HEALTHGRADES
THE HEALTHCARE QUALITY EXPERTS

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HEALTHGRADES ENHANCES PHYSICIAN QUALITY REPORTS™ FOR CONSUMERS

Doctor's Own Profiles and Patient-Satisfaction Surveys Added to Education, Training, Sanction Information and More

HealthGrades Launches Physician Online Marketing™

Golden, Colo. (August 2, 2005) – HealthGrades (NASDAQ: HGRD), the leading provider of independent healthcare ratings, today announced that its quality reports on more than 600,000 physicians, covering more than 100 specialties and subspecialties, are now being expanded on HealthGrades' Web site, www.healthgrades.com, to help consumers make smarter decisions when choosing a doctor.

HealthGrades recently began adding two new sets of data to its Physician Quality Reports™: physician-satisfaction surveys from the consumers that visit its Web site monthly, and detailed physician and practice information from physicians themselves, which includes practice philosophy, subspecialty information, teaching positions, published peer-reviewed articles, number of procedures performed, among other items. The reports already include information on doctors' education, training, board certification, medical board sanctions and disciplinary actions, quality ratings of hospitals in their practice area with which they are affiliated, contact information and more.

HealthGrades is obtaining detailed practice information from physicians by inviting physicians to access HealthGrades.com and complete free expanded profiles of themselves and their practices to provide consumers with more information with which to make a decision. This information will become a part of the reports delivered to the consumer. To date, over 11,000 physicians have contributed practice information.

Through a new program, HealthGrades Physician Online Marketing™, physicians can now market themselves and their practices to the 2.5 million individuals that visit HealthGrades.com each month to research the quality and credentials of physicians. This program enables physicians to increase the visibility of their reports throughout the HealthGrades Web site and to increase the likelihood that their reports are read by eliminating the $7.95 fee that HealthGrades currently charges consumers for each report. In addition, the marketing program includes a feature that directs individuals, using major search engines to research a specialist in a given geographical region, to a particular physician's report on the HealthGrades site.

"In most areas of the country, there are literally tens of thousands of searches each month on the major search engines and on HealthGrades.com by individuals looking for a certain specialist in

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a certain region," said Kerry Hicks, CEO of HealthGrades. "Under our new Physician Online Marketing Program, we can ensure that individuals performing the searches can view a free report of a particular physician. The net result is a measurable and tangible increase in the number of appointments scheduled. But these aren't just any appointments; they are individuals who have an immediate need and have selected a physician that meets their particular preferences. So it's the right patient, at exactly the right time."

"HealthGrades' Web site is the leading destination for healthcare ratings for consumers," continued Hicks. "We will continue to invest resources and dollars into enhancements of our product offerings, healthcare information and means of distributing this information. As previously disclosed, we recently entered into an arrangement with Hewitt Associates LLC to develop and host applications designed to enable Hewitt's clients to make available to their employees and other participants enhanced healthcare quality information. We have already invested substantial costs toward this arrangement. Enhancing the information provided in our physician quality reports and the development of our Physician Online Marketing program further evidences our continued commitment to developing products and enhancing information that will provide consumers with information they need to make smart decisions in choosing a healthcare provider."

More information about HealthGrades Physician Online Marketing program can be found at www.healthgrades.com/physician.

About HealthGrades

HealthGrades (Nasdaq:HGRD) is the leading healthcare ratings company, providing ratings and profiles of hospitals, nursing homes and physicians to consumers, corporations, health plans and hospitals. Consumers and some of the nation's largest employers, health plans and hospitals rely on HealthGrades' independent ratings to make healthcare decisions based on the quality of care. More information on the company can be found at http://www.healthgrades.com.

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