

F O R I M M E D I A T E R E L E A S E



APRIA HEALTHCARE®

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**BLUE SHIELD OF CALIFORNIA SELECTS APRIA HEALTHCARE AS
THE PRIMARY PREFERRED PROVIDER FOR
HOME RESPIRATORY AND MEDICAL EQUIPMENT SERVICES AND
PRODUCTS STATEWIDE**

LAKE FOREST, CA...October 14, 2009...Apria Healthcare Group Inc. and Blue Shield of California jointly announced today a long-term primary preferred provider agreement in which Apria will provide home oxygen therapy, respiratory and medical equipment services and products to Blue Shield's members in most of its California markets. The primary preferred provider agreement covers Blue Shield's members who are enrolled in the Commercial Benefit and Medicare Advantage Benefit Programs, and includes home oxygen therapy, high-tech ventilator services and continuous positive and bi-level airway pressure systems (CPAP/Bi-level) for the treatment of obstructive sleep apnea. The agreement also includes ambulatory aids, patient room equipment and all of the accompanying clinical, patient support, and delivery services offered by Apria and its 2300 employees statewide.

"We are pleased to be able to expand our longstanding relationship with Blue Shield of California and provide high quality homecare services to the health plan's 3.4 million members

throughout the state,” said Lisa E. Swenson, Apria’s Senior Vice President of Payor Arrangements and Pricing. “With over 30 years of experience in California, Apria’s 49 respiratory and medical equipment branch locations in the state offer Blue Shield’s members expanded access to consistent, quality home respiratory and medical equipment services. Our strength is in the quality of care we provide, our statewide service and positive relationships with Blue Shield’s clinical staff and participating physician groups, coupled with our ability to meet Blue Shield’s quality and service performance expectations. Together, we look forward to enhancing the homecare experience for the patients we serve, while providing a cost effective and personal alternative to healthcare in an institutional setting. Over the next few months, Apria will work diligently with Blue Shield to make sure that Blue Shield members enjoy a smooth transition to Apria’s homecare services and products, when appropriate.”

“At Blue Shield of California, our mission is to provide Californians with access to high-quality, affordable healthcare,” said Juan Davila, Senior Vice President of Network Management at Blue Shield. “We selected Apria as our primary preferred provider for home medical equipment and respiratory services because of their ability to provide our members with the services, products and ongoing support they want -- all at a reasonable price.”

About Apria Healthcare Group Inc.

Apria Healthcare provides home infusion therapy, home respiratory therapy and home medical equipment through approximately 500 locations serving patients in all 50 states. The company was the first home respiratory/medical equipment services provider to seek and obtain independent accreditation from the Joint Commission almost 20 years ago. Today, Apria and its divisions are accredited by the Joint Commission and the Accreditation Commission for Health

Care (ACHC). The company was recognized for its corporate ethics and compliance program by the independent, non-profit Passkeys Foundation in the “Ethics in America/Large Public Company” category. Apria serves California through 49 company-owned respiratory/HME and 10 infusion/inhalation pharmacy locations which cover the entire state, and is among the largest healthcare employers with over 2,300 employees in the state and 12,000 nationwide. With over \$2.0 billion in annual net revenues, Apria is the nation's leading home healthcare company. For more information, visit www.apria.com or www.coramhc.com.

About Blue Shield of California

Blue Shield of California was founded in 1939 and is a California not-for-profit mutual benefit corporation. The company has 3.4 million members statewide, including its health maintenance organization (HMO), preferred provider organization (PPO), Tri-Care and Medicare Advantage service models. The National Committee for Quality Assurance (NCQA) recently awarded Blue Shield an "Excellent" rating for service and clinical quality for its HMO and Point of Service (POS) lines of business. "Excellent" accreditation status is reserved for the best health plans in the nation and is only awarded to those plans that meet or exceed NCQA's rigorous requirements for consumer protection and quality improvement and deliver excellent clinical care. Blue Shield donated \$100 million over the last three years to the Blue Shield of California Foundation to fund nonprofit organizations that improve access to quality health care in California. With almost \$9 billion in annual revenue and 4,800 employees statewide, Blue Shield is among the state's largest health insurers. For more information, visit www.blueshieldca.com. Review Blue Shield's NCQA Health Plan Report Card at www.ncqa.org.

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