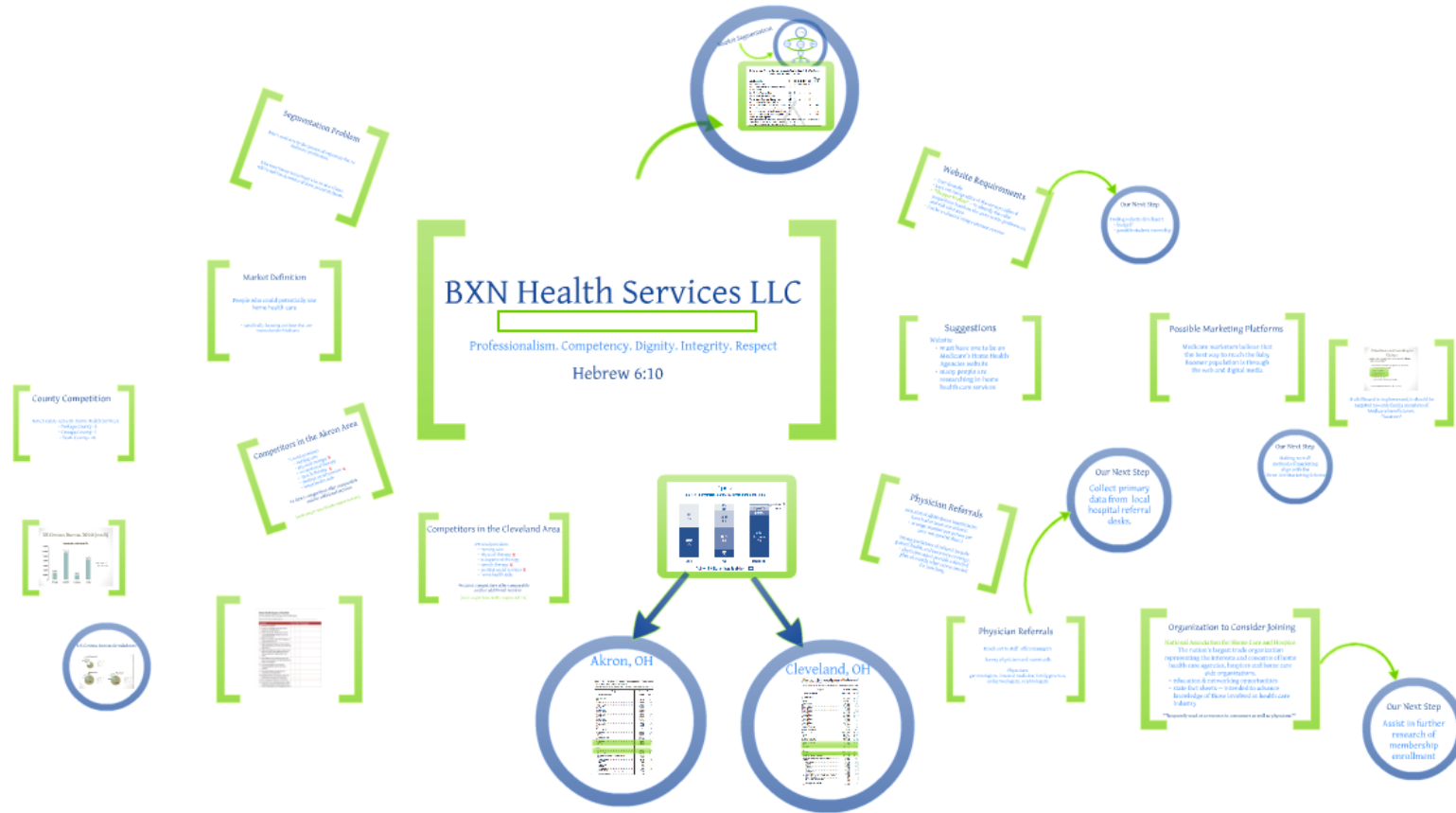


Trilogy Health Services, LLC: Building a Great Service Company



TheCasesolutions.com

BXN Health Services LLC

Professionalism. Competency. Dignity. Integrity. Respect

Hebrew 6:10

Segmentation Problem

BXN's market is in the process of expansion due to Medicare certification.

BXN must better understand who its new clients will be and the dynamics of these potential clients.

Market Definition

People who could potentially use
home health care

- specifically focusing on those that are insured under Medicare

Market Segmentation

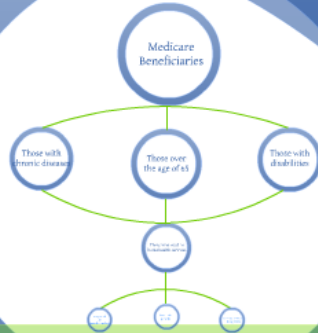


Table 6: Proportion of Medicare Beneficiaries Discharged to Home Health Care for the 10 Most Common Diagnosis Related Groups (DRGs), 2000-2004

Initial Hospital DRG	2000	2001	2002	2003	2004	% Change 2000-2004
DRG 462- Rehabilitation	7.4%	7.9%	8.1%	8.6%	8.7%	17.6
DRG 209- Major Joint and Limb Reattachment Procedures of Lower Extremity	7.0	7.3	7.6	7.9	8.2	17.1
DRG 127- Heart Failure and Shock	6.1	6.0	5.7	5.6	5.6	-8.2
DRG 089- Simple Pneumonia and Pleurisy	4.3	3.7	4.1	3.8	4.2	-2.3
DRG 088- Chronic Obstructive Pulmonary Disease	3.4	3.1	3.1	2.9	3.1	-8.8
DRG 148- Major Small and Large Bowel Procedures	2.1	2.0	2.0	2.0	1.9	-9.5
DRG 014- Intracranial Hemorrhage or Cerebral Infarction	3.1	3.1	3.0	2.4	1.9	-38.7
DRG 296- Nutrition/Miscellaneous Metabolic Disorders	1.7	1.7	1.9	1.9	1.7	0
DRG 107- Coronary Bypass With Cardiac Catheterization	2.0	2.0	1.8	1.8	1.5	-25.0
DRG 121- Circulatory Disorders with Acute Myocardial Infarction and Major Complication	1.6	1.6	1.5	1.4	1.4	-12.5

Source: Department of Health and Human Services, Office of Inspector General. *Medicare Beneficiary Access to Home Health Agencies: 2004*. #OEI-02-04-00260. July 2006. OIG analysis of CMS's National Claims History File, 2005.
 Note that the year starts with April 1 of the prior year and ends with March 31 of that year.