Hanger Orthopedic Group Enters Managed Care Arena, Forms Subsidiary, Linkia

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O&P's First Managed Care Organization Promises Accountable
Nationwide Network of Providers

BETHESDA, Md., March 18 /PRNewswire/ -- Hanger Orthopedic Group, Inc. announced today the formation of a new wholly-owned subsidiary, Linkia, the first managed care organization (MCO) dedicated solely to serving the orthotic and prosthetic (O & P) market.

"As the industry leader, it is our responsibility to advance the profession to its rightful position in the rehabilitation care continuum through innovative perspectives, clinical excellence, and technology," Hanger CEO Ivan R. Sabel said. "Linkia does just that by becoming the first organization designed to bridge the gap between insurance companies and the O & P profession. Linkia will improve relationships between payers and practitioners."

Positioned to partner with healthcare insurance companies by securing national and regional contracts, Linkia will coordinate and manage all of their O & P services and needs. It will fulfill its mission by establishing a customized network of O & P patient care providers delivering accountable healthcare services, through dedication to clinical outcomes, science-based guidelines, and sound medical reasoning. In addition to improving care cost effectiveness, the company will reduce administrative expense by providing simplified electronic billing and eligibility verification, prior authorization, and professional relations connections between its MCO clients and the O & P provider.

Linkia's customized network of providers will be selected from among independent O & P providers nationwide, as well as from the 600 patient care centers owned and operated by Hanger Prosthetics and Orthotics (HPO), the patient care division of Hanger Orthopedic Group.

"In exchange for a fair level of reimbursement, we are fully committed to providing our Health Insurer clients and their millions of covered lives with care that is clinically superior and geographically convenient," Sabel said. "To achieve that objective, we will hold ourselves and all of our partnered practices within the network, whether independent or Hanger-affiliated, to the highest standards of clinical care and patient satisfaction."

This bold new initiative will offer a set of unique core competencies to prospective insurance company clients and network services to partnered O & P healthcare professionals. Linkia builds upon the capabilities of current Hanger companies, OPNet and HPO, and will be led by an experienced managed care executive team. OPNet already has established relationships with many major managed healthcare organizations and has a national network of independent and Hanger owned facilities. As a Hanger Company, Linkia will have access to the clinical expertise resident in HPO, the world's largest provider of O & P patient care.

The Linkia management team, individuals with considerable experience in managed healthcare, will be led by Michael F. Murphy. Murphy has over 21 years experience and has been Hanger Orthopedic Group's Vice President of Marketing and Business Development since December of 2002. Prior to joining Hanger, he held senior health plan operations leadership positions with CIGNA HealthCare and was Chief Marketing Officer for two leading ancillary managed care companies.

While MCOs are commonplace among other allied healthcare providers, Linkia will be the first of its kind in the O & P profession.

Hanger Orthopedic Group, Inc., headquartered in Bethesda, Maryland, is the world's premier provider of orthotic and prosthetic patient care services. Hanger is the market leader in the United States, owning and operating over 600 patient care centers in 44 states and the District of Columbia, with approximately 3,200 employees. Hanger is organized into two business segments: patient care, which consists of nationwide orthotic and prosthetic practice centers, and distribution, which consists of distribution centers managing the supply chain of orthotic and prosthetic componentry to Hanger and third party patient care centers. In addition, Hanger operates the largest orthotic and prosthetic managed care network in the country.

Certain statements included in this press release are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Please refer to the Company's SEC filings for factors that could cause actual results to differ materially from the Company's expectations

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