



NEWS RELEASE

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PacifiCare Health Systems, Inc. & M.D. On-Line Combine to offer PacifiCare's Providers the Industry Standard All-Payer Electronic Claims Processing Solution

CHESTER, New Jersey, January 18, 2002 — M.D. On-Line, Inc., today announced that PacifiCare Health Systems, Inc. (NASDAQ:PHSY), has entered an agreement with M.D. On-Line to begin a pilot program for an Internet-based All-Payer electronic claims processing service to a select number of its 140,000 providers.

PacifiCare joins a growing number of insurance and health care companies that seek to provide efficient, effective Internet-based solutions to its providers.

Repeatedly recognized for its innovative use of Web-based business practices by eWEEK and InformationWeek magazines, PacifiCare believes that M.D. On-Line software and services will add value to PacifiCare's service offering by providing a co-branded solution making it easier for providers to manage and submit claims.

"Eliminating cumbersome, paper-intensive reimbursement procedures using a proven Internet-based system reflects PacifiCare's goal of making technology available to doctors and other health care providers to allow them to focus on delivering quality care," said Bary G. Bailey, executive vice president and chief strategic officer for PacifiCare Health Systems. "We have partnered with M.D. On-Line to provide a solution for doctors to electronically submit claims and take advantage of other efficiencies, regardless of the sophistication or platform of the doctor's particular system."

"We're proud that PacifiCare has chosen M.D. On-Line All-Payer solutions to make claims processing easier and more efficient for its participating providers," said M.D. On-Line President Bill Bartzak. "Our WinLink and WebLink products work in conjunction with the providers' practice management software and can be ready to use in minutes. For those providers who do not have a practice management system, ClaimLink1500 provides the ability to data enter and submit claims via a secure connection over the Internet. The process is quick and easy, and the system tracks all submissions and reports."

Dedicated to making people's lives better, PacifiCare Health Systems is one of the nation's largest consumer health care companies with \$12 billion in revenues. Primary operations include health insurance products for employer groups and Medicare beneficiaries in eight states and Guam. Other specialty products and operations include behavioral health services, life and health insurance, dental and vision services and pharmacy benefit management. More information on PacifiCare Health Systems can be obtained at www.pacificare.com.

About M.D. On-Line, Inc.

M.D. On-Line is a privately held New Jersey corporation engaged primarily in electronic healthcare claims processing and electronic commerce. MD On-Line's Internet-based software solutions provide a simple, "no hassle" means to optimize claims processing for the majority of healthcare providers and Third Party Payers, currently including Oxford Health Plans, Blue Cross/Blue Shield of Louisiana, and the Professional Association of Health Care Office Management (PHACOM). For more information about M.D. On-Line visit www.mdon-line.com.

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