

## Jacobs developing a healthy interest in Med Power

Irwin Jacobs is developing a fancy for the health care business, particularly companies involved in managing health care costs.

Jacobs' IMR Fund L.P. is studying an investment in a start-up called Med Power Inc., a company based in Princeton, N.J., looking to get into the business of processing medical information electronically.

The concept seems vaguely reminiscent of Electronic Data Systems Inc. (EDS), the Dallas-based company that Ross Perot founded to electronically process the claims and payment of benefits for millions of people under federal health and welfare programs.

Marshall Levin, Med Power's chief executive, blanched at the comparison, saying Med Power is organized differently and will market its services differently.

Levin, who has 19 years' experience in the credit card and other electronic data management businesses, said the company will not, like EDS, establish a contract to serve one client, such as an insurance company. He said the network would function more along the lines of a credit card company, servicing member clients in a clearinghouse capacity, collecting a fee from doctors, employers, insurance companies and other participants. His experience includes stints at American Express and in cash management and credit card related services for Merrill Lynch.

There is one interesting similarity between Med Power and EDS. Even though Jacobs has yet to make an investment in the company — both he and Levin say the due diligence process is still under way — Jacobs did help open some doors at the state government level so that Med Power could make two presentations. One of those took place in mid-May and involved representatives from virtually every department in state government.

"Because of his interest in this subject, he did talk to a number of individuals," Levin said.

The firm met Jacobs, he said, through Paul Kay, who had been one of the top three management information systems people at CVN Companies, the now-merged cable shop-



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ping network that grew up from Jacobs' and Ted Deikel's C.O.M.B. Co. Deikel is now chairman and chief executive of Fingerhut Companies Inc.

Jacobs and Med Power in particular appear to have their sights on the Minnesota Department of Health, which is charged with collecting health-related data under the new HealthRight legislation.

Christine Moore of the Department of Health described the presentation as preliminary, adding that no decisions were made and that the "request for proposal" stage of the process is still a ways off. "We simply attended the meeting and listened," she said.

Levin said Med Power is focusing much of its initial marketing efforts in the seven-county area, and that 23 of its 27 employees are in Bloomington setting up the company's computer system.

### Growing, growing, gone?

On a related subject, I spent some time visiting with the folks at United HealthCare Inc. this week. Bill McGuire, United's affable physician-chief executive, says he's looking for about 400,000 square feet of additional office space. United is growing at such a pace that it is bursting out of the 600,000 square feet it occupies near the intersection of Hwys. 169 and 62 in Minnetonka.

Even though United, which is now spread over four buildings (the headquarters is at 9900 E. Bren Rd.), is looking to almost double its space, McGuire said the company hopes to save as much as \$5 million a year in lower leasing costs thanks to the softness in the commercial real estate market. He said the company isn't

necessarily going to move out of the complex, but if it does he'd like to stay in the immediate vicinity because of the number of employees who live in the area.

Later that day, Connie Kashmark, United's manager of marketing and consulting services, demonstrated the company's new "ProSight" software. United is working on a system it hopes to market to other health plans, employers and managers of health benefits and pharmacy plans that helps track, project and analyze employee health costs; its own health plans already are offering some versions of the package.

Factoid: A 100,000 member health plan uses more than 8.5 tons of paper a year.

### People we know

Madeline Noveck, president of the Institute of Certified Financial Planners (ICFP), was in town recently to speak with the local chapter of CFPs, one of two professional designations for planners, and to talk about strategies planners are developing to expand their business.

For the past six or eight years the financial planning industry has struggled through a tremendous shakeout. It was hit particularly by the 1986 Tax Reform Act and the havoc that law raised with the limited partnership business.

But Noveck, who practices in New York, also reports that membership in the ICFP, which constitutes one of the industry's more rigorous certification processes for planners, has been stable over the past several years thanks in large part to a steady stream of professionals seeking the designation.

Membership stands at about 7,300 nationwide, up slightly from about 7,000 five years ago. (Robert Klosterman, president of the local chapter of CFPs, says there are 755 CFPs in Minnesota.)

"We have not seen the growth in membership that we would like to see," she said. "We are just now getting to the point where our membership is growing, where before we were just holding steady."

Many planners, she said, are developing expertise in divorce negotia-

tions, both in an arbitration setting and for individual clients. They're also expanding into employee benefits — developing employment contracts for people changing jobs and evaluating benefit packages.

Ross Levin, president of Accredited Investors in Minneapolis, in September 1993 will begin a stint as president of the much larger International Association for Financial Planning (IAFP). Levin said membership in the IAFP has dropped to 12,000 in 1991 from more than 24,000 in 1986. While the numbers are down, he said he senses that the level of competency in the field has gone up in recent years.