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NEWS BRIEF

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NO NEED TO WAIT FOR PROPOSITIONS 78 OR 79 TO LOWER THE COST OF PRESCRIPTION DRUGS - New Program Offers Access to Low Cost Prescription Drugs at 400 Retail Pharmacies in California -

Burlingame, CA October 20, 2005: QwikHealth, Inc., developer of California's first network of convenient and affordable retail health care stores, announced today that it can provide the public with access to affordable prescription drugs through two major retail pharmacy chains in California. This private sector initiative is available immediately and is not dependent on the result of any ballot initiative and does not require the involvement of any state or federal government agencies in its operation.

On November 8, Californians will go to the polls to decide between two ballot propositions which would provide prescription drug discounts to uninsured residents. Proposition 78, backed by the pharmaceutical industry, would create a voluntary program to provide discounts to the uninsured earning less than three times the federal poverty level. Proposition 79, backed by a coalition of unions and consumer groups, would use the State of California's buying power to negotiate discounts on prescription drugs for uninsured persons earning less than four times the federal poverty level. The 2005 Federal HHS Poverty Guidelines start at \$9,570 for a single person and increase based on family size, with the guideline for a family of four currently at \$19,350.

QwikHealth offers patients immediate access to discount prices on hundreds of medications if they are uninsured or underinsured, regardless of income level. Many prescription drugs are available through this program at a total cost to the consumer of \$9.95 for a one-month supply, or \$19.95 for a three-month supply. The patient receives free enrollment and identification at a QwikHealth store, which is then presented along with a prescription written by a QwikHealth-managed doctor to be filled at one of the participating retail pharmacies in order to obtain the pre-negotiated discount price. Patients pay directly at the pharmacy for prescriptions; payment or reimbursement by any public or private third-party payer, such as an insurance company or healthcare program is not accepted. This is not a Medicare prescription drug insurance program.

"With 6.6 Million Californians going without health insurance, and millions more underinsured, lowering the cost of prescription drugs is a critical element in providing quality medical care at a price people can afford to pay," said Dave Mandelkern,

president and CEO of QwikHealth. “That’s why we are pleased to make it possible for Californians to not only obtain affordable medical care, but also be able to conveniently purchase the prescription drugs they might need at a reasonable price.”

Prices available to consumers through the QwikHealth partnership are comparable to those offered under other states’ discount drug programs, as well as those offered by online or mail order drugstores. Benefits potentially realized from either Propositions 78 or 79 are often compared to Ohio’s “Best Rx” discount drug program (www.ohiobestrx.org). For example, twenty 875mg tablets of the commonly prescribed generic antibiotic Augmentin (amoxicillin clavulanate) cost \$44.19 under the Ohio discount program, \$76.99 from a leading online pharmacy, and \$17.99 from a QwikHealth partner pharmacy. Thirty 10mg tablets of the commonly prescribed generic drug Lisinopril cost \$9.37 under the Ohio discount program, \$9.95 from a QwikHealth partner pharmacy, and \$18.99 from a leading online pharmacy. For the branded drug Lexapro, thirty 10mg tablets cost \$69.81 through a QwikHealth partner pharmacy, \$71.59 through the Ohio discount program, and \$70.15 from a leading online pharmacy. For the prescription oral contraceptive Sprintec, a one month (28 tablet) supply costs \$24.99 through a QwikHealth partner pharmacy, \$25.24 through the Ohio discount program, and \$26.99 from a leading online pharmacy.*

QwikHealth customers are free to take their prescriptions to any pharmacy of their choice to be filled. However, QwikHealth can only provide customers with advance pricing information and discount prices for prescriptions to be filled at participating partner pharmacies.

QwikHealth manages low-cost, affordable doctor’s offices where quality medical care for the whole family is convenient, accessible, and consumer-driven in a friendly, retail environment. A standard 15-minute visit with a licensed physician costs just \$39.00. QwikHealth managed doctors typically treat routine family medical problems such as earaches, fever, a sore throat; provide school, sports, or employment physicals; a broad range of immunizations start at just \$29.00 including flu, tetanus, or hepatitis shots, and a wide array of diagnostic lab tests start at just \$19.00 including pregnancy, liver function, thyroid, and cholesterol checks. Minor injuries, (such as sprains, rashes, or insect bites) can also be treated by the doctor. QwikHealth stores are not emergency rooms or trauma facilities. No health insurance is necessary or accepted; customers pay with cash, checks, debit cards, and major credit cards.

Open seven days a week, from 7AM to 7PM, customers drop in to QwikHealth stores at their convenience; no appointment is necessary.

* Price comparisons were made between QwikHealth’s partner’s published prices and online shopping comparisons with www.ohiobestrx.org and www.drugstore.com as of October 12, 2005. Prices are subject to change without notice.