

COMPETITOR ALERT

JOHN ALDEN, DIMENSION JOIN FORCES

John Alden Co., the giant insurance company based in West Dade, is teaming with a network of five Dade County hospitals and 1,600 doctors to offer health-care plans in South Florida. Alden and the network, known as the Dimension Physician Hospital Organization, said Friday that they had signed a letter of intent to create the for-profit joint venture.

The new-venture expects to start selling health-care plans, such as HMO service and preferred provider insurance, within three months. This joint venture could be among the first partnerships in which a large insurer and a group of hospitals spread out over a region have teamed to sell health services directly to individuals. "This is the first time, probably in the nation, that a fully integrated system has been put together," said Brian E. Kneeley, chairman of Dimension HMO and chief executive of Baptist Hospital.

John Alden will invest at least \$4 million and its marketing expertise. "What we really add is marketing, and pricing, and plan design and customer service," said Bill Mauk, chief executive of John Alden's Florida Healthcare Management Division. Dimension is contributing its network and administrative structure and its license to operate a health maintenance organization, but no cash.

The deal is subject to regulatory and shareholder approval. John Alden and Dimension would each own half of the new for-profit venture.

Though the company will start by targeting individuals, Kneeley said it expected to expand, both by selling to employers and other health-care purchasers, and by stretching northward onto Broward and Palm Beach counties.

Started about six months ago, Dimension is owned 50 percent by five non-profit hospitals: Baptist, Mercy Hospital, Mount Sinai Medical Center, North Shore Medical Center and Hialeah Hospital. The 1,600 doctors in the network own the remaining half of Dimension. Though the Dimension Physician Hospital Organization is an offshoot of Dimension Health, a preferred provider network that sells services in Dade, Broward and Palm Beach counties, it is a wholly separate company.

In a separate announcement, John Alden Financial Corp., the parent of John Alden Co., said it had paid \$2.5 million for Horizon Health, a preferred provider network that provides health care services to 25,000 people in the Las Vegas area.

It's the first time the insurer has diversified into providing services.

This information was taken from *The Miami Herald*, January 8, 1994.