

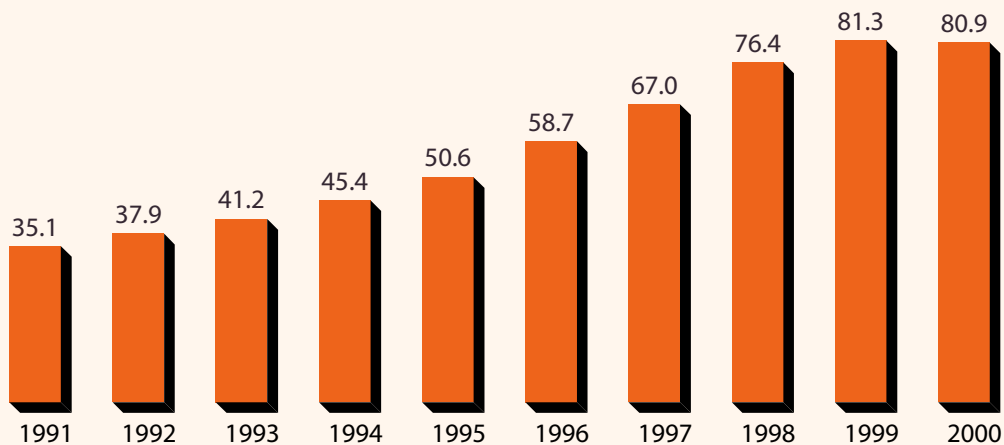
# MANAGED CARE OUTLOOK

## AN INDUSTRY MATURES

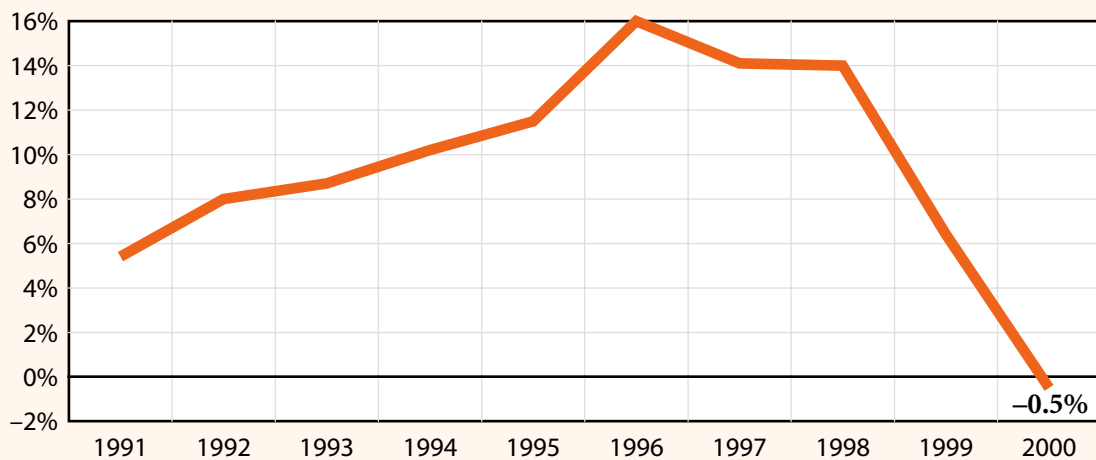
### For first time ever, HMO enrollment drops in 1999

**N**ational HMO enrollment fell by 400,000 last year, from its all-time high of 81.3 million. For at least two years, a wider array of managed care products, such as point-of-service plans and PPOs, and an ever-smaller pool of people still covered under indemnity plans slowed the rate of HMO enrollment growth. Now, as the industry matures, it is undergoing consolidation; according to InterStudy Publications, which monitors managed care trends, there were 568 HMOs in the U.S. on Jan. 1, 2000, down from 643 on Jan. 1, 1999.

#### Total HMO enrollment (millions, as of Jan. 1)



#### HMO enrollment growth over previous year



SOURCE: INTERSTUDY COMPETITIVE EDGE 10.2, INTERSTUDY PUBLICATIONS, ST. PAUL, MINN., 2000