

Change Healthcare Closes Series C with Support from BlueCross BlueShield Venture Partners and Sandbox Industries

BlueCross BlueShield Venture Partners Adds to Change Healthcare's Series C Financing

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BRENTWOOD, Tenn., Jan 17, 2012 (BUSINESS WIRE) -- Healthcare cost transparency company Change Healthcare Corporation today announced the second closing of its Series C round of funding with investment from BlueCross BlueShield Venture Partners (BCBSVP) and Sandbox Industries. Mitsui & Co. Global Investment, Inc. (MGI) along with the West Health Investment Fund, LLC, and existing investor, Solidus Co., invested in an initial Series C closing in September 2011. In total, the Series C investment of \$9.3 million exceeds the Company's initial fundraising goals.

BCBSVP is a corporate venture fund sponsored by the Blue Cross and Blue Shield Association and a group of 24 independent Blue Cross and Blue Shield companies. BCBSVP and Sandbox Industries partner to invest in promising emerging companies of strategic relevance to Blue Cross and Blue Shield companies.

"BCBSVP seeks to identify the technologies that will be critical to the future of the healthcare industry -- for providers, employers, payers and consumers," said Drew Turitz, Managing Director, Sandbox Industries. "Change Healthcare Corporation is the best company we've seen that offers true cost transparency in a way that engages members and drives savings for both consumers and plan sponsors."

MGI and the West Health Investment Fund, LLC also recognized the growing need for effective healthcare cost transparency tools. David Ekizian, MGI Investment Partner, added, "We believe Change Healthcare Corporation has refined its product offering to ensure that plan sponsors have a flexible, robust transparency tool allowing their members to garner the best value when selecting quality healthcare services."

Mohit Kaushal, Co-Manager of the West Health Investment Fund, added, "The West Health Investment Fund is committed to accelerating an ecosystem that focuses on solving the rising healthcare cost problem. Creating an

efficient marketplace is pivotal to that, and we are excited to be partnering with Change Healthcare to help solve this critical challenge."

With the close of the Series C, the Company will use the proceeds to support its growing book of business and continue to enhance its market-leading cost transparency tool, Transparency Messenger™. Driven by a philosophy grounded in the use of data to drive sustainable member engagement, Transparency Messenger delivers engagement rates of nearly 50 percent at the individual user level and has proven to be more effective than other online healthcare tools and portals.

"The investors in our Series C round all have a proven history of helping grow the most creative companies in the healthcare space," said Howard McLure, Chairman and CEO, Change Healthcare Corporation. "With cost at the top of the healthcare industry's agenda, and as we move to new collaborative models of care -- where providers and payers work together to empower patients to become informed healthcare consumers -- we believe our cost transparency solution will become a critical component to lowering healthcare costs in this country."

About Change Healthcare

Change Healthcare Corporation (www.changehealthcare.com) launched in 2007 with a mission to engage consumers in obtaining personalized and actionable cost-savings information that changes the way they purchase healthcare services. Built on a database of medical, dental and pharmacy claims from a national client base, Change Healthcare delivers substantial savings to health plan members and employers in all 50 states. With an average engagement rate of nearly 50 percent, the Company's web-based solution, Transparency Messenger™, is the only tool able to generate and proactively communicate immediate savings opportunities customized to the employee, their plan and local area.