pricing allows you to access provider contracts for pricing allowables, validate claim data and verify membership status. It also provides extensive data storage on claims for reporting and communicating to payers.

## Claims Inquiry

The Claims Inquiry application allows you to review all aspects of the claim, such as the status, payments, provider and accumulators, for both the subscriber and family members. This flexible and powerful application allows you to use either an abbreviated approach for quick access or a more comprehensive screen when you have less specific details on the inquiry selection.

## Clinical Editing

Facets automatically edits medical claims and hospital claims (based on parameters) that are processed with its proprietary clinical claims editing software, with tens of thousands of clinical rules and recommendations. This allows MCOs to identify billing problems and eliminate significant overpayment of claims, and to consistently catch fraudulent, erroneous or inconsistent billing practices, a significant factor in cost containment.

Clinical editing checks claims, referrals and pre-authorizations as they are entered online or processed in batch mode to identify problems such as unbundled procedures, CPT-4 coding errors or invalid data relationships and patterns of outpatient and inpatient utilization deviating from generally accepted standards of clinical practice. It also checks diagnoses that may be inappropriate for the gender and/or age of the patient, and diagnoses that may qualify the patient for case management.

## **Claims Processing User Guide**

This user guide is meant to provide basic information about Facets claims processing functionality, using screens and examples from the Facets releases 2.96x series. This user guide is organized logically, providing examples and explanations of how to use the claims processing, pre-pricing and logging applications. The subsequent chapters details topics such as the adjudication routine, electronically submitted claims, the claims/UM matching and COB routines, using the Processing Control Agent application, information about overrides and claims security, and examples for using the Claims Inquiry application.

Important information on Facets claims processing pre-requisites can be found on page 1-5.



**Exhibit 43: TriZetto marketing brochure**

WHITE PAPER

# Integrated Healthcare Management:

## Powering a New Era of Healthcare

Integrated Healthcare Management is the systematic application of processes and shared information to optimize the coordination of benefits and care for the healthcare consumer.

POWERING INTEGRATED  
HEALTHCARE MANAGEMENT®



“TriZetto will help payers be successful,” Margolis said, “by focusing on solutions that help them with core administration, with the cost and quality of care, and helping them also enhance their ability to grow and retain membership. In providing tools for each of those functions, we will make sure that these tools are integrated in terms of how a constituent experiences them.

“As TriZetto focuses on its mission of delivering solutions that enhance revenue, drive administrative efficiency and improve the cost and quality of care for plan members, we will power integrated health care management for payers.”

## **Overview of TriZetto Solutions — “Powerful Independently, Unbeatable Together”**

### **Core Benefit Administration**

TriZetto offers two leading core administration solutions:

- **Facets®** is a comprehensive, flexible, scalable, production-proven, enterprise-wide core administration solution for healthcare payers. Facets provides a functionally rich set of modules that allow healthcare payers to meet their comprehensive business requirements—across claims processing, claims re-pricing, capitation/risk fund accounting, premium billing, provider network management, group/membership administration, referral management, hospital and medical pre-authorization, case management, customer service, and electronic data interchange.
- **QNX™** is a comprehensive, flexible enterprise-wide core administration solution. The QNX system is a patented, open platform designed based upon a Service Oriented Architecture employing Web services (.NET, XML, and Simple Object Access Protocol or SOAP). QNX provides a broad set of functionality to healthcare payers to meet their business requirements utilizing a thin client Web-based user interface. QNX core functionality includes: claims processing, claims re-pricing, capitation/risk fund management, premium billing, provider network management, group/membership administration, referral management, hospital and medical pre-authorization, case management, customer service, and electronic data interchange.

### **Care Management**

TriZetto offers two solutions that address payers’ need to improve the cost and quality of care:

- **CareAdvance Enterprise®** (CAE) is a secure, Web-based communication platform for advanced care management that facilitates case, utilization, disease, and population management. The CAE application enables payers to partner with members in shaping care decisions to maintain personal health and wellness and to improve communication among members, their providers, and the health plan. This advanced care management application reduces the administrative costs of communicating with members; leverages all available data in support of timely interventions by care managers; and increases member satisfaction and employer retention. The TriZetto Personal CareAdvance® (PCA) application, the personal health management module of CAE, supports the creation and maintenance of individualized online health records for members. This helps the payer’s staff manage campaigns related to population and disease management programs.
- **TriZetto® NetworX Suite™** is a group of software applications that provide complete automation of contract modeling and execution, claims pricing, and all aspects of advanced network management. TriZetto® NetworX Modeler™ allows the payer to precisely model and project the financial implications of contracts during negotiations. TriZetto® NetworX Pricer™ automates claims pricing, increasing the speed, accuracy, and efficiency of provider contract administration, regardless of the number or complexity of contracts.

The TriZetto Group, Inc.  
567 San Nicolas Drive, Suite 360  
Newport Beach, CA 92660

[www.trizetto.com](http://www.trizetto.com)

1-800-569-1222

**Exhibit 44: TriZetto marketing brochure**

# TRIZETTO PAYER SOLUTIONS

POWERING INTEGRATED  
HEALTHCARE MANAGEMENT<sup>®</sup>

# TriZetto Solutions

Our clients include national and regional health insurance plans, Medicaid and Medicare, and benefits administrators that serve self-insured employers. We offer core administration solutions, care and network management solutions, and a wide range of Constituent Web Solutions applicable for group medical, individual/consumer-driven, Medicare Advantage, managed Medicaid, specialty and non-medical insurance plans. We also provide application hosting, business process outsourcing and consulting services – all focused on moving toward a new era in the healthcare system with IHM at the forefront.

## CORE ADMINISTRATION

## CARE MANAGEMENT

### Core Administration

#### FACETS®

- FXI
- WORKFLOW
- CONSUMER DIRECTED
- VALUE-BASED BENEFITS

#### QNXT®

- ESSENTIALS
- CONNECT

### Business Solutions

COMMERCIAL  
 MEDICARE  
 MEDICAID  
 CONSUMER DIRECTED  
 BEHAVIORAL HEALTH  
 DENTAL  
 VISION

### CareAdvance™

CAREADVANCE ENTERPRISE®  
 CLINICAL CAREADVANCE®  
 PERSONAL CAREADVANCE®  
 CAREADVANCE MEDICARE™  
 PHARMACEUTICAL  
 • RX UTILIZATION MANAGEMENT

### NetworX Suite®

NETWORX PRICER®  
 NETWORX MODELER®  
 NETWORX MODELER ANALYTICS

### Plan Data Management

ENROLLMENT ADMINISTRATION MANAGER  
 CLAIMS DATA MANAGER  
 FINANCIAL RECONCILIATION MANAGER  
 RISK SCORE MANAGER  
 HCC RISK ADJUSTMENT MANAGER  
 WORKING AGED AND PART D COORDINATION  
 OF BENEFITS

## CONSTITUENT ENGAGEMENT

## SERVICES

### Consumer

BENEFIT COST MODELER™  
MEMBER BENEFIT PROFILE™  
MEMBER ENROLLMENT  
MEMBER SERVICE  
PERSONAL CAREADVANCE®  
PERSONAL HEALTH RECORD  
TREATMENT COST NAVIGATOR™

### Provider

PROVIDER POS DIRECT™  
PROVIDER SERVICE  
QUOTETOCARD

### Employer and Broker

BROKER BILL  
BROKER ENROLLMENT  
BROKER SERVICE  
EMPLOYER BILL  
EMPLOYER ENROLLMENT  
EMPLOYER SERVICE

### TriZetto Advantage Services™

APPLICATION MANAGEMENT  
AND OPTIMIZATION  
BUSINESS INTEGRATION  
APPLICATION HOSTING AND BUSINESS  
PROCESS OUTSOURCING  
IMPLEMENTATIONS AND UPGRADES  
IT OUTSOURCING  
TRAINING AND CERTIFICATIONS  
TRANSITION MANAGEMENT (INCLUDING ICD-10  
AND IHM REALIZATION)

### Fraud, Waste & Abuse

DETECTION SERVICES  
PREVENTION SERVICES  
WASTE PREVENTION SERVICES  
RISK PREVENTION SERVICES  
FRAUD COMPLIANCE SERVICES

CST™



**The U.S. healthcare environment has never been more challenging. Costs continue to increase. Care delivery systems are inefficient. Consumers are not engaged. Incentives are misaligned. Systems are fragmented. New regulations are being instituted.**

**Now more than ever before, payers need to improve overall efficiency in order to survive. At the same time, they need to lay the foundation for longer-term transformation focused on improved quality and value.**

**TriZetto is a proven partner in helping payers meet these challenges. For more than 25 years, we have been a leader in providing highly efficient, robust, flexible IT solutions that drive administrative efficiency, improve the cost of care and enhance revenue for our customers. Today, our technology solutions touch nearly half of the U.S. insured population. And TriZetto remains the only company 100 percent committed to sustaining payers as the organizers of the healthcare system.**

# Core Administration

## Core Administration

### FACETS®

- FXI
- WORKFLOW
- CONSUMER DIRECTED
- VALUE-BASED BENEFITS

### QNXT®

- ESSENTIALS
- CONNECT

## Business Solutions

COMMERCIAL  
MEDICARE  
MEDICAID  
CONSUMER DIRECTED  
BEHAVIORAL HEALTH  
DENTAL  
VISION

## Plan Data Management

ENROLLMENT ADMINISTRATION  
MANAGER  
CLAIMS DATA MANAGER  
FINANCIAL RECONCILIATION MANAGER  
RISK SCORE MANAGER  
HCC RISK ADJUSTMENT MANAGER  
WORKING AGED AND PART D  
COORDINATION OF BENEFITS

*" We selected TriZetto as our IT solutions partner because its systems utilize the most flexible and advanced technologies in the marketplace."*

SOCORRO RIVAS,  
PRESIDENT, TRIPLE-S

104

Over 104 million  
lives under contract.

## Promote growth with a strong foundation

Healthcare costs continue to rise, turning up the heat on payers to provide innovative and cost-effective benefit plans. To stay competitive, payers need a robust enterprise-wide core administration system — one that can increase efficiencies, create and manage the new and diverse benefit products today's markets demand, and help improve care without increasing costs.

More than 125 payers, ranging from small Medicare Special Needs Plans to the largest national commercial health plans, use TriZetto core administration solutions, representing over 104 million lives. These solutions enable our customers to:

- Enhance revenue growth and sustain market leadership through highly configurable and flexible benefit design and fast introduction of new products.
- Become a consumer retail leader by quickly developing and supporting innovative products and offering sophisticated self-service.
- Reduce administrative costs through greater auto-adjudication and reduced manual labor.
- Lower medical costs with integrated care management and business intelligence.
- Seamlessly integrate with other TriZetto component and third-party solutions to facilitate information flow in a way that serves all constituents.
- Administer multiple lines of business — including commercial medical, individual, consumer, government and specialty business.

30%

Over 30% of the health plans in both Managed Medicaid and Medicare Advantage markets utilize a TriZetto core administrative system.

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**Exhibit 45: TriZetto marketing brochure**

PAYER SOLUTIONS

# TRIZETTO® PRODUCTS AND SERVICES



# Payer Solutions

## Core Administration

TriZetto offers the industry's leading core administration solutions, providing payers with choices as they establish the foundation of their healthcare information management systems. TriZetto core administration solutions are proven, award-winning enterprise systems that automate multiple business processes and enhance efficiency across the organization. These solutions also provide payers with the flexibility to administer diverse plans, integrate with third-party solutions, and adapt to rapidly changing business requirements and an evolving regulatory environment.

## Facets

### Facets®

Facets Core Solution: includes Facets, HIPAA Gateway, and HIPAA Privacy. Facets is a comprehensive, flexible, scalable, production-proven, enterprise-wide core administration solution for healthcare payers. Facets provides a functionally rich set of modules that allow payers to comprehensively meet their business requirements across claims processing, claims re-pricing, capitation/risk fund accounting, premium billing, network management, group/membership administration, referral management, hospital and medical pre-authorization, care management, customer service, and electronic data interchange.

### Facets Consumer-Directed

Facets CDH Account Management supports the administration of flexible spending accounts (FSAs), health reimbursement arrangements (HRAs) and health savings accounts (HSAs) and includes optional debit-card integration to help healthcare organizations move beyond today's business model and anticipate and meet the full range of consumer-directed market demands.

### Facets eXtended Integration

Facets eXtended Integration (FXI) enables your organization to extend and integrate the Facets system with third-party applications in order to reduce costs, enhance flexibility and improve efficiency. FXI is an element of TriZetto's industry-leading service oriented architecture (SOA) infrastructure technologies, which enable TriZetto products to participate in an SOA environment along with custom-built and third-party software products.

### Facets Workflow

Facets Workflow™ is a Java-based software application that automatically prioritizes and routes claims and customer service work items, based on rules that reflect your organization's business, staffing and training needs. Through integration with Facets, Workflow enables real-time delivery of claims and customer service items, reducing bottlenecks, automating work and reducing costs while improving speed and accuracy.

### Facets InterPlan Teleprocessing Systems (ITS):

#### Facets ITS Home

Facets ITS Interface enables Blue Cross and Blue Shield plans to communicate efficiently with ITS, which supports cooperation among BCBS plans. Users can easily send, receive and manage data regarding claims, provider, membership, and fee-for-service/capitation billing.

#### Facets ITS Host

The ITS Host functionality is a part of the core ITS Processing (Inter-Plan Teleprocessing Services). It allows the ability for members to obtain healthcare service in another plan's service area. ITS Host utilizes its pricing agreements to obtain a price for a claim and communicates with the Home Plan for eligibility and plan benefit information.

#### Facets ITS POS

Facets POS Direct delivers real-time claims adjudication and accurate patient financial liability calculations at the point of service. Providers gain access through the health plan's Web portal.

#### Facets ITS Real-time Home

ITS Home Real Time interface integrates with the ITS processing software and leverages the powerful TriZetto enterprise application system to enable the real time seamless transmission of claims from one BCBS health plan to another, regardless of the plans' locations.

#### Facets ITS Real-time Host

Real-time ITS Host will allow the provider in the Host Plan state to enter claim information over the web. Real Time ITS Host will utilize its pricing agreements to obtain a price for a claim and will require communication in real time with the Home Plan for eligibility and plan benefit information.

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Greenwood Village, CO 80111

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**Exhibit 46: TriZetto marketing brochure**

PAYER SOLUTIONS

# 2010 TRAINING CATALOG

TRIZETTO ADVANTAGE FRAMEWORK™



## **CareAdvance® Overview – Utilization Management (course inclusions: 4.41)**

Duration: 2 Days

Prerequisite: None

Students develop an understanding of the application functionality for Utilization Management. This course is designed for team members who are responsible for implementation, sales and training. It includes practice exercises.

## **CareAdvance® Product Foundations – Utilization Management (course inclusions: 4.61)**

Duration: 2 Days

Prerequisite: None

Clinical CareAdvance (CCA) is the health plan component of CareAdvance Enterprise (CAE) used to automate and integrate the clinical and administrative workflow for Case, Disease and Utilization Management. This two-day course provides a focused presentation of the application functionality for Utilization Management. The class will utilize labs to provide practice in articulating the features and functions of this module. The target audience includes team members responsible for implementation, sales and training.

## **Clinical CareAdvance® Utilization Management (course inclusions: 4.61)**

Duration: 3 Days

Prerequisite: CareAdvance® Product Foundations Training

This course will build on the Utilization Management (UM) introduction from the Product Foundations course to expand the participant's basic understanding of the UM process. It includes an in depth discussion and demonstration of how Clinical CareAdvance (CCA) supports UM including how Business Rules and automation in CCA influence the UM process. The class will utilize labs to provide practice in articulating the features and functions of this component of the application. The target audience includes team members responsible for implementation, sales and training.

## **CareAdvance® Overview - Case & Disease Management (course inclusions: 4.41)**

Duration: 2 Days

Prerequisite: None

This course presents a detailed overview of the application functionality for Case and Disease Management. It is designed for team members who are responsible for implementation, sales and training. It includes practice exercises.

## **CareAdvance® Product Foundations – Case & Disease Management (course inclusions: 4.61)**

Duration: 2 Days

Prerequisite: None

Clinical CareAdvance (CCA) is the health plan component of CareAdvance Enterprise (CAE) used to automate and integrate the clinical and administrative workflow for Case, Disease and Utilization Management. This two-day course provides a focused presentation of the application functionality for Case and Disease Management. The class will utilize labs to provide practice in articulating the features and functions of this module. The target audience includes team members responsible for implementation, sales and training.

# **Facets® Application Certification Courses**

## **Facets® Overview**

Duration: 10 Days

Prerequisite: None

The Facets Overview course introduces the Facets application. It is designed to be delivered at the beginning of the implementation process to prepare a customer for detailed business configuration activities. This course exposes attendees to all Facets applications. Through a mixture of lecture and hands-on exercises, attendees learn to navigate the system, create provider and member records, set up a basic medical plan, and process claims and utilization management reviews against their plan setup. The course is usually offered at the customer's site.

## **Facets® Claim/Customer Service Workflow**

Duration: 4 Days

Prerequisite: Facets® 2 week Overview Training

Facets Workflow functionality enables customers to automate the routing and assignment of Facets medical, hospital and dental claims transactions and customer service inquiries based on the roles, queues and priorities that help best meet a customer's business processes. This course provides step-by-step instructions on how to set up and configure the workflow to maintain timely and efficient claims routing and claims receipt within the system. Included is managing work once it is in Facets Workflow through the user dashboard and supervisor dashboard, mass claim adjustments, itineraries and configuration considerations. The training is a combination of demonstration and hands-on scenarios to allow practice with the applications. Upon completion of this course, participants will understand the main factors related to workflow configuration and setup, as well as the implications to claims processing and customer service.

## **Facets® Premium Billing**

Duration: 4 Days

Prerequisite: Facets® 2 week Overview Training

This course covers the basic applications used to set up billing in Facets. It reviews several applications from the Subscriber/Member, Billing and Plan application groups. Consisting of both presentation and hands-on exercises, this course provides students with a basic understanding of how Facets looks at eligibility, plan/product and rates to calculate and process premium for a Billing Entity. Course participants also learn to use rating factors and modifiers to vary rates. Each student will build Group, Subgroup, Subscriber/Family, Billing Entity, Plan/Product, billing rules and rates to process invoices and apply receipts. Upon completion of this course, participants will have the knowledge to establish basic Facets premium billing for an organization and perform basic troubleshooting should billing process incorrectly during the batch cycle. An overview of the Facets Commissions applications is included with this course.

## **Facets® Advanced Premium Billing**

Duration: 4 Days

Prerequisite: Facets® 2 week Overview Training & Premium Billing Training

This course covers the advanced billing arrangements an organization may set up in Facets. Consisting of both presentation and hands-on exercises, this course provides students with an understanding of how Facets looks at eligibility, plan/product and different rating structures to calculate and process premium for a billing entity. The specific concepts and the duration may vary depending on the topic: Medicare/Medicare Part D, alternate funding/ASO and premium reconciliation and batch runs.

# **Facets® Application Training Courses**

## **Facets® Half-Day Executive Overview**

Duration: 0.5 Days

Prerequisite: None

Attendees are expected to gain a high-level understanding of the Facets terminology, the relationship between Subscribers, Plans and Products, and recognize that Facets is an integrated system that integrates their business units.

## **Facets® 2.5-Day Overview**

Duration: 2.5 Days

Prerequisite: None

This course introduces the Facets application. Attendees will learn Facets terminology, the GUI, and how basic managed care concepts (Enrollment, Benefits, Network Relations, Claims and Billing) are configured in Facets. Attendees are expected to gain knowledge related to the relationship between Subscribers, Plans and Products. Attendees will discover the importance of TOS (Types of Service) codes and the Network Set, and recognize that Facets is an integrated system that will also integrate their business units.

Besides the duration, the difference between this course and the Three-Day course is that there are less hands-on exercises provided during this course.

## Facets® Three-Day Executive Overview

Duration: 3 Days

Prerequisite: None

This course introduces the Facets application. Attendees will learn Facets terminology, the GUI, and how basic managed care concepts (Enrollment, Benefits, Network Relations, Claims and Billing) are configured in Facets. Attendees are expected to gain knowledge related to the relationship between Subscribers, Plans and Products. Attendees will discover the importance of TOS (Types of Service) codes and the Network Set, and recognize that Facets is an integrated system that will also integrate their business units.

Besides the duration, the difference between this course and the 2.5-Day course is that there are more hands-on exercises provided during this course.

## Facets® Overview

Duration: 10 Days

Prerequisites: None

The Facets Overview course introduces the Facets application. It is designed to be delivered at the beginning of the implementation process to prepare a customer for detailed business configuration activities. This course exposes attendees to all Facets applications. Through a mixture of lecture and hands-on exercises, attendees learn to navigate the system, create provider and member records, set up a basic medical plan, and process claims and utilization management reviews against their plan setup. The course is usually offered at the customer's site.

## Facets® Overview

Duration: 5 Days

Prerequisite: None

The Facets Overview course introduces the Facets application. It is designed to be delivered at the beginning of the implementation process to prepare a customer for detailed business configuration activities. This course exposes attendees to all Facets applications. Through a mixture of lecture and hands-on exercises, attendees learn to navigate the system, create provider and member records, set up a basic medical plan, and process claims and utilization management reviews against their plan setup. The course is usually offered at the customer's site.

## Facets® Product Update

Duration

1 Day (one release)

4 Days (all releases)

Prerequisites: Facets® 2 week Overview Training

This course provides an overview of what is new in the next release(s) of Facets and provides real claims scenarios that help illustrate the enhancements. This course is delivered via presentation style training, with no hands-on practice. Not all enhancements are discussed in detail. However, the major functional and navigational differences are addressed and demonstrated from a claims perspective. Students gain a high-level understanding of the configuration and functional implications of each enhancement.

## Facets® Premium Billing

Duration: 4 Days

Prerequisite: Facets® 2 week Overview Training

This course covers the basic applications used to set up billing in Facets. It reviews several applications from the Subscriber/Member, Billing and Plan application groups. Consisting of both presentation and hands-on exercises, this course provides students with a basic understanding of how Facets looks at eligibility, plan/product and rates to calculate and process premium for a Billing Entity. Course participants also learn to use rating factors and modifiers to vary rates. Each student will build Group, Subgroup, Subscriber/Family, Billing Entity, Plan/Product, billing rules and rates to process invoices and apply receipts. Upon completion of this course, participants will have the knowledge to establish basic Facets premium billing for an organization and perform basic troubleshooting should billing process incorrectly during the batch cycle. An overview of the Facets Commissions applications is included with this course.

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**Exhibit 47: TriZetto product presentation**

# Facets 4.71 Enhancements

Facets 4.71: New Functionality Related to ICD-10, 5010 & HIPAA Gateway

**Presenter: Maureen O'Hara, Facets Product Management**

**January 29<sup>th</sup> 2010**





## TriZetto ICD-10 Solution



- Provide customer choice for timing of migration to ICD-10
- Allow customers to accept and process ICD-9 and ICD-10 transactions
- Retain all submitted and processed codes and code set type
- Minimize processing impact
- Provide flexible, consistent translation capability across all solutions

**Accomplished with product changes to support ICD-10 and development of new ICD-10 Translation Manager**

**Exhibit 48: letter of Farmaco-Logica to TriZetto**



The TriZetto Group, Inc.  
Mr. Jim Sullivan, general counsel  
567 San Nicolas Drive, Suite 360  
Newport Beach, California 92660

UNITED STATES OF AMERICA

date August 21, 2010  
your reference none our reference BO10G21AA  
enclosures none  
subject unlawful use of registration symbol with FACETS

Dear Mr. Sullivan,

my company has become aware of the TriZetto Group, Inc.'s use of its FACETS mark with the statutory registration symbol attached to it, in connection with goods in international trademark class 9. As you know, TriZetto does not own a FACETS trademark registration in connection with goods at all. My company objects to this use because it is unlawful in the United States of America and because my company considers your company's FACETS mark to be confusingly similar to my company's registered PHACET mark in connection with certain goods.

For these reasons, my company summons TriZetto:

- to stop the afore-mentioned unlawful use of the registration symbol within 10 days after receipt of this letter;
- to destroy all material in its custody unlawfully displaying the FACETS mark with the registration symbol attached to it within 10 days after receipt of this letter;
- to inform TriZetto's customers and investors, within 10 days after receipt of this letter, of the unlawful character of such use; and
- to urge, within 10 days after receipt of this letter, TriZetto's customers and investors to destroy any material in their custody unlawfully displaying the FACETS mark with the registration symbol attached to it.

My company is sending you this letter in order to make sure that TriZetto understands that this illicit use shall have a bearing on US-TTAB opposition proceeding 91184047. If TriZetto continues to fail to comply with US trademark law, then it will demonstrate *ad abundantia* that it deliberately tries to mislead (potential) purchasers, as well as other parties in the trade, into thinking that TriZetto owns a FACETS trademark registration for goods. Persisting in such illicit use may, on itself, provide sufficient ground to refuse a registration.

Truly yours,

Paul Kuks,  
managing director.

Farmaco-Logica B.V.  
Wolkendek 17  
3454 TG DE MEERN  
The Netherlands / Pays Bas

bank account - EUR 60.14.49.878  
IBAN NL30ABNA0801449878  
bank account - USD 51.03.18.797  
IBAN NL30ABNA0610318797  
Bank Identifier Code ABNANL2A  
Dutch tax number NL804767439B01

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Dutch commercial register 30133826

**Exhibit 49: TriZetto's response to earlier letter**



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Writer's Direct Line: 714-424-8218  
[amerlo@sheppardmullin.com](mailto:amerlo@sheppardmullin.com)

August 31, 2010

Our File Number: 23ES-154101

***VIA E-MAIL AND U.S. MAIL***

Mr. Paul Kuks  
Farmaco-Logica B.V.  
Wolkendek 17  
3454 TG DE MEERN  
The Netherlands

Re: TriZetto FACETS trademark

Dear Mr. Kuks:

This letter responds to your letter of August 21, 2010 to Jim Sullivan of The TriZetto Group, Inc. We represent TriZetto in connection with its intellectual property matters, including with respect to all of its trademark issues. In the future, please direct all such correspondence relating to any intellectual property issue to us.

TriZetto owns three registrations for the FACETS mark in connection with the provision of its goods and services.

In your letter, objecting to TriZetto's use of the registration symbol (®), you fail to identify any specific product or present any documentation demonstrating improper use of the symbol. Without such specificity, we cannot respond to your allegations.

Accordingly, please provide us with materials demonstrating the use of the registration symbol to which you are objecting.

We look forward to hearing from you.

Very truly yours,

A handwritten signature in black ink that reads "Ashley E. Merlo".

Ashley E. Merlo

for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

W02-WEST:3AAE1\402906562.1  
cc: Yael Karabelnik, Esq.

**Exhibit 50: Farmaco-Logica's reply to earlier response**

<b>Re: TriZetto FACETS Trademark - illicit use of registration symbol</b>	<b>B010I01AA</b>
<b>From:</b> Paul Kuks <Paul.Kuks@farmlog.net> (Farmaco-Logica B.V.) <b>To:</b> "Ashley Merlo" <AMerlo@sheppardmullin.com> <b>CC:</b> "Brian Daucher" <BDaucher@sheppardmullin.com> <b>Date:</b> 01-09-2010 16:22	

Dear Mrs. Merlo,

thank you for your letter of August 31, 2010.

My company holds the view that TriZetto does not own a FACETS trademark registration in connection with goods.

I think that TriZetto is perfectly capable, without any help from others, of identifying instances of its FACETS mark being used with the registration symbol attached to it and in connection with goods. As a courtesy, I am referring you to a few of many examples:

TriZetto's SEC Form 10-Q, signed on November 2, 2007

<http://integratedhealth.trizetto.com/main/pages/TriZetto/IHMX/ShowCollateral.aspx?oid=74454&ssid=18&hid=2462&>

<http://www.trizetto.com/newsEvents/pressKitGlossary.asp>

Facets Claims Processing User Guide and Supplement, version 4.61

I don't think it will be useful, at this moment, to debate over whether these examples do contain proof of US trademark law violation or not. My company believes that your client should take steps to end all violations of this kind right now. My company will amend its Notice of Opposition in TTAB proceeding 91184047 in due course.

Sincerely yours,

Paul Kuks,  
managing director.

--  
Farmaco-Logica B.V.  
Wolkendek 17  
3454 TG DE MEERN  
The Netherlands / Pays Bas

T +31 30 6665538  
time zone: CST  
<http://www.world-time-zones.org/europe/netherlands/amsterdam.htm>

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E [info@farmlog.net](mailto:info@farmlog.net)

Dutch commercial register 30133826

On Tuesday 31-08-2010 20:16 Carole Dubienny wrote:

> -----  
> Attached is correspondence of today's date from Ashley E. Merlo. This  
> correspondence is also being sent via U.S. Mail.

>  
>  
> -----  
>  
> Carole Dubienny  
> Legal Secretary  
> 650 Town Center Drive  
> 4th Floor  
> Costa Mesa, CA 92626-1993  
> [CDubienny@sheppardmullin.com](mailto:CDubienny@sheppardmullin.com)  
> Direct: 714.424.2824

>  
>  
> Circular 230 Notice: In accordance with Treasury Regulations we notify you  
> that any tax advice given herein (or in any attachments) is not intended or  
> written to be used, and cannot be used by any taxpayer, for the purpose of

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**Exhibit 51: TriZetto website page: “Company Corporate History”**

Corporate Profile

FAQ

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Mission Statement

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Annual Reports

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Leadership

Board Members

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## About Us

## History

Founded in 1997, The TriZetto Group, Inc., is an information technology and services company focused on the healthcare industry.

The name TriZetto is derived from an Italian musical term, terzetto, which is a composition consisting of three parts. Similarly, TriZetto seamlessly blends the three essential technology and service components - infrastructure, primary applications and information access and reporting - to create a complete solution that works for your organization.

### 2008

**January** - TriZetto announces the availability of the TriZetto Member Benefit Profile™ and TriZetto Treatment Cost Navigator™ to healthcare payers. Additionally, significant enhancements are added to the company's Benefit Cost Modeler™ application. The three consumer-facing Web applications enable plan members to make better healthcare decisions by providing real-time, personalized information about benefit choices, treatment options, related costs and health benefit usage.

Blue Shield of California contracts with TriZetto to acquire software for a major system-wide technology upgrade with the company's Facets® software. The technology infrastructure improvement is expected to ease doing business with the not-for-profit health plan, which has more than 3 million members and 4,500 employees.

**February** - TriZetto reports increases of 30 percent in revenue and 45 percent in adjusted EBITDA for full-year 2007 and posts bookings of \$163 million for Q4.

Blue Cross & Blue Shield of Rhode Island selects TriZetto's Facets® enterprise administration system, along with TriZetto's Facets Workflow™, NetworX Pricer™, Benefit Cost Modeler™, Facets Inter-Plan Teleprocessing System (ITS) and Provider POS Direct™, to improve the health plan's claims processing, premium billing, membership administration and other core administrative functions. TriZetto also will provide long-term application management and



### Latest News:

[8/12/2010- TriZetto Advantage 10 Compliance Plus™ Service Helps El Paso First Health Plans Meet Texas State Requirement for 5010 and ICD-10 Compliance Roadmap](#)

[8/11/2010- TriZetto Announces General Availability of Value-Based Benefits Solution for Healthcare Payers](#)

### Articles of Interest:

["Integrated management is answer to the crisis" \(265KB PDF\)](#)

by Dan Spirek, Executive Vice President

### Related Links:

[. Press Releases](#)

QualChoice of Arkansas, the state's second-largest managed care company and health benefits administrator, selects TriZetto's comprehensive suite of fraud, waste and abuse services. These services will help QualChoice identify, recover and subsequently prevent claims overpayments resulting from fraud and abuse.

**March** - TriZetto announces that Triple-S Management Corporation (NYSE: GTS) signed a software licensing and professional services agreement in December of 2007 for TriZetto's QNXT™ core administrative enterprise system and associated implementation, training and other professional services. Based in San Juan, Triple-S is Puerto Rico's largest managed care health plan, serving approximately 1 million members.

**April** - TriZetto agrees to be taken private by Apax Partners. Apax Partners is a growth-focused, global private equity firm with \$35 billion in funds under advice and significant expertise in healthcare and technology. Valued at approximately \$1.4 billion, the transaction is funded in part by BlueCross BlueShield of Tennessee and The Regence Group, both customers of TriZetto.

TriZetto reports diluted earnings per share for the first quarter of 2008 of \$0.09 on revenue of \$106.8 million. The company reports record new contract bookings of \$236.4 million and record net cash provided by operating activities of \$37.4 million, which grew 52% over the prior year quarter.

**May** - TriZetto announces a five-year agreement to host its QNXT™ core administration system for Health Alliance Medical Plans, a managed care organization providing coverage for 250,000 people in Illinois and Iowa.

TriZetto announces a five-year, non-exclusive, revenue-sharing agreement under which Unisys Nederland NV will market, distribute and maintain TriZetto software to health insurers in The Netherlands. Although TriZetto serves international clients, this marks the company's first overseas channel partner agreement, providing the company a vehicle for broader access to this market.

**June** - TriZetto announces an agreement with Microsoft Corp which TriZetto will develop a connector for its payer customers that enables members of health plans to use TriZetto's Member Benefit Profile™ application with Microsoft HealthVault™.

TriZetto announces that the Universal American Corporation (NYSE: UAM) health plan is implementing TriZetto's CareAdvance Medicare™ software module.

Results of the 2008 IHM Survey by TriZetto show that patients, doctors and other healthcare constituents agree that more shared information and aligned incentive programs are key to helping solve

the healthcare affordability crisis and that health plans are best positioned to coordinate these improvements.

TriZetto announces two new customers for the company's real-time patient liability and point-of-service claims adjudication software, Provider POS Direct™. Blue Cross and Blue Shield of Kansas City (BCBSKC) and Blue Cross and Blue Shield of Rhode Island (BCBSRI) become the latest health plans embracing the value of real-time claims adjudication by selecting TriZetto's Provider POS Direct application. BCBSKC has nearly 900,000 members and 4,000 network providers; BCBSRI has more than 680,000 members and nearly 3,900 network providers.

**July** - TriZetto announces its selection of Eliza Corporation's phone-based, speech-enabled outreach programs as an integrated part of TriZetto's CareAdvance Enterprise® care management application and Healthwise® Smart Campaigns.

**August** - On August 4, 2008, TriZetto and Apax Partners announced the closing of the merger pursuant to which funds advised by Apax Partners, together with minority investors BlueCross BlueShield of Tennessee and The Regence Group, acquired all of TriZetto's common shares for \$22. The last day of trading of TriZetto's stock was August 4.

## **2007**

**January** - TriZetto completes the acquisition of privately held QCSI (Quality Care Solutions, Inc.), combining the power of QCSI's QNXT™ administrative engine for smaller payers with the broad capabilities and financial strength of TriZetto.

**February** - Humana Inc., one of the nation's largest publicly traded health benefits companies, transitions the first phase of its commercial membership to TriZetto's Clinical CareAdvance™ software. The software is one of two modules comprising CareAdvance Enterprise, systems that automate all aspects of care management, creating significant productivity improvements for medical management and enabling health plans to guide consumers in making better health decisions that can lower medical costs and improve health outcomes.

BlueCross BlueShield of Tennessee reports good early results from initial launch of TriZetto's real-time patient liability and point-of-service claims adjudication software, Provider POS Direct™, in two of five pilot provider offices. Provider POS Direct can help provide price transparency for patients and providers via real-time access to medical benefit and procedure information in order to determine covered benefits and the exact provider reimbursement due from both member and health plan.

**March** - Premera Blue Cross, serving more than 1 million members in Alaska and Washington, successfully goes live on TriZetto's

Clinical CareAdvance™ software. Clinical CareAdvance integrates with TriZetto's Facets® administrative system, which Premera has used since 2001.

**November** - TriZetto previews Integrated Healthcare Management (IHM) to executives representing 40 percent of the insured U.S. population at the company's Executive Vision Summit in Naples, Fla. IHM is the systematic application of processes and shared information to optimize the coordination of benefits and care for the healthcare consumer. Introduced by TriZetto, the IHM framework is driven by the convergence of health benefit administration, care management and payers' engagement of constituents – employers, providers, members and brokers.

## 2006

**February** - TriZetto announces its first full profitable year, with diluted earnings per share (EPS) for the full year 2005 of \$0.48, on revenue of \$292.2 million. EPS performance was \$0.03 better than the high end of the company's guidance range and represents an increase of 167 percent over full-year 2004 EPS.

TriZetto's outstanding results for 2005 and strong expectations for 2006 demonstrate the company's leadership position at the confluence of some of the most dramatic changes that the healthcare industry has experienced in 20 years.

**August** - TriZetto announced that its personal health record technology, Personal CareAdvance®, will be used in a six-month feasibility test for the Centers for Medicare and Medicaid Services (CMS). The government ran only two such tests to determine how best to transform CMS claims data into personal health records that offer value to both Medicare beneficiaries and their care providers.

## 2005

**January** - Blue Cross Blue Shield of Tennessee selects TriZetto CareAdvance™ Enterprise, powered by CareKey™, as its single platform for automating case, disease and population management.

TriZetto reports its first full profitable year, earning \$0.18 per share on revenue of \$274.6 million in 2004. Annual new-contract bookings increased 45 percent over the prior year, to \$335 million.

**March** - TriZetto introduces Facets e<sup>2</sup> CDH Suite, an integrated solution that delivers the full range of capabilities necessary to cost-effectively implement and administer consumer-directed health plans.

**May** - TriZetto announces the availability of FastTrak, which enables Medicare and Medicaid health plans to quickly get up and running on Facets e<sup>2</sup>.

**December** - TriZetto announces it has completed the acquisition of privately held CareKey Inc., a leading provider of advanced care management software. The combination expands TriZetto's market opportunities and increases its customers' ability to improve the cost and quality of care for their members.

## **2004**

**January** - The Regence Group and TriZetto announce a seven-year hosting agreement under which Regence will move its members to Facets e<sup>2</sup>. TriZetto will host Facets e<sup>2</sup> and the HealthWeb Suite on behalf of Regence.

**February** - TriZetto reports \$290 million in revenue for 2003, up 9 percent from 2002.

**March** - John Muir/Mt. Diablo Health System becomes the fifth organization in the last two years to select Facets e<sup>2</sup> to replace a legacy Amisys system.

**May** - TriZetto introduces CareAdvance Enterprise™, powered by CareKey™. This software application involves consumers more directly in their healthcare by enhancing and automating the entire care management spectrum-case, disease and population management.

**November** - Kathleen Earley, an AT&T executive, joins TriZetto as president and chief operating officer.

TriZetto announces the availability of DirectLink™, which provides secure, direct connectivity between payers' back-office systems and their constituents' systems.

**December** - TriZetto's NetworX™ Suite is recognized as the "Most Innovative Use of Technology to Improve Claims Processing" at The Emerging Technologies and Healthcare Innovations Congress.

TriZetto completes the purchase of more than 12.1 million shares of TriZetto common stock held by IMS Health, Inc.

## **2003**

**January** - TriZetto announces a software license agreement with Blue Cross and Blue Shield of Louisiana. BCBSL is the 14th Blues plan to become a customer of TriZetto, which now serves one-third of the nation's Blue Cross and Blue Shield organizations.

**March** - TriZetto introduces Facets Extended Enterprise® (Facets e<sup>2</sup>™), a major expansion of its administrative system for health

plans. This expanded administrative system helps health plans anticipate industry change and improve service to consumers.

**September** - TriZetto opens the TriZetto Solution Center, a live representation of how TriZetto's technology and services enable health plan organizations to operate in an environment that is highly efficient and customer-centric, offering real-time connectivity and instant access to key information.

**October** - Deloitte & Touche, for the second consecutive year, names TriZetto one of the 500 fastest-growing technology companies in the United States.

**November** - TriZetto introduces NetworXModeler™, a software application that predicts the financial impact of new or revised provider contracts.

**December** - TriZetto announces the availability of the Facets e<sup>2</sup> Workflow application, which automates manual processes and streamlines workflows.

## 2002

**January** - TriZetto announces a \$32 million, six-year comprehensive outsourcing agreement with M-Plan, an HMO based in Indianapolis.

**February** - TriZetto announces revenue of \$218 million for 2001, up 145 percent from 2000 revenue. Fourth quarter 2001 revenue was \$61.6 million, up 80 percent from the \$34.2 million reported in the fourth quarter of 2000, an increase primarily driven by organic growth of 49 percent.

**April** - TriZetto achieves the milestone of its systems' being contracted to serve more than 100 million healthcare payer members.

TriZetto announces a \$28 million, five-year hosting agreement with the Specialized Care Services (SCS) division of UnitedHealth Group.

**August** - TriZetto is named the largest application service provider (ASP) in the world, based on 2001 hosted software revenue, by IDC, a global market intelligence and advisory firm.

**October** - TriZetto is named second-fastest growing technology company in Deloitte & Touche's "Fast 50" program. The five-year growth rate is 8,561 percent.

## 2001

**January** - TriZetto signs a first-of-its-kind agreement with the Blue Cross and Blue Shield Association, to enable Facets to integrate with the Blues' ITS system.

**February** - TriZetto announces revenue of \$89.1 million for 2000, up 171 percent from 1999 revenue. The percentage of revenue derived from recurring sources reaches 69 percent in 2000, up from 59 percent in 1999.

**April** - TriZetto acquires INFOTRUST Company, a subsidiary of TRUSTCO Holdings.

**May** - Analyst firm IDC ranks TriZetto as the No. 1 healthcare ASP and the No. 2 overall ASP worldwide.

**July** - TriZetto announces a seven-year, \$100 million ASP contract with Altius Health Plans of Utah. TriZetto also purchases Altius' service center in Salt Lake City.

In its second-quarter 2001 earnings statement, TriZetto announces that it has achieved positive EBITDA (earnings before interest, taxes, depreciation and amortization), an important milestone on the company's path toward profitability.

## 2000

**January** - TriZetto acquires Health Media Enterprises (HME), a Petaluma, Calif.-based Internet development company.

**September** - TriZetto acquires approximately 40 employees from Maxicare, the result of a seven-year, \$50 million contract with the health plan.

**October** - TriZetto acquires Erisco, Inc., producer of the nation's leading managed care application.

**November** - Facets benchmark demonstrates scalability beyond 4 million members.

**December** - TriZetto acquires RIMS, the nation's largest provider of automated claims-processing technology and services for the benefits administration market. TriZetto now has approximately 1,500 employees and 600 customers.

## 1999

**February** - In simultaneous transactions, TriZetto acquires two Texas firms, Creative Business Solutions, Inc., and HealthWeb® Systems, Ltd.



**March** - TriZetto acquires Management and Technology Solutions (MTS), of Louisville, Ky., and integrates MTSNet - a portal product helping physician offices communicate with each other, health plan offices and hospitals - with its HealthWeb product.

**August** - Healthcare Informatics names TriZetto one of the fastest-growing healthcare IT companies in the country.

TriZetto files a registration statement with the Securities and Exchange Commission for an initial public offering (IPO).

**October** - TriZetto's IPO raises approximately \$37.5 million.

**November** - TriZetto acquires Novalis Corp., an Albany, N.Y.-based provider of applications services for the healthcare industry.

**December** - TriZetto acquires Finserv Health Care Systems, Inc. Headquartered in Albany, N.Y., Finserv creates and supplies reimbursement-management software and services for healthcare providers.

## 1998

**March** - Company name is changed to The TriZetto Group, Inc.

TriZetto raises \$8.5 million in private funding, increases its workforce 72 percent and experiences a 353-percent increase in revenues.

## 1997

**May** - TriZetto® is incorporated in Delaware as M C Health Holdings, Inc.

**October** - Shares of common stock of M C Health Holdings are exchanged for all equity interests in Croghan & Associates, Inc., a Boulder, Colo., firm providing software to help physicians manage their practices, and Margolis Health Enterprises of California.

## Information

For more detailed information, please call 1-800-569-1222 or click on the link below.



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**Exhibit 52: TriZetto website page: “Corporate Profile”**

Corporate Profile

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Corporate Profile

TriZetto is Powering Integrated Healthcare Management®. With technology solutions touching nearly half the U.S. insured population today, TriZetto is uniquely positioned to drive the convergence of core benefit administration, care management and constituent engagement. TriZetto provides premier information technology solutions that enable payers and other constituents in the healthcare supply chain to improve the coordination of benefits and care for healthcare consumers.

TriZetto provides core administration solutions, care and network management solutions, and a wide range of constituent Web solutions. Comprehensive solutions for Medicare Advantage and managed Medicaid plans also are available, along with hosting, business and professional services.

**Core Benefit Administration**

TriZetto's industry-leading core administration solutions are flexible, comprehensive, integrated platforms that support multiple lines of business, including consumer-directed health plans. Solutions include Facets®, QNXT™ and QicLink™ systems. Facets delivers advanced functionality and technology for healthcare payers, with capabilities that address enterprise-wide business and e-business needs. The QNXT system delivers a powerful administrative engine with architectural flexibility for healthcare payers. The QicLink platform for TPAs delivers comprehensive functionality and improved efficiency.

**Care and Network Management**

The CareAdvance Enterprise® application automates and streamlines the full spectrum of care management, including case, disease, utilization and population management, while the NetworX™ Suite of applications provides unmatched tools for advanced network management, including automated pricing of claims and rapid modeling of provider contracts. These solutions help payers manage both the unit costs and the usage costs of funding care.

**Constituent Engagement**

TriZetto Constituent Web Solutions help payers meet the needs of members, providers, employers and brokers, and address the emerging consumer retail market. Member solutions include tools for benefit modeling, enrollment, self-service, personal health management, treatment navigation, and benefit and fund tracking. Provider solutions include capabilities for self-service, access to patient PHR, and calculation of real-time, accurate patient out-of-pocket costs and claims



**TriZetto At-A-Glance:**

**Chairman & Founder:**  
Jeff Margolis

**Chief Executive Officer:**  
Trace Devanny

**Headquarters:**  
6061 S Willow Dr, Suite 310  
Greenwood Village, CO 80111  
1-800-569-1222

**Year Founded:**  
1997

**No. of Employees:**  
1,900

**Offices:**  
11 locations nationwide

**Customers:**  
Health Plans  
Benefits Administrators

adjudication. Employer and Broker solutions include tools for self-service, enrollment and billing.

### Services

TriZetto provides business and professional services that enable payers to accelerate the achievement of key business objectives. Through Application Hosting Services, TriZetto can host and manage customer applications from a state-of-the-art TriZetto data center or remotely manage the applications that reside within customers' premises. TriZetto Business Process Outsourcing (BPO) Services allow health plans to improve strategic focus and outsource non-critical functions, including claims administration, enrollment and premium billing, and business rules configuration. TriZetto's Professional Services team offers solutions that service your business from end-to-end. Services include product consulting, business consulting, program and project management, training and certification, technology consulting and customer-specific solutions.

### Solution Areas:

- Care and Network Mgmt.
- Core Benefit Administration
- Constituent Web Solutions
- Consumer-Directed
- Business Services
- Medicare/Medicaid
- Professional Services

### Key Products:

- Facets
- QNXT
- QicLink
- CareAdvance Enterprise
- NetworX Suite
- Constituent Web Solutions

### Information

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**Exhibit 53: TriZetto website page: “Core Administration”**

Core Administration

# Healthcare Solutions: Health Plans

**FACETS**

- Analytics
- Consumer-Directed
- eXtended Integration
- ITS Interface
- HIPAA
- Workflow

**QNXT**

- QNXT A/R
- QNXT Case Mgmt
- QNXT ITS
- QNXT Connect
- QNXT Dental

**QI CLINK**

Consumer-Directed

Payer Solutions

- Fund Mgmt Software
- Fund Mgmt Services
- Provider POS Direct

BA Solutions

Care Management

CA Enterprise

Personal CareAdvance

Clinical CareAdvance

Medicare

## Core Administration

To meet today's challenges and those that lie ahead, every healthcare organization needs a powerful software engine - one that automates business processes, enhances efficiency and provides the flexibility to administer diverse plan designs, integrate with third party solutions, and adapt to the rapidly changing business and regulatory environment.

TriZetto has the right enterprise software to help you meet these challenges - faster, and with less risk and greater return on investment. Our core administration solutions include:

[Facets](#)

Facets is an enterprise-wide core administration solution for all commercial, specialty, consumer-directed, Managed Medicaid and Medicare Advantage healthcare organizations. Architected to maximize automation, provide expanded business functionality and integration, this highly scalable, state-of-the-art technology platform can address all of your business needs from e-business integration to care management and consumer-directed functionality. Facets is at the heart of your healthcare enterprise and can be delivered on a hosted, installed or outsourced basis, depending on the users' business needs.

[QNXT](#)

The award-winning QNXT enterprise application system enables healthcare payers to adapt to market changes rapidly and efficiently. QNXT is a completely rules-driven, user-configurable system built upon .NET architecture that drives both flexibility and scalability. The system supports both medical and dental claim processing and offers comprehensive consumer-directed health capabilities with advanced HSA/HRA functionality. QNXT also includes claim-repricing and external-billing capabilities and provides capabilities for integrated care management, care planning, predictive modeling, and branching logic.

[QicLink Extended Enterprise \(QicLink e<sup>2</sup>\)](#)

QicLink e<sup>2</sup> and its component modules support the administration of self-insured, PPO, HMO, Medicare and Supplemental Medicare, Medicaid and multi-option point-of-service plans, as well as unique plan designs. The core QicLink e<sup>2</sup> system processes key health claims transactions, including membership, provider files, plan definition, and re-insurance. It is optimized for high-speed, automated processing and readily interfaces with third-party solutions as well as Web-based trading partners. QicLink e<sup>2</sup> can be delivered on a hosted, installed or outsourced basis,

Facets<sup>®</sup> and QNXT<sup>™</sup> are TriZetto's enterprise-wide software solutions for health plan administration.



QicLink<sup>™</sup> is the most widely used, production-proven software engine for benefits administrators.



depending on the users' business needs.

**Core Administration**

**Plan Data Management**

- Claims & PDE Mgmt
- Enrollment Automation
- HCC Revenue Mgmt
- Financial Reconciliation

**Medicaid**

**Core Administration**

**Web Solutions**

**Member Solutions**

- Benefit Cost Modeler
- Member Benefit Profile
- Member Enrollment
- Member Service
- Personal CareAdvance
- Treatment Cost Navigator

**Provider Solutions**

- Provider POS Direct
- Provider Service

**Employer & Broker Solutions**

**Network Management**

**NetworX Pricer**

**NetworX Modeler**

**ICD-10**

**HI PAA**

**HI PAA Gateway**

**HI PAA Privacy**

**QNXT Connect**

**Information**

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**Multimedia Presentation:**



[TriZetto's Service Offerings](#)

**TriZetto Related Solutions:**

- [Facets CDH Suite](#)
- [TriZetto CDH QicStart](#)





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**Exhibit 54: TriZetto website page: "Facets FXI"**

Core Administration

# Healthcare Solutions: Health Plans

**FACETS**

- Analytics
- Consumer-Directed
- eXtended Integration
- ITS Interface
- HIPAA
- Workflow

**QNXT**

- QNXT A/R
- QNXT Case Mgmt
- QNXT ITS
- QNXT Connect
- QNXT Dental

**QI CLINK**

Consumer-Directed

**Payer Solutions**

- Fund Mgmt Software
- Fund Mgmt Services
- Provider POS Direct

**BA Solutions**

Care Management

**CA Enterprise**

Personal CareAdvance

Clinical CareAdvance

Medicare

## Facets® eXtended Integration

Today's healthcare enterprise requires a core system that can integrate with a wide range of complementary solutions. The **Facets eXtended Integration (FXI)** product family enables your organization to integrate Facets® with third-party applications or Web portals in order to reduce costs, enhance flexibility and improve efficiency. FXI provides a single, comprehensive platform that simplifies the integration process and expands your options in interfacing third-party applications with Facets.

FXI consists of four layers: FXI Core, FXI Foundation, FXI Connectors and FXI Adapters. FXI Core exists as part of the Facets base system and provides basic integration and customization capabilities. FXI Foundation gives you access to key business logic and provides solutions to complex integration challenges. FXI Connectors integrate specific third-party applications with Facets. These applications include GeoAccess, MACESS, ITS, HSS, and Milliman Care Guidelines. FXI Adapters use industry standards to interface third-party applications with Facets.

**Benefits:**

- Reduces the time and money needed to develop, integrate and maintain enterprise solutions
- Provides a broader solution set - through use of open-standards architecture - for various growth options
- Increase your return on investment by extending the lifetime of your applications
- Improves productivity by streamlining application upgrades and simplifying the coordination of multiple applications

**Information**

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**TriZetto Related Services:**

- [TriZetto Professional Services](#)

**Core Administration**

**Plan Data Management**

- Claims & PDE Mgmt
- Enrollment Automation
- HCC Revenue Mgmt
- Financial Reconciliation

**Medicaid**

**Core Administration**

**Web Solutions**

**Member Solutions**

- Benefit Cost Modeler
- Member Benefit Profile
- Member Enrollment
- Member Service
- Personal CareAdvance
- Treatment Cost Navigator

**Provider Solutions**

- Provider POS Direct
- Provider Service

**Employer & Broker Solutions**

**Network Management**

**NetworX Pricer**

**NetworX Modeler**

**ICD-10**

**HI PAA**

**HI PAA Gateway**

**HI PAA Privacy**

**QNXT Connect**



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**Exhibit 55: TriZetto website page: "Medicaid"**

Core Administration

FACETS

- Analytics
- Consumer-Directed
- eXtended Integration
- ITS Interface
- HIPAA
- Workflow

QNXT

- QNXT A/R
- QNXT Case Mgmt
- QNXT ITS
- QNXT Connect
- QNXT Dental

QI CLINK

Consumer-Directed

Payer Solutions

- Fund Mgmt Software
- Fund Mgmt Services
- Provider POS Direct

BA Solutions

Care Management

CA Enterprise

Personal CareAdvance

Clinical CareAdvance

Medicare

## Healthcare Solutions: Health Plans

### Medicaid

State governments are transitioning more Medicaid members into managed care. Profitably serving this growing market segment requires a high degree of efficiency, automation and flexibility.

TriZetto's **Medicaid solutions**, which serve more than 25 percent of Medicaid managed care lives today, help your health plan manage this opportunity successfully.

TriZetto's comprehensive Medicaid solutions include the Facets® core system, QNXT enterprise application system, and other software supporting Medicaid managed care plans. And with Medicaid FastTrak services, we provide a variety of delivery methods so plans of any size can quickly and cost-effectively enter the Medicaid market.

#### Benefits

- Comprehensive Medicaid functionality ready to efficiently handle claims processing as well as enrollment, medical-management and workflow processes
- Proven performance and an in-depth understanding of Medicaid
- Comprehensive support for disease management and care coordination to help improve outcomes and manage costs
- A solution that will continue to adapt as Medicaid reporting requirements and other administrative demands evolve
- A choice of delivery options to match your business requirements and budget: licensed, hosted or FastTrak
- Scalable solutions that keep pace as you add market share

#### Information



#### More Info:

Access TriZetto's **Thinking About Government: The Next Steps** series to learn more about changes in Medicaid. [Read the latest](#)

#### TriZetto Related Solutions:

- [Facets](#)
- [Facets Workflow](#)
- [CareAdvance Enterprise](#)
- [Constituent Web Solutions](#)
- [NetworX Suite](#)

**Core Administration**

**Plan Data Management**

- Claims & PDE Mgmt
- Enrollment Automation
- HCC Revenue Mgmt
- Financial Reconciliation

**Medicaid**

**Core Administration**

**Web Solutions**

**Member Solutions**

- Benefit Cost Modeler
- Member Benefit Profile
- Member Enrollment
- Member Service
- Personal CareAdvance
- Treatment Cost Navigator

**Provider Solutions**

- Provider POS Direct
- Provider Service

**Employer & Broker Solutions**

**Network Management**

**NetworX Pricer**

**NetworX Modeler**

**ICD-10**

**HI PAA**

**HI PAA Gateway**

**HI PAA Privacy**

**QNXT Connect**

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Pharma Solutions

Sales Automation

Value-Based Solutions

Value-Based Benefits

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**Exhibit 56: TriZetto website page: “Plan Data Management”**

Core Administration

# Healthcare Solutions: Health Plans

**FACETS**

- Analytics
- Consumer-Directed
- eXtended Integration
- ITS Interface
- HIPAA
- Workflow

**QNXT**

- QNXT A/R
- QNXT Case Mgmt
- QNXT ITS
- QNXT Connect
- QNXT Dental

**QI CLINK**

Consumer-Directed

**Payer Solutions**

- Fund Mgmt Software
- Fund Mgmt Services
- Provider POS Direct

**BA Solutions**

Care Management

**CA Enterprise**

Personal CareAdvance

Clinical CareAdvance

Medicare

## TriZetto Plan Data Management

Plan Data Management, Inc, a division of The TriZetto Group, Inc., provides comprehensive business solutions to the Medicare Advantage industry. The company currently serves healthcare organizations covering more than 35 percent of the Medicare Advantage membership and more than 30 percent of Medicare Advantage plans.

TriZetto Plan Data Management assists healthcare organizations in four key areas:

- Minimize operating costs and manage revenues
- Assist in ensuring that plans meet CMS guidelines
- Provide easy-to-use software in order to reduce the need for specialized staff
- Avoid the need to develop and maintain expensive software

TriZetto Plan Data Management solutions for Medicare Advantage and/or Part D healthcare organizations address enrollment administration; HCC revenue management; member reconciliation; and claims data and PDE validation and administration. These solutions are available on an individual basis or as an integrated system covering the full continuum, including enrollment, reconciliation, revenue management and more.

In addition, TriZetto Plan Data Management can assist clients with:

**Revenue Management Services:** For healthcare organizations that don't have the internal resources to conduct chart reviews to determine if the medical chart reflects claims data, we can assist in the identification of charts for review and review the charts.

**Working Aged Survey and Reconciliation:** Incorrect status on Working Aged can significantly reduce revenue. We can survey your membership and research whether members should be categorized as Working Aged.

**Coordination of Benefits (COB):** This service supports the Part D sponsor's need to identify and report on a member's other health insurance coverage for Part D. Sponsors are required to coordinate with State Pharmaceutical Assistance Programs and other providers of prescription drug coverage with respect to payment of premiums and coverage, as well as coverage supplementing benefits available



**TriZetto Plan Data Management Solutions:**

- [Medicare Enrollment Administration](#)
- [Medicare HCC Revenue Management](#)
- [Financial Reconciliation](#)
- [Medicare Claims Data and PDE Administration](#)

**TriZetto Plan Data Management Fraud, Waste & Abuse Services:**

- [FWA Home Page](#)
- [Detection Services](#)
- [Prevention Services](#)
- [Waste Prevention Services](#)
- [Risk Prevention Services](#)
- [Fraud Compliance Services](#)

Core Administration

Plan Data Management

- Claims & PDE Mgmt
- Enrollment Automation
- HCC Revenue Mgmt
- Financial Reconciliation

under Part D.

The Plan Data Management portfolio can extend the capabilities of TriZetto Medicare solutions, including Facets® and QNXT™, the leading core administration platforms for healthcare payers; CareAdvance Medicare®, a secure, Web-based communication platform for case, utilization, disease and population management; and the NetworX™ Suite, which supports management of provider networks.

Medicaid

Core Administration

Web Solutions

Member Solutions

- Benefit Cost Modeler
- Member Benefit Profile
- Member Enrollment
- Member Service
- Personal CareAdvance
- Treatment Cost Navigator

Benefits

- Reduces operating costs
- Helps Medicare Part C and Part D plans manage revenues
- Supports compliance with CMS rules

Information

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Provider Solutions

- Provider POS Direct
- Provider Service

Employer & Broker Solutions

Network Management

NetworX Pricer

NetworX Modeler

ICD-10

HI PAA

HI PAA Gateway

HI PAA Privacy

QNXT Connect



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**Exhibit 57: TriZetto website page: “Member Enrollment”**

Core Administration

# Web Solutions: Member Solutions

**FACETS**

- Analytics
- Consumer-Directed
- eXtended Integration
- ITS Interface
- HIPAA
- Workflow

**QNXT**

- QNXT A/R
- QNXT Case Mgmt
- QNXT ITS
- QNXT Connect
- QNXT Dental

**QI CLINK**

Consumer-Directed

**Payer Solutions**

- Fund Mgmt Software
- Fund Mgmt Services
- Provider POS Direct

**BA Solutions**

Care Management

**CA Enterprise**

**Personal CareAdvance**

**Clinical CareAdvance**

**Medicare**

## Member Enrollment Application

Consumers and employers today expect health plans to offer online tools that enable them to conduct complex transactions, such as enrollment, quickly, efficiently and with a minimum of paper. For payers, online enrollment capabilities also present powerful advantages over traditional paper-based transactions. Enrollments conducted via the Web reduce data-entry errors, free the administrative staff to focus on more strategic areas, and help build member and employer satisfaction, which can translate to increased membership.

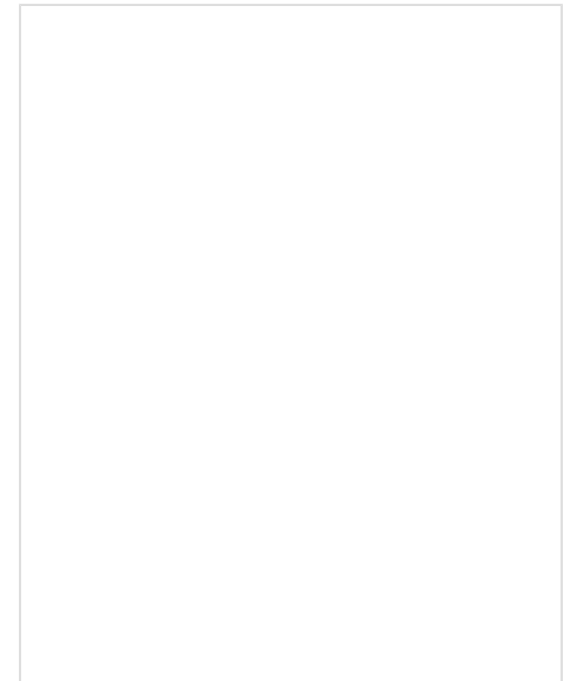
The TriZetto **Member Enrollment** application is a proven, Web-based solution that automates the entire enrollment process and supports self-service transactions. Members and employers can complete enrollment forms, modify eligibility information and update enrollment information online.

The application is integrated with the TriZetto Facets® core administration system, enabling members to enter new or updated information into the Facets database and enabling health plans, employers or other users to review these for edits/ approval before final submission to Facets.

The Member Enrollment Application is a part of TriZetto's Constituent Web Solutions, a comprehensive set of e-business applications designed to enable key health-plan constituents to perform real-time transactions.

**Benefits:**

- Enhances member satisfaction and retention by dramatically reducing paperwork and streamlining the enrollment process as well as maintenance transactions
- Improves productivity by decreasing phone calls associated with daily member maintenance transactions
- Increases claim payment and billing accuracy
- Minimizes the liability and risk of losing paper applications or changes to member information
- Reduces administrative costs by eliminating redundant data entry, speeding the enrollment process and redirecting administrative tasks to brokers,





employers and employees

- Core Administration**
- Plan Data Management**
  - Claims & PDE Mgmt
  - Enrollment Automation
  - HCC Revenue Mgmt
  - Financial Reconciliation
- Medicaid**
- Core Administration**
- Web Solutions**
- Member Solutions**
  - Benefit Cost Modeler
  - Member Benefit Profile
  - Member Enrollment
  - Member Service
  - Personal CareAdvance
  - Treatment Cost Navigator
- Provider Solutions**
  - Provider POS Direct
  - Provider Service
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- NetworX Modeler**
- ICD-10**
- HIPAA**
- HIPAA Gateway**
- HIPAA Privacy**
- QNXT Connect**

**Information**

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**Exhibit 58: TriZetto website page: “Member Service”**

Core Administration

**FACETS**

- Analytics
- Consumer-Directed
- eXtended Integration
- ITS Interface
- HIPAA
- Workflow

**QNXT**

- QNXT A/R
- QNXT Case Mgmt
- QNXT ITS
- QNXT Connect
- QNXT Dental

**QI CLINK**

Consumer-Directed

Payer Solutions

- Fund Mgmt Software
- Fund Mgmt Services
- Provider POS Direct

BA Solutions

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CA Enterprise

Personal CareAdvance

Clinical CareAdvance

Medicare

## Web Solutions: Member Solutions

### Member Service Application

Health plans today must meet member demand for high levels of customer service and, at the same time, they must keep administrative costs low. Armed with effective Web-based self-service tools, health plan members can look up information and perform routine transactions at any time of day or night, from any location, without the help of a customer service representative.

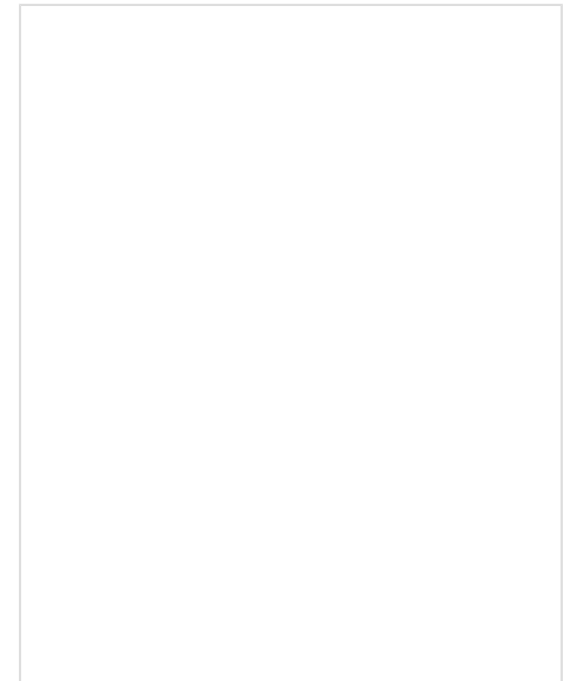
For payers seeking to enhance member convenience and satisfaction while driving increases in administrative efficiency and cost-effectiveness, TriZetto offers the Member Service application. Health plan members can use this proven Web-based self-service solution to get answers fast on an array of routine inquiries involving such questions as eligibility, status of claims, student and handicap information, benefits summaries, product details, providers and facilities. They also can update their primary care physician, address and other demographic information.

The TriZetto **Member Service** application is integrated with the TriZetto Facets® core administration platform, so members can get access to the most current information available and enter new information directly into the Facets database. Integration with the TriZetto QNXT™ core administration platform is currently under development.

The Member Service application is a part of TriZetto's Constituent Web Solutions, a comprehensive set of e-business applications designed to enable key health-plan constituents to perform real-time transactions.

**Benefits:**

- Streamlines customer service by providing numerous Web-enabled transactions
- Reduces transaction costs by diverting costly calls to the Web
- Improves the accuracy of customer data by enabling members to immediately update information online
- Improves customer satisfaction and retention by providing 24x7 access to consistently accurate information that your customers want and need



**Core Administration**

**Plan Data Management**

- Claims & PDE Mgmt
- Enrollment Automation
- HCC Revenue Mgmt
- Financial Reconciliation

**Medicaid**

**Core Administration**

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- Provider POS Direct
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**Network Management**

**NetworX Pricer**

**NetworX Modeler**

**ICD-10**

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**QNXT Connect**

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**Exhibit 59: TriZetto website page: “Provider Service”**

Core Administration

# Web Solutions: Provider Solutions

**FACETS**

- Analytics
- Consumer-Directed
- eXtended Integration
- ITS Interface
- HIPAA
- Workflow

**QNXT**

- QNXT A/R
- QNXT Case Mgmt
- QNXT ITS
- QNXT Connect
- QNXT Dental

**QI CLINK**

Consumer-Directed

**Payer Solutions**

- Fund Mgmt Software
- Fund Mgmt Services
- Provider POS Direct

**BA Solutions**

Care Management

CA Enterprise

Personal CareAdvance

Clinical CareAdvance

Medicare

## Provider Service Application

Healthcare providers today are looking for effective ways to reduce administrative costs and improve efficiency. Payer organizations that wish to maintain strong, positive relationships with providers can help providers meet these objectives by supplying Web-based tools that streamline providers' administrative processes. Online self-service capabilities not only reduce costs and headaches for providers, but they also deliver powerful benefits to payers.

The TriZetto **Provider Service application** is a win-win solution for providers and payers. This proven Web-based solution enables providers to conduct a wide range of self-service transactions and inquiries in a secure online environment. Capabilities include: checking member eligibility, reviewing benefit summaries and product details, reviewing claim status, submitting referrals, logging pre-authorization for inpatient and outpatient services, and submitting medical claims.

The Provider Service application is fully integrated with the TriZetto Facets® core administration platform, so providers have direct access to the most current information available and can enter new information directly into the Facets database.

The Provider Service application is a part of TriZetto's Constituent Web Solutions, a comprehensive set of e-business applications designed to enable key health-plan constituents to perform real-time transactions.

**Benefits:**

- Increases provider satisfaction
- Improves data accuracy
- Reduces telephone calls
- Reduces administrative labor and costs

Information



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**Exhibit 60: TriZetto website page: “Company History”**

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Product Overview

Industry Information

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- Outsourcing Fact Sheet
- Glossary of Terms

Calendar

## News & Events

### TriZetto - Our Business & History

TriZetto is distinctly focused on helping healthcare payers lead the industry's transformation by providing information technology solutions that enhance revenue growth, drive administrative efficiency and improve the cost and quality of care for their members. We offer a broad portfolio of proprietary information technology products and services targeted to the payer industry, which is comprised of health insurance plans and third-party benefits administrators. These include:

- Enterprise administration software facilitates core payer operations such as benefit plan design, enrollment, claims processing, billing and payment. Significant administration software products include Facets®, QNXT™, QicLink™ and Facts™, each of which is targeted to different types of customer needs. In addition, TriZetto offers a number of add-on and standalone components to these software systems such as Facets™ Workflow, Facets™ eXtended Integration, QicLink™ Autodental and Web Solutions Suite. These component products provide additional functionality or throughput to TriZetto's core software products as well as third-party enterprise administration systems.
- Cost and quality of care software helps payers extend health and productivity management to more of their membership and reduce the costs of care. Significant care management software products include TriZetto CareAdvance Enterprise®, which gives payers tools to address the full spectrum of care management for all members, including case, disease, population and utilization management - controlling usage-related costs; and TriZetto NetworX Suite™, which gives payers tools to better manage provider networks and complex tiered contracts - enhancing the unit costs of care for members.
- Revenue enhancement software and services help payers capture wasted or misdirected funds, especially for government-funded claims. These assist Medicare Advantage and Medicare Part D plans in optimizing revenue, reducing administration costs and improving compliance, as well as providing fraud, waste and abuse detection and prevention.
- Software hosting services and select business process outsourcing services can reduce customers' information technology fixed costs and risks and help accelerate speed-to-market for new insurance product offerings and services.
- Strategic, installation and optimization consulting services assure realization of the full benefits of our software, accelerate implementation times and



#### Acquisition History:

**Novalis Corporation**

Acquired Nov. 29, 1999  
\$18.2 million cash and stock

**Erisco Managed Care Technologies, Inc.**

Acquired Oct. 2, 2000  
\$228.7 million in stock

**Resource Information Management Systems, Inc. (RIMS)**

Acquired Dec. 1, 2000  
\$99.3 million in cash and stock

**INFOTRUST Company**

Acquired Apr. 12, 2001  
\$15.4 million in stock

**Diogenes, Inc.**

Acquired Apr. 26, 2004  
\$5.4 million in cash, assumed liabilities, deferred payments and acquisition-related costs

**CareKey, Inc.**

Acquired Dec. 22, 2005  
\$60 million in cash

reduce systems architecture risks.

In the U.S. healthcare system, payers effectively balance the demands of all the different constituents in the healthcare system including employers, providers, consumers and brokers. As a result, payers are the central aggregation point for data from across the systems, and payers are information-intensive businesses. New government regulations, shifting market trends and competition constantly pressure these payers to improve and change their product offerings, business policies and processes. To enable these changes, payers must regularly upgrade their information technology systems. Many payers, especially the largest, have traditionally developed their own information systems in-house. But, increasingly in recent years, payers have used commercial systems to reduce information technology and business costs and accelerate their time-to-market for new products, enhanced efficiency and competitive advantage.

TriZetto has three unique assets, which drive its value for customers and provide sustainable competitive advantage:

- TriZetto has one of the largest groups of systems experts in the payer industry. This expertise spans hundreds of different payers and systems. This depth of experience provides a unique foundation for understanding customer needs and developing solutions ahead of the market.
- Leveraging our unique expertise, TriZetto has built one of the largest sets of integrated software available to the payer market. For customers, this means one-stop shopping and the opportunity for substantially reduced systems integration cost and risk.
- TriZetto technology touches more than 146 million lives, which is over half the insured population of the United States. We provide products and services to 351 unique customers, including those of our recent acquisitions, in the health plan and benefits administrator markets. This large number of payers and members on common technology platforms provides a unique distribution channel into the payer market, through which additional products and services can be delivered. In the longer term, our broad footprint provides opportunities to accelerate the development and adoption of new information technology solutions, such as the next generation of cost and quality of care solutions, real-time claims adjudication and payment, and pay for performance.

The TriZetto Group, Inc. was incorporated in Delaware in May 1997 with the merger of two organizations: System One, a provider of online electronic-funds transfer technology, and Margolis Health Enterprises, a provider of technology consulting to healthcare organizations. The combination created a company dedicated to healthcare information technology products and services. Initially, we focused upon providing hosted software services addressed primarily to the provider market. From 1998 to 2003, we increased our focus on the payer industry. In 2003, we initiated a strategic plan to concentrate exclusively on the payer market and to wind-down our provider business. We completed this plan in 2005 and no longer provide services to the provider market.

TriZetto completed its initial public offering in October 1999 and, since that time, have acquired 10 companies: Novalis Corporation, Finserv Health Care Systems, Inc., Healthcare Media Enterprises, Inc., Erisco Managed Care Technologies, Inc. ("Erisco"), Resource Information Management Systems, Inc. ("RIMS"), Infotrust

**Quality Care Solutions, Inc.**

Acquired Sep. 13, 2006  
\$133 million in cash

**Plan Data Management, Inc.**

Acquired Dec. 29, 2006  
\$19.6 million in cash, stock, assumed liabilities, and acquisition-related costs

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Of the 10 acquisitions, the Erisco and RIMS acquisitions completed in the fourth quarter of 2000, the CareKey acquisition completed in the fourth quarter of 2005, and the QCSI acquisition completed in the first quarter of 2007 were our most significant. Erisco's main product, Facets® and QCSI's main product, QNXT™, are the leading administrative systems for managed health plans in the country. QicLink™, developed by RIMS, is the leading automated claims-processing system for benefits administrators. Our CareAdvance™ products, acquired from CareKey, are considered among the leading solutions for care management. With these acquisitions and organic growth, TriZetto built a customer base with more than 146 million enrollees (59% of the U.S. insured population) and attained a leadership position in two market segments of the payer industry, health plans and benefits administrators.

TriZetto agreed to be taken private by Apax Partners in April 2007. Apax Partners is a growth-focused, global private equity firm with \$35 billion in funds under advice and significant expertise in healthcare and technology. Valued at approximately \$1.4 billion, the transaction is funded in part by BlueCross BlueShield of Tennessee and The Regence Group, both customers of TriZetto.

In announcing the transaction, TriZetto Chairman and CEO Jeff Margolis commented: "The achievement of TriZetto's Integrated Healthcare Management vision is a multiyear journey that will require both conventional and non-conventional business investment within an integrated framework. Apax Partners, which shares our strategic view of the marketplace, provides an outstanding opportunity to accelerate solutions development investments on behalf of our payer customers to create an integrated linkage among consumers, providers, employers and brokers."

In chronological order, here are some highlights of TriZetto's history:

### 1997

**May** - TriZetto® is incorporated in Delaware as M C Health Holdings, Inc.

**October** - Shares of common stock of M C Health Holdings are exchanged for all equity interests in Croghan & Associates, Inc., a Boulder, Colo., firm providing software to help physicians manage their practices, and Margolis Health Enterprises of California.

### 1998

**March** - Company name is changed to The TriZetto Group, Inc.

TriZetto raises \$8.5 million in private funding, increases its workforce 72 percent and experiences a 353-percent increase in revenues.

1999

**February** - In simultaneous transactions, TriZetto acquires two Texas firms, Creative Business Solutions, Inc., and HealthWeb® Systems, Ltd.

**March** - TriZetto acquires Management and Technology Solutions (MTS), of Louisville, Ky., and integrates MTSNet - a portal product helping physician offices communicate with each other, health plan offices and hospitals - with its HealthWeb product.

**August** - Healthcare Informatics names TriZetto one of the fastest-growing healthcare IT companies in the country.

TriZetto files a registration statement with the Securities and Exchange Commission for an initial public offering (IPO).

**October** - TriZetto's IPO raises approximately \$37.5 million.

**November** - TriZetto acquires Novalis Corp., an Albany, N.Y.-based provider of applications services for the healthcare industry.

**December** - TriZetto acquires Finserv Health Care Systems, Inc. Headquartered in Albany, N.Y., Finserv creates and supplies reimbursement-management software and services for healthcare providers.

2000

**January** - TriZetto acquires Health Media Enterprises (HME), a Petaluma, Calif.-based Internet development company.

**September** - TriZetto acquires approximately 40 employees from Maxicare, the result of a seven-year, \$50 million contract with the health plan.

**October** - TriZetto acquires Erisco, Inc., producer of the nation's leading managed care application.

**November** - Facets benchmark demonstrates scalability beyond 4 million members.

**December** - TriZetto acquires RIMS, the nation's largest provider of automated claims-processing technology and services for the benefits administration market. TriZetto now has approximately 1,500 employees and 600 customers.

2001

**January** - TriZetto signs a first-of-its-kind agreement with the Blue Cross and Blue Shield Association, to enable Facets to integrate with the Blues' ITS system.

**February** - TriZetto announces revenue of \$89.1 million for 2000, up 171 percent from 1999 revenue. The percentage of revenue derived from recurring sources reaches 69 percent in 2000, up from 59 percent in 1999.

**April** - TriZetto acquires INFOTRUST Company, a subsidiary of TRUSTCO Holdings.

**May** - Analyst firm IDC ranks TriZetto as the No. 1 healthcare ASP and the No. 2 overall ASP worldwide.

**July** - TriZetto announces a seven-year, \$100 million ASP contract with Altius Health Plans of Utah. TriZetto also purchases Altius' service center in Salt Lake City.

In its second-quarter 2001 earnings statement, TriZetto announces that it has achieved positive EBITDA (earnings before interest, taxes, depreciation and amortization), an important milestone on the company's path toward profitability.

## **2002**

**January** - TriZetto announces a \$32 million, six-year comprehensive outsourcing agreement with M-Plan, an HMO based in Indianapolis.

**February** - TriZetto announces revenue of \$218 million for 2001, up 145 percent from 2000 revenue. Fourth quarter 2001 revenue was \$61.6 million, up 80 percent from the \$34.2 million reported in the fourth quarter of 2000, an increase primarily driven by organic growth of 49 percent.

**April** - TriZetto achieves the milestone of its systems' being contracted to serve more than 100 million healthcare payer members.

TriZetto announces a \$28 million, five-year hosting agreement with the Specialized Care Services (SCS) division of UnitedHealth Group.

**August** - TriZetto is named the largest application service provider (ASP) in the world, based on 2001 hosted software revenue, by IDC, a global market intelligence and advisory firm.

**October** - TriZetto is named second-fastest growing technology company in Deloitte & Touche's "Fast 50" program. The five-year growth rate is 8,561 percent.

**2003**

**January** - TriZetto announces a software license agreement with Blue Cross and Blue Shield of Louisiana. BCBSL is the 14th Blues plan to become a customer of TriZetto, which now serves one-third of the nation's Blue Cross and Blue Shield organizations.

**March** - TriZetto introduces Facets Extended Enterprise® (Facets e<sup>2</sup>™), a major expansion of its administrative system for health plans. This expanded administrative system helps health plans anticipate industry change and improve service to consumers.

**September** - TriZetto opens the TriZetto Solution Center, a live representation of how TriZetto's technology and services enable health plan organizations to operate in an environment that is highly efficient and customer-centric, offering real-time connectivity and instant access to key information.

**October** - Deloitte & Touche, for the second consecutive year, names TriZetto one of the 500 fastest-growing technology companies in the United States.

**November** - TriZetto introduces NetworXModeler™, a software application that predicts the financial impact of new or revised provider contracts.

**December** - TriZetto announces the availability of the Facets e<sup>2</sup> Workflow application, which automates manual processes and streamlines workflows.

**2004**

**January** - The Regence Group and TriZetto announce a seven-year hosting agreement under which Regence will move its members to Facets e<sup>2</sup>. TriZetto will host Facets e<sup>2</sup> and the HealthWeb Suite on behalf of Regence.

**February** - TriZetto reports \$290 million in revenue for 2003, up 9 percent from 2002.

**March** - John Muir/Mt. Diablo Health System becomes the fifth organization in the last two years to select Facets e<sup>2</sup> to replace a legacy Amisys system.

**May** - TriZetto introduces CareAdvance Enterprise™, powered by CareKey™. This software application involves consumers more directly in their healthcare by enhancing and automating the entire care management spectrum-case, disease and population management.



**November** - Kathleen Earley, an AT&T executive, joins TriZetto as president and chief operating officer.

TriZetto announces the availability of DirectLink™, which provides secure, direct connectivity between payers' back-office systems and their constituents' systems.

**December** - TriZetto's NetworX™ Suite is recognized as the "Most Innovative Use of Technology to Improve Claims Processing" at The Emerging Technologies and Healthcare Innovations Congress.

TriZetto completes the purchase of more than 12.1 million shares of TriZetto common stock held by IMS Health, Inc.

## **2005**

**January** - Blue Cross Blue Shield of Tennessee selects TriZetto CareAdvance™ Enterprise, powered by CareKey™, as its single platform for automating case, disease and population management.

TriZetto reports its first full profitable year, earning \$0.18 per share on revenue of \$274.6 million in 2004. Annual new-contract bookings increased 45 percent over the prior year, to \$335 million.

**March** - TriZetto introduces Facets e<sup>2</sup> CDH Suite, an integrated solution that delivers the full range of capabilities necessary to cost-effectively implement and administer consumer-directed health plans.

**May** - TriZetto announces the availability of FastTrak, which enables Medicare and Medicaid health plans to quickly get up and running on Facets e<sup>2</sup>.

**December** - TriZetto announces it has completed the acquisition of privately held CareKey Inc., a leading provider of advanced care management software. The combination expands TriZetto's market opportunities and increases its customers' ability to improve the cost and quality of care for their members.

## **2006**

**February** - TriZetto announces its first full profitable year, with diluted earnings per share (EPS) for the full year 2005 of \$0.48, on revenue of \$292.2 million. EPS performance was \$0.03 better than the high end of the company's guidance range and represents an increase of 167 percent over full-year 2004 EPS.

TriZetto's outstanding results for 2005 and strong expectations for 2006 demonstrate the company's leadership position at the confluence of some of the most dramatic changes that the

**August** - TriZetto announced that its personal health record technology, Personal CareAdvance®, will be used in a six-month feasibility test for the Centers for Medicare and Medicaid Services (CMS). The government ran only two such tests to determine how best to transform CMS claims data into personal health records that offer value to both Medicare beneficiaries and their care providers.

## 2007

**January** - TriZetto completes the acquisition of privately held QCSI (Quality Care Solutions, Inc.), combining the power of QCSI's QNXT™ administrative engine for smaller payers with the broad capabilities and financial strength of TriZetto.

**February** - Humana Inc., one of the nation's largest publicly traded health benefits companies, transitions the first phase of its commercial membership to TriZetto's Clinical CareAdvance™ software. The software is one of two modules comprising CareAdvance Enterprise, systems that automate all aspects of care management, creating significant productivity improvements for medical management and enabling health plans to guide consumers in making better health decisions that can lower medical costs and improve health outcomes.

BlueCross BlueShield of Tennessee reports good early results from initial launch of TriZetto's real-time patient liability and point-of-service claims adjudication software, Provider POS Direct™, in two of five pilot provider offices. Provider POS Direct can help provide price transparency for patients and providers via real-time access to medical benefit and procedure information in order to determine covered benefits and the exact provider reimbursement due from both member and health plan.

**March** - Premera Blue Cross, serving more than 1 million members in Alaska and Washington, successfully goes live on TriZetto's Clinical CareAdvance™ software. Clinical CareAdvance integrates with TriZetto's Facets® administrative system, which Premera has used since 2001.

**November** - TriZetto previews Integrated Healthcare Management (IHM) to executives representing 40 percent of the insured U.S. population at the company's Executive Vision Summit in Naples, Fla. IHM is the systematic application of processes and shared information to optimize the coordination of benefits and care for the healthcare consumer. Introduced by TriZetto, the IHM framework is driven by the convergence of health benefit administration, care management and payers' engagement of constituents – employers, providers, members and brokers.

## 2008

**January** - TriZetto announces the availability of the TriZetto Member Benefit Profile™ and TriZetto Treatment Cost Navigator™ to healthcare payers. Additionally, significant enhancements are added to the company's Benefit Cost Modeler™ application. The three consumer-facing Web applications enable plan members to make better healthcare decisions by providing real-time, personalized information about benefit choices, treatment options, related costs and health benefit usage.

Blue Shield of California contracts with TriZetto to acquire software for a major system-wide technology upgrade with the company's Facets® software. The technology infrastructure improvement is expected to ease doing business with the not-for-profit health plan, which has more than 3 million members and 4,500 employees.

**February** - TriZetto reports increases of 30 percent in revenue and 45 percent in adjusted EBITDA for full-year 2007 and posts bookings of \$163 million for Q4.

Blue Cross & Blue Shield of Rhode Island selects TriZetto's Facets® enterprise administration system, along with TriZetto's Facets Workflow™, NetworX Pricer™, Benefit Cost Modeler™, Facets Inter-Plan Teleprocessing System (ITS) and Provider POS Direct™, to improve the health plan's claims processing, premium billing, membership administration and other core administrative functions. TriZetto also will provide long-term application management and hosting, as well as implementation consulting services to BCBSRI.

QualChoice of Arkansas, the state's second-largest managed care company and health benefits administrator, selects TriZetto's comprehensive suite of fraud, waste and abuse services. These services will help QualChoice identify, recover and subsequently prevent claims overpayments resulting from fraud and abuse.

**March** - TriZetto announces that Triple-S Management Corporation (NYSE: GTS) signed a software licensing and professional services agreement in December of 2007 for TriZetto's QNXT™ core administrative enterprise system and associated implementation, training and other professional services. Based in San Juan, Triple-S is Puerto Rico's largest managed care health plan, serving approximately 1 million members.

**April** - TriZetto agrees to be taken private by Apax Partners. Apax Partners is a growth-focused, global private equity firm with \$35 billion in funds under advice and significant expertise in healthcare and technology. Valued at approximately \$1.4 billion, the transaction is funded in part by BlueCross BlueShield of Tennessee and The Regence Group, both customers of TriZetto.

TriZetto reports diluted earnings per share for the first quarter of 2008 of \$0.09 on revenue of \$106.8 million. The company reports record new contract bookings of \$236.4 million and record net cash provided by operating activities of \$37.4 million, which grew 52%

**May** - TriZetto announces a five-year agreement to host its QNXT™ core administration system for Health Alliance Medical Plans, a managed care organization providing coverage for 250,000 people in Illinois and Iowa.

TriZetto announces a five-year, non-exclusive, revenue-sharing agreement under which Unisys Nederland NV will market, distribute and maintain TriZetto software to health insurers in The Netherlands. Although TriZetto serves international clients, this marks the company's first overseas channel partner agreement, providing the company a vehicle for broader access to this market.

**June** - TriZetto announces an agreement with Microsoft Corp which TriZetto will develop a connector for its payer customers that enables members of health plans to use TriZetto's Member Benefit Profile™ application with Microsoft HealthVault™.

TriZetto announces that the Universal American Corporation (NYSE: UAM) health plan is implementing TriZetto's CareAdvance Medicare™ software module.

Results of the 2008 IHM Survey by TriZetto show that patients, doctors and other healthcare constituents agree that more shared information and aligned incentive programs are key to helping solve the healthcare affordability crisis and that health plans are best positioned to coordinate these improvements.

TriZetto announces two new customers for the company's real-time patient liability and point-of-service claims adjudication software, Provider POS Direct™. Blue Cross and Blue Shield of Kansas City (BCBSKC) and Blue Cross and Blue Shield of Rhode Island (BCBSRI) become the latest health plans embracing the value of real-time claims adjudication by selecting TriZetto's Provider POS Direct application. BCBSKC has nearly 900,000 members and 4,000 network providers; BCBSRI has more than 680,000 members and nearly 3,900 network providers.

**July** - TriZetto announces its selection of Eliza Corporation's phone-based, speech-enabled outreach programs as an integrated part of TriZetto's CareAdvance Enterprise® care management application and Healthwise® Smart Campaigns.

**August** - TriZetto and Apax Partners announce the closing of the merger pursuant to which funds advised by Apax, together with minority investors BlueCross BlueShield of Tennessee and The Regence Group, acquire all of TriZetto's common stock for \$22 cash per share.

**September** - TriZetto's Jeff Margolis announces that Tony Bellomo is promoted to and appointed president of TriZetto. With the completion of TriZetto's acquisition by Apax Partners, president and

chief operating officer Kathleen Earley departs to pursue new opportunities.

## 2009

**January** - TriZetto and Sanovia Corporation sign a definitive partnership agreement to offer the market's first platform that integrates real-time medical data with pharmacy data to automate prior-authorizations of medications and help plans manage pharmacy expenditures.

TriZetto releases six predictions for the healthcare industry by its founder, chairman and chief executive officer, Jeff Margolis. Margolis's predictions span a wide range of topical concerns, including healthcare reform, healthcare costs and developments in electronic medical records, evidence-based medicine and medical tourism.

**May** - In just 10 months CareFirst BlueCross BlueShield (CareFirst), the Mid-Atlantic region's largest health plan, implements TriZetto's Facets® 4.51 core benefits administration system and goes live with its Facets Workflow™, FXI, customer service and billing automation applications.

TriZetto and HealthConnect Systems, Inc., announce an exclusive partnership to develop new products and services that help payers, health insurance brokers and general agents significantly improve the entire sales and service life cycle. TriZetto® Quote2Card will integrate TriZetto's Facets® and QNXT™ enterprise administration platforms with HealthConnect's broadly adopted broker portal and sales automation tools to provide payers and brokers a complete end-to-end solution for sales and service processes, including prospecting, rating and quoting, underwriting, enrollment, billing, membership and customer service.

**June** - Jeff Margolis, the founder and chief executive of The TriZetto Group, Inc., introduces his new book that provides a unique, simplified perspective that anyone can understand about how the U. S. healthcare system really works and sets forth a new, comprehensive model that combines thoughtful and practical systematic design and information technology to substantially improve the value and effectiveness of the healthcare industry. Entitled *The Information Cure: Solving the Healthcare Crisis Systematically Through Integrated Healthcare Management*, the book debuts at the 2009 Institute of America's Health Insurance Plans in San Diego.

TriZetto's Customer Exchange website for healthcare payer clients is named one of the "Ten Best Web Support Sites" by the Association of Support Professionals (ASP). TriZetto is honored with the award among recognized giants in the support world, including Hewlett Packard and Verizon.

TriZetto announces TriZetto Advantage 10 Services, a broad suite of services that helps healthcare payers successfully comply with ANSI 5010 and ICD-10 standards, and to use the migration as a catalyst to drive strategic initiatives such as value-based benefits, member and partner portal strategies, automated clinical decisions and expanded wellness programs.

**August** - All five early adopters of TriZetto's Treatment Cost Navigator™ (TCN) application, including Providence Health Plans and PacificSource Health Plans, complete implementations, go live and begin to provide treatment pricing transparency to nearly 5 million consumers across the Northwest. TriZetto also concurrently implements its Provider POS Direct™ application for three of the five healthcare payers, enabling real-time information and transaction processing for providers at the point-of-service.

**November** – TriZetto announces the general availability of QNXT Essentials™, a software and services package specially designed for health plans with fewer than 50,000 members, to make core administration system upgrades easier, faster and more cost-effective. The first customer, MD Care Healthplan, a new plan serving 8,000 Medicare patients in Los Angeles, Orange and Riverside counties (and San Bernardino County next year) prepares to go live on QNXT Essentials in early 2010.

The company also announces the availability in early 2010 of a new solution to address industry and public demand for better cost and quality of care. The TriZetto Value-Based Benefits Solution is health benefit administration and incentive management software that gives payer organizations the ability to customize benefits and other incentives for individual members based on their health status, chronic conditions and health and wellness activity.

## Information

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**Exhibit 61: TriZetto website page: "Glossary"**

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## Glossary of Terms

### -- A --

**Application bundle** - A set of pre-integrated, best-of-class applications that provide enterprise-wide functionality otherwise not attainable through any one application.

**Application service provider (ASP)** - As defined by TriZetto, an ASP (or "hosting organization") integrates, hosts, monitors, and manages the best healthcare applications from multiple vendors in its own data centers and delivers these applications to customers via frame relay, a dedicated line, virtual private network, satellite or the Internet for a predictable monthly fee. (See "Hosting.")

### -- B --

**Benefits administrator (BA)** - Manages the design and administration of benefits plans for organizations that self-fund their health, dental, and/or disability plans. Unlike insurance companies, the benefits administrator does not assume financial risk. Typical services offered by a benefits administrator include claims processing, plan design, performance analysis, employee enrollment, production of plan documents, and management of specific and aggregate reinsurance coverage.

**Blue Cross and Blue Shield Association (BCBSA)** - An organization composed of 45 independent, locally operated Blue Cross and Blue Shield plans that collectively provide healthcare coverage to 80 million or one in four Americans. TriZetto has a five-year national agreement with BCBSA that provides for the association to offer information on TriZetto's HealthWeb® Internet platform to its member plans.

**Business process outsourcing (BPO)** - Managing the technology and providing the staff required for an entire business process. In healthcare, customers typically choose to outsource processes such as member enrollment, billing, and claims processing.





-- C --

**Capitation** - A method of payment whereby a physician or hospital is paid a fixed amount for each person in a particular plan, regardless of the frequency or type of service provided. The physician is paid on a monthly basis after being selected by a member of that HMO.

**ClaimFacts®** - TriZetto's managed indemnity solution that provides high-volume, reliable and cost-effective claims processing.

**ClaimsExchange™** - A TriZetto service that allows payers and benefits administrators to electronically transmit and receive claim information to/from external preferred provider organizations (PPOs). This vastly improves the speed and accuracy of the claims re-pricing process and also eliminates the need for payers to maintain PPO provider lists and contract terms within their core systems.

**Claims processing** - Refers to the procedure followed by a payer to pay for a treatment or procedure received by a member covered by an insurance policy. Members or providers submit claims.

**Code sets** - Under HIPAA, a code set is any set of codes used in administrative and financial healthcare transactions to describe data elements, including medical diagnoses, concepts, and procedures; type of health facility or medical unit; or race/ethnicity of a patient. Uniform code sets are designed to reduce coding errors, produce consistent reporting, and increase the efficiency of the healthcare system. Congress recently extended the compliance date for electronic transaction and code sets by one year to Oct. 16, 2003, if healthcare organizations submit a summary to federal officials explaining how they will use the extra year to reach compliance. If a summary is not submitted, organizations must still comply by the original Oct. 16, 2002, deadline.

-- D --

**Data warehouse** - A collection of data that supports decision-making. Unlike data used in an online transaction processing system, warehouse data is usually subject-specific, historic, and non-volatile. A data warehouse usually contains many years of data.

-- E --

**Earnings before interest, taxes, depreciation and amortization (EBITDA)** - When a company is EBITDA positive, it can cover all its operating expenses without borrowing funds from outside sources.

**E-Business** - Any business activity that is conducted electronically via the Internet. This includes buying and selling, servicing customers, and collaborating with business partners. For example, via e-business, a provider or health-plan member can check eligibility, update records or check on the status of a claim. Via e-business, a patient can also schedule a physician appointment online or download treatment information.

**E-Commerce** - This is a type of e-business focused on buying and selling goods via an electronic, Internet-based method. For example, a physician's office conducts e-commerce when it orders supplies via a Web site.

**Electronic data interchange (EDI)** - The electronic exchange of information between two business concerns (or trading partners) in a specific, predetermined, standard format. The exchange occurs in messages called transaction sets and usually involves business documents, such as claim forms and eligibility rosters.

**Enterprise software** - Software products designed to integrate core business processes (e.g., membership, claims, provider-network management, and billing) across an enterprise. TriZetto can host software that complements our core enterprise applications (e.g., Facets) to provide comprehensive enterprise-software solutions for healthcare companies.

-- F --

**Facets®** - TriZetto's industry-leading client-server system for managed healthcare payers. Facets managed-care administrative software is used by nearly one-third of all Blue Cross and Blue Shield organizations.

-- G --

**GroupFacts®** - TriZetto's managed indemnity solution that provides high-volume, reliable, and cost-effective group life/health administration.

-- H --

**Health Care Financing Administration (HCFA)** - The agency responsible for administering Medicare and overseeing states' administration of Medicaid.

**Health Insurance Portability and Accountability Act (HIPAA)** - This legislation was signed in 1996 to provide better access to health insurance, limit fraud and abuse, and reduce administrative costs through specific administrative-simplification provisions. These provisions apply to a wide variety of issues involving electronically transmitted health information. They include national standards for electronic transmissions, security, and privacy. HIPAA touches

virtually all segments of the healthcare industry. TriZetto has a company-wide, internal, HIPAA-compliance initiative. It also offers training, consulting and HIPAA Gateway™ software for customers.

**Health maintenance organization (HMO)** - The term used to describe payer organizations that form a network of physicians and hospitals, and contract with them for lower rates on patient care. HMOs focus on preventive care and maintaining health, in addition to treating illnesses. Primary care physicians (PCPs) are generally used as gatekeepers to direct patients to appropriate, cost-effective care. Obtaining care without a PCP's referral, or obtaining care from a non-network provider, usually results in nonpayment for services by the HMO.

**Health Plan and Employer Data Information Set (HEDIS)** - A performance measurement used by HMOs that gives a numerical score for how well a health plan serves its members. This information is used by employer groups when selecting a health plan for their employees.

**HealthWeb®** - TriZetto's Internet platform that allows health plans to exchange information and conduct business with providers, members, employers and brokers on a secure basis over the Internet. HealthWeb also helps create online "self-service," reducing delays and phone calls, and increasing customer satisfaction through prompt access to key information. HealthWeb has been pre-integrated with major administrative systems and can work with virtually any health plan's legacy system.

**HIPAA Gateway™** - TriZetto's HIPAA solution that acts as a repository, allowing customers to capture and access the supplemental data required by HIPAA but not necessary for core transactions. For example, the system checks each transaction submitted by a provider for compliance with HIPAA regulations before it's passed to the base system for processing. The gateway is pre-integrated with TriZetto products and supports both electronic data interchange and Internet transactions. It also works with non-TriZetto systems.

**Hosting** - Hosting refers to managing software applications for customers from a remote location. A hosting organization (or "application service provider") provides the data center in which the hosted applications operate and takes responsibility for monitoring the applications, as well as the related hardware and networks. (See "Application service provider.")

-- | --

**Indemnity insurance** - A traditional health insurance plan with little or no benefit management, a fee-for-service reimbursement model, and few restrictions on provider selection.

**Information technology outsourcing (ITO)** - Refers to a

business arrangement in which a customer decides to outsource its entire information technology operation to another company such as TriZetto.

**Integrated Healthcare Management (IHM)** - The systematic application of processes and shared information to optimize the coordination of benefits and care for the healthcare consumer.

-- L --

**Legacy application** - An application in which a company or organization has already invested considerable time and money. Typically, legacy applications are database management systems running on mainframe or mini computers. An important feature of new software applications is their ability to work with legacy applications or import data from them.

-- M --

**Managed care organization (MCO)** - A health plan that uses financial incentives and management controls to direct patients to providers who are responsible for giving appropriate care in cost-effective treatment settings. The goal is to improve quality of care while controlling the cost of healthcare. Managed care organizations include health maintenance organizations (HMOs) and preferred provider organizations (PPOs).

**Managed services organization (MSO)** - An autonomous entity created to manage a number of aspects of physician practices, including finance and accounting services, and contract negotiations with subcontractors and managed care plans. Among other goals, MSOs strive to improve operating efficiencies and enhance revenue for physician practices.

-- N --

**National Committee for Quality Assurance (NCQA)** - A nonprofit group that reviews and accredits managed care and other organizations for quality improvement, utilization management, and other functions. TriZetto's NCVO® division is NCQA accredited.

**NCVO®** - A division of TriZetto that provides physician credentials verification services and application processing for health plans and health-plan consortiums.

**NetworX™** - A TriZetto claims re-pricing system that provides automation, advanced technology, and network-claims-processing efficiencies for preferred provider organizations and healthcare payers. NetworX can be licensed or hosted.

-- O --

**Operational data store (ODS)** - An integrated database that contains current or near-term operational data, i.e., usually 30 to 90 days of information.

-- P --

**Payer** - An organization that pays for healthcare services covered under a specific insurance plan. Examples include HMOs, private insurance companies (such as John Hancock), employers, and the government.

**Per member per month (PMPM)** - How healthcare payers and providers account for revenue and costs. For example, healthcare payers receive \$X per member per month from employee groups; they pay physicians and other providers \$Y pmpm to provide services.

**Point-of-service (POS)** - A type of benefit plan that combines features of HMO and indemnity insurance. Members must select a primary care physician who is part of the plan's network and pay a co-pay at each visit. The primary care physician coordinates members' care and refers them to specialists and healthcare facilities within the network. Members may use physicians who are not part of the network but this triggers indemnity-style coverage, under which the member must first meet a deductible and, thereafter, pay a percentage of total fees.

**Preferred provider organization (PPO)** - A managed care organization that allows members to seek care from in-network physicians without having to designate a primary care physician. As a result, members are not required to obtain a referral before visiting another physician or specialist within the network. Members are allowed to see physicians who are not part of the network but at greater cost.

**Pre-integrated** - The process of creating the integration and maintaining interoperability between core and satellite applications. For example, TriZetto's HIPAA Gateway is pre-integrated with Facets and other core applications.

**Preventive care** - Care that is given to prevent illness. Examples are annual physicals, Pap smears, and education or support groups for those trying to lose weight or quit smoking.

**Primary care physician (PCP)** - A primary care physician specializes in overall "family" healthcare. PCPs are typically family practitioners, general internists, pediatricians, and sometimes ob/gyns. Generally, a PCP supervises, coordinates, and provides medical care to members of a health plan. The PCP may also initiate all referrals for specialty care.

**Procedure code** - Standard codes used by all hospitals, physicians, and healthcare organizations to describe medical procedures. Payers can match procedure codes with diagnosis codes to ensure that the proper care was given.

**Provider** - One who provides medical care, usually a physician or hospital.

-- Q --

**QicLink™** - TriZetto's software engine that automates the healthcare-claim-payment process for benefits administrators. QicLink is the industry's leading application for health benefits administrators. It can be licensed or hosted.

-- R --

**Re-pricing** - The process of researching a previously negotiated rate and attaching it to a submitted claim. This process takes place between payers and PPO networks. For example, when a payer (i.e., a health plan, benefits administrator or third-party administrator) receives a claim from a physician belonging to a PPO network, the payer transfers the claim to the physician's PPO network. The PPO is responsible for changing the price on the claim according to the rates it previously negotiated with the physician. The PPO then submits the re-priced claim to the payer for processing. TriZetto's NetworX product automates this complex process between PPOs and payers.

-- S --

**Satellite application** - A specialized software application used in conjunction with core business applications. TriZetto integrates third-party satellite applications with core business applications such as Facets.

**Service-level agreement (SLA)** - A minimum level of service guaranteed to a customer receiving hosted services. An SLA incorporates financial penalties if not met.

**Software engines** - Powerhouse, enterprise-level applications that run core processes and mission-critical functions.

-- T --

**Third-party administrator (TPA)** - A corporate entity that handles group benefits, claims, and administration for a self-insured company or group. TPAs arrange for reinsurance coverage, contract with physician/hospital networks, and manage the claims-payment process. Generally, a large corporation or benefits administrator might contract with a TPA to design and administer a customized

-- U --

**Utilization management (UM)** - A form of case management and claims review where the insurance company analyzes a case to determine if the treatment given was appropriate or necessary.

-- W --

**Web-enable** - To equip a traditional, standalone application with connectivity to the Internet using a Web browser.

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**Exhibit 62: TriZetto website page: “HIPAA FAQs”**



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### HIPAA FAQs

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- [2. To whom does the legislation apply?](#)
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- [9. Where can I see the HIPAA regulations?](#)

**Q: What is the purpose of the Health Insurance Portability and Accountability Act of 1996 (HIPAA)?**

A: The primary purposes of HIPAA are to:

- Provide better access to health insurance.
- Limit fraud and abuse.
- Reduce administrative costs through specific administrative-simplification provisions. These provisions apply to a wide variety of issues involving electronically transmitted health information.

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**Q: To whom does the legislation apply?**

A: HIPAA touches virtually all healthcare organizations, requiring them to reassess their computer systems and internal procedures for compliance. Although health plans, clearinghouses, and healthcare providers that conduct electronic transactions



are explicitly covered by HIPAA, the reach of the legislation extends to business associates acting on behalf of those covered entities as well. This includes billing services, vendors, application service providers, third-party administrators, and many other organizations that assist the covered entities in performing their essential functions.

Of particular importance are HIPAA's administrative-simplification provisions, which require covered entities to adopt national standards for electronic transactions. HIPAA also requires that security and privacy standards be adopted in order to protect personal health information.

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**Q: Why does the government want to standardize formats in which healthcare data are transmitted?**

A: National standards for electronic healthcare transactions are expected to stimulate the development of e-commerce in the healthcare industry, simplify transactions and reduce administrative costs. Healthcare organizations that conduct electronic transactions now use many formats for such transactions. For example, more than 400 formats are used in claims processing alone.

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**Q: When does HIPAA go into effect?**

A: HIPAA standards finalized by the Department of Health and Human Services (DHHS) are those governing electronic transaction and code sets and the privacy of individually identifiable health information. HIPAA standards regarding security of healthcare information remain in proposed form.

Dates for compliance are:

- **Electronic transaction and code sets, including EDI: Oct. 16, 2003**  
Congress recently extended the original compliance date (Oct. 16, 2002) by one year if healthcare organizations submit a summary to federal officials explaining how they will use the extra year to reach compliance. If a summary is not submitted, organizations must still comply by the original Oct. 16, 2002, deadline.
- **Privacy of individually identifiable health information: April 14, 2003**
- **Security of healthcare information: TBD after the security rules are finalized**

The only exceptions to this timetable are small health plans with less than \$5 million in annual revenue, which have an additional year beyond these dates to comply.

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**Q: What are the estimated costs of compliance?**

A: The Department of Health and Human Services has estimated the cost of compliance industry-wide at \$3.5 billion to \$17.5 billion. The Blue Cross and Blue Shield Association estimates the cost industry-wide at \$43 billion over a five-year period. Compliance initiatives not only will be costly, but they also will take months to develop and launch.

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**Q: What benefits will HIPAA bring about?**

A: Uniform national standards for electronic transactions will save the healthcare industry an estimated \$29.9 billion over 10 years, according to the DHHS. These savings will result from the elimination of inefficient paper forms.

Security standards are forthcoming from the DHHS. Meanwhile, the privacy rules, which have been published in final form, are expected to protect medical records and other personal health information by:

- giving consumers greater control over their medical records and other personal health information,
- imposing limits on the use and release of health records,
- establishing safeguards that healthcare providers and others must use in the interest of protecting private health information, and
- setting civil and criminal penalties that can be imposed if holders of private healthcare information violate an individual's right to privacy.

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**Q: What is TriZetto doing to help clients achieve compliance?**

A: TriZetto's comprehensive approach to HIPAA-compliance initiatives enables healthcare organizations to obtain all necessary solutions from a single source. The company's HIPAA solutions include training, expert advice, and software applications:

- **HIPAA success:** An in-depth training program on HIPAA requirements.
- **Consulting:** Services include assessments of health plans' existing systems for HIPAA preparedness, as well as designing and implementing HIPAA solutions.
- **Software:** TriZetto recently launched HIPAA Gateway, a product that receives, routes, stores and queries electronic transactions in compliance with HIPAA. HIPAA Gateway converts health-plan data into a HIPAA-compliant format and acts as a repository that allows customers to access the data as required by HIPAA. HIPAA Gateway is integrated with TriZetto's widely used administrative systems for payers and benefits administrators, including Facets®, QicLink and HealthWeb®. HIPAA Gateway can also work with virtually any third-party vendors system and is available from TriZetto on a licensed or hosted basis.

TriZetto has also developed a HIPAA Privacy and Security Management application to assist health plans in managing data gathered in connection with HIPAA-compliance efforts. Additional applications may be developed as HIPAA rules are finalized.

TriZetto's administrative software applications, including Facets and QicLink, target specific aspects of HIPAA-mandated transaction processing, e.g., HIPAA-mandated procedure and diagnostic codes.

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#### **Q: Is TriZetto also subject to HIPAA?**

A: Because of its role in the transmission and storage of data for healthcare customers, TriZetto also is subject to HIPAA. TriZetto has initiated a company-wide HIPAA compliance initiative to ensure that its systems, products, and services support HIPAA's administrative-simplification provisions. TriZetto has made HIPAA compliance a strategic priority, both in terms of achieving compliance, as well as monitoring and managing internal processes to ensure continued compliance.

TriZetto's internal HIPAA-compliance readiness activities involve developing in-house capabilities to support:

- all required EDI transaction standards and formats,
- all new national identifiers,
- security requirements applicable to TriZetto's systems and operations, and
- the privacy of individually identifiable health information within TriZetto's systems and operations.

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#### **Q: Where can I see the HIPAA regulations?**

A: Visit the DHHS Web site, <http://aspe.hhs.gov/admsimp/>

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#### The Healthcare IT Market

The U.S. healthcare industry is the largest vertical market in the world, with annual expenditures of more than \$1.4 trillion. This highly fragmented industry includes providers, pharmacies, labs, employers, insurance companies, managed-care organizations, third-party administrators, healthcare clearinghouses and government agencies. These participants interact with one another on a daily basis, sharing medical records, insurance and financial data, and other administrative information. They face the daunting task of meeting heightened consumer demands while striving to increase revenues and control spiraling costs.

Information technology is increasingly playing a larger role in streamlining and organizing these efforts. However, the healthcare industry has been notoriously behind the curve in automating data transfer and incorporating information technology (IT) into everyday business operations. Additionally, deadlines for compliance with the federally mandated Healthcare Insurance Portability and Accountability Act of 1996 (HIPAA) have made technology adoption a critical issue in healthcare. All of this, plus more than \$200 billion spent annually on people- and paper-based administrative services, has sent healthcare executives scrambling to find fast, cost-efficient ways to computerize, automate and manage their businesses. The projected spending for healthcare IT spending in the U.S has been placed at \$42.8 billion in 2004 and \$46.4 billion in 2005 (Source: Gartner, Inc).<sup>1</sup>

#### The TriZetto Advantage

The TriZetto Group offers a broad portfolio of healthcare information technology products and services that can be delivered individually or combined to create a comprehensive solution. The company provides administrative software; outsourced services, such as software hosting and management, transaction processing, and IT operations management; and strategic and systems implementation consulting. Focused exclusively on healthcare, TriZetto serves more than 450 payers, benefits administrators, and providers.

TriZetto continues to prove its leadership in these key market segments:

***TriZetto is the largest provider of packaged software for healthcare payers***



## Contacts

TriZetto's proprietary administrative software serves payer customers representing 100 million health plan members, or approximately 40 percent of the U.S. insured population. Facets® is the industry's leading administrative software for managed healthcare payers. The Facets system is used by approximately one-third of Blue Cross and Blue Shield plans. QicLink™ is the industry's leading application for benefits administrators. QicLink software automates the processing of over 141 million claims annually, or about 8 percent of the non-pharmacy claims processed in the United States.

***TriZetto is the largest applications service provider in the world (Source: IDC Research)***

For a predictable monthly fee, healthcare customers can access best-of-class applications without the upfront and ongoing expense of owning, upgrading and maintaining their own systems. Hosted applications are available individually or can be combined to provide a comprehensive solution. This service is reliable and secure, contains built-in performance guarantees, and is consistent with HIPAA standards

***TriZetto is "ahead of the curve" for healthcare IT outsourcing***

The Gartner Research Group predicts that by 2004, 75 percent of healthcare organizations will be using some form of outsourcing option<sup>2</sup>. TriZetto's outsourced services include software hosting and management; back-office transaction processing, such as claims management, billing and enrollment; and IT operations management, in which TriZetto provides staff to run a customer's entire IT department. These services can reduce or eliminate upfront capital costs and significantly increase return on investment. Customers choose the degree to which TriZetto assumes responsibility for hosting and managing their systems and business services, allowing them to focus less on IT and more on the business of healthcare. When a customer combines all three types of outsourcing, the organization can reap the full benefit of TriZetto's comprehensive solutions.

<sup>1</sup> Gartner, Inc., April 22, 2002, "Market Forecast: Healthcare Industry, 2000-2005"

<sup>2</sup> Gartner, Inc., Jan. 7, 2002, "Healthcare Predictions for Management: 2002 and Beyond"

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**Exhibit 64: TriZetto website page: “McKesson Settlement”**

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### Press Release

#### TriZetto and McKesson Settle Patent Dispute

**NEWPORT BEACH, Calif. – September 12, 2006 –** The TriZetto Group, Inc. (NASDAQ: TZIX) announced today that it has entered into an agreement that settles the patent litigation brought by McKesson Information Solutions LLC. In the lawsuit, McKesson alleged that sales of clinical editing functionality included in TriZetto's Facets®, QicLink™ and ClaimFacts® software products infringed McKesson's United States Patent No. 5,253,164. The agreement ends the litigation between the parties.

TriZetto customers will not be affected by the settlement. TriZetto will pay McKesson a one-time royalty fee of \$15 million for a license in the patent that covers past and future use of TriZetto products and services by all existing TriZetto customers. TriZetto customers with maintenance agreements also will continue to receive software version upgrades that include clinical editing capabilities. Going forward, TriZetto will continue to include its clinical editing functionality in versions of Facets sold to new health plan customers with 100,000 or fewer members and in versions of QicLink sold to any new customers. TriZetto has agreed to pay McKesson a royalty fee of 5% of the net licensing revenue received from new sales of Facets and QicLink containing its clinical editing functionality.

As part of the settlement, TriZetto will no longer include its clinical editing functionality in versions of Facets sold to new customers with more than 100,000 members, beginning November 1, 2006. In these cases, new customers may choose their clinical editing solution from available third-party providers, including McKesson.

"Although TriZetto had very strong defenses, this settlement is in the best interest of our customers and our shareholders," said Jeff Margolis, TriZetto's chairman and chief executive officer. "Our goal was to eliminate the uncertainty of a jury trial and to resolve this litigation as quickly as possible on economic terms that we felt are roughly equivalent to what we would expect to spend even if TriZetto prevailed. With the dispute settled, TriZetto can focus its full attention on creating premier healthcare technology solutions for our customers."

The \$15 million royalty fee is payable in two equal installments on September 30, 2006, and September 30, 2007. All or a significant portion of this fee is expected to be expensed in the third quarter of 2006 in selling, general and administrative



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expense. The fee will be excluded from Adjusted EBITDA when reported for the third quarter. The royalty fee is expected to negatively impact earnings per share (EPS) by approximately (\$0.29) in 2006. As a result, the company's previous full-year EPS guidance of \$0.55 to \$0.60 is reduced to \$0.26 to \$0.31 on a fully diluted share count of approximately 46 million.

### About TriZetto

Touching more than 35% of the U.S. insured population, TriZetto is distinctly focused on accelerating the ability of healthcare payers to lead the industry's transformation. The company provides premier information technology solutions that enhance its customers' revenue growth, drive their administrative efficiency, and improve the cost and quality of care for their members. Healthcare payers include national and regional health insurance plans, and benefits administrators that provide transaction services to self-insured employer groups. The company's broad array of payer-focused information technology offerings include enterprise and component software, hosting and business process outsourcing services, and consulting. Headquartered in Newport Beach, California, TriZetto can be reached at 949-719-2200 or at [www.trizetto.com](http://www.trizetto.com).

### Important Notice Regarding Forward-Looking Statements

*This press release contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include statements about future revenue, profits, cash flows and financial results, the market for TriZetto's services, future service offerings, industry trends, client and partner relationships, acquisitions, TriZetto's operational capabilities, future financial structure, uses of cash, acquisitions or proposed transactions. Actual results may differ materially from those stated in any forward-looking statements based on a number of factors, including the ability of TriZetto to successfully integrate the businesses of TriZetto and its acquisitions or partners; the contributions of acquisitions to TriZetto's operating results; the effectiveness of TriZetto's implementation of its business plan, the market's acceptance of TriZetto's new and existing products and services, the timing of new bookings, risks associated with management of growth, reliance on third parties to supply key components of TriZetto's services, attraction and retention of employees, variability of quarterly operating results, competitive factors, other risks associated with acquisitions, changes in demand for third party products or solutions which form the basis of TriZetto's service and product offerings, financial stability of TriZetto's customers, the ability of TriZetto to meet its contractual obligations to customers, including service level and disaster recovery commitments, changes in government laws and regulations; any adverse result in, or settlement of, the McKesson patent litigation matter and risks associated with rapidly changing technology, as well as the other risks identified in TriZetto's SEC filings, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q, copies of which may be obtained by contacting TriZetto's Investor Relations department at 949-719-2225 or at TriZetto's web site at [www.trizetto.com](http://www.trizetto.com). All information in this release is as of September 12, 2006. TriZetto undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.*

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**Exhibit 65: TriZetto website page: “BlueCross BlueShield”**

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### Press Release

#### BlueCross BlueShield of Tennessee Benefits From Real-Time Financial Settlement with TriZetto's Provider POS Direct

**NEWPORT BEACH, Calif. – February 22, 2007 –** The TriZetto Group Inc. (NASDAQ: TZIX) announced that customer BlueCross BlueShield of Tennessee is already benefiting from its initial launch of TriZetto's real-time patient liability and point-of-service claims adjudication software, Provider POS Direct™. The health plan has installed Provider POS Direct in two of five pilot provider offices. The health plan expects to complete the rollout of the technology to the remaining three pilot offices by the end of the first quarter. BlueCross BlueShield of Tennessee serves 2.3 million members and is the largest insurer in the state.

According to Chris Levan, CIO for BlueCross BlueShield of Tennessee, the initial rollout of the technology is going extremely well.

"Both our health plan staff and the first group of providers using the technology have all offered very positive feedback about the benefits and value of TriZetto's Provider POS Direct," said Levan. "By using the technology for BlueCross BlueShield members, the doctors now have accurate patient liability at more points in the workflow, from scheduling to check-out. They have been able to collect from the patient at the point of care, and conduct financial settlement at check-out, based on the correct patient liability amount, reducing or eliminating the need for balance billing and cutting administrative costs associated with collecting money on the back end. We're very optimistic about the technology's long-term potential. We've already seen additional demand for this technology from other providers in our network."

The capabilities of Provider POS Direct can also greatly benefit members enrolled in consumer-directed or high-deductible health plans.

Added Levan, "By arming these consumers with the exact amount they'll owe out of their own pocket for a particular treatment, we can help our members make better choices about their care, a primary goal of BlueCross BlueShield of Tennessee."

Fully integrated with the Facets® administrative system that BlueCross BlueShield of Tennessee has used since 1996, Provider POS Direct can help provide price transparency for patients and providers via real-time access to medical benefit and



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"Determining the accurate amount a patient owes for their healthcare services - in real-time and at the point of service - is driving some of the most profound changes in the U.S. healthcare system seen over the past several decades," said Dan Spirek, chief solutions officer for TriZetto. "TriZetto is committed to providing our payer customers with the full scope of cutting-edge technology they need to thrive in this new world of retail healthcare, and Provider POS Direct is one critically important way we're delivering on that promise."

As part of this commitment, Spirek also reiterated TriZetto's drive to provide technology for healthcare cost transparency.

"Cost transparency depends on a comprehensive consumer-retail platform that integrates directly with the health plan's claim system, to enable providers and members to determine exact costs," continued Spirek. "This platform also needs to provide consumers with round-the-clock access to the actual costs for various treatments and providers, while enabling the exchange of clinical information via personal health records. TriZetto is distinguishing itself in the payer market by developing the complete set of technologies for health plans to address the increasingly complex needs of its constituents."

### **About TriZetto's Provider POS Direct**

Providers can use Provider POS Direct via a portal on the health plan's Website to access the health plan's administrative system, determine exactly what amount the patient will owe, and then make arrangements to collect the payment. For health plans and providers who prefer direct system connectivity, the solution architecture has been designed to support system-to-system transaction processing. Provider POS Direct is built on an advanced service oriented architecture (SOA), making it easy for customers to integrate the solution into complex IT environments.

Provider POS Direct enables healthcare providers to determine and share with patients the exact cost of a procedure either in advance of treatment, at the time of scheduling, or after the patient has received care, when the actual claim is available for processing. Unlike other vendors whose capabilities rely on replicated data and provide only approximations of costs, TriZetto's Provider POS Direct is the first commercially available solution that provides real-time access to the exact benefit and payment information in the health-plan administrative system that ultimately pays the claims. This real-time access allows the delivery of accurate patient and health plan costs, as well the option of real-time financial settlement among the patient, provider and health plan before the patient leaves the provider's office, which can increase satisfaction and reduced administrative expense. Members can leave the office without worrying about additional paperwork, eliminating the need for the provider to generate bills for the health plan, or mail paper bills to the member.

### **About TriZetto**

With its technology touching nearly half of the U.S. insured population, TriZetto is distinctly focused on accelerating the ability of healthcare payers to lead the industry's transformation to consumer-retail healthcare. The company provides

premier information technology solutions that enhance its customers' revenue growth, increase their administrative efficiency and improve the cost and quality of care for their members. Healthcare payers include national and regional health insurance plans, and benefits administrators that provide transaction services to self-insured employer groups. The company's broad array of payer-focused information technology offerings include enterprise and component software, hosting and business process outsourcing services, and consulting. Headquartered in Newport Beach, Calif., TriZetto can be reached at 949-719-2200 or at [www.trizetto.com](http://www.trizetto.com).

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*This press release contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include statements about future revenue, profits, cash flows and financial results, the market for TriZetto's services, future service offerings, industry trends, client and partner relationships, TriZetto's operational capabilities, future financial structure, uses of cash or proposed transactions. Actual results may differ materially from those stated in any forward-looking statements based on a number of factors, including the effectiveness of TriZetto's implementation of its business plan, the market's acceptance of TriZetto's new and existing products and services, the timing of new bookings, risks associated with management of growth, reliance on third parties to supply key components of TriZetto's services, attraction and retention of employees, variability of quarterly operating results, competitive factors, risks associated with acquisitions, changes in demand for third party products or solutions which form the basis of TriZetto's service and product offerings, financial stability of our customers, the ability of TriZetto to meet its contractual obligations to customers, including service level and disaster recovery commitments, changes in government laws and regulations and risks associated with rapidly changing technology, as well as the other risks identified in TriZetto's SEC filings, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q, copies of which may be obtained by contacting TriZetto's Investor Relations department at 949-719-2225 or at TriZetto's web site at [www.trizetto.com](http://www.trizetto.com). All information in this release is as of February 22, 2007. TriZetto undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the company's expectations.*

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**Exhibit 66: TriZetto website page: “Western & Southern”**

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### Press Release

#### Western & Southern Migrates from TriZetto's ClaimFacts System to Facets Platform

*Upgrade Enhances Core Administrative Functionality & Flexibility*

**NEWPORT BEACH, Calif. - Sept. 24, 2008** - The TriZetto Group, Inc. today announced it was selected by Western & Southern Financial Group to upgrade the financial services company's core administration system from TriZetto's ClaimFacts™ product to its Facets® 4.51 application. As of December 31, 2007, TriZetto had 78 implementations of the Facets platform at payer customers comprising approximately 84 million member lives under contract.

The Facets application implementation, including the Workflow and eXtended Integration (FXI) modules, will be conducted over the coming months.

Western & Southern is the most recent TriZetto customer to upgrade from the legacy mainframe ClaimFacts application to the flagship Facets system for its functionality, business flexibility and extensible SOA-enabled technology. The ODS Companies, an independent Oregon corporation that provides medical and dental plans for employers and individuals, is concluding its successful migration from the ClaimFacts product to TriZetto's Facets application.

"We're in the final phase of the migration for our more than 800,000 members, and the upgrade has gone smoothly and with minimal disruption to operations and customer service," reported Sue Hansen, ODS's chief information officer.

Western & Southern, a diversified financial services company that provides insurance, retirement planning and investment products and services, anticipates a similarly transparent process.

"Members will notice not the transition but our enhanced ability to serve them," said Clint Gibler, chief information officer of Western & Southern. "For instance, TriZetto's Facets system will allow us to more easily configure health benefits that specifically support Western & Southern's valued associates."



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Some 20,000 of Western & Southern's approximately 50,000 health plan members are its own employees and their families.

"Western & Southern also will benefit from the greater operational functionality of the Facets application versus the older ClaimFacts product," said Rob Scavo, president, core administration solutions at TriZetto. "For instance, the Facets system will ease the adjudication of claims, the Worklow module will automate and accelerate core administrative tasks involving multiple departments, and the FXI component will enable interfaces with a host of third-party systems, such as customer relationship management applications."

**About Western & Southern Financial Group**

Western & Southern Financial Group (Western & Southern) is a Cincinnati-based diversified family of financial services companies with assets owned, managed and under our care in excess of \$47 billion. A Fortune 500 company, Western & Southern has received A.M. Best's highest rating of A++ Superior for financial strength, Standard & Poor's AA+ rating (one of the 10 highest rated life insurance groups in the world) and is consistently recognized by Moody's and Fitch for financial strength and sound management. With a heritage dating to 1888, the group's affiliates include The Western and Southern Life Insurance Company, Western-Southern Life Assurance Company, Capital Analysts Incorporated,<sup>1, 2</sup> Columbus Life Insurance Company, Eagle Realty Group, LLC, Fort Washington Investment Advisors, Inc.,<sup>1</sup> Fort Washington Savings Company,<sup>3</sup> IFS Financial Services, Inc., Integrity Life Insurance Company, The Lafayette Life Insurance Company, National Integrity Life Insurance Company, Todd Investment Advisors, Inc.,<sup>1</sup> Touchstone Advisors, Inc.,<sup>1</sup> and Touchstone Securities, Inc.<sup>2</sup> For more information, visit [www.westernsouthern.com](http://www.westernsouthern.com). Western & Southern is the title sponsor of the Western & Southern Financial Group Masters and Women's Open tennis tournaments.

**About TriZetto**

TriZetto is Powering Integrated Healthcare Management . With its technology touching more than half of the U.S. insured population, TriZetto is uniquely positioned to drive the convergence of health benefit administration, care management and constituent engagement. The company provides premier information technology solutions that enable payers and other constituents in the healthcare supply chain to improve the coordination of benefits and care for healthcare consumers. Healthcare payers include national and regional health insurance plans, and benefits administrators that provide transaction services to self-insured employer groups. The company's payer-focused information technology offerings include enterprise and component software, hosting and business process outsourcing services, and consulting. Headquartered in Newport Beach, Calif., TriZetto can be reached at 949-719-2200 or at [www.trizetto.com](http://www.trizetto.com).

*1 A registered investment advisor.*

*2 A registered broker-dealer and member FINRA/SIPC.*

*3 Member FDIC.*

*Ratings refer to the financial strength of the insurance company and not to the safety, stability or performance of any investment product.*

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**Exhibit 67: TriZetto website page: “White Paper”**

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### Issue Brief

#### TriZetto White Paper Offers Payers In-Depth Report on Application Hosting, Models, Benefits and Options

TriZetto's Mike Jenner Available for Comment

**NEWPORT BEACH, Calif. - Dec. 8, 2008** - Following a general election in which healthcare reform was front and center, payer organizations find themselves under more pressure than ever to control costs and improve service. An in-depth white paper released today by The TriZetto Group, Inc. brings welcome news about an approach to information technology under which health plans can help:

- Accelerate return on investment and new product introductions with software implementations that are 22 percent faster;
- Improve employee productivity and constituent access with software problem resolution that is 23 percent faster; and
- Reduce capital outlays, budget uncertainty and total cost of ownership with low, predictable monthly costs.

The approach is called application hosting, or application outsourcing, and by 2007, 49 percent of health plans had adopted this approach for at least one information system.\*

"Under application hosting, information systems are hosted and managed by a software vendor or other third-party, freeing payer staffs to focus on other aspects of their IT organizations or refocus on more strategic tasks," explained Mike Jenner, TriZetto's senior vice president of business services. "Since 2005, more than 65 percent of new customers of TriZetto's Facets® core administration system have chosen to have us host and/or manage this application, rather than deploy and manage it in-house. This trend is due in part to TriZetto's investment of more than \$100 million over the last eight years in people, processes and technology to provide the very best application hosting services."

TriZetto's white paper, "The Trend Toward Healthcare Application Hosting," draws on extensive research, as well as the experiences of five payer organizations, to explore the historical rise of application hosting, its approaches and benefits. Further, the TriZetto white paper provides a framework to help health plans



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determine if application hosting is right for them.

TriZetto's application hosting white paper is available by request at [salesinfo@trizetto.com](mailto:salesinfo@trizetto.com). Requests by news media for the white paper or for interviews with Jenner may be directed to Schwartz Communications at 781-684-0770 or [trizetto@schwartz-pr.com](mailto:trizetto@schwartz-pr.com).

### About TriZetto

TriZetto is Powering Integrated Healthcare Management™. With its technology touching more than half of the U.S. insured population, TriZetto is uniquely positioned to drive the convergence of health benefit administration, care management and constituent engagement. The company provides premier information technology solutions that enable payers and other constituents in the healthcare supply chain to improve the coordination of benefits and care for healthcare consumers. Healthcare payers include national and regional health insurance plans, and benefits administrators that provide transaction services to self-insured employer groups. The company's payer-focused information technology offerings include enterprise and component software, hosting and business process outsourcing services, and consulting. Headquartered in Newport Beach, Calif., TriZetto can be reached at 949-719-2200 or at [www.trizetto.com](http://www.trizetto.com).

*\* Galimi, Joanne, Gartner, Inc., "Healthcare Payer IT Budget, Staffing Study Results, 2007," Feb. 17, 2008.*

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**Exhibit 68: TriZetto website page: “Sanovia”**

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#### TriZetto, Sanovia Join Forces To Offer First Integrated Platform That Helps Payers Control Pharmacy Costs

*Platform Integrates Medical and Pharmacy Data to Drive Real-Time Pharmacy Utilization Management Decisions*

**NEWPORT BEACH, Calif. and PHILADELPHIA - January 12, 2009** - The TriZetto Group, Inc. and Sanovia Corporation today announced a definitive partnership agreement to offer the market's first platform that integrates real-time medical data with pharmacy data to automate prior-authorizations of medications and help plans manage pharmacy expenditures.

TriZetto's Facets® and QNXT(TM) core administration systems will integrate with PA-Logic™, Sanovia's automated pharmacy utilization management application, to confirm member eligibility, benefit design and formulary status and apply best-practice clinical guidelines to evaluate provider requests for select medications. The integrated data platform enables Integrated Healthcare Management and will be available to TriZetto customers in mid-2009.

"In combining the access of real-time medical claims data with Sanovia's pharmacy utilization management application, this integrated system will use built-in intelligence to drive automation, standardization and consistency in the evaluation of pharmaceuticals," said Marty Mattei, Pharm.D., TriZetto's director of pharmacy solutions. "The result will be a more efficient workflow process that helps reduce administrative costs associated with managing the pharmacy benefit. Additionally, because the Integrated Healthcare Management platform enables more efficient collaboration between the payer, provider and member, it will enhance quality of care and help reduce clinical costs by optimizing therapeutic regimens, thereby helping ensure the appropriate use of pharmaceuticals."

"Health plans seek a better way to manage the utilization of expensive specialty pharmaceuticals," said Jerry Osband, M.D., TriZetto's chief medical officer. "Pharmacy staff at payer organizations today must access data from two disparate systems - the core administration application and the pharmacy benefit software - relying on a somewhat manual, paper-intensive process to route and review information and communicate with both patient and physician. This new, integrated platform from TriZetto and Sanovia will automate the process and improve



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consistency."

"We are very pleased to join together with TriZetto to provide the only solution in the market that will link an automated, paperless pharmaceutical prior-authorization system with a health plan's core medical claims system, offering real-time access to all of the information needed to make timely, accurate and consistently appropriate clinical decisions backed by best-practice clinical guidelines," said Robert Tremain, Sanovia's president and chief executive officer.

TriZetto's Facets and QNXT applications help health plans meet their business requirements across claims processing, claims re-pricing, capitation/risk fund accounting, premium billing, provider network management, group/membership administration, referral management, hospital and medical pre-authorization, case management, customer service and electronic data interchange. Available on a hosted or non-hosted basis, the two systems can be combined with TriZetto and third-party software to address the enterprise-wide needs of managed care organizations.

Sanovia's PA-Logic uses best-practice clinical guidelines to evaluate pharmaceutical requests, help ensure adherence to benefit designs and enable appropriate decisions when requests are made. The system manages and automates the pharmacy review process on an electronic platform, which reduces slow and error-prone paper-based methods, speeds routing of information and accelerates decisions to help prevent treatment delays. Plans can also allow their participating providers to access the system from their offices via the Internet, and submit requests electronically, thus eliminating the frustration of dealing with paper forms, phone calls and returns for incomplete information. PA-Logic's letter writer and report generator functions automate workflow, produce real-time reports on pharmacy program operations and facilitate communications with patients and physicians.

#### **About Sanovia Corporation**

Sanovia integrates smart business practices with automated decision-making technology and best-practice clinical guidelines, delivering proven savings in administrative costs and pharmaceutical spending for managed care companies and their customers. Sanovia's portfolio of innovative products and services meet the increasing challenges of pharmaceutical administration, validation, documentation, utilization, cost and workflow management. Clients use Sanovia's "intelligent" clinical decision support products to balance pharmaceutical cost management with appropriateness of therapy and quality of care. Sanovia is privately held and venture-backed, with no ownership by any pharmacy benefit manager, health plan or pharmaceutical manufacturer. Headquartered in Philadelphia, Sanovia can be reached at 610-521-2211 or at [Sanovia.com](http://Sanovia.com).

#### **About TriZetto**

Founded in 1997, TriZetto is the fastest-growing, privately held healthcare information technology company in the U.S. With its technology touching half of the U.S. insured population, TriZetto is Powering Integrated Healthcare Management . TriZetto provides information technology solutions that enable health insurance payers and other constituents in the healthcare supply chain to improve the coordination of benefits and care for healthcare consumers. The company's offerings include enterprise and component software, hosting and business process

outsourcing services, and consulting.

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#### TriZetto to Help Payers Deliver Portable, Consumer-Controlled Personal Health Records to More Than 100 Million Americans

**NEWPORT BEACH, Calif. - June 23, 2009** - Today, The TriZetto Group, Inc. announced a new personal health record (PHR) that will be licensed at no charge to TriZetto's qualifying healthcare payer customers for use by their providers and members. TriZetto's PHR will be deployable by payers and automatically populated with key demographic, financial, benefits, diagnosis and medical procedure data, offering a unique coordination of care solution. TriZetto's payer customers coordinate benefits and care for 110 million Americans.

"While recent national attention has focused predominantly on electronic health records (EHRs) in clinical settings, realistically, we are many years away from EHR adoption achieving the critical mass to provide ubiquitous coordination of benefits and care for most of the healthcare system," said Jeff Margolis, TriZetto's chairman and CEO. "PHRs, populated with the fully digitized data already collected by healthcare payers, will provide the information to begin improving the coordination of benefits and care right now."

"With the combined reach of its customers across a third of the population, TriZetto has a responsibility to invest in moving the healthcare system forward more quickly," said Margolis. Ultimately, the healthcare system needs to move towards Integrated Healthcare Management (IHM), a new comprehensive model for affordability, quality and sustainability, proposed by TriZetto. IHM is the systematic application of processes and shared information to optimize the coordination of benefits and care for the healthcare consumer.

TriZetto's new baseline PHR will be available free of charge to TriZetto customers, starting with Facets® enterprise administration system customers at the end of 2009, and continuing with QNXT™ and QicLink™ customers to follow. Designed for simple implementation, TriZetto's PHR will deliver a consumer's "health resume" to the provider, offering a historical summary of health care activity for the purposes of treatment and care coordination. In addition, consumers will be able to add certain health care information as they choose to engage in their own healthcare experience. TriZetto's PHR will fully support industry inter-operability and security standards.



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## A New Kind of PHR

TriZetto's new PHR is distinguished from other health record offerings in three very important ways. First, by utilizing payer demographic, financial, medical diagnosis and procedure and prescription data, TriZetto's PHR incorporates health care utilization information across all of a patient's health care providers, enabling any provider to better understand a patient's health history. Second, by being provided freely to TriZetto's 241 enterprise administration customers, common-format health records can be deployed at very high speed for the 110 million members served by these healthcare payers. This marks a substantial leap in use of an important technology for reducing costs and improving the coordination of benefits and care. Finally, TriZetto's new PHR will help both consumers and healthcare professionals gain experience and trust in health records systems, which will help accelerate the adoption of other types of records in the physician's office and in the hospital.

"We eagerly anticipate a time when EHRs contain complete clinical records from all of a consumer's providers. Until then, we believe that payer-populated PHRs are a powerful jump-start to enhance how providers collaborate to provide better care to people. Payers, working in concert with providers and consumers, have a tremendous opportunity to improve health and wellness in the United States right now," added David Pinkert, senior vice president, product management at TriZetto.

**About TriZetto**

Founded in 1997, TriZetto is the leading privately held healthcare information technology company to the healthcare payer industry. With its technology touching half of the U.S. insured population, TriZetto is Powering Integrated Healthcare Management™, the systematic application of processes and shared information to optimize the coordination of benefits and care for the healthcare consumer. The company's offerings include enterprise and component software, hosting, outsourcing services and consulting that help payers implement and optimize their operations and minimize the risk of bringing new products to market that drive competitive differentiation.

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**Exhibit 70: TriZetto website page: “Sales Automation”**

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### Press Release

#### Study by TriZetto and National Association of Health Underwriters Identifies Integrated Sales Automation as Required Tool for Small-Group and Individual Sales

**NEWPORT BEACH, Calif. and ARLINGTON, Va. - July 22, 2009** - The TriZetto Group, Inc. and the National Association of Health Underwriters (NAHU) today published the results of a new study that identifies current manual processes as the main impediment to efficient sales of small-group and individual policies and shows agreement among healthcare payers and brokers that technology can provide the biggest improvement. Both see small-group and individual sales as strategic to their growth strategies.

Health plans and producers say that rising healthcare costs and an economic slowdown are increasing the importance of small-group and individual policy sales, that improvement in the sales cycle is needed, and that integrated sales automation and exchanges would bring efficiencies that reduce costs and increase revenue for all.

These were the broad findings of a study of healthcare payers and brokers in late 2008, conducted by Gantry Group, LLC, and commissioned by The TriZetto Group, Inc. A software and IT services firm, TriZetto helps healthcare organizations move toward Integrated Healthcare Management, the systematic application of processes, shared information and aligned incentives to optimize the coordination of benefits and care for the healthcare consumer. The brokers were surveyed in conjunction with NAHU, a membership organization representing 100,000 licensed health insurance agents, brokers, consultants and benefit professionals in more than 200 chapters across the country.

Highlights of the study include:

- 89 percent of brokers and 80 percent of payers indicate interest in a fully integrated sales automation platform (i.e., enabling cases to be quoted and bound online).
- 90 percent of brokers and 65 percent of payers indicate interest in a multi-payer online exchange.



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- 89 percent of health plans see brokers as valuable partners in serving this market and have no plans for disintermediation or commission reductions.
- More than 80 percent of payers and brokers view the small-group segment as strategically important for growth.
- 64 percent of payers believe products that enable customers and brokers to purchase policies online through integrated sales automation would have a high payoff and give producers more time to provide value-added services needed to grow revenue.
- More than half of the producers surveyed - 58 percent - say streamlining "case installation" would provide the biggest return on investment, or ROI.
- 40 percent of brokers report that the time to bind a case stands the greatest need for improvement; they say it takes 18 to 29 days, twice as long as they would like, to bind cases for small-group and individual customers.

A research report on the findings of the study is available at <http://integratedhealth.trizetto.com>.

"In this difficult economic climate, small-group and individual and family plans represent a vitally important revenue source, offering payers higher growth and profit margins than those of other employer-sponsored policy sales," said Eric Grossman, TriZetto's vice president of product management. "The study shows that payers and brokers agree on the need for a more integrated solution. However, the technology must be integrated with payers' core administration systems to truly impact efficiencies and drive broker adoption. Integration gives the ability to quote and bind online and reduce the paper-intensive process associated with small-group and individual sales."

"The study shows concurrence among health plans and producers that further automation of health plan distribution would increase the time brokers have to serve as healthcare advocates for their customers," added Janet Trautwein, chief executive officer and executive vice president of NAHU. "What's exciting is that distribution technology would free brokers and agents to broaden the important services they provide as customer healthcare advocates."

For payers, technology can deliver the greatest value by streamlining enrollment and underwriting. Most health plan executives surveyed by Gantry, 76 percent, said that further automation of these two processes would be more beneficial than the automation of other capabilities. A majority of brokers, 58 percent, agreed. Sales automation gives payers and producers what they value most, according to this TriZetto survey: streamlined enrollment and underwriting, which can significantly reduce administrative processes and costs by increasing accuracy and give brokers more time to focus on servicing customers and growing sales.

The study demonstrates strong market support for last month's announcement by TriZetto and HealthConnect Systems, Inc., of their partnership to develop a next-generation sales automation solution that helps payers, health insurance brokers and general agents improve the entire sales life cycle. Under the partnership, TriZetto® Quote2Card will integrate TriZetto's Facets® enterprise administration system with HealthConnect's broadly adopted broker portal and sales automation tools.

Set to debut in late 2009, TriZetto Quote2Card will give brokers and general agents a multi-payer web portal with the ability to sell and complete the enrollment process, including generating a member identification card from the desktop. The platform will help lower administrative costs by streamlining administration and improve broker sales and retention by freeing up time now spent on resolving administrative problems to focus on customer advocacy and sales. With TriZetto's national footprint touching half of the U.S. insured population, and a 17-state multi-payer quoting capability, Grossman said the company is "strategically positioned to operate a multi-payer exchange in an efficient and unparalleled manner."

### **About the Surveys**

In late 2008, TriZetto commissioned Gantry Group to survey payers and brokers to assess distribution and sales challenges and opportunities.

The online study collected feedback from 82 payer participants, with survey results having a confidence level of 95 percent, plus or minus 9 percent. Health plan participants represented a balance of four segments based on membership size: 150,000-500,000, 500,000-2 million, 2 million-8 million and more than 8 million members; and three types of plan: Blues, national and regional. Participants included executive management, sales executives and other operational executives.

In partnership with NAHU, Gantry also collected feedback online from 277 brokers, with survey results having a confidence level of 95 percent, plus or minus 6 percent. Brokers represented nine states: Massachusetts, New York, Pennsylvania, Florida, Tennessee, Michigan, Texas, California and Washington. Participants were licensed health insurance agents with strategic decision authority within their agencies, and small group/individual policy sales were an important revenue source.

### **About Gantry Group**

Gantry Group is a strategic consulting firm that guides technology-based solution providers to build offerings that capitalize on urgent market needs and challenges. For the past decade, Gantry Group's customer satisfaction, primary market research and ROI/TCO measurement services have armed the world's leading technology vendors with targeted market intelligence to support their strategic business decisions and inform their solution roadmaps. Backed by over 25 years of experience, Gantry Group delivers to business executives the firsthand customer metrics, market insights and predictive measurement capabilities that allow them to accurately quantify the business opportunity and position themselves to seize the greatest market share. Additional information about Gantry Group can be found at [www.gantrygroup.com](http://www.gantrygroup.com).

### **About NAHU**

The National Association of Health Underwriters is an association representing 100,000 health insurance agents, brokers and benefit specialists from every state in the country. NAHU members work with both individual and corporate health insurance consumers to help provide them with high-quality and affordable health insurance specifically suited to their unique needs.

About TriZetto

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**Exhibit 71: TriZetto website page: "Lovelace"**

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#### Lovelace Health System Signs Six-Year BPO Agreement With TriZetto To Optimize Operations And Move Toward Integrated Healthcare Management

**NEWPORT BEACH, Calif. - September 1, 2009** - The TriZetto Group, Inc. today announced a six-year software and services contract with Lovelace Health Plan to enable the provider-owned plan to more efficiently serve its roughly 200,000 members in New Mexico, optimize business operations and move toward Integrated Healthcare Management (IHM).

Under the agreement, TriZetto will provide business process outsourcing (BPO) services on a TriZetto-hosted and managed Facets® enterprise administration system. Other hosted systems will include TriZetto's NetworX Suite®, Facets Workflow and a TriZetto module that will streamline service of Lovelace Health Plan's Medicare population.

Lovelace Health Plan expects to complete its transition to TriZetto's applications and services by October 2010. IHM is the systematic application of processes, shared information and aligned incentives to optimize the coordination of benefits and care for the healthcare consumer.

"By consolidating systems and vendors and entrusting TriZetto to manage both our software and our processes, Lovelace will have better insight into key data and trends and can increase its attention on areas that differentiate us from our competitors, including our constituent engagement and delivery of high-quality care through an integrated delivery network," explained Bob Skinner, assistant vice president of information technology at Lovelace Health Plan. "We believe that TriZetto's unique combination of software and services, focused toward the vision of Integrated Healthcare Management, provides a solid path for Lovelace Health Plan's continued growth."

"We look forward to helping Lovelace Health Plan reach new levels of efficiency and member satisfaction with TriZetto's proven software and services, which increase payers' operational and financial flexibility and reduce time-to-market with new products and services for employer customers and members," said Mike Jenner, executive vice president of TriZetto Services.



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The significant BPO investment by Lovelace Health Plan is characteristic of a trend among healthcare payers, according to industry analysts.

"CIOs of U.S. healthcare insurers are more frequently considering BPO as a strategic option, turning it from largely the exception to a more accepted norm," observed Maureen O'Neil of Gartner Inc. in its February 2009 report, *Healthcare Insurance BPO Market Ready to Take Off*.

"In 2009, over 60 percent of healthcare payers surveyed by IDC Health Insights reported business process outsourcing initiatives," noted Janice Young in IDC Health Insights' March 2009 report, *BPO Adoption in the Healthcare Payer Market, 2009* (document no. HI217476). "As the survey results data depicts, BPO healthcare payer growth in many categories was significant, suggesting that many of the increases were planned for 2009 and 2010."

Lovelace Health Plan will use the full suite of TriZetto BPO services, including claims administration, enrollment administration, billing and financial reconciliation, business rules configuration and mailroom services. The health plan also will leverage TriZetto's application hosting services to manage TriZetto, custom and third-party applications. As part of the agreement, TriZetto also will perform a wide range of application implementation and optimization services, including configuration, data conversion, custom development, testing and training.

#### **About Lovelace Health System**

Based in Albuquerque, N.M., Lovelace Health System is a network of three acute-care hospitals, an accredited rehabilitation hospital, 11 neighborhood Lovelace Pharmacies, SED Medical Laboratories and Lovelace Health Plan, which includes Lovelace Senior Plan, Lovelace Insurance Company and Lovelace Community Health Plan. Lovelace Health Plan has been rated the top commercial and Medicare health plans in New Mexico by the National Committee for Quality Assurance and *U.S. News and World Report*. Lovelace Health System is a wholly owned subsidiary of Ardent Health Services. Based in Nashville, Ardent owns a network of health systems and hospitals in New Mexico and Oklahoma.

#### **About TriZetto**

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**Exhibit 72: TriZetto website page: “Value-based Benefits”**

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### Press Release

#### New TriZetto Value-Based Benefits Solution Paves Road to Member-Level Benefit Design and Incentives

**NEWPORT BEACH, Calif. - November 17, 2009** - The TriZetto Group, Inc. today announced the availability in early 2010 of a new solution to address industry and public demand for better cost and quality of care. The TriZetto Value-Based Benefits Solution is health benefit administration and incentive management software that will give payer organizations the ability to customize benefits and other incentives for individual members based on their health status, chronic conditions and health and wellness activity.

Value-based benefit designs use financial incentives to encourage members to adopt healthier lifestyles and effectively manage chronic conditions by adhering to recognized healthcare guidelines.

"Employers, benefit consultants and the government are calling for value-based benefit designs to align consumers' incentives to improve health and reduce unnecessary healthcare costs," said Jeff Rideout, M.D., chief medical officer and senior vice president of cost and care management at TriZetto. "With TriZetto's Value-Based Benefits Solution, healthcare payers will be able to meet this demand and differentiate themselves. By enabling this technology for the payers using TriZetto enterprise administration systems, we are poised to very rapidly make value-focused, incentive-based healthcare a reality for more than a third of the U.S. population."

With its Value-Based Benefits Solution, TriZetto brings to market the first and only such solution that leverages new capabilities within TriZetto's Facets® and QNXT™ enterprise administration systems to automate the process of administering value-based benefits for up to 106 million Americans.

"Incentives, combined with an effective value-based design, are powerful tools in achieving population health improvement," notes author Cyndy Nayer in the newly released book, *Leveraging Health: Improve Health Status and Bend the Trend on Financial Inflation With Value-Based Designs*. "Innovators use data to develop an integrated suite of plan design features and incentives that will incrementally improve the health management of populations."



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"The key to successful value-based benefits design is to truly individualize the benefits and claims adjudication to the specific clinical conditions of each high-risk member and to reward participation in health and wellness and appropriate condition management programs," said Gail Knopf, vice president of enterprise strategy at TriZetto. "Until now, these tasks have required a heavily manual, labor-intensive effort. TriZetto's Value-Based Benefits Solution will automatically adjust co-pays or coinsurance on specific claims in real time during the plan year based on effective dates of qualifying events -- such as a diabetic health plan member completing a course to better understand his or her condition -- unlocking the potential of value-based benefits programs to improve member health and productivity and to stem medical cost increases."

Early value-based benefits pioneers have demonstrated the value of incentive-based programs over time.

"By incenting the proper use of medications and care services to control high-risk diseases, early adopters of value-based benefits have reduced the total cost of their population health as much as 32 percent below industry benchmarks," said Nayer.

"While initial programs stressed Rx compliance to manage disease, more sophisticated designs that address pre-emptive medical care for high-risk diseases are now emerging," Knopf added.

Available on a licensed or hosted basis, TriZetto's solution will power applications that are used by a payer to administer comprehensive value-based benefits programs and by its members to view incentive benefit options and activity. The Value-Based Benefits Solution will join a suite of TriZetto tools that includes the Treatment Cost Navigator™ web application, which provides consumers with real-time calculation of member liability as opposed to estimates, and the Provider POS Direct™ web application, which gives providers real-time member liability and claims adjudication at the point of service.

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**Exhibit 73: TriZetto website page: “Chinese Community Health”**

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#### Chinese Community Health Plan Focuses on Quality Improvement with TriZetto Software and Services

*Hosted Enterprise and Health Management Systems Support Provider-Owned Health Plan's Focus on Delivering High-Quality Care in San Francisco and Northern San Mateo County*

**NEWPORT BEACH, Calif. - February 4, 2010** - The TriZetto Group, Inc. today announced that Chinese Community Health Plan (CCHP) has successfully implemented several TriZetto systems, including the Facets®, NetworX Pricer® and Clinical CareAdvance® applications. The products are enabling the health plan to more efficiently administer its enrollment, membership billing, claims and customer service, as well as its network and health management programs. TriZetto is managing and hosting all of the applications for CCHP.

CCHP provides managed care plans for individuals & families, employer groups and Medicare beneficiaries, including those with Medicaid. CCHP currently serves more than 13,000 community members in San Francisco and Northern San Mateo County.

"CCHP is a trusted community partner in San Francisco, so it's important to keep our focus on providing members with a range of high-quality care solutions at affordable prices," said Larry Loo, MPH, director of business development & operations at CCHP. "We used to have two separate enterprise administration systems. The one integrated Facets administration system from TriZetto makes it easier for us to manage our business in several locations. Our member services department can see, real-time, when authorizations for services are in the system. And TriZetto's application hosting services enable us to focus on differentiating ourselves from competitors instead of on managing the technology."

There's particular excitement at CCHP about the value that TriZetto's Clinical CareAdvance application brings.

"For each CCHP member enrolled in a disease management program, TriZetto's application is tracking the enrollee's activity and providing an audit trail that helps extend the reach and benefit of CCHP's diabetes, chronic obstructive pulmonary disease, coronary artery disease, congestive heart failure and hypertension disease management programs," explained Dana Samples, RN and director of care



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management at CCHP. "Moreover, TriZetto's Clinical CareAdvance application is enhancing productivity and helping our disease managers more effectively and efficiently reach out to the members of our CCHP family living with these chronic diseases."

"Local, provider-owned plans such as CCHP sometimes find it difficult to cost-effectively invest in and staff information systems," said Mike Jenner, executive vice president, TriZetto Services. "Innovative solutions, delivered and managed by TriZetto, allow CCHP and other smaller health plans to enjoy the benefits of such applications, which support flexible benefit and campaign design, greater efficiency and operational stability for an affordable, predictable fee."

CCHP uses TriZetto's Facets system as its core administrative platform to help improve efficiency, increase accuracy and reduce labor costs. TriZetto's NetworX Pricer application helps ensure accurate and precise claims pricing. TriZetto's Clinical CareAdvance system provides comprehensive health monitoring and reporting tools; provider and nurse-manager alerting; template-based, secure messaging between members and case managers; near real-time member identification and stratification; customized real-time statistics and reports; and outbound communication methods tailored to CCHP's members.

**About Chinese Community Health Plan**

Established in 1986, Chinese Community Health Plan (CCHP) is the health plan subsidiary of Chinese Hospital, whose mission is to provide affordable health insurance to small community employers and individuals who are generally not served by the broader health insurance marketplace. In addition to offering plans for employers and individuals, CCHP offers a Medicare Advantage HMO and Dual Eligible Special Needs Plan. Contact Larry Loo, director of business development & operations at (415) 955-8800 x 3241 or [LLOO@cchphmo.com](mailto:LLOO@cchphmo.com).

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**Exhibit 74: TriZetto website page: "ACTEK"**

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BA Solutions

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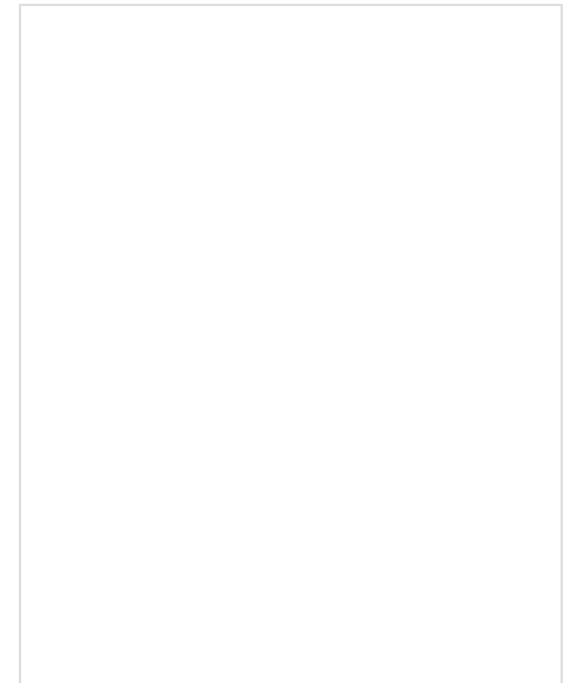
[ACTEK](#) is a TriZetto partner selected to provide a comprehensive commission and incentive compensation solution to the QNXT customer base. ACTEK's products deliver the power and flexibility to fully automate the commission and bonus payout function with support for brokers, agencies, internal sales staff and management.



The best-executed commission programs deliver timely and accurate results while offering the flexibility to support diverse business relationships across your producer population.

ACTEK's ACom3 software automates commission and compliance management for agents, brokers, and other producers and delivers value by reducing operational costs, ensuring compliance, and supporting corporate compensation strategy. Highly scalable and with an intuitive Internet interface, ACom3 incorporates the lessons learned from 20 years of developing software for the health insurance industry.

[Cincom Document Solutions](#) (document automation division of Cincom Systems, Inc.) provides the most-intuitive dynamic document automation solutions in the industry. From interactive generation of claims correspondence to fully-automated archive and retrieval of policies, our software solutions have helped hundreds of insurers worldwide strengthen member relationships, minimize compliance risks, and reduce operating costs by streamlining the design, deployment, delivery, and management of high-volume, personalized document communications. With over two decades of experience, Cincom Document Solutions leads the industry in providing dynamic document solutions that are easy to use, seamlessly integrate in legacy environments, and deliver rapid and continuous return on investment.



[ClearCycle](#) has been a leading claims disbursement solution provider utilized by many progressive healthcare payers for more than two decades. The ClearCycle systems settle and processes over \$1 billion per day. ClearCycle delivers effective output management and financial controls and systematic handling of claims and financial payment adjustments including overpayment recovery.



ClearCycle's Universal Claims Disbursement System© (UCDS©) is a comprehensive back-end financial solution that handles all aspects of paying electronic & paper claims and managing financial information including a member/provider payment portal. ClearCycle will help you reduce administrative costs by allowing members, providers, and employer user communities to access the disbursement information directly.

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[Convey's](#) comprehensive Web-based and desktop solutions provide value to institutions engaged in Banking and Wealth Management and Tax Information Reporting. Convey offers several solutions in Tax Reporting beginning with its desktop offering, 1099Convey.



1099Convey prepares year-end wage and payment information returns electronically, magnetically or in print, supporting 1098, 5498, W-2, W-2G and all 1099 versions and correction forms. 1099Convey offers multiple purchase levels, beginning at one user to file up to 3,000 transactions and costs \$495, with renewals available for \$350. Network and high-volume licenses are available. Convey offers more robust solutions that encompass state reporting, TIN Compliance, 1042-S filing and many service options including print services.

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[Eliza Corporation's](#) phone-based, speech-enabled programs will be an integrated part of the TriZetto CareAdvance platform. Our proven approach enables healthcare organizations to cost-effectively communicate with the people they serve – driving ongoing behavior change that leads to measurable clinical and financial outcomes. Throughout our more than 200 million calls, we have developed a unique evidence-based methodology on how to design these interactions to be personal, relevant, and effective.



Eliza leads the market with the strongest track record of innovation and outcomes, the broadest range of proven programs, and the most comprehensive suite of patented technologies and approaches. Clients include nine of the top ten largest national health plans, four of the top five disease management companies, three of the top four pharmacy benefit managers, six of the top ten pharmaceutical companies in the nation, as well as large

[Emptoris](http://www.emptoris.com) provides contract management software that delivers greater control and more profitable contracts for some of the world's largest, most contract-intensive enterprises. With Emptoris' solutions, organizations are able to create stronger agreements, cut claim reprocessing costs, and improve compliance.



Emptoris Contracts also plays an integral role in companies' risk management and corporate governance programs. Leading healthcare payers such as United Healthcare and CIGNA depend on Emptoris Contracts. For more information about Emptoris solutions, visit [www.emptoris.com](http://www.emptoris.com) or call 1-888-496-2600.

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**Healthwise** is a nonprofit organization that helps people make better health decisions. Implement the Healthwise® Ix® Solution-with TriZetto's Personal CareAdvance and Clinical Care Advance care management-to help people do more for themselves, ask for the care they need, and say "no" to the care they don't need. Key and Smart Campaigns can help reduce costs and improve health care quality and staffing. Talk to TriZetto representatives, or contact Healthwise at [www.healthwise.org](http://www.healthwise.org) (800) 706-9646.



Ingenix unites the brightest minds to transform organizations and improve health care through information and technology. Together with our clients and business partners, Ingenix is improving the affordability, quality, usability, and accessibility of health care.



Health plans integrate numerous TriZetto and Ingenix solutions to drive efficiency into claims adjudication, pricing and care management processes. Ingenix data, analytics, and software can help health plans streamline claims processing workflows, reduce reimbursement errors, improve payment integrity, manage risk, optimize provider contracting, and target health care services to those members who will benefit most.

Today there is an Ingenix solution at work in nearly every U.S. health care organization. Learn more at [Ingenix.com](http://Ingenix.com) or call (800) 765-6713.

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[Innovative Health Solutions](#), an ACCURO Company, is a leading provider of nationally recognized coding, compliance, reimbursement and decision support solutions. IHS provides Medicare Grouper and Pricer systems for over half of the Payors.



IHS groupers and Pricers are accurate, fast, affordable and run on all platforms. TriZetto's NetworX applications can be configured to use IHS' Medicare Groupers and Pricers.

IHS is strategically aligned with 3M Health Information Systems to distribute 3M's comprehensive product line of grouper software to payers including the APRDRG and CRG Groupers.

For more information, visit us at [www.innovativehealthsolutions.com](http://www.innovativehealthsolutions.com) or call toll free 866.822.6700.

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[MBI Benefits](#), a Metavante Healthcare Payments Solutions company, offers a consumer-directed health benefits payment platform plus the country's # 1 employee benefits card - electronically accessing FSAs, health reimbursement arrangements (HRA), health savings accounts (HSA), transit/parking accounts and dependent care accounts. Metavante provides medical identification cards, combination eligibility/payment cards, and the ability to access multiple benefits accounts from a single card. Metavante also provides a comprehensive payment platform that provides all the technology a financial institution, health insurance company, third-party administrator, or commercial business needs to offer these accounts. To learn more, visit [www.metavantehealthcare.com](http://www.metavantehealthcare.com).



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[McKesson Corp.](#) is the country's largest healthcare services company and the market-leading provider of code auditing solutions. Our ClaimCheck® code auditing solution is powered by McKesson's massive clinical knowledgebase, refined through nearly 20 years of use by plans of all sizes across the country, and applied to billions of claims.



ClaimCheck reviews claims against our sourced, credible knowledgebase to identify mismatches - coding combinations that authoritative sources have declared improbable or unacceptable. This McKesson solution helps plans improve operations through increased auto-adjudication, enhanced productivity and reduced administrative costs.

ClaimCheck's expanded editing flexibility enables plans to manage healthcare

claims according to medical and business policies. It offers TriZetto customers a direct pathway to rules-based adjudication to better "mirror" their organization's specific policies, improve accuracy, reduce manual reviews, and reimburse providers more efficiently. The combined, powerful performance of McKesson's ClaimCheck auditing solution with TriZetto's Facets system can help health plans meet and even exceed their claims performance objectives.

For more information, please visit [McKesson.com](http://McKesson.com) website or call us at 800.782.1334.

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[Micro-Dyn Medical Systems, Inc.](http://Micro-Dyn Medical Systems, Inc.), founded in 1989, specializes in software products for healthcare claim DRG calculation, APC assignment, Medicare reimbursement calculation, data editing, and validation to Medicare specifications. Our customers include health plans, hospitals, healthcare software vendors, and companies like yours!



Our expertise grew out of our work on the original installations of DRGs and the Inpatient Prospective Payment System (PPS) used by Medicare contractors beginning in 1983. Our DRGActive™, APCActive™, and PRICERActive™ software and data editing components integrate seamlessly with your QNXT installation to easily add data validation, DRG/APC calculation and Medicare reimbursement capability.

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[The Milliman Care Guidelines®](http://The Milliman Care Guidelines®) are clinical decision support tools used for treating specific patient conditions with appropriate levels of care and optimal progression toward discharge or transition. Developed by clinical experts, they provide a focused summary of the current best evidence, reflecting the actual practices of care providers throughout the United States, as well as the latest medical literature. Designed to be used in conjunction with healthcare professionals' clinical judgment, the Care Guidelines provide up-to-date, evidence-based knowledge, enabling more informed, consistent decisions and promoting the best possible care management. For more information, visit [www.careguidelines.com](http://www.careguidelines.com).



[Sanovia](#) integrates smart business practices with automated decision-making technology and best-practice clinical guidelines, delivering savings in administrative costs and in pharmaceutical spending on high-cost/specialty pharmaceuticals. Sanovia and TriZetto have partnered to deliver the first pharmaceutical utilization management solution that truly integrates real-time data access in order to automate and simplify the pre-authorization process for high-cost/specialty pharmaceuticals.



Sanovia's PA-Logic™, a pharmaceutical workflow and clinical decision making tool, including its front-end ePA-Logic™, Web portal, is integrated with TriZetto's Facets® and QNXT core systems. This integrated partner product increases administrative efficiency and staff productivity while improving the cost, quality and appropriateness of care in pharmaceutical management.

Sanovia is privately held and venture-backed, with no ownership by any pharmacy benefit manager, health plan or pharmaceutical manufacturer. Headquartered in Philadelphia, find out more about Sanovia at [Sanovia.com](http://Sanovia.com).

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## Information

For more detailed information, please call 1-800-569-1222 or click on the link below.



[Request more information](#)



[Contact a sales rep](#)



**Exhibit 75: TriZetto website page: “Payer Conference Exhibitors”**

**TRIZETTO 2012  
PAYER CONFERENCE**

A PROVEN PARTNER TO HELP YOU  
PUT THE PIECES TOGETHER

NEW CHALLENGES  
NEW SOLUTIONS  
NEW TRIZETTO

TRIZETTO  
Powering Integrated Healthcare Management

HOME	REGISTRATION	AGENDA	WORKSHOPS	POWER SESSIONS	SOLUTION CENTER	EXHIBITORS	SPONSORS	HOTEL	GOLF/TOURS
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## Payer Conference Exhibitors

### Platinum Level:



Optum is an information and technology-enabled health services business platform serving the broad health marketplace, including care providers, plan sponsors, life sciences companies and consumers. Its business units – OptumInsight, OptumHealth and OptumRx – employ more than 30,000 people worldwide who are committed to enabling Sustainable Health Communities. [www.optum.com](http://www.optum.com)

elsevier\_medai\_logo\_160x54.jpg

Elsevier / MEDai provides predictive and clinical analytics to help healthcare organizations harness clinical, financial and administrative information, giving them a unique perspective to make smarter decisions about population management, patient care, resource allocation, provider and contract management. Turn Data Into Action. Visit us at [www.MEDai.com](http://www.MEDai.com)

### Gold Level:



Provide your care managers and members with health content and tools that engage people to take an active role in their health. Healthwise member-friendly health education is fully integrated within TriZetto's Clinical CareAdvance®, Personal CareAdvance®, Treatment Cost Navigator™, and Value-Based Benefits Solutions. [www.healthwise.org](http://www.healthwise.org)



We all strive to achieve better care and better outcomes for more people. It's a shared goal, and Microsoft works every day with health organizations, communities and partners around the world to help realize it. We assist by bringing people, processes and information together to support more-informed decisions and greater collaboration. Our solutions – some designed specifically for health and others well-known to people everywhere – are intuitive and powerful, delivering excellent value. They work well with customers' current systems and approaches, and they also provide new capabilities to help people advance research, management, and care. At Microsoft, we support everyone's efforts to move health forward by delivering health solutions for the way people aspire to work and live. Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. [www.microsoft.com](http://www.microsoft.com)



Oracle (NASDAQ: ORCL) engineers hardware and software to work together in the cloud and in your data center. For more information about Oracle, visit [www.oracle.com](http://www.oracle.com)



Connecture is the leading provider of web-based sales automation, health insurance exchanges and marketplaces, and related-administration technology. The integration between TriZetto's Facets™ and QNXT™ and Connecture's InsureAdvantage® delivers a feature-rich 'quote-to-card-to-retention' solution to health plans, offering seamless online

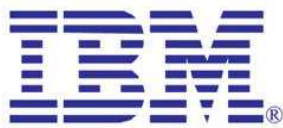
enrollment and user experience options for the individual and group insurance markets. [www.connecture.com](http://www.connecture.com)

#### Silver Level:

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A comprehensive financial solution for managing financial transactions as a centralized payment platform for all disbursements, working in concert with your claims administration system. [www.clearcycle.com](http://www.clearcycle.com)



For over a century, IBM has shown the world that technology can deliver not just efficiency and productivity, but also the things people care most deeply about — from economic growth, to better health, to societal progress, to a safer and more sustainable planet. [www.ibm.com](http://www.ibm.com)



Emdeon is a proven provider of claims, payment and fraud and abuse management solutions that increase efficiencies through intelligent transaction services. Emdeon helps healthcare payers streamline processes and reduce administrative costs while lowering the overall cost of healthcare. [www.emdeon.com](http://www.emdeon.com)



"Sybase and TriZetto have shared a trusted partnership since 1993. TriZetto® Facets® was originally designed for the Sybase ASE data management platform, and today more than 58% of our clients run their Facets applications on Sybase ASE. ASE is known for its superior performance and low total cost of ownership. [www.sybase.com](http://www.sybase.com)

**TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 75**

The Phia Group, LLC is an experienced provider of healthcare cost containment, offering comprehensive recovery, documentation and consulting services designed to control healthcare costs and protect plan assets. The Phia Group's overall mission is to reduce the cost of healthcare through innovative technologies, legal expertise, and focused, flexible customer service. [www.phiagroup.com](http://www.phiagroup.com)



Best known for our market-leading coding compliance and ICD-10 expertise, 3M Health Information Systems delivers innovative solutions that enable payment reform by helping payers manage provider relationships and monitor healthcare system encounters of their member populations. [3mhis.com](http://3mhis.com)



Evolution1 and our Partners serve more than 8 million consumers, making us the nation's largest electronic payment, on-premise and cloud computing healthcare solution that administers reimbursement accounts, including HSAs, HRAs, FSAs, VEBA's, Wellness and Transit Plans. [www.evolution1.com](http://www.evolution1.com)

MicroDyn\_logo160x84.gif

Micro-Dyn Medical Systems, Inc. specializes in software products for DRG, APC, ASC, IPPS, IRF, grouping, editing, and reimbursement calculation to Medicare specifications. [www.microdynmed.com](http://www.microdynmed.com)

milliman logo small

Milliman Care Guidelines helps clients drive effective care by providing fast access to global, validated best practices so users can apply their clinical expertise and make decisions with confidence. Our annually updated, evidence-based clinical guidelines products span the care continuum and are used by more than 1,900 payers and providers. [www.careguidelines.com](http://www.careguidelines.com)

**TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 75**

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**Exhibit 76: TriZetto website page: “Integrated Healthcare Management Exchange”**



Core Administration

Network Management

Constituent Web Solutions

Enhanced Relationship

Government Programs

Business Services

Care Management

TriZetto Professional Services

ICD-10

Healthcare Reform

Integrated Sales Automation

Pharmacy Management

Value-Based Solutions

## Integrated Healthcare Management Exchange

TriZetto® Facets® HIPAA Privacy Module: Managing and Safeguarding Protected Health Information Impact of New HIPAA Privacy Requirements

Under the American Recovery and Reinvestment Act of 2009 (also known as the Stimulus Bill) enacted on February 17, 2009, healthcare payers are under greater pressure to safeguard protected health information (PHI). Learn what you need to know today.

TO CONTINUE READING, SIGN IN OR [REGISTER>>](#)

### Log In to the IHM Exchange

Email:

Password:

[Forgot password?](#)  
Not a member? [Click here.](#)

### IHM Exchange

Search:

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### Resources by Type

- » White Paper
- » Collaboration
- » Brochure
- » Data Sheet
- » Scheduled Webinar
- » Recorded Webinar
- » Capitol Policy Examiner
- » Press Release
- » Research Report
- » Published Article
- » Case Study
- » Video



**Exhibit 77: TriZetto website page: “individual and Small Group”**

**TTAB Proceeding 91184047 (Farmaco-Logica B.V. vs TriZetto Corporation) - offering party: Plaintiff - Exhibit 77**

HOME / PAYER SOLUTIONS / INDIVIDUAL &amp; SMALL GROUP

**INDIVIDUAL & SMALL GROUP**

A CONSUMER-DRIVEN MARKETPLACE IS COMING. WILL YOU BE READY TO COMPETE?

The retail marketplace is about to intensify competition in the healthcare industry. With an estimated 30 million new members entering the market in the near future you will need sophisticated IT solutions which enable you to launch new lines of business quickly, automate processes, and improve efficiency in order to successfully manage the influx of members.

Much of the anticipated growth will likely develop in the individual, family, small group and Medicaid markets. This means you will also need solutions that provide features consumers will demand, including web-based self-service capabilities for transactions, and online access to information about healthcare coverage and medical data. You will also need systems that enable you to receive and interpret transactions from multiple sales channels, including public and private health insurance exchanges and insurer-fielded portals for members/employers /brokers.—for example, reports about enrollments, diagnoses and life events.—

TAKE ADVANTAGE OF NEW MARKETS WITH TRIZETTO.

TriZetto's solutions give you the tools you need to promote products to consumers. You can exchange data with members, employers, and providers in real-time, and compete to win in a rapidly changing business environment.

**CORE ADMINISTRATION**

Whether you administer individual, family, small group or Medicaid lines of business, TriZetto's Facets® and QNXT™ platforms are the leading core administrative systems for payers serving these markets. Both Facets and QNXT automate business processes, enhance efficiency and provide the flexibility to administer diverse plan designs. TriZetto's solutions integrate with third-party solutions and adapt easily to a rapidly-changing business and regulatory environment.

**PORTAL TECHNOLOGY SOLUTIONS**

Giving access to members, providers, employers and brokers alike to perform self-service inquiries and transactions is critical to driving convenience and satisfaction. Addressing the needs of these new healthcare consumers will require a set of tools that help provide the necessary information to these members when they need it, both efficiently and cost-effectively.

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**PAYER SOLUTIONS**

- CORE ADMINISTRATION
- CARE MANAGEMENT
- NETWORK MANAGEMENT
- VALUE-BASED SOLUTIONS
- PORTAL TECHNOLOGY SOLUTIONS
- MEDICARE
- MEDICAID
- SPECIALTY
- INDIVIDUAL & SMALL GROUP
- PAYER-PROVIDER CONNECTIVITY

**DOWNLOAD POINT-OF-VIEW****HOW TO LAUNCH A PAYMENT BUNDLING PROGRAM**

Payment bundling holds great promise as a way to improve the cost-effectiveness and quality of healthcare

**EVENTS**

TRIZETTO BENEFITS ADMINISTRATION CLIENT CONFERENCE  
Jun 10-13

EXECUTIVE CLIENT COUNCIL  
Jun 18-19

TRIZETTO CUSTOMER GROUP FALL COMMITTEE MEETING  
Sep 1-1



## CERTIFICATE

I,  
Johannes Hagen, civil-law notary, appointed by the Dutch Crown, stationed in VLEUTEN, in the municipality of Utrecht, The Netherlands,  
do hereby certify that pursuant to a notice of the taking of a testimonial deposition, I examined

Mr. Paul Kuks (hereinafter: "Witness") under oath in my offices at the address shown below on November 11, 2015 at 11:00 hours local time.

I further certify that I am not any party's relative, employee, or attorney, that I am not related to or employed by any party's attorney, and that I am not in any manner interested in the result of this action, Opposition no. 91184047 before the USPTO Trademark Trial and Appeal Board.

The Witness, known to me to be the person named and described in the notice and the list of questions, and identified by the Witness's passport, was sworn by me as follows:  
"Do you solemnly swear that you will tell the truth, the whole truth, and nothing but the truth, in answer to the several interrogatories now to be put to you?"

The testimonial deposition was taken in absence of the adverse party.

The testimonial deposition was taken down by me, and after being read over by the Witness, was signed by the Witness in my presence. Subsequently, I have signed this certificate and affixed the seal of my civil-law notary practice.

November 11. 2015



A handwritten signature in blue ink, appearing to read "J. Hagen", written over a horizontal line.

J. Hagen, civil-law notary  
Pastoor Ohlleen 25  
3451 CB VLEUTEN  
The Netherlands