

EMERGING WASHINGTON STATE HEALTH CARE MODEL SECURES \$7.5 MILLION IN VENTURE CAPITAL

QLIANCE MEDICAL MANAGEMENT CLOSES FINANCING ROUND FROM SECOND AVENUE PARTNERS, NEW ATLANTIC VENTURES, AND CLEAR FIR PARTNERS

SEATTLE (July 7, 2009) – Qliance Medical Management Inc., which operates insurance-free direct primary care clinics -- also known as "direct medical homes" -- in Washington State, today announced it has closed a \$4 million funding round from three institutional venture capital firms, led by Second Avenue Partners with participation by New Atlantic Ventures and Clear Fir Partners, bringing its total capital raised to approximately \$7.5 million. The company plans to use the proceeds to add new clinics for its medical practice partner, Qliance Medical Group of Washington PC., operating under the Qliance® brand.

"We see the Qliance direct primary care model as an important transformational option to health care reform that is easily scalable for other communities across the U.S.," said Nick Hanauer, managing partner of Second Avenue Partners, based in Seattle. "Their innovative health care model reduces costs dramatically for individuals and businesses while delivering exceptional care and access for patients."

- No limits for pre-existing conditions
- Unhurried 30- to 60-minute office visits
- Same- or next-day appointments for urgent care needs
- Open 7 days per week, with 24 hour cell phone and email access to a physician
- On-site x-ray, laboratory and "first-fill" prescription drug dispensary

In those rare circumstances when outside specialist care or hospitalization is required, Qliance physicians and nurse practitioners serve as a patient's "medical home," operating as the central coordination point for all other care and services. To cover the costs of any necessary outside care, most Qliance members choose a low-premium insurance plan for unpredictable serious and catastrophic illnesses, such as trauma sustained in a serious car accident or cancer. Qliance direct primary care provides a comprehensive health care coverage solution when bundled with a "wrap-around" insurance plan, and can typically save patients between 40 and 50 percent and employers between 20 and 35 percent on health care costs.

"Most people don't realize that insurance is simply not needed for 90 percent of the reasons people go to a doctor today. By operating without the hassles of insurance reimbursement overhead, Qliance providers can reduce costs for patients and employers and focus on what we were trained to do – practice medicine and heal," said Dr. Garrison Bliss, co-founder and chief medical officer of Qliance Medical Management and a 30-year internal medicine physician who left insurance behind in 1997 and created the first broadly affordable direct primary care model in the nation. "We're gratified Second Avenue Partners, New Atlantic Ventures and Clear Fir

Partners share our vision to transform health care and expand the direct primary care model to more communities."

Qliance currently has one clinic in downtown Seattle and will be opening its second in Kent, Wash. in August. A third is planned around the end of this year. The company is currently in discussions with several large groups to extend its model to other parts of the country.

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About Qliance Medical Management

Qliance Medical Management Inc. was founded in 2006, evolving from Dr. Bliss' private practice, with seed investment from Second Avenue Partners, Clear Fir Partners, and other private investors. In 2007, the Washington State legislature recognized direct primary care as an innovative health care delivery model not to be regulated as insurance, paving the way for all Washingtonians to access and afford quality health care.

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