



Contacts:
Chris Delaney
Definity Health
952/259-3416

Chris Campbell-Loth
Medtronic Public Relations
763/514-8547

FOR IMMEDIATE RELEASE

**MEDTRONIC ANNOUNCES THAT IT WILL OFFER *DEFINITY HEALTH'S* NEW
CONSUMER-DRIVEN HEALTHCARE BENEFIT TO EMPLOYEES**

MINNEAPOLIS, MN, November 28, 2000 – Medtronic, Inc., (NYSE: MDT), the world's leading medical technology company, today announced that its employees will be offered a new type of health benefit designed to encourage employees to take greater control over their healthcare.

Medtronic will offer the first of a new generation of consumer-driven healthcare plans from Definity Health as a benefit option to supplement its current offerings. This new health benefit option, introduced during the annual enrollment for January 2001, will provide Medtronic employees with more financial control over how their health and wellness needs are met, while also emphasizing preventive care and the increased sharing of healthcare information. This benefit is just one of the many resources Medtronic offers employees under the Total Well-Being program, which provides support for the mind, body, heart and spirit.

The Definity Health benefit consists of three components:

- **Personal Care Account (PCA)**, to cover the costs of health and wellness needs throughout the year. A participant can use the balance in his or her account to cover costs associated with the care their physician recommends. For example, if a patient covered by Definity Health wants to participate in a smoking cessation program, he can elect to use his PCA balance to cover the cost of both the program and the prescriptions required. In many instances, traditional health plans only cover the prescription costs. The employee's choice of certain complementary medicine techniques also would be covered, and participants will be covered in both regional and national networks, meaning that they will have coverage wherever they travel in the United States. A quarterly statement will be furnished to participants, showing usage of the account and balances remaining.
- **Health Coverage**, to complement the PCA and provide the benefit participant with a safety net to cover a patient's annual costs or if there is a serious illness. Also, in order to emphasize preventive care, the plan pays for 100 percent of the costs associated with this type of care.
- **Personal Health Advocate**, a set of powerful, easy-to-use Internet tools and information to support

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health and wellness decisions. Participants will have the ability to create a secure web page that will enable them to view their health history, learn about a new doctor and research medications, among other options.

“Medtronic is pleased to offer our employees a benefit option that will allow them to more proactively manage their own healthcare through an approach that is consumer-driven and supported by Web-enabled technology,” said David Ness, vice president of compensation and benefits at Medtronic.

William W. George, chairman and chief executive officer, added, “Through Medtronic’s life-enhancing medical technologies and its philanthropic support of patient-centered care for chronic health conditions, we have made a commitment to empower consumers to manage their own health. With this new health benefit, we are able to extend to our employees a health benefit that encourages them to take greater charge of – and responsibility for – their healthcare decisions, as well.”

Consumer-driven healthcare plans signal a new direction for employer-sponsored healthcare coverage. Surging healthcare costs, combined with the ongoing concerns consumers have about the overall quality of care and the lack of control they have in determining the type of care they receive, is prompting the development of new plan alternatives. The increased use of the Internet as a self-service and information gathering tool is also driving this movement.

Definity Health’s benefit unites these elements and gives consumers greater choice and increased control over their care as they also gain a wealth of information via the Internet or by phone to help guide decisions. Some 9,000 of Medtronic’s U.S. employees, including those who reside in Minnesota, those who work at its Santa Rosa, Calif. facilities and the company’s national field sales force, will initially be eligible to select the Definity Health benefit, according to Ness.

Dr. Albert Waxman, chairman of the board of Definity Health and managing partner of the Psilos Group, said, “The signing of Medtronic as well as our other initial offering companies, Aon Corporation and Ridgeview Medical, clearly signals that employers are not only looking for a new employee health benefit option, but one that employers can confidently offer, even during a tight labor market. These early adopters will, we believe, pave the way for many other employers who are looking for alternatives to traditional managed care health plans.”

Based in Minneapolis, Definity Health was founded in 1999 under the name HealthCare. The company is committed to developing health benefit options that give consumers greater control over their own healthcare decisions and increased responsibility for how they spend their health benefit dollars. Information about Definity Health can be accessed at www.definityhealth.com.

Medtronic, Inc., headquartered in Minneapolis, is the world’s leading medical technology company, providing lifelong solutions for people with chronic disease. Its Internet address is www.medtronic.com.