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## **HLM Venture Partners Leads \$9.5 million Financing of Vericare Management**

San Francisco, November 29, 2007 --HLM Venture Partners, a Boston and San Francisco-based health care venture capital firm, announced today that it has made a \$6 million investment in Vericare Management, Inc. of San Diego, CA. The investment is part of a \$9.5 million Series B Preferred stock financing.

Vericare is one of the country's largest providers of behavioral health care services to patients in nursing homes. The company provides psychotherapy and psychotropic medication management services to nursing home patients through relationships with psychologists, licensed social workers, psychiatrists, and advanced nurse practitioners.

Joining HLM in the Series B are existing investors Salix Ventures and Acacia Venture Partners and new investor Aetna Ventures.

According to HLM general partner Marty Felsenthal, "We believe that there is a high demand for quality behavioral health care services in nursing homes. By many estimates, 40-50% of patients in nursing homes suffer from behavioral health disorders, including depression, anxiety, dementia, Alzheimer's, and other diseases that impede their ability to improve medically and that cause further deterioration in their general condition. There is clearly an opportunity to provide better management and delivery of services to this population. Vericare's executive team has the operating experience, vision and strategy that are critical to being successful in meeting this challenge. "

Vericare's chief executive officer, David C. Flaugh, adds, "We are pleased to be partnering with HLM and look forward to having Marty Felsenthal join our board of directors, where his long experience in working with other rapidly growing health care service companies will be extremely valuable to us."

Mr. Flaugh was previously chief operating officer and chief financial officer of Burlington, North Carolina-based LabCorp (NYSE: LH), one of the world's largest clinical laboratories. Dennis Walsh, Vericare's senior vice president of sales and marketing, previously held this post at USLabs, a successful, venture-backed anatomic pathology company located in Irvine, California and at Homedco, a national provider of home health care services and predecessor to Apria (NYSE: AHG).

Adam Grossman, managing director of Aetna Ventures, said, "We believe this opportunity fits nicely with our strategy of making targeted investments in companies engaged in improving the quality of healthcare. Studies have demonstrated that there is a strong correlation between mental and physical health. By providing comprehensive and coordinated behavioral health services, Vericare is supporting the improvement in the overall quality of life of nursing home residents."

**About Vericare**        The company is one of the country's leading providers of quality mental health care to older adults in skilled and residential settings. Vericare currently provides a wide range of services in seven states nationally. For more information, visit: [www.vericare.com](http://www.vericare.com)

**About HLM Venture Partners**        HLM Venture Partners provides venture capital to emerging companies focused on health care information technology, health care services and medical technology. During the past 15 years, HLM has helped more than 60 privately held health care companies turn innovative ideas into market-leading businesses. The company's investment professionals have over 125 years of collective expertise in the health care industry, an accumulation of knowledge that is invaluable to the leadership of its portfolio companies. For more information, visit: [www.hlmventurepartners.com](http://www.hlmventurepartners.com)

**About Aetna Ventures, LLC** Aetna Ventures, the corporate venture capital arm of Aetna, makes targeted equity investments in companies engaged in developing innovative health care products and technologies. Aetna Ventures seeks to invest in and partner with entrepreneurial companies that share Aetna's goals of advancing affordability and simplicity in health care and enhancing the quality of care. Investments are generally targeted toward companies that focus on health care services, health care IT and medical devices.

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