

SECURITIES AND EXCHANGE COMMISSION

FORM DEF 14A

Definitive proxy statements

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FIRST CHOICE HEALTH NETWORK INC

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant |
Filed by a Party other than the Registrant |

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to Section 240.14a-12

FIRST CHOICE HEALTH NETWORK, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:
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 Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registrant statement number, or the Form or Schedule and the date of its filing.

- (1) Amount previously paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

[GRAPHIC OMITTED]
First Choice Health Network, Inc.
600 University Street, Suite 1400
Seattle, Washington 98101

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held June 23, 2005
4:00 p.m., Pacific Time

To the Shareholders of First Choice Health Network, Inc.:

The 2005 Annual Meeting of Shareholders ("Annual Meeting") of First Choice Health Network, Inc., will be held at the Board Room of One Union Square Building, located at 600 University Street, Seattle, Washington, on Thursday, June 23, 2005, at 4:00 p.m. local time. At the meeting, shareholders will be asked to consider and vote on the following matters:

1. Electing six directors to serve three-year terms and two directors to serve two-year terms.
2. Such other business as may properly come before the meeting or any adjournment thereof.

Only shareholders of record on May 1, 2005, may vote on proposals at the Annual Meeting in person or by proxy. We encourage you to promptly complete and return the enclosed proxy in order to ensure that your shares will be represented and voted at the meeting in accordance with your instructions. If you attend the meeting in person, you may withdraw your proxy and vote your shares.

Further information regarding voting rights and the business to be transacted at the Annual Meeting is included in the accompanying Proxy Statement. The directors, officers, and personnel who serve you genuinely appreciate your continued interest as a shareholder in the affairs of our company and in its growth and development.

BY ORDER OF THE BOARD OF DIRECTORS

May 6, 2005

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YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the Annual Meeting, please sign and date your Proxy and return it in the enclosed postage prepaid envelope.

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First Choice Health Network, Inc.
600 University Street, Suite 1400
Seattle, Washington 98101
(206) 292-8255

PROXY STATEMENT

General. This proxy statement and the accompanying proxy are being furnished to you as a shareholder in connection with the solicitation of proxies by the Board of Directors ("Board of Directors") of First Choice Health Network, Inc. (the "Company"), for use at the Annual Meeting of Shareholders ("Annual Meeting") to be held Thursday, June 23, 2005, at 4:00 p.m. local time, and at any adjournment of the meeting. These proxy materials are first being mailed May 6, 2005.

To vote by proxy, please sign and date the enclosed proxy (yellow or green document) and return it to us as soon as possible. Properly executed proxies that are received in time and not subsequently revoked will be voted as instructed on the proxies. If you return a proxy without instructions, your shares will be voted in accordance with the recommendation of our Board of Directors -- FOR all nominees for election as directors. A proxy may be revoked before its exercise by filing written notice of revocation or filing a subsequently-dated proxy with the Company's Secretary, or by voting in person at the Annual Meeting.

Voting at the Annual Meeting. May 1, 2005 has been established as the record date for the Annual Meeting. Holders of record of shares of Class A and Class B common stock of the Company as of the record date are entitled to notice of and to vote at the meeting. On the record date, there were 429 shares of Class A common stock and 40,600 shares of Class B common stock outstanding and each share of common stock is entitled to one vote. One-third of the outstanding shares of Class A common stock and a majority of the outstanding shares of Class B common stock will constitute a quorum for the conduct of business at the meeting.

Solicitation of Proxies. Proxies will be solicited primarily through the mail, but may also be solicited by directors and officers of the Company. All costs of solicitation of proxies will be borne by the Company.

Election of Directors

General

Under our Bylaws, the total number of positions on our board is seventeen. There are seven Class A directors who represent physician shareholders, seven Class B directors who represent hospital shareholders, and three Class C directors who represent employers that are not health care providers or that are consumers of health care services (or both). The Board of Directors is presently divided into three categories serving staggered three-year terms, with approximately one-third of the directors standing for election each year.

In 2003, the Board of Directors established a nominating committee of our board (the "Nominating Committee") to, among other things, determine a slate of qualified nominees for election as directors to be presented to our Board of Directors for approval. Under our bylaws, each proposed nominee must be approved by a majority vote of the Board of Directors. In addition, a majority of the existing Class A directors must approve the nominations of Class A nominees and a majority of the existing Class B directors must approve the nominations of Class B nominees. All proposed nominees were unanimously nominated by the Board of Directors at its regular meeting on April 28, 2005. BIOGRAPHICAL INFORMATION ON ALL NOMINEES IS FOUND ON PAGES 3 THROUGH 5 OF THIS PROXY STATEMENT.

In accordance with the recommendations of the Nominating Committee, the Board of Directors has nominated a total of eight individuals for election as directors at the Annual Meeting. Gerald A. Cufley, M.D., Scott F. Kronlund, M.D., and Mitchell B. Weinberg, M.D. have been nominated to serve as Class A directors for a three-year term to expire in 2008. The Board has also nominated Richard D. Roodman, and Greg C. Van Pelt to serve as Class B directors for three-year terms to expire in 2008. Paul M. Elliott has been nominated to serve as a Class C director for a three-year term to expire in 2008. Jeff A. Nelson was elected by the Board on March 3, 2005 to serve as a Class B hospital representative replacing Thomas W. Wilbur, who resigned from the Board in September 2004. Mr. Nelson is nominated to serve a two-year term to expire in 2007. Erica V. Peavy, M.D., who is not currently a director of the Company, was recommended by a representative of The Everett Clinic, with which a significant number of class A shareholders are affiliated. The Nominating Committee considered Dr. Peavy an ideal candidate for director in light of her administrative background at The Everett Clinic, where she focuses on physician-patient communication skills, risk management and physician recruitment. Dr. Peavy is nominated to serve as a Class A director for a two-year term to expire in 2007 as the result of a vacancy created by the untimely death in 2004 of William J. MacDonald, M.D., our colleague and friend.

INFORMATION WITH RESPECT TO NOMINEES AND
DIRECTORS WHOSE TERMS WILL CONTINUE

Nominees for election as directors at the Annual Meeting are listed below.

Nominees for Director

Class A Physician Directors:

Gerald A. Cufley, M.D., age 61
Class A Director since 2001
Term expires in 2008

Gerald Cufley, M.D. has been in the private practice of medicine in Kirkland, Washington since 1977. After completing a degree of B.A. in Chemistry at the University of Washington in 1966, Dr. Cufley attended the University of Washington School of Medicine and received his medical degree in 1970. Internship and residency in internal medicine were completed at the University of New Mexico Affiliated Hospitals in 1973. Two years of post graduate training in Gastroenterology was obtained at Letterman Army Medical Center and the University of California at San Francisco. From 1975 to 1977 Dr. Cufley served as a medical officer in the U.S. Army at Madigan Army Medical Center at Fort Lewis, Washington.

Scott F. Kronlund, M.D., M.S.,
age 48
Class A Director since 2002
Term expires in 2008

Scott Kronlund, M.D. is an independent healthcare consultant following his departure from Good Samaritan Community Healthcare in 2004. Most recently, Dr. Kronlund had been serving as the Vice President for Ambulatory Services at Good Samaritan since 1997. He previously was the Chief Medical Officer at Good Samaritan, responsible for all outpatient physician and clinic services and also serves as an internal consultant to several community-based programs. Scott is also the Chair of the Community Advisory Board, University of Washington Health Promotions Research Center, which focuses on research

related to healthy aging. He also serves on the Auxiliary Faculty and is a Guest Lecturer at the University of Washington, Tacoma, Graduate School of Nursing. Scott holds a Bachelor of Science degree in Chemistry at the Pacific Lutheran University in Tacoma, a medical degree from the University of Washington School of Medicine as well as a Masters of Science degree in Preventative and Administrative Medicine from the University of Wisconsin. In addition, he is a board-certified family physician, having received his residency training at the University of Iowa. Dr. Kronlund is currently professionally affiliated with the American Academy of Family Physicians, Washington State Medical Association, and Medical Society of Pierce County, and is a Certified Physician Executive through the American College of Physician Executives.

Erica V. Peavy, M.D., age 52
Nominated as Class A Director
Term expires in 2007

Erica Peavy, M.D. is Associate Medical Director, Physician Affairs of the Everett Clinic. Dr. Peavy completed her Medical Degree and Residency training in obstetrics and gynecology at the University of Washington. Before that she attended Boise State University where she majored in Chemistry. She was accepted to medical school before completing her undergraduate degree; an honor accorded less than one in twenty entering medical students. She practiced briefly in Seattle before joining the OB/Gyn staff at The Everett Clinic in 1989. She served as Department Chair for the OB/Gyn Department, and then was elected Surgery Section Chair for the Everett Clinic, in 1996. She served on the Everett Clinic's Board of Directors from 1996 to 1999.

Mitchell B. Weinberg, M.D., age 53
Class A Director since 2003
Term expires in 2008

Mitchell Weinberg, M.D. has been in the private practice of pediatric medicine since 1984. After completing his undergraduate training in Biochemistry at the University of California, Dr. Weinberg received his medical

scientist training at Case Western Reserve University with an MD-Ph.D awarded in 1981. Residency training was completed at Children's Hospital and the University of Washington Affiliated Hospitals in 1984. In addition to managing a 14 provider pediatric group in Woodinville, Dr. Weinberg has been very involved with the physician leadership of Evergreen Healthcare, and presently is the immediate past President of the Medical Staff.

Class B Hospital Directors:

Jeff A. Nelson, age 49
Class B Director since 2005
Term expires in 2007

Jeff Nelson has been the interim Chief Executive Officer of Empire Health Services (EHS) since 2004. EHS is a not-for-profit health system with acute care hospitals, outpatient centers and urgent care clinics serving the Spokane region, Eastern Washington and the surrounding three state area. EHS acute care hospitals include Valley Hospital and Medical Center and Deaconess Medical Center, a top 100 heart hospital in the nation. EHS employs over 2,600 employees, making it one of the largest private employers in Spokane. Mr. Nelson was appointed to lead EHS based on his 24 years of financial and operations experience in serving health care systems undergoing significant changes. Previously, Mr. Nelson has served as CEO, COO and CFO of acute care hospitals, health plans and health care technology startups and turnarounds in Hawaii, Maryland, Minnesota, New Jersey, New York, Texas and Washington. From 2001 to 2004 Mr. Nelson was the Executive Director of Health East Care in St. Paul and from 1999 to 2000 Mr. Nelson was the CEO of Sinai Care and NW Health Alliance. Mr. Nelson earned his B.A. in Accounting from the University of Minnesota, Duluth and his M.A. in Hospital Administration from the University of Iowa. He is a CPA, a Six Sigma Greenbelt and a 360 Degree

Management Feedback consultant. Mr. Nelson is an author on the future of healthcare and is a frequent speaker on mastering successful negotiations.

Richard D. Roodman, age 57
Class B Director since 2004
Term expires in 2008

Richard (Rich) Roodman has been the Chief Executive Officer of Valley Medical Center since January 1983. Valley Medical Center is the first and largest public hospital district in the state of Washington, serving the health care needs of half a million people living and working between Seattle and Tacoma. Rich is one of the longest tenured CEOs in health care today, with 22 plus years at Valley Medical Center, which was recently honored as the first hospital to earn Best Companies to Work for in Washington State by Washington CEO magazine and the Washington Business Association's Better Workplace Award for Workplace Safety, among other accolades. Rich received his Bachelor's degree in Finance from the University of Missouri, and his Master's in Health Administration from Washington University in St. Louis.

Greg Van Pelt, age 53
Class B Director since 2001
Term expires in 2008

Greg Van Pelt is Senior Vice President of the Providence Health System. Responsibilities include operations in Alaska, Washington, Oregon and California. Providence Health System includes hospital, clinic and long-term care service with more than 30,000 colleagues in the western United States. Mr. Van Pelt has been with Providence Health System for over 25 years. He has served in management roles as Chief Executive, Washington Region, Chief Executive, Providence Health Plan and Chief Executive, Providence-St. Vincent Hospital and Medical Center, Portland, Oregon. Mr. Van Pelt's professional activities include the Washington Health Care Forum, Fellow in the American College of Healthcare Executives, past Board member of the Catholic Health Association, and past Board member of Sisters of Mercy Health System-St. Louis.

Class C Director:

Paul M. Elliott, CPA, age 65
Class C Director since 1989

Paul Elliott recently retired from his private consulting business advising

Term expires in 2008

companies. He was the Financial Officer for the Pepsi Cola Company of North America, Northwest Business until he retired in 1995. He was formerly Senior Vice President of Finance and Operations for the Alpac Corporation from 1981 until 1993. From August 1969 to August 1981, he was Vice President-Controller for Airborne Freight Corporation in Seattle. He is a member of the Board of Visitors for Central Washington University, on the Board of the Boys & Girls Clubs of South Snohomish County and a member of Rotary Club International.

Continuing Directors:

Diane E. Cecchettini, R.N., age 57
Class B Director since 1999
Term expires in 2007

Diane Cecchettini, R.N. has served as the President and Chief Executive Officer of MultiCare Health System since 1999. Prior to the CEO role, she worked in various capacities at MultiCare Health System -- Executive Vice President and Vice President Patient Services. Ms. Cecchettini's previous experience includes multiple leadership positions in 11 years at Sutter Health in Sacramento, and direct clinical experience at UCLA Medical Center in Los Angeles, California. Ms. Cecchettini received a Bachelor's degree in Nursing in 1970 from the University of California, Los Angeles, and a M.S. degree in Human Resources Management in 1976 from the University of Utah. In 1993, Ms. Cecchettini retired as a Lieutenant Colonel from the Air Force Reserve, having served 21 years as a Flight Nurse in Aeromedical Evacuation -serving in the Vietnam era and as a Troop Commander in Desert Storm.

Kenneth D. Graham, FACHE, age 58
Class B Director since 1997
Term expires in 2006

Kenneth Graham has served as President and CEO at Overlake Hospital Medical Center since 1994, and has overseen significant changes in the organization. The hospital has developed a new facilities master plan; introduced operational controls to improve hospital

efficiency; established contracts with more than 25 managed care companies; and implemented new programs such as an adolescent psychiatric care program, a Multiple Sclerosis Center, a Level III Emergency Center and a Women's Hospital. Mr. Graham also currently serves as the voluntary Executive Director of RotaCare International; an organization dedicated to providing free clinics in association with local Rotary clubs. RotaCare serves homeless, migrant workers, new immigrants and the uninsured or underinsured. Mr. Graham is committed to community involvement in local, regional and national organizations including the Bellevue Chamber of Commerce and the Rotary Club of Bellevue. He previously served as a member or advisor of more than a dozen hospitals or health care organization boards. He earned a B.S. degree in Public Health and a Masters degree in Public Health Hospital Administration, both from UCLA. He is a Fellow in the American College of Health Care Executives and is a Governor of ACHE.

William F. Johnston, M.D., FACEP,
age 60
Class A Director since 1998
Term expires in 2007

William Johnston, M.D. has been the Medical Director of Emergency Services at Northwest Hospital since 1977 and is the Section Head of the Department of Emergency Medicine for the hospital. He additionally has a clinical practice as an emergency physician at Northwest Hospital. Dr. Johnston also served on the Board of Directors of Washington Casualty Company and Northwest Healthcare Insurance Services. He also is on the Board of Directors of the Washington Chapter of the American College of Emergency Physicians. He received his BSEE, MSEE (Bioengineering), MBA, and MD degrees from the University of Washington. After finishing his

internship at the University of Washington Affiliated Hospitals, Dr. Johnston completed a residency in Emergency Medicine at UCSF Affiliated University Medical Center in Fresno, California, where he subsequently was on the faculty of Emergency Medicine. He is a

Diplomate of the American Board of Emergency Medicine and a Fellow of the American College of Emergency Physicians.

Richard A. McGee, M.D. age 59
Class A Director since 1995
Term Expires in 2006

Richard McGee, M.D. has had a full-time private medical oncology practice for the past 30 years and is President of Puget Sound Cancer Centers, one of the largest medical oncology groups in Washington State. Formerly, for 8 years, Dr. McGee was the Medical Director of Stevens Healthcare, a Public Hospital District, and is currently a consultant in Medical Staff Affairs to other area hospitals. He is a diplomat of the American Board of Internal Medicine as well as the specialty Boards of the American Board of Hematology and the American Board of Medical Oncology. He is past-President and current President-elect of the Washington State Medical Oncology Society and is a member of the National Medical Policy Board of US Oncology, the largest cancer treatment network in the United States as well as secretary of their national Pharmacy and Therapeutics Committee. Dr. McGee is a member of the American Society of Clinical Oncology and the American Society of Hematology. He is a Clinical Professor of Medicine at the University of Washington and is a Fellow of the American College of Physicians. In the past, he has served as Chief of the Medical Staff and Chairman of several hospital committees. He was Vice-Chairman of the Board of Directors of Snohomish County Physicians Corporation, a Blue Shield company. His undergraduate studies were at John Carroll University, his graduate studies at Johns Hopkins University Medical School and his postgraduate work was done at the University of Washington Hospital and the National Institutes of Health in Bethesda, Maryland.

Barbara L. Mitchell, age 59
Class C Director since 1986
Term expires in 2006

Ms. Mitchell has been the Administrator of Organizational Development for Valley Medical Center, Renton, Washington since 1999. She has worked in Human Resource management for 20+ years in the Puget Sound area. Previously, she was the Managing Partner of ClearPoint, an employee benefits brokerage and consulting firm. Ms. Mitchell previously served as the Chief Operating Officer of The

Reppond Company; Vice President Human Resources for KIRO Broadcasting, Inc.; and Personnel Director for Northwest Hospital. She has a B.A. in English literature and an M.A. in Behavioral Psychology. She has been active with Rotary, the American Compensation Association, Society of Human Resource Management, American and Washington Hospital Human Resource Associations, the Employee Benefits Planning Association, various civic organizations, and fundraising positions with the American Cancer Society and

7

Washington Women in Need.

Richard H. Peterson, age 62
Class B Director since 1997
Term expires in 2006

In January 1995, Richard Peterson assumed his role as President and CEO of Swedish Health Services, the Northwest's largest, most comprehensive health-care facility representing virtually all medical, diagnostic and surgical specialties. Swedish is comprised of three hospital campuses totaling 1236 licensed beds (697 at First Hill, 163 at Ballard, and 376 at Providence), the Swedish Physician Division and a home health and hospice program. Under Mr. Peterson's leadership, the financial performance of the organization has improved, a comprehensive, system-wide total quality management initiative has been implemented, major improvements to the facilities have been completed, relationships with other health care organizations in key service lines have been developed and specialty programs have been established. Mr. Peterson has over 30 years of health care management experience. A native of Minnesota, he holds a master's degree in hospital and health-care administration from the University of Minnesota and a Bachelor of Arts degree from Macalester College in St. Paul, Minnesota. Mr. Peterson holds various Board and Committee positions with LifeCenter Northwest, Washington Health Care Forum and Health Services Northwest. He is past-Chair of the Washington State Hospital Association and serves on several Association Committees. He is a Board Member of the United Way of

King County and the Greater Seattle Chamber of Commerce. He is also a member of the Health Care Advisory Committee, the American College of Healthcare Executives, and the University of Minnesota Alumni Association.

Paul G. Ramsey, M.D., age 55
Class B Director since 2000
Term expires in 2006

Paul Ramsey, M.D. is the Vice President for Medical Affairs and Dean of the School of Medicine at the University of Washington. He graduated from Harvard College in 1971 with honors in Biochemistry and received his M.D. from Harvard Medical School in 1975. Following completion of residency training in Internal Medicine at Massachusetts General Hospital, he came to the University of Washington in 1978. He served as Coordinator of Student Teaching for the Department of Medicine from 1982-1990 and was Associate Chair of the Department from 1988-1990. He was appointed as Chair of the Department of Medicine in 1992 and became the first holder of the Robert G. Petersdorf Endowed Chair in Medicine in 1995. He served as Chair of the Department of Medicine until June 1997 when he was appointed Vice President for Medical Affairs and Dean of the School of Medicine. Dr. Ramsey has received the Distinguished Teacher Award from the University of Washington School of Medicine's graduating class three times (in 1984, 1986, and 1987) and the Margaret Anderson Award from the University of Washington graduating class of 1989. The latter Award

8

recognizes exceptional support of medical students. Dr. Ramsey's research has focused on the development of methods to assess physicians' clinical competence. He has been the Principal Investigator on multiple research grants related to assessment of physicians' clinical skills and served as a Henry J. Kaiser Family Foundation Faculty Scholar in General Internal Medicine for five years. Dr. Ramsey received the John P. Hubbard Award from the National Board of Medical Examiners in 1999 in recognition of his research contributions in the field of

evaluation. He has served on many national committees and is a member of multiple organizations and an elected member of the Association of American Physicians and the Institute of Medicine of the National Academy of Sciences.

Richard E. Rust, M.D., age 78
Class A Director since 1985
Term expires in 2006

Richard Rust, M.D., is a family practitioner and he has served on the First Choice Health Network Board of Directors since 1985. Dr. Rust currently serves on the Company's Quality Improvement Council, Compensation Committee and Credentialing Committee. Dr. Rust actively participates in the selection process for candidates to the Family Practice Program of the University of Washington, School of Medicine. Additional activities have included serving as Trustee of the Washington Academy of Family Physicians; Trustee, King County Medical Society; Trustee and Vice Chairman of King County Medical Blue Shield; and President of King County Academy of Family Physicians.

Clyde D. Walker, age 50
Class C Director since 1995
Term expires in 2007

Clyde Walker has been the Senior Vice President, Human Resources at Continental Mills in Seattle since 2002. Previously, Mr. Walker was Vice President of Human Resources at Primex Aerospace. Mr. Walker has over 12 years experience in the human resources field and over 30 years of business administration and management experience. Mr. Walker has held positions of increasing levels of responsibility in areas including subcontract administration, contract administration, pricing and human resources. He received an M.B.A. degree from City University in Seattle and a B.A. degree in business administration from the University of Washington. He also serves as the Board Chair for the Seattle School District's Family Support Worker Program and on the Board of Directors and Executive Committee for the Foundation for Early Learning. From 1993-2002 Mr. Walker served on the Board of Directors of Big Brothers, Big Sisters of King and Pierce Counties serving as Board Chairman in 1998.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

During 2004, our board met nine times. Each nominee or continuing director attended at least 75% of the total meetings of the Board of Directors and all committees on which he or she served during 2004 except for Ms. Cecchetti, Mr. Graham, Mr. Roodman, Mr. Peterson, and Dr. Ramsey.

The Company has not adopted a policy regarding director attendance at the Company's annual meeting of shareholders. In 2004, eleven directors attended the annual meeting of shareholders.

Current Board Committees

Audit Committee. The Board of Directors has established an Audit Committee which held three meetings during 2004. The Audit Committee is currently comprised of Mr. Elliott (Chair), Dr. McGee, Ms. Mitchell, and Mr. Walker. Each member of the Audit Committee is financially literate and independent as defined in the Nasdaq Stock Market listing standards and applicable Securities and Exchange Commission ("SEC") rules adopted under the Sarbanes-Oxley Act of 2002. The responsibilities of the Audit Committee are more fully described in its written charter approved by the Board in 2004. A copy of the Charter will be sent to shareholders upon request.

The Audit Committee has the authority to appoint and/or replace the independent auditors selected to audit the financial statements of the Company and is charged with monitoring the relationship between the Company and its auditors. Further, the Audit Committee assists the Board of Directors in areas relating to corporate accounting, reporting practices of the Company, and the quality and integrity of financial reports and internal controls of the Company.

The Board of Directors has determined that Mr. Elliott is an audit committee financial expert under applicable SEC rules and regulations.

Compensation Committee. The Board of Directors has established a Compensation Committee which held two meetings during 2004. The committee is currently comprised of Mr. Walker (Chair), Mr. Elliott, Dr. McGee, Ms. Mitchell, and Dr. Rust. Phillip J. Haas was a member of the Compensation Committee until his resignation as director in April 2004. The Compensation Committee is responsible for establishing and administering the Company's executive compensation and incentive programs and for the Company's general compensation policies.

Nominating Committee. The Nominating Committee was established in July 2003 to identify and recommend to our board a slate of qualified individuals for nomination for election to our board and to assist our board in other matters relating to board and committee composition. The Nominating Committee does not have a written charter.

No formal Nominating Committee meetings were held during 2004. Informal discussions and electronic mail correspondence occurred among the CEO and individual committee members regarding nominations, resulting in a unanimously approved slate of directors. Mr. Peterson (Chair), Ms. Cecchittini, Dr. McGee, Ms. Mitchell, and Mr. Van Pelt currently serve on the Nominating Committee. All are independent as defined in the NASDAQ listing standards.

In evaluating potential director nominees, the Nominating Committee considers all relevant factors, including geographic representation, physician specialty for Class A directors, rotation of directors affiliated with Class B shareholders, and whether a proposed nominee possesses specific areas of expertise desired by the Board of Directors. In addition, the Nominating Committee will consider:

10

- o The professional and educational background of each candidate; and
- o Needs of the Board of Directors and its committees and whether a candidate has expertise that fills an area of need.

In the event the Nominating Committee is required to identify new director candidates, it informally polls current directors and appropriate shareholder groups for suggestions. The Nominating Committee has not hired a third-party search firm to date and does not plan to do so in the future.

Once potential candidates are identified, the Nominating Committee will conduct interviews with the candidates and perform such investigations into the candidates' background as the Nominating Committee determines appropriate.

The Nominating Committee will consider director candidates suggested by shareholders for nomination by the Board, provided a proposed nominee is eligible to serve as a director in the available position. Shareholders wishing to suggest a candidate to the Nominating Committee should do so by sending the candidate's name, biographical information, and qualifications to: Nominating Committee Chair, First Choice Health Network, Inc., 600 University Street, Suite 1400, Seattle, Washington 98101. Candidates suggested by shareholders will be evaluated by the same criteria and process as candidates proposed by other sources.

Shareholder Communications with the Board

Shareholders may communicate with board members directly. Such communications should be sent by mail to Board of Directors, First Choice Health Network, Inc., 600 University Street, Suite 1400, Seattle, Washington 98101, or by e-mail to ggannaway@1stchoiceofwa.com. Communications to an individual director or committee should be sent to the attention of the intended recipient or committee. The Chair of the Board will be responsible for reviewing

communications and forwarding them on to their intended recipient. Communications may not be forwarded if they appear to be outside the scope of the duties and responsibilities of the Board of Directors or are otherwise inappropriate.

Compensation of Directors

In December 2004, the compensation for Class A and Class C directors was increased to \$1,500 (from \$500) per board meeting attended and \$500 (from \$125) per hour for committee meetings attended. Beginning in December 2004, comparable amounts are being paid to each Class B director's hospital foundation in connection with the director's meeting attendance.

CODE OF ETHICS

The Company has adopted codes of conduct (collectively, the "Codes of Conduct") for the Company's chief executive officer, chief financial officer and vice president, finance. The Codes of Conduct focus on honest and ethical conduct, the adequacy of disclosure in financial reports of the Company, and compliance with applicable laws and regulations. The Codes of Conduct were filed as exhibits to the Company's Annual Report on Form 10-K and are available at the SEC's web site at www.sec.gov.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the amount of Company common stock beneficially owned as of April 30, 2005, by our current directors and nominees for director, the executive officers named in the summary compensation table below, shareholders known to us to beneficially own more than five percent of our common stock, and all executive officers and directors of the Company as a group. Beneficial ownership includes shares currently owned, shares that a person has a right to vote or transfer, and any shares that a person has a right to acquire within 60 days. Except as noted below, each holder has sole voting and investment power with respect to shares listed as owned. As of April 30, 2005, the Company had 429 shares of Class A common stock and 40,600 shares of Class B common stock outstanding.

Name	Shares Beneficially Owned		Percent of	
	Class A	Class B (1)	Class A	Class B
Northwest Hospital 1550 North 155th		5,800		14.3%

Seattle, Washington 98123

Providence Health System, Washington Region 506 Second Avenue, Suite 1200 Seattle, Washington 98104	5,800	14.3%
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Good Samaritan Community Healthcare 407 14th Avenue S.E. Puyallup, Washington 98371	5,800	14.3%
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MultiCare Health System 315 Martin Luther King Jr. Way Tacoma, Washington 98415	5,800	14.3%
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Empire Health Services 800 W. Fifth Avenue Spokane, Washington 99210	5,800	14.3%
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Swedish Medical Center 747 Broadway Seattle, Washington 98114	5,800	14.3%
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Overlake Hospital Medical Center 1035 116th Avenue N.E. Bellevue, Washington 98004	5,800	14.3%
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Diane E. Cecchettini, R.N. (1)

Gerald A. Cufley, M.D.	1	*
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Shares
Beneficially Owned

Percent of

Name	Class A	Class B (1)	Class A	Class B
----	-----	-----	-----	-----

Paul M. Elliott

Gary R. Gannaway

Kenneth D. Graham (1)

Kenneth Hamm

Ross D. Heyl

William F. Johnston, M.D. 1 *

Scott F. Kronlund, M.D. 1 *

Richard A. McGee, M.D. 1 *

Barbara L. Mitchell

Jeff A. Nelson (1)

Erica V. Peavy, M.D.

Richard H. Peterson (1)

Paul G. Ramsey, M.D.

Richard D. Roodman

Richard E. Rust, M.D. 1 *

Greg Van Pelt (1)

Clyde D. Walker

Mitchell B. Weinberg, M.D., Ph.D. 1 *

Ze'ev Young, M.D.

All directors and executive officers as a group (21 persons) (1)	6	40,600	1.3%	100%

*Represents less than one percent of Class A common stock outstanding.

(1) The following Class B directors and nominees are affiliated with a Class B shareholder: Diane E. Cecchetti (MultiCare Health System), Kenneth D. Graham (Overlake Hospital Medical Center), Richard H. Peterson (Swedish Health Services), Greg Van Pelt (Providence Health System, Washington Region) and

Jeff A. Nelson (Empire Health Services). As a result, each of these directors may be deemed to have beneficial ownership of the Class B shares held by the hospital with which he or she is affiliated.

Four additional hospitals in the state of Washington (Evergreen Hospital Medical Center, 12040 Northeast 128th Street, Kirkland, WA 98034; Valley Medical Center, 400 S. 43rd Street, Renton WA 98055; Stevens Healthcare, 21601 76th Avenue, Edmonds, WA 98026; and University of Washington Medical Center, 1959 Northeast Pacific Street, Seattle, WA 98195) are not shareholders of the Company, but have made capital contributions to the Company in consideration of contractual rights substantially similar to the rights to which each holder of our Class B common stock is entitled, including liquidation and dividend rights, but excluding voting rights.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires that all of our executive officers and directors and all persons who beneficially own more than 10 percent of our Class A common stock ("reporting persons") file reports with the SEC with respect to beneficial ownership of our common stock. To the Company's knowledge, all Section 16 reporting requirements applicable to reporting persons were complied with during 2004.

The Audit Committee of the Board of Directors reports to the Board and is responsible for overseeing the Company's accounting functions, the system of internal controls established by management, and the processes to assure compliance with applicable laws, regulations and internal policies. The Audit Committee is comprised of four directors, each of whom meets independence requirements specified in current Nasdaq listing standards. The Audit Committee's activities are governed by a written charter adopted by the Board of Directors.

In discharging its responsibilities, the Audit Committee and its individual members have met with management and the Company's independent auditors, Moss Adams LLP, to review and discuss the Company's accounting functions, the audit process and the audited financial statements. The Audit Committee discussed and reviewed with its independent auditors all matters that the independent auditors were required to communicate and discuss with the Audit Committee under applicable auditing standards, including those described in Statement on Auditing Standards No. 61, as amended, regarding communications with audit committees. Audit Committee members also discussed and reviewed the results of the independent auditors' examination of the financial statements, the quality and adequacy of the Company's internal controls, and issues relating to auditor independence. The Audit Committee has obtained a formal written statement relating to independence consistent with Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committee," and discussed with the auditors any relationships that may impact their objectivity and independence.

Based on its review and discussions with management and the Company's independent auditors, the Audit Committee recommended to the Board that the audited Financial Statements for 2004 be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2004, for filing with the SEC.

AUDIT COMMITTEE

Paul M. Elliott (Chair)
Barbara L. Mitchell

Richard A. McGee, M.D.
Clyde D. Walker

MATTERS RELATING TO OUR INDEPENDENT AUDITORS

Fees Paid to Independent Auditors

Moss Adams LLP ("Moss Adams") has been selected as the Company's independent auditors for 2005, and performed the audit of the Consolidated Financial Statements of the Company for the year ended December 31, 2004. A representative of Moss Adams will not be attending the Annual Meeting but will be available via telephone to respond to questions as needed.

The following table shows the audit fees billed by Moss Adams and fees billed for audit related, tax and all other services rendered by Moss Adams for each of the last two years:

2004	2003
----	----

Audit Fees (a)	\$135,300	\$132,400
Audit Related Fees (b)	19,500	17,800
Tax Fees (c)	0	1,000
All Other Fees (d)	3,000	0
	-----	-----
Total	\$157,800	\$151,200
	=====	=====

15

(a) Audit Fees related to the audit of the Company's annual financial statements for the years ended December 31, 2004 and 2003, and for the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for these years.

(b) Audit-Related Fees for each of 2004 and 2003 included fees for:

- o Audits of the Company's 401k Plan
- o Audits of subsidiaries' statutory financial statements

(c) Tax Fees for 2003 are for tax planning and miscellaneous tax questions

(d) Other fees related to attendance at Audit Committee meetings and assistance with the Office of Insurance Commissioner Audit.

Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

The Audit Committee pre-approved all services provided by the Company's independent auditors, Moss Adams, for the year ended December 31, 2004, and concluded that the provision of all such services by Moss Adams was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

The Audit Committee has adopted a policy for the pre-approval of services provided by the independent auditors. Under the policy, pre-approval of certain specified services are generally provided for up to one year. Each pre-approval is detailed as to the particular service or category of services and is subject to a particular budget. In addition, the Audit Committee may pre-approve particular services on a case-by-case basis. The Audit Committee may delegate pre-approval authority to one or more of its members. Such member or members must report any decisions to the Audit Committee at its next scheduled meeting. Unless specified otherwise by the Audit Committee, the Chair of the Audit Committee has been delegated pre-approval authority under the pre-approval policy.

OTHER BUSINESS

The Board of Directors knows of no other matters to be brought before the shareholders at the Annual Meeting. In the event other matters are presented for

a vote at the Annual Meeting, the proxy holders will vote shares represented by properly executed proxies in their discretion in accordance with their judgment on such matters.

EXECUTIVE COMPENSATION

The following table summarizes the compensation awarded or paid for the three years ended December 31, 2004, to the Company's President and Chief Executive Officer and to the other three executive officers of the Company during 2004.

16

SUMMARY COMPENSATION TABLE

Annual Compensation				

Name and Principal Position	Year	Salary	Bonus	All Other Compensation (1)

Gary R. Gannaway President and Chief Executive Officer	2004	\$308,766	\$183,645	\$27,780
	2003	304,452	145,411	27,117
	2002	299,091	142,884	2,863

Kenneth Hamm Executive Vice President and Chief Financial Officer	2004	\$243,462	\$ 94,842	\$23,202
	2003	238,989	123,408	22,800
	2002	211,767	50,668	5,500

Ross D. Heyl Vice President and Chief Marketing Officer	2004	\$133,424	\$ 36,873	\$13,544
	2003	128,935	36,648	12,141
	2002	125,135	50,128	2,256

Ze've Young, M.D. Vice President and Chief Medical Officer	2004	\$204,841	\$ 51,277	\$20,508
	2003	197,950	49,533	19,453
	2002	193,075	46,176	4,171

(1) Amounts shown in this column represent annual matching contributions to the Company's 401(k) Plan and annual contributions equal to 7% of base salary to the Company's Supplemental Executive Retirement Plan ("SERP") for the accounts of the named executive officers. These amounts were as follows:

Name	401(k) Plan			SERP	
	2004	2003	2002	2004	2003
Mr. Gannaway	\$6,150	\$5,911	\$2,863	\$21,630	\$21,206
Mr. Hamm	6,150	6,000	5,500	17,052	16,800
Mr. Heyl	3,394	3,106	2,256	10,150	9,035
Dr. Young	6,150	5,581	4,171	14,358	13,872

No Equity Compensation Plans

The Company does not have any equity compensation plans. No options, warrants, or other rights are outstanding pursuant to which common stock of the Company would be issued upon the exercise thereof.

Long Term Incentive Plan

Key executives of the Company are eligible to participate in the Company's Long Term Incentive Plan, ("LTI") which was instituted effective January 1, 2003. The Board of Directors has adopted certain performance metrics to determine the amount of incentive compensation, if any, that will be payable to the Company's eight key executives at the end of the initial three-year cycle beginning January 1, 2003. The total maximum amount of incentive compensation that may be distributed to executives of the Company at the end of the three-year cycle is \$675,000, which is allocated as follows:

17

President and CEO	\$225,000
Executive Vice President and Chief Financial Officer	150,000
Vice Presidents (6 total)	50,000 Each
TOTAL	\$675,000

Effective in 2004, the Board of Directors approved an additional three-year cycle of the long-term incentive plan beginning January 1, 2005. The total

maximum that may be distributed to executives of the Company at the end of this three-year cycle is \$450,000 which is allocated as follows:

EVP and CFO	\$150,000
VP (6 total)	\$ 50,000 Each -----
Total	\$450,000 =====

Performance metrics for each three-year cycle will be based on the Company's five-point business plan. Approximately three to five LTI goals and progress against them will be documented for each of the executives in the LTI program as a segment of the annually produced and routinely updated FCHN Master Operations Plan. The three to five LTI goals will be weighted in accordance to their relative importance for the three-year strategic plan. The Chairs of the Board and Compensation Committee will meet annually with the CEO to review progress against LTI goals.

80% of the LTI potential will be based on the level of achievement by each executive towards their LTI goals as these are defined consistent with the three-year strategic plan for a three-year LTI cycle. 20% of the LTI potential will be based on actual cumulative operating income results for the three-year LTI cycle as compared to the approved three-year strategic plan. A minimum threshold of 75% cumulative achievement of all LTI goals must occur for an individual to receive payment of a portion of an LTI award at the end of a three-year LTI cycle.

All individual LTI goals will be objectively measurable and include specific metrics for achieving 100% of target as well for lesser levels of achievement. In addition, individual LTI goals must be achieved at a 75% level to create any cumulative LTI value.

A pro rata amount of an LTI award will be paid in the event of a participant's death, disability, retirement or termination without cause during a performance period based on calendar years of service completed.

Supplemental Executive Retirement Plan

The Company also adopted a Supplemental Executive Retirement Plan (the "SERP") effective January 1, 2003, in which selected employees, including the four executive officers named in the Summary Compensation Table above, are eligible to participate. The SERP, which is unfunded, provides for employer contributions to be credited to bookkeeping accounts maintained for each participant in an amount equal to 7 percent of the participant's regular base salary each calendar year. In addition, participants may voluntarily defer other compensation otherwise payable and have it credited to his or her SERP account. Amounts credited to participants' accounts are adjusted for the amount of

investment income or loss (including unrealized appreciation or depreciation) that would have been realized if such amounts had been invested in one or a combination of investment funds selected by participants from among alternatives designated by or at the

direction of an administrative committee comprised of members of the Company's management. The Company may, but is not required to, actually maintain investments corresponding to such investment funds.

CEO Employment Agreement

Effective January 1, 2003, Gary R. Gannaway entered into a three-year employment agreement as the Company's President and Chief Executive Officer. Under his employment agreement with the Company, Mr. Gannaway's base salary level for 2003 was \$302,940, subject to an annual increase of up to 2 percent. Mr. Gannaway is also eligible to receive an annual cash bonus of zero to 50 percent of base pay based on performance measured against mutually determined targets. The amount of the annual bonus is determined and awarded by the Board of Directors based on the Compensation Committee's recommendation following the end of each year. If the Company terminates Mr. Gannaway's employment other than for cause, he will be entitled to receive as severance payments an amount equal to his monthly salary for 12 months or until he secures other employment, whichever occurs first. The Company will also continue to provide group life, long-term disability and medical insurance coverage to Mr. Gannaway during the period he is entitled to severance payments.

COMPENSATION COMMITTEE REPORT

The Compensation Committee is comprised of five directors and is chaired by Clyde Walker. The Compensation Committee is responsible for establishing and administering the Company's executive compensation and incentive programs and for the Company's general compensation policies. The Compensation Committee's principal objective is to align executive compensation with established company performance goals as measured by operating, financial and strategic objectives.

Components of executive compensation for 2004 included base salaries and annual incentive bonuses. Executive salaries are structured to be competitive within the marketplace of companies of similar types and size. Annual incentive bonuses allow executives to earn additional compensation if performance goals are met. The Compensation Committee reviews and recommends annual incentive compensation amounts for the President and Chief Executive Officer and the other executive officers to the Board of Directors for the Board's final approval. The amount of the annual incentive bonus for each of the executive officers is based 20% on the financial performance of the Company and 80% on objective individual goals unique to each of the executives. The criteria on which the unique individual goals are based relate to the performance of the departments for which the executive has responsibility.

For 2003, the Compensation Committee recommended that the Board of Directors approve additional executive officer compensation in the form of a Supplemental Executive Retirement Plan in the amount of 7 percent of base compensation and a long-term incentive program for the period 2003-2005, whereby a cash incentive bonus may be paid based on success in achieving long-term performance objectives. In 2004, the Compensation Committee recommended that the Board of Directors approve another three-year cycle of the long-term incentive plan for the period 2005-2007. The Company offers no equity participation opportunities to its executive officers such as stock options or stock grants.

The Compensation Committee also recommended that the Board approve a base salary level for 2005 of \$315,179 for Mr. Gannaway, an increase of 2% over his 2004 salary level, consistent with his three-year employment agreement approved by the Board in 2002. An annual incentive bonus for 2004 in the amount of \$153,645 was approved by the Board as recommended by the Compensation Committee for Mr. Gannaway based 20% on the overall financial performance of the Company and 80% on the achievement of the following specified performance targets:

- o Targeted revenue growth in PPO product line (25% of potential)

19

- o No necessity for additional capital to fund the insured health plan exit (25%)
- o Strengthened PPO payer contracts that reduced provider accounts receivable and administrative burden (15%)
- o Targeted member months in TPA product line (15%) o All elements of the Information Systems development plan (10%)
- o Board approved governance changes (5%) o Support of FCH community efforts of the Washington Healthcare Forum (5%)

A discretionary bonus of \$30,000 was also recommended by the Compensation Committee and approved by the Board for Mr. Gannaway. This bonus was awarded based upon the successful exit of the Company from the healthcare insurance line of business.

COMPENSATION COMMITTEE

Clyde D. Walker (Chair)
Paul M. Elliott
Richard E. Rust, M.D.

Richard A. McGee, M.D.
Barbara L. Mitchell

MANAGEMENT

Information with respect to our executive management team appears below.

Gary R. Gannaway, age 59
President and Chief Executive
Officer

Mr. Gannaway joined the Company as President and CEO in January 1996. He has over 25 years of experience in managing and marketing HMOs, PPOs, and other managed care programs across the country.

He has worked as a Health Plan General Manager and as a Regional Vice President for national carriers, including Aetna and CIGNA, and as CEO and COO for physician and hospital-sponsored managed care programs at the regional and national level. Mr. Gannaway is also very active on community boards.

Mr. Gannaway earned his bachelors degree in both Political Science and German at the University of California at Santa Barbara. As an undergraduate, he also studied at Georg August University in Gottingen, Germany. He earned his Masters of Education degree from the State University of New York where he also completed his course work and comprehensive examinations for a Ph.D. in management.

Kenneth Hamm, age 46
Executive Vice President and
Chief Financial Officer

Mr. Hamm joined the Company in 2000. He has spent most of his career in the managed care industry. Mr. Hamm was Director of Finance in the Group Market segment at Wellpoint Health Networks in southern California from 1991 to 1994. Mr. Hamm served in various roles at Premera Blue Cross from 1994 to 1999 including five years as Vice President of Finance and Healthcare Economics. Until starting with the Company in July 2000, Mr. Hamm was the interim Chief Financial Officer

20

at Medica Healthplans in Minnesota, a one million member regional HMO, beginning in 1999. Mr. Hamm earned a bachelor's degree in Finance from California State University at Los Angeles in 1985 and is a certified public accountant.

Ross D. Heyl, age 52

Mr. Heyl joined the Company in 1985. Mr. Heyl

Vice President and
Chief Marketing Officer

is a licensed health insurance agent in the state of Washington. From 1980 to 1982, he was with Penn Mutual Life Insurance Company in San Francisco and Seattle. From 1982 to 1985, he was an account executive for Rollins Burdick Hunter of Washington.

Ze'ev Young, M.D., age 52
Vice President and Chief
Medical Officer

Dr. Young joined the Company in 2001. He is responsible for the oversight of medical management and quality improvement. He also participates actively in strategic planning, network development, and public relations. Dr. Young interfaces with the local practitioner community to ensure that high-quality, cost-effective health care services are available to the Company's members.

Dr. Young brings significant managed care experience to the Company. Just prior to joining the Company, Dr. Young spent nearly three years as the Northwest Regional Medical Director for United Healthcare. While at United Healthcare, Dr. Young was instrumental in introducing local providers to an innovative, practitioner-friendly, and member-centric approach to health care delivery. Prior to joining United Healthcare, Dr. Young spent five years at Regence Blue Shield serving as the Boeing Division Medical Director, and was also responsible for corporate medical policy.

Dr. Young's undergraduate degree is from the University of California and he is a graduate of the Albert Einstein College of Medicine in New York. In 1978, he was elected to the Alpha Omega Alpha Honor Medical Society. Dr. Young completed his Family Practice Residency at Providence Medical Center in Seattle and is a Board Certified family physician. He has over 20 years practice experience and continues to maintain a small private practice. Dr. Young is also a Clinical Assistant Professor of Family Medicine at the University of Washington School of Medicine.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Various directors and officers of the Company, members of their immediate families, and firms in which they had an interest were customers of and had transactions with the Company during 2004 in the ordinary course of business. Similar transactions may be expected to take place in the ordinary course of

Participating Hospitals

The following table shows with respect to each participating hospital that owns Class B common stock or a participating equity in the Company, the amount of health benefits management ("HBM") service fees paid to the Company and the amount of medical expense reimbursement paid by the Company during 2004.

Owner Hospital -----	HBM Fees -----	Medical Expense -----
Empire Health Services		\$ 0
Evergreen Hospital Medical Center		19,096
Good Samaritan Community Healthcare		59,026
MultiCare Health System		46,977
Northwest Hospital		18,022
Overlake Hospital Medical Center		14,099
Providence Health System, Washington Region		170,612
Stevens Healthcare	\$ 220,752	9,980
Swedish Health Systems	1,971,400	134,755
University of Washington Medical Center		16,597
Valley Medical Center	-----	35,257

Grand Total	\$2,192,152 =====	\$524,422 =====

Neither class of the Company's common stock is listed or traded on any stock exchange or quoted by any securities association.

Dividends were declared and paid in the amount of \$530,371 to each of the above-listed owner hospitals and in the amount of \$1,184.36 per Class A share to each Class A physician shareholder during 2004.

INFORMATION CONCERNING SHAREHOLDER PROPOSALS

Proposals of shareholders intended to be presented at the 2006 Annual Meeting of Shareholders must be received by the Secretary of the Company before January 6, 2006, for inclusion in the 2006 Proxy Statement and form of proxy. In addition, if the Company receives notice of a shareholder proposal after March 22, 2006, the persons named as proxies in such proxy statement and form of proxy will have discretionary authority to vote on such shareholder proposal.

ANNUAL REPORT TO SHAREHOLDERS

A copy of our Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2004, including financial statements, is enclosed with this proxy statement. Copies of exhibits to the Form 10-K may be obtained by sending a written request to the Corporate Secretary of First Choice Health Network, Inc., 600 University Street, Suite 1400, Seattle, Washington 98101-1838. The Form 10-K is also available on-line at: www.sec.gov/edgar/searchedgar/companysearch.html, then enter: First Choice Health Network.

May 6, 2005

BY ORDER OF THE BOARD OF DIRECTORS

Rosalind Noonan, Assistant Secretary

22

[GRAPHIC OMITTED]

Class A Physician Shareholder P R O X Y

First Choice Health Network, Inc., 2005 Annual Meeting,
Thursday, June 23, 2005, 4:00 P.M.
One Union Square Building Board Room
600 University Street, Seattle, Washington 98101

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Gary R. Gannaway, President and CEO, and Paul M. Elliott, Chairman of the Board, as his, her, or its proxy to represent and vote the undersigned's shares in First Choice Health Network, Inc. (the "corporation") at the 2005 annual meeting of shareholders, and any adjournment thereof.

You are encouraged to specify your choices by marking the appropriate boxes below. By signing below, you acknowledge receipt of the 2005 Notice of Annual Meeting of Shareholders and accompanying Proxy Statement and revoke all proxies heretofore given by you to vote at said meeting or any adjournment thereof.

This proxy when properly executed will be voted in the manner directed herein. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF DIRECTORS (ITEM (1) BELOW).

The Board of Directors recommends a vote FOR the election of directors (item (1) below):

PLEASE CHECK ONE BOX FOR EACH:

Election of Directors (Biographical information on nominees can be found on pages 3 through 5 of the accompanying Proxy Statement).

Class A Physician Directors:

Gerald A. Cufley, M.D., Gastroenterology, Eastside Gastroenterology Consultants, Kirkland, WA. (three-year term)

In Favor Of Against

Scott F. Kronlund, M.D., Family Practice, Puyallup, WA. (three-year term)

In Favor Of Against

Mitchell B. Weinberg, M.D., Ph.D., Pediatrics, Woodinville Pediatrics, Woodinville, WA. (three-year term)

In Favor Of Against

Erica V. Peavy, Obstetrics and Gynecology, The Everett Clinic, Everett, WA. (two-year term)

In Favor Of Against

Please continue to the next page ----->

[GRAPHIC OMITTED]

Class A Physician Shareholder P R O X Y

Class B Hospital Directors

Jeff A. Nelson, Interim CEO, Empire Health Services, Spokane, WA. (two-year term)

In Favor Of Against

Richard D. Roodman, Administrator, Valley Medical Center, Renton WA. (three-year term)

In Favor Of Against

Greg C. Van Pelt, Senior Vice President, Providence Health System, Seattle, WA. (three-year term)

In Favor Of Against

Class C. Employer/Consumer Director

Paul M. Elliott, CPA, Retired, Snohomish, WA. (three-year term)

In Favor Of Against

If any other matters properly come before the meeting, the persons named as proxies herein will vote in accordance with their best judgment.

Date: _____

Signature of Shareholder

Signature should agree with name on share certificate (the same name shown in this mailing)

PLEASE PROVIDE YOUR CURRENT HOME ADDRESS AND/OR CURRENT OFFICE ADDRESS FOR FUTURE PROXY, DIVIDEND AND OTHER MAILINGS:

Street _____
City _____
State _____
Zip _____

PLEASE DATE, SIGN AND RETURN BOTH PAGES OF THIS PROXY (YELLOW FORM) IN THE ENCLOSED PREPAID ENVELOPE ON OR BEFORE JUNE 23, 2005.
THANK YOU.