

## GENERAL NOTICE TO CREDITORS

April 26, 2001

Re: Prince George's County, Maryland Hospital Revenue Bonds (Dimensions Health Corporation Issue), Series 1992, CUSIP 741710 AJ6, AG2

Prince George's County, Maryland Project and Refunding Revenue Bonds (Dimensions Health Corporation Issue), Series 1994, CUSIP 741724 AU2, AV0, AW8, AX6, AY4, AZ1, BA5, BB3, BC1 and BD9

Dimensions Health Corporation Flexible Term Notes, Series A

Bowie Assisted Living, L.L.C. Taxable Variable Rate Demand Bonds, Series 1997, CUSIP 10240NAA6

Certain Agreements with Commercial Banks

**DIMENSIONS HEALTH CORPORATION**, a Maryland not-for-profit corporation, provides the following notice.

**Financial Report and Statements.** Attached is the Dimensions Healthcare System Financial Report and Statements as of March 31, 2001.

**Cash.** Dimensions Health Corporation (the Obligated Group Member under the Master Trust Indenture) retained \$5.1 million of free cash at March 31, 2001 (8.2 days).

**Consultant.** Dimensions has engaged Cap Gemini Ernst & Young to assist with the identification and implementation of improvements in the areas of cash collection, utilization management and supply chain efficiency, with an expansion of the scope of engagement being under discussion.

The Consultant's revised initial assessments, aggregating \$20.9-\$21.9 million of annual improvements, from initiatives which management has agreed to implement, are summarized on the attached "Progress to Date". Realization of such additional revenues is expected to begin during the first quarter of fiscal year 2002.

Progress in identifying and implementing the initiatives is summarized on the attached "Implementation Progress".

**Commercial Bank Debt Defaults.** Events of Default exist with respect to loans or letters of credit issued by two commercial banks. Dimensions is negotiating the consensual

transfer to the letter of credit bank of \$2,500,000 cash collateral, securing its guaranty with respect to the Bowie Assisted Living, L.L.C. Taxable Variable Rate Demand Bonds, Series 1997, in consideration of the modification of certain covenants and/or the full or partial release of the guaranty. There is no assurance that said negotiations will be favorably concluded.

**Caution: Forward-looking Information.** This Notice contains forward-looking information which is based upon management's evaluation of current trends and expected events. Future events will vary from management's expectations, due to many factors, only certain of which are anticipated by this Notice. There is no assurance that expected results will be realized.

**Further Information.** Further information may be obtained from Mr. Noel A. Cervino, Senior Vice President and Chief Financial Officer, Dimensions Health Corporation, 9200 Basil Court, Suite 500, Largo, MD 20774; Telephone (301) 925-7000.

DIMENSIONS HEALTH CORPORATION

/s/ **Noel A. Cervino**

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Noel A. Cervino, Senior Vice President and CFO

- Work Groups formed and implementation begun on the following Business Cases:
  - ✓ CDMP
  - ✓ Supply Chain
  - ✓ Revenue Cycle
  - ✓ Utilization Management
- Assessments presented at the third Steering Committee on 4/18/01 in the following areas:

<b>Business Case</b>	<b>Opportunity Identified</b>
Support Services	\$1.-2M-TBD
Surgical Services	\$0.4-0.5M
Imaging	\$0.2-0.3M
<b>Total</b>	<b>\$20.9-21.9M</b>

- Monitoring Implementation of Short-Term Action Plans
- Business Cases being developed on
  - HR
  - Pt Care
  - Physician Services
  - Lab
  - Information Systems
  - Programs and Services

Initiatives	Executive Sponsor(s)	Implementation Phases										
		1	2	3	4	5	6	7	8	9	10	
<b>Growth</b>												
1. Revenue Cycle	Cervino	█	█	█	█	█	█	█	█	█	█	█
2. Programs and Services Profitability	Cervino	█	█	█	█	█	█	█	█	█	█	█
3. Clinical Documentation	Wingate-Jones and Mutch	█	█	█	█	█	█	█	█	█	█	█
<b>Efficiency</b>												
4. Productivity	Cervino	█	█	█	█	█	█	█	█	█	█	█
- Corporate	Cervino	█	█	█	█	█	█	█	█	█	█	█
- PGHC	Wingate-Jones	█	█	█	█	█	█	█	█	█	█	█
- LRH	Mutch	█	█	█	█	█	█	█	█	█	█	█
5. Supply Chain	Cervino	█	█	█	█	█	█	█	█	█	█	█
6. Support Services	Wingate-Jones and Mutch	█	█	█	█	█	█	█	█	█	█	█
7. Utilization Management	Wingate-Jones and Mutch	█	█	█	█	█	█	█	█	█	█	█
8. Physician Services and GME	Wingate-Jones and Mutch	█	█	█	█	█	█	█	█	█	█	█
9. Laboratory	Wingate-Jones and Mutch	█	█	█	█	█	█	█	█	█	█	█
10. Radiology	Wingate-Jones and Mutch	█	█	█	█	█	█	█	█	█	█	█
11. Surgical Services	Wingate-Jones and Mutch	█	█	█	█	█	█	█	█	█	█	█
12. Patient Care	Wingate-Jones and Mutch	█	█	█	█	█	█	█	█	█	█	█
<b>Capital</b>												
13. Human Resources and Benefits	Wingate-Jones and Mutch	█	█	█	█	█	█	█	█	█	█	█
14. Real Estate	Cervino/Smith	█	█	█	█	█	█	█	█	█	█	█

- Step Completed  
 - Step in Process  
 - Step not Complete