

METROPOLITAN HEALTH NETWORKS INC
Form DEFM14A
November 26, 2012
[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
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
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METROPOLITAN HEALTH NETWORKS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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Table of Contents

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Metropolitan Health Networks, Inc. Shareholder:

You are cordially invited to attend a special meeting of the shareholders of Metropolitan Health Networks, Inc., which is referred to as the special meeting , to be held on Friday, December 21, 2012, at the Boca Raton Marriott at Boca Center, 5150 Town Center Circle, Boca Raton, Florida at 9:30 a.m., Eastern Time.

The board of directors of Metropolitan Health Networks, Inc., which is referred to as Metropolitan , has adopted and approved an agreement and plan of merger, which is referred to as the merger agreement , which provides for the acquisition of Metropolitan by Humana Inc., which is referred to as Humana . Pursuant to the terms of the merger agreement, Miner Acquisition Subsidiary, Inc., a wholly-owned subsidiary of Humana, which is referred to as merger subsidiary , will merge with and into Metropolitan, and Metropolitan will continue as a wholly-owned subsidiary of Humana, which is referred to as the merger .

In the merger, each issued and outstanding share of common stock, par value \$0.001, of Metropolitan (other than any shares owned by Metropolitan, Humana, merger subsidiary or any of their respective subsidiaries) will automatically be converted into the right to receive \$11.25 per share in cash, without interest and less any required withholding taxes.

The common stock of Metropolitan currently trades on the New York Stock Exchange, which is referred to as the NYSE , under the symbol MDF . On November 2, 2012, the last trading day before the proposed merger was publicly announced, the closing price per share of the common stock of Metropolitan as reported by the NYSE was \$10.85.

After careful consideration, the board of directors of Metropolitan, which is referred to as the Metropolitan Board , has unanimously adopted and approved the merger agreement and approved the merger and has determined that the merger agreement and the transactions contemplated thereby are in the best interests of Metropolitan and the shareholders of Metropolitan.

At the special meeting you are being asked to adopt and approve the merger agreement and to approve the merger. In addition, you are being asked to approve the adjournment of the Metropolitan special meeting under certain circumstances and to approve, on an advisory (non-binding) basis, the golden parachute compensation payments that will or may be paid by Metropolitan to its named executive officers in connection with the merger.

The Metropolitan Board unanimously recommends that Metropolitan shareholders vote FOR the adoption and approval of the merger agreement and approval of the merger, FOR the adjournment of the Metropolitan special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt and approve the merger agreement and to approve the merger at the time of the Metropolitan special meeting and FOR the golden parachute compensation proposal.

In addition to the adoption and approval of the merger agreement and approval of the merger by the affirmative vote of holders of a majority of the outstanding shares of Metropolitan common stock, the obligations of Metropolitan and Humana to complete the merger are also subject to the satisfaction (or, to the extent permissible, waiver) of several other conditions to the merger set forth in the merger agreement and described in this proxy statement. More information about Metropolitan, Humana, and the proposed merger is contained in

Table of Contents

this proxy statement. We urge you to read this proxy statement and the merger agreement included as Annex A to this proxy statement carefully and in their entirety.

Thank you for your consideration and support.

Michael M. Earley

Chairman and Chief Executive Officer

Metropolitan Health Networks, Inc.

This proxy statement is dated November 26, 2012, and, together with the accompanying proxy card, is first being mailed to Metropolitan shareholders on or about November 26, 2012.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE MERGER DESCRIBED IN THIS PROXY STATEMENT OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY CARD IN THE ACCOMPANYING PREPAID REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET IN ACCORDANCE WITH THE INSTRUCTIONS PRINTED ON THE ENCLOSED PROXY CARD. IF YOU ATTEND THE SPECIAL MEETING AND VOTE IN PERSON, YOUR VOTE BY BALLOT WILL REVOKE ANY PROXY PREVIOUSLY SUBMITTED. THE FAILURE TO VOTE YOUR SHARES OF METROPOLITAN COMMON STOCK WILL HAVE THE SAME EFFECT AS A VOTE AGAINST APPROVAL OF THE PROPOSAL TO ADOPT AND APPROVE THE MERGER AGREEMENT AND TO APPROVE THE MERGER.

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

Except where we indicate otherwise, as used in this proxy statement, Metropolitan refers to Metropolitan Health Networks, Inc. and its consolidated subsidiaries, Humana refers to Humana Inc. and its consolidated subsidiaries, and merger subsidiary refers to Miner Acquisition Subsidiary, Inc.

Metropolitan's filings with the Securities and Exchange Commission, which is referred to as the SEC, may be obtained for free by accessing Metropolitan's website at www.metcare.com and clicking on the link entitled About Us, then clicking on the Investors link and then clicking on the link for SEC Filings. Information contained on Metropolitan's website or any other website is not incorporated by reference into this proxy statement, and you should not consider information contained on those websites as part of this proxy statement.

Metropolitan will provide you with copies of this information relating to Metropolitan, without charge, if you request them in writing or by telephone from:

Metropolitan Health Networks, Inc.

777 Yamato Road, Suite 510

Boca Raton, Florida 33431

Telephone: (561) 805-8500

If you would like to request documents, please do so by December 18, 2012 in order to receive them before the Metropolitan special meeting.

Humana has supplied certain information contained in this proxy statement relating to Humana.

Table of Contents

METROPOLITAN HEALTH NETWORKS, INC.

777 Yamato Road, Suite 510

Boca Raton, Florida 33431

Telephone: (561) 805-8500

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

DECEMBER 21, 2012

To the Shareholders of Metropolitan Health Networks, Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Metropolitan Health Networks, Inc., a Florida corporation, which is referred to as Metropolitan, will be held at 9:30 a.m., Eastern Time, on Friday, December 21, 2012, at the Boca Raton Marriott at Boca Center, 5150 Town Center Circle, Boca Raton, Florida, to consider and vote on the following proposals:

1. a proposal to adopt and approve the Agreement and Plan of Merger, dated as of November 3, 2012, among Humana Inc., which is referred to as Humana, Miner Acquisition Subsidiary, Inc., a wholly-owned subsidiary of Humana formed for the purpose of the merger, and Metropolitan, which is referred to as the merger agreement, a copy of which is attached as Annex A to the accompanying proxy statement, pursuant to which Metropolitan will become a wholly-owned subsidiary of Humana, which is referred to as the merger, and to approve the merger;
2. a proposal to approve an adjournment of the Metropolitan special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal; and
3. a proposal to approve, on an advisory (non-binding) basis, the golden parachute compensation payments that will or may be paid by Metropolitan to its named executive officers in connection with the merger.

The Board of Directors of Metropolitan has unanimously adopted and approved the merger agreement and the transactions contemplated thereby and has unanimously determined that the merger agreement and the transactions contemplated thereby are in the best interests of Metropolitan and its shareholders. The Board of Directors of Metropolitan unanimously recommends that you vote **FOR** the adoption and approval of the merger agreement and the approval of the merger, **FOR** the adjournment of the Metropolitan special meeting, if necessary, to solicit additional proxies in favor of the foregoing proposal and **FOR** the golden parachute compensation proposal.

Only shareholders of record at the close of business on November 16, 2012 are entitled to notice of the special meeting and to vote at the special meeting and any adjournments or postponements of the special meeting. The merger cannot be completed unless the merger agreement is adopted and approved and the merger is approved by the affirmative vote of the holders of a majority of the outstanding shares of Metropolitan common stock as of the record date.

Metropolitan directs your attention to the proxy statement accompanying this notice for more information regarding the matters proposed to be acted upon at the Metropolitan special meeting. You are encouraged to read the entire proxy statement carefully including the merger agreement, which is included as Annex A to the proxy statement.

Table of Contents

Your vote is very important. Whether or not you plan to attend the special meeting in person, please complete, sign and date the enclosed proxy card(s) as soon as possible and return it in the postage-prepaid envelope provided or submit your proxy by telephone or the internet in accordance with the instructions printed on the enclosed proxy card. Submitting a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote. However, if you do not return or submit your proxy or vote in person at the Metropolitan special meeting, the effect will be the same as a vote against the merger agreement and the merger.

By order of the board of directors,

Roberto L. Palenzuela, Esq.
General Counsel and Secretary

YOUR VOTE IS VERY IMPORTANT.

Please complete, date, sign and return your proxy card(s) in the postage-prepaid envelope provided or submit your proxy by telephone or the internet in accordance with the instructions printed on your proxy card(s) at your earliest convenience so that your shares are represented at the Metropolitan special meeting.

Boca Raton, Florida, November 26, 2012

Table of Contents

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE METROPOLITAN SPECIAL MEETING OF SHAREHOLDERS AND THE MERGER</u>	1
<u>The Merger</u>	1
<u>The Special Meeting</u>	6
<u>SUMMARY</u>	10
<u>The Companies</u>	10
<u>Commercial Agreements with Humana</u>	11
<u>Confidentiality Agreement</u>	12
<u>The Merger</u>	12
<u>Merger Consideration</u>	12
<u>Effect of the Merger on Metropolitan's Stock Options</u>	13
<u>Effect of the Merger on Metropolitan's Restricted Stock Awards</u>	13
<u>Metropolitan's Reasons for the Merger</u>	13
<u>Recommendations of the Metropolitan Board</u>	13
<u>Opinion of Metropolitan's Financial Advisor</u>	13
<u>The Metropolitan Special Meeting</u>	14
<u>Stock Ownership of Directors and Executive Officers of Metropolitan</u>	14
<u>Interests of Metropolitan Directors and Executive Officers in the Merger</u>	14
<u>Conditions to Completion of the Merger</u>	15
<u>Regulatory Approvals Required for the Merger</u>	15
<u>Termination of the Merger Agreement</u>	16
<u>Termination Fees and Expenses</u>	17
<u>Material United States Federal Income Tax Consequences</u>	17
<u>No Appraisal Rights</u>	17
<u>Litigation Relating to the Merger</u>	17
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	19
<u>THE MERGER</u>	20
<u>Overview</u>	20
<u>Merger Consideration</u>	20
<u>Background of the Merger</u>	20
<u>Metropolitan's Reasons for the Merger</u>	37
<u>Recommendations of the Metropolitan Board</u>	42
<u>Opinion of Metropolitan's Financial Advisor</u>	43
<u>Certain Projections</u>	49
<u>Interests of Metropolitan Directors and Executive Officers in the Merger</u>	52
<u>Stock Ownership of Directors and Executive Officers of Metropolitan</u>	60
<u>Security Ownership of Certain Beneficial Owners</u>	62
<u>Certain Relationships between Humana and Metropolitan</u>	63
<u>Regulatory Approvals Required for the Merger</u>	65
<u>No Rights of Appraisal</u>	66
<u>Litigation Relating to the Merger</u>	66
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES</u>	67
<u>U.S. Holders</u>	67
<u>Non-U.S. Holders</u>	68
<u>Information Reporting and Backup Withholding</u>	68
<u>THE MERGER AGREEMENT</u>	70
<u>The Merger: Closing</u>	70
<u>Articles of Incorporation and Bylaws of the Surviving Corporation</u>	71
<u>Directors and Officers of the Surviving Corporation</u>	71

(i)

Table of Contents

<u>Payment Procedures</u>	71
<u>Exchange of Shares</u>	71
<u>Lost Stock Certificates</u>	72
<u>Effect of the Merger on Metropolitan s Stock Options</u>	72
<u>Effect of the Merger on Metropolitan s Restricted Stock Awards</u>	72
<u>Representations and Warranties</u>	72
<u>Covenants and Agreements</u>	75
<u>Conditions to Completion of the Merger</u>	84
<u>Termination of the Merger Agreement</u>	86
<u>Termination Fees and Expenses</u>	88
<u>Third Party Beneficiaries</u>	89
<u>Prevailing Parties</u>	90
<u>Amendments and Waivers</u>	90
<u>THE METROPOLITAN SPECIAL MEETING</u>	91
<u>Overview</u>	91
<u>Date, Time and Place of the Metropolitan Special Meeting</u>	91
<u>Purposes of the Metropolitan Special Meeting</u>	91
<u>Metropolitan Board of Directors Recommendation</u>	91
<u>Record Date; Outstanding Shares; Shares Entitled to Vote</u>	91
<u>Quorum</u>	92
<u>ITEM 1 PROPOSAL TO ADOPT AND APPROVE THE MERGER AGREEMENT AND TO APPROVE THE MERGER.</u>	93
<u>ITEM 2 PROPOSAL TO APPROVE AN ADJOURNMENT OF THE METROPOLITAN SPECIAL MEETING, IF NECESSARY, TO SOLICIT ADDITIONAL PROXIES TO APPROVE THE MERGER AGREEMENT.</u>	93
<u>ITEM 3 GOLDEN PARACHUTE COMPENSATION PROPOSAL.</u>	93
<u>Stock Ownership and Voting by Metropolitan s Directors and Executive Officers</u>	94
<u>How to Vote</u>	94
<u>Voting of Proxies</u>	96
<u>Revoking Your Proxy</u>	96
<u>Other Voting Matters</u>	96
<u>Stock Certificates</u>	97
<u>Solicitation of Proxies; Expenses of Solicitation</u>	97
<u>Assistance</u>	97
<u>INFORMATION ABOUT METROPOLITAN</u>	97
<u>FUTURE SHAREHOLDER PROPOSALS</u>	98
<u>DELIVERY OF DOCUMENTS TO SHAREHOLDERS SHARING AN ADDRESS</u>	99
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	99
<u>Annex A Agreement and Plan of Merger</u>	A-1
<u>Annex B Opinion of Barclays Capital Inc.</u>	B-1

Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE METROPOLITAN SPECIAL MEETING OF
SHAREHOLDERS AND THE MERGER**

The following are some questions that you, as a shareholder of Metropolitan Health Networks, Inc., which is referred to as Metropolitan, may have regarding the merger, the adjournment proposal, the golden parachute compensation proposal and the special meeting of the Metropolitan shareholders described in this proxy statement, which is referred to as the special meeting, and brief answers to those questions. Metropolitan urges you to read carefully this entire proxy statement, including the annexes and the other documents to which we have referred you in their entirety because this section may not provide all of the information that is important to you with respect to the merger, the adjournment proposal, the golden parachute compensation proposal and the Metropolitan special meeting.

The Merger

Q: Why am I receiving this proxy statement?

A: The board of directors of Metropolitan, which is referred to as the Metropolitan Board, has unanimously adopted and approved an agreement and plan of merger, which is referred to as the merger agreement, which provides for the acquisition of Metropolitan by Humana Inc., which is referred to as Humana. Pursuant to the terms of the merger agreement, Miner Acquisition Subsidiary, Inc., a wholly-owned subsidiary of Humana, which is referred to as merger subsidiary, will merge with and into Metropolitan, and Metropolitan will continue as a wholly-owned subsidiary of Humana, which is referred to as the merger. The merger agreement is described in this proxy statement and a copy of the merger agreement is attached to this proxy statement as Annex A. See The Merger Agreement. In order to complete the merger and the other transactions contemplated by the merger agreement, Metropolitan shareholders must adopt and approve the merger agreement and approve the merger, and all other conditions to the merger set forth in the merger agreement must be satisfied (or waived, to the extent permitted). Metropolitan shareholders will vote on the adoption and approval of the merger agreement and the approval of the merger at the Metropolitan special meeting.

As required by law, Metropolitan shareholders will also be asked to approve, on an advisory (non-binding) basis, the golden parachute compensation payments that will or may be paid by Metropolitan to its named executive officers in connection with the merger.

This proxy statement contains important information about the merger agreement, the transactions contemplated by the merger agreement, the golden parachute compensation proposal, and the Metropolitan special meeting. You should read this proxy statement carefully and in its entirety. The enclosed proxy materials allow you to grant a proxy and vote on the proposals without attending the Metropolitan special meeting in person.

Your vote is very important. Metropolitan encourages you to complete, date, sign and return your proxy card(s) in the postage-prepaid envelope provided or to submit your proxy by telephone or the internet in accordance with the instructions printed on the enclosed proxy card as soon as possible.

Q: What will happen in the merger?

A: In the merger, merger subsidiary will merge with and into Metropolitan, and Metropolitan will continue as the surviving corporation and a wholly-owned subsidiary of Humana.

Q: What will Metropolitan shareholders receive in the merger?

A:

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At the effective time of the merger, which is referred to as the effective time , each share of Metropolitan common stock will be converted into the right to receive \$11.25 in cash, without interest and less any

Table of Contents

required withholding taxes, which is referred to as the merger consideration. Any shares of Metropolitan owned by Metropolitan, Humana or merger subsidiary or any of their respective subsidiaries, will not be convertible into the merger consideration. Prior to the effective time, each outstanding option to purchase shares of Metropolitan common stock will become fully vested and exercisable and will be cancelled in exchange for the right to receive, at the effective time, an amount in cash equal to the product of (1) the total number of shares of Metropolitan common stock subject to such option, multiplied by (2) the excess, if any, of \$11.25 over the exercise price per share of such option, without interest and less any required withholding taxes.

Prior to the effective time, each restricted share of Metropolitan common stock will become fully vested and will be converted into the right to receive, at the effective time, \$11.25 in cash, without interest and less any required withholding taxes.

Q: How does the per share merger consideration to be received by Metropolitan shareholders compare to the market price of Metropolitan common stock before the announcement of the merger?

A: The per share Merger Consideration represents a premium of approximately 3.7% over the closing price of \$10.85 per share of Metropolitan common stock on the NYSE on November 2, 2012, the last trading day before the public announcement of the merger agreement. The closing prices of the Metropolitan common stock on the 31st, 60th and 90th days prior to the public announcement of the merger were \$9.91, \$8.48 and \$7.83, respectively.

Q: What am I being asked to vote on?

A: Metropolitan shareholders are being asked to vote on the following proposals:

to adopt and approve the merger agreement, a copy of which is attached as Annex A to this proxy statement, and to approve the merger;

to approve the adjournment of the Metropolitan special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt and approve the merger agreement and to approve the merger at the time of the Metropolitan special meeting; and

to approve, on an advisory (non-binding) basis, the golden parachute compensation payments that will or may be paid by Metropolitan to its named executive officers in connection with the merger.

The adoption and approval of the merger agreement and the approval of the merger by Metropolitan shareholders is a condition to the obligations of Metropolitan and Humana to complete the merger. Neither the approval of the proposal to adjourn the Metropolitan special meeting, if necessary, nor the approval of the golden parachute compensation proposal is a condition to the obligations of Metropolitan or Humana to complete the merger.

Q: Why is Metropolitan proposing the merger?

A: The Metropolitan Board believes that the transaction will allow Metropolitan shareholders to receive maximum value. To review the reasons for the merger in greater detail, see The Merger Metropolitan's Reasons for the Merger.

Q:

How does the Metropolitan Board recommend that you vote on the proposal to adopt and to approve the merger agreement and to approve the merger?

- A:** The Metropolitan Board has unanimously adopted and approved the merger agreement and approved the merger and has unanimously determined that the merger agreement and the transactions contemplated

Table of Contents

thereby are in the best interests of Metropolitan and its shareholders. The Metropolitan Board unanimously recommends that Metropolitan shareholders vote **FOR** the proposal to adopt and approve the merger agreement and to approve the merger at the Metropolitan special meeting. See The Merger Recommendations of the Metropolitan Board .

Q: Does the Metropolitan Board recommend that shareholders approve the adjournment of the Metropolitan special meeting, if necessary?

A: Yes. Metropolitan Board unanimously recommends that you vote **FOR** the proposal to adjourn the Metropolitan special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt and approve the merger agreement and to approve the merger at the time of the Metropolitan special meeting. See Item 2 Proposal To Approve An Adjournment Of The Metropolitan Special Meeting, If Necessary, To Solicit Additional Proxies To Adopt and Approve the Merger Agreement and To Approve the Merger .

Q: What is golden parachute compensation and why am I being asked to vote on it?

A: The Securities and Exchange Commission has adopted rules that require Metropolitan to seek an advisory (non-binding) vote on golden parachute compensation. Golden parachute compensation is certain compensation that is tied to or based on the merger and that will or may be paid by Metropolitan to its named executive officers in connection with the merger. This proposal is referred to in this proxy statement as the golden parachute compensation proposal.

Q: Does the Metropolitan Board recommend that shareholders approve the golden parachute compensation proposal?

A: Yes. The Metropolitan board of directors unanimously recommends that you vote **FOR** the proposal to approve the golden parachute compensation payments that will or may be paid by Metropolitan to its named executive officers in connection with the merger. See Item 3 Golden Parachute Compensation Proposal .

Q: What happens if the golden parachute compensation is not approved?

A: Approval of the golden parachute compensation is not a condition to completion of the merger. The vote is an advisory vote and is not binding. If the merger is completed, Metropolitan may pay golden parachute compensation to its named executive officers in connection with the merger even if Metropolitan shareholders fail to approve the golden parachute compensation proposal.

Q: What are the quorum requirements for the Metropolitan special meeting?

A: The presence, in person or by proxy, of the holders of at least a majority of the outstanding shares of Metropolitan's common stock entitled to vote at the special meeting is necessary to constitute a quorum with respect to all matters presented. Shares of Metropolitan common stock held by shareholders present in person or represented at the special meeting but not voted, including shares of Metropolitan common stock for which proxies have been received but for which shareholders have abstained and shares held in street name with respect to which shareholders have failed to provide voting instructions to the broker, bank or other nominee holding such shares, will be treated as present at the special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. If a quorum is not

Table of Contents

present at the special meeting, the special meeting may be adjourned or postponed to solicit additional proxies.

Q: What shareholder vote is required for the approval of each proposal?

A: The following are the vote requirements for the proposals:

Adoption and Approval of the Merger Agreement and Approval of the Merger: The affirmative vote of holders of at least a majority of the shares of Metropolitan common stock outstanding and entitled to vote on the proposal. Accordingly, a Metropolitan shareholder's abstention from voting, the failure of a Metropolitan shareholder who holds his or her shares in street name through a broker, bank or other nominee to give voting instructions to that broker, bank or other nominee or a Metropolitan shareholder's other failure to vote will have the same effect as a vote **AGAINST** the proposal.

Adjournment (if necessary):

If a quorum exists, the meeting may be adjourned by the affirmative vote of holders of at least a majority of the shares of Metropolitan common stock present in person or represented by proxy at the Metropolitan special meeting and voting on the proposal. Under such circumstances, a Metropolitan shareholder's abstention from voting or the failure of a Metropolitan shareholder who holds his or her shares in street name through a broker, bank or other nominee to give voting instructions to that broker, bank or other nominee or a Metropolitan shareholder's other failure to vote will have no effect on the proposal.

If a quorum does not exist, an adjournment will require the affirmative vote of holders of at least a majority of the shares of Metropolitan common stock present in person or represented by proxy at the Metropolitan special meeting and entitled to vote on the proposal. Under such circumstances, a Metropolitan shareholder's abstention from voting will have the same effect as a vote **AGAINST** the proposal, while the failure of a Metropolitan shareholder who holds his or her shares in street name through a broker, bank or other nominee to give voting instructions to that broker, bank or other nominee or a Metropolitan shareholder's other failure to vote will have no effect on the proposal.

Approval of Golden Parachute Compensation: The affirmative vote of holders of at least a majority of the shares of Metropolitan common stock present in person or represented by proxy at the Metropolitan special meeting and voting on the proposal. Accordingly, a Metropolitan shareholder's abstention from voting, the failure of a Metropolitan shareholder who holds his or her shares in street name through a broker, bank or other nominee to give voting instructions to that broker, bank or other nominee or a Metropolitan shareholder's other failure to vote will have no effect on the proposal.

Q: Why is your vote important?

A: In order to complete the merger, Metropolitan shareholders must vote to adopt and approve the merger agreement and to approve the merger.

Q: Do Metropolitan shareholders have appraisal rights?

A: No. Metropolitan shareholders will not be entitled to appraisal rights under the Florida Business Corporation Act, which is referred to as the FBCA, or Metropolitan's Articles of Incorporation. Accordingly, Metropolitan's shareholders will have no right to dissent and obtain payment for their shares in connection with an appraisal process.

Table of Contents

Q: What happens if I sell or transfer my shares of Metropolitan common stock after the record date but before the special meeting?

A: The record date for Metropolitan shareholders entitled to vote at the Metropolitan special meeting is earlier than both the date of the Metropolitan special meeting and the consummation of the merger. If you sell or transfer your shares of Metropolitan common stock after the record date but before the special meeting, you will, unless other arrangements are made (such as provision of a proxy), retain your right to vote at the special meeting but will transfer the right to receive the merger consideration to the person to whom you sell or transfer your shares.

Q: When do Metropolitan and Humana expect to complete the merger?

A: If the merger agreement is adopted and approved and the merger is approved at the Metropolitan special meeting, Metropolitan and Humana expect to complete the merger as soon as possible after the satisfaction of the other conditions to the merger. The closing of the merger, which is referred to as the closing, will occur at a date and time agreed to by the parties, but no later than the third business day following the date on which all of the conditions to the merger (unless the parties agree on another time) are satisfied or, to the extent permissible, waived, other than conditions that, by their nature are to be satisfied at the closing (but subject to satisfaction, or, to the extent permissible, waiver of those conditions at closing). Metropolitan and Humana expect that the transaction will be completed by the end of the first calendar quarter of 2013. However, upon the adoption and approval of the merger agreement and approval of the merger by the Metropolitan shareholders, Metropolitan and Humana intend to consummate the merger as soon as commercially practicable, which could be earlier than the end of the first calendar quarter of 2013. See The Merger Agreement The Merger; Closing .

Q: What are the U.S. federal income tax consequences of the merger to Metropolitan shareholders?

A: In general, the exchange of shares of Metropolitan common stock for cash pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes with respect to all of the merger consideration. See Material United States Federal Income Tax Consequences for more information. Metropolitan urges its shareholders to consult a tax advisor about the tax consequences of the exchange of the shares of Metropolitan common stock for cash pursuant to the merger in light of the particular circumstances of each Metropolitan shareholder.

Q: What happens if the merger is not consummated?

A: If the merger agreement is not adopted and approved and the merger is not approved by Metropolitan shareholders or if the merger is not consummated for any other reason, Metropolitan shareholders will not receive any payment for their shares in connection with the merger. Instead, Metropolitan will remain an independent public company and Metropolitan common stock will continue to be listed and traded on the NYSE.

Under specified circumstances, Metropolitan may be required to pay to Humana a fee with respect to the termination of the merger agreement, as described under The Merger Agreement Termination Fees and Expenses.

Q: Should I send in my stock certificates now?

A: NO, PLEASE DO NOT SEND YOUR STOCK CERTIFICATE(S) WITH YOUR PROXY CARD(S). If the merger is completed, Metropolitan shareholders will be sent written instructions for sending in their stock certificates or, in the case of book-entry shares, for surrendering their book-entry shares. See The Metropolitan Special Meeting Proxy Solicitations and Expenses , and The Merger Agreement Exchange of Shares .

Table of Contents

Q: Who can answer my questions about the merger?

A: If you are a Metropolitan shareholder and have any questions about the merger or the Metropolitan special meeting, need assistance in voting your shares of Metropolitan common stock, or need additional copies of this proxy statement or the enclosed proxy card, you should contact:

Georgeson Inc.

199 Water Street,

26th Floor New York, NY 10037

Banks and Brokers Call: (212) 440-9800

All Others Call Toll-Free: (800) 267-4403

or

Metropolitan Health Networks, Inc.

777 Yamato Road, Suite 510

Boca Raton, Florida 33431

Attention: Roberto L. Palenzuela, Esq.

General Counsel and Secretary

Telephone: (561) 805-8500

The Special Meeting

Q: When and where will the Metropolitan special meeting be held?

A: The Metropolitan special meeting will be held at 9:30 a.m., Eastern Time, on Friday, December 21, 2012, at the Boca Raton Marriott at Boca Center, 5150 Town Center Circle, Boca Raton, Florida.

Q: Who is eligible to vote at the Metropolitan special meeting?

A: Owners of Metropolitan common stock are eligible to vote at the Metropolitan special meeting if they were shareholders of record at the close of business on November 16, 2012. See The Metropolitan Special Meeting Record Date; Outstanding Shares; Shares Entitled to Vote .

Q: What is a proxy?

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A: A proxy is a shareholder's legal designation of another person, referred to as a proxy, to vote shares of such shareholder's common stock at a shareholders' meeting. The document used to designate a proxy to vote your shares of Metropolitan common stock is called a proxy card.

Q: What should I do now?

A: You should read this proxy statement carefully, including the annexes, and return your completed, signed and dated proxy card(s) by mail in the enclosed postage-paid envelope as soon as possible so that your shares will be represented and voted at the Metropolitan special meeting. You may also submit your proxy by telephone or the internet in accordance with the instructions printed on the enclosed proxy card.

A number of brokers, banks and other nominees participate in a program that also permits shareholders whose shares are held in street name to direct their vote by telephone or over the internet. This option, if available, will be reflected in the voting instructions from the broker, bank or other nominee that accompany this proxy statement. If your shares are held in an account at a broker, bank or other nominee that participates in such a program, you may direct the vote of these shares by telephone or over the internet by following the voting instructions enclosed with the proxy form from the broker, bank or other nominee. See "The Metropolitan Special Meeting - How to Vote".

Table of Contents

Q: May I attend the Metropolitan special meeting?

A: All Metropolitan shareholders of record as of the close of business on November 16, 2012, the record date for the Metropolitan special meeting, may attend the Metropolitan special meeting. If your shares are held in street name by your broker, bank or other nominee, and you plan to attend the Metropolitan special meeting, you must present proof of your ownership of Metropolitan common stock, such as a bank or brokerage account statement, to be admitted to the meeting. You also must present at the meeting a proxy issued to you by the holder of record of your shares.

Q: If I am going to attend the Metropolitan special meeting, should I return my proxy card(s)?

A: Yes. Returning your completed, signed and dated proxy card(s) ensures that your shares will be represented and voted at the Metropolitan special meeting. See [The Metropolitan Special Meeting How to Vote](#) .

Q: How will my proxy be voted?

A: If you complete, sign and date your proxy card(s) or submit your proxy by telephone or the internet, your shares will be voted in accordance with your instructions. If you sign and date your proxy card(s) or submit your proxy by telephone or the internet but do not indicate how you want to vote at the special meeting, your shares will be voted **FOR** the adoption and approval of the merger agreement and the approval of the merger, **FOR** the adjournment of the Metropolitan special meeting, if necessary, to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement and to approve the merger, and **FOR** the golden parachute compensation proposal.

Q: What if my broker, bank or other nominee holds my shares in street name?

A: If a broker, bank or other nominee holds your shares for your benefit but not in your own name, your shares are in street name. A number of brokers, banks and other nominees participate in a program that also permits shareholders whose shares are held in street name to direct their vote by telephone or over the internet. If your shares are held in an account at a broker, bank or other nominee that participates in such a program, you may direct the vote of these shares by telephone or over the internet by following the voting instructions enclosed with the proxy form from the broker, bank or other nominee. The internet and telephone proxy procedures are designed to authenticate shareholders' identities, to allow shareholders to give their proxy voting instructions and to confirm that those instructions have been properly recorded. Directing the voting of your shares will not affect your right to vote in person if you decide to attend the Metropolitan special meeting. If your shares are held in street name by your broker, bank or other nominee, and you plan to attend the Metropolitan special meeting, you must present proof of your ownership of Metropolitan common stock, such as a bank or brokerage account statement, to be admitted to the meeting. In addition, you must first obtain a signed and properly executed legal proxy from your bank, broker or other nominee to vote your shares held in street name at the Metropolitan special meeting. Requesting a legal proxy prior to the deadline described above will automatically cancel any voting directions you have previously given by telephone or over the internet with respect to your shares.

Q: Can I revoke my proxy or change my voting instructions?

A: Yes. If you are a shareholder of record (that is, you hold your shares in your own name), you can change your vote by:

 sending a written notice to the General Counsel and Secretary of Metropolitan, bearing a date later than the date of the proxy, that is received prior to the Metropolitan special meeting and states that you revoke your proxy;

Table of Contents

submitting a valid, later-dated proxy via the Internet or by telephone before 11:59 p.m., Eastern Time, on December 20, 2012, or by signing, dating and delivering a new valid proxy card(s) bearing a later date that is received prior to the Metropolitan special meeting; or

attending the Metropolitan special meeting and voting in person, which will automatically cancel any proxy previously given, or revoking your proxy in person, but your attendance alone will not revoke your proxy.

If your shares of Metropolitan common stock are held in street name by your broker, bank or other nominee you will need to follow the instructions you receive from your broker, bank or other nominee to revoke or change your proxy.

Q: What if I don't provide my broker, bank or other nominee with instructions on how to vote?

A: Generally, a broker, bank or other nominee may vote the shares that it holds for you only in accordance with your instructions. However, if your broker, bank or other nominee has not received your instructions, your broker, bank or other nominee has the discretion to vote on certain matters that are considered routine. A broker non-vote occurs if your broker cannot vote on a particular matter because your broker, bank or other nominee has not received instructions from you and because the proposal is not routine.

If you wish to vote on any of the proposals described in this proxy statement, you must provide instructions to your broker, bank or other nominee because such proposals are not routine. If you do not provide your broker, bank or other nominee with instructions with respect to any proposal, your broker, bank or other nominee will not be authorized to vote with respect to such proposal and a broker non-vote will occur. A broker non-vote will have the same effect as a vote **AGAINST** the adoption and approval of the merger agreement and the approval of the merger and will have no effect on the proposal to adjourn the Metropolitan special meeting or the golden parachute compensation proposal. Broker non-votes will be counted for purposes of determining whether a quorum is present at the Metropolitan special meeting.

Q: What if I abstain from voting?

A: Your abstention from voting will be counted in determining whether a quorum is present at the Metropolitan special meeting. If you abstain from voting with respect to the proposal to adopt and approve the merger agreement and to approve the merger, it will have the same effect as a vote **AGAINST** this proposal. Abstentions will count as a vote **AGAINST** the proposal to adjourn the Metropolitan special meeting, if necessary to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement and to approve the merger (if a quorum does not exist) and the golden parachute compensation proposal. If a quorum exists, a Metropolitan shareholder's abstention from voting will have no effect on the proposal to adjourn the Metropolitan special meeting, if necessary, to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement and to approve the merger.

Q: What does it mean if I receive multiple proxy cards?

A: Your shares may be registered in more than one account, such as brokerage accounts and 401(k) accounts. It is important that you complete, sign, date and return each proxy card or voting instruction form you receive or vote using the telephone or over the internet as described in the instructions included with your voting instruction form(s).

Q: Who is paying for this solicitation?

A: Metropolitan is conducting this proxy solicitation and will bear the cost of soliciting proxies. Metropolitan directors, officers, and employees, as well as its proxy solicitor Georgeson Inc., may solicit proxies by mail,

Table of Contents

e-mail, telephone, facsimile, or other means of communication. Metropolitan's directors, officers and employees will not be paid additional remuneration for their roles. Metropolitan will also request brokers, banks and other nominees and other fiduciaries to forward proxy solicitation material to the beneficial owners of shares of Metropolitan common stock that the brokers, banks or other nominees and fiduciaries hold of record. Upon request Metropolitan will reimburse them for their reasonable out-of-pocket expenses.

Q: Where can I find more information about Metropolitan?

A: See [Where You Can Find More Information](#) , which describes where you can find additional information regarding Metropolitan.

Table of Contents

SUMMARY

This summary highlights material information from this proxy statement. It may not contain all of the information that is important to you. You should read carefully this entire proxy statement, including the annexes, and the other documents to which this proxy statement refers to understand fully the merger and the related transactions. See *Where You Can Find More Information* . Each item in this summary includes a page reference directing you to a more complete description of those items.

The Companies

Metropolitan Health Networks, Inc. (page 97)

777 Yamato Road, Suite 510

Boca Raton, Florida 33431

Telephone: (561) 805-8500

www.metcare.com (The information contained on Metropolitan's website is not deemed part of this proxy statement.)

Metropolitan is a for profit corporation incorporated under the laws of Florida. Metropolitan's primary business is the operation of a provider services network, which is referred to as the PSN, primarily through its wholly-owned subsidiaries, Metcare of Florida, Inc. and Continucare Corporation, which is referred to as Continucare, the latter of which Metropolitan acquired on October 4, 2011. Prior to 2012, the PSN provided and arranged for the provision of healthcare services to Medicare Advantage, Medicaid and commercially insured customers only in the State of Florida. In 2012, the PSN expanded its operations to include Ohio, Kentucky and Indiana. At September 30, 2012, the PSN operated through 33 wholly-owned primary care practices, a wholly-owned oncology practice and contracted with independent physician affiliates, which are referred to as IPAs. As of September 30, 2012, the PSN operated throughout the Florida market, including in the cities of Miami, Ft. Lauderdale, West Palm Beach, Tampa, Daytona and Pensacola, as well as the Cincinnati, Ohio/Northern Kentucky and Indianapolis, Indiana markets.

Prior to the acquisition of Continucare, substantially all of Metropolitan's revenue was derived from Medicare Advantage health plans operated by Humana. As a result of the acquisition of Continucare, Metropolitan now has managed care agreements under the Medicare Advantage and Medicaid programs, as well as commercially insured customers with, several additional health maintenance organizations, which are referred to as HMOs. Metropolitan's most significant managed care agreements continue to be Medicare Advantage risk agreements with Humana.

Metropolitan also has agreements with UnitedHealthcare of Florida, Inc., Vista Healthplan of South Florida, Inc. and its affiliated companies, a subsidiary of Coventry Health Care, Inc., and Wellcare Health Plans, Inc. and its affiliated companies (collectively, together with Humana, the

Contracting HMOs) as well as other HMOs. Under its HMO contracts, the substantial majority of which are risk agreements, the Contracting HMOs assign to Metropolitan each member who has selected one of its physicians or IPAs as his or her primary care physician, referred to as a

Participating Customer. Under its risk agreements, Metropolitan receives a capitated fee which is a significant percentage of the premium that the HMOs receive with respect to those Participating Customers. In return, Metropolitan takes full financial responsibility for the care of its Participating Customers, even for services it does not provide directly. Revenue from Humana accounted for 82.8% and 99.4% of Metropolitan's total revenue in the third quarter of 2012 and 2011, respectively. Revenue from Humana accounted for 82.8% and 99.5% of Metropolitan's total revenue in the nine months ended September 30, 2012 and 2011, respectively.

Metropolitan also has non-risk agreements with these HMOs. Under its non-risk agreements, Metropolitan receives a monthly administrative fee based on the number of Participating Customers for which it is providing services and, under certain of these agreements, Metropolitan also receives a percentage of any surplus generated

Table of Contents

as determined by the respective contract. The fees and Metropolitan's portion of the surplus are recorded as revenue in the period in which services are provided. Under non-risk agreements, Metropolitan is not responsible for the cost of medical care provided to Participating Customers.

As of September 2012, Metropolitan provided services to or for approximately 70,400 Participating Customers on a risk basis and approximately 17,100 Participating Customers on a non-risk basis. Metropolitan also provides services to non-Participating Customers on a fee-for-service basis.

Metropolitan common stock is listed on the NYSE and trades under the symbol **MDF**. See **Where You Can Find More Information**, which describes where you can find additional information regarding Metropolitan.

Humana Inc.

500 West Main Street

Louisville, Kentucky 40202

Telephone: (502) 580-1000

www.humana.com (The information contained on Humana's website is not deemed part of this proxy statement.)

Headquartered in Louisville, Kentucky, Humana is a leading health care company that offers a wide range of insurance products and health and wellness services that incorporate an integrated approach to lifelong well-being. By leveraging the strengths of its core businesses, Humana believes that it can better explore opportunities for existing and emerging adjacencies in health care that can further enhance wellness opportunities for the millions of people across the nation with whom it has relationships.

Humana manages its business with three reportable segments: retail, employer group, and health and well-being services. The retail segment consists of Medicare and commercial fully-insured medical and specialty health insurance benefits, including dental, vision, and other supplemental health and financial protection products, marketed directly to individuals. The employer group segment consists of Medicare and commercial fully-insured medical and specialty health insurance benefits, including dental, vision, and other supplemental health and financial protection products, as well as administrative services only products marketed to employer groups. The health and well-being services segment includes services offered to Humana's health plan members as well as to third parties that promote health and wellness, including primary care, pharmacy, integrated wellness, and home care services. The other business segments consist of Humana's military services, Medicaid, and closed-block long-term care businesses as well as its contract with Centers for Medicare and Medicaid Services, which is referred to as **CMS**, to administer the Limited Income Newly Eligible Transition program.

Miner Acquisition Subsidiary, Inc.

500 West Main Street

Louisville, Kentucky 40202

Telephone: (502) 580-1000

Miner Acquisition Subsidiary, Inc., a wholly-owned subsidiary of Humana, is a Florida corporation formed on October 19, 2012, for the purpose of effecting the merger. Merger subsidiary will merge with and into Metropolitan at the effective time, with Metropolitan continuing as the surviving corporation and a wholly-owned subsidiary of Humana.

Commercial Agreements with Humana (page 63)

Pursuant to Metropolitan's risk agreements with Humana, which are referred to as the **Humana Agreements**, at September 30, 2012, the PSN provided or arranged for the provision of healthcare services to

Table of Contents

Medicare Advantage, Medicaid and commercial customers in Florida and has contract rights to expand its service offerings to additional Florida counties. The PSN assumes full financial responsibility for the provision or management of all necessary medical care for each Participating Customer covered by the Humana Agreements, each of whom is referred to as a Humana Participating Customer, even for services it does not provide directly. For approximately 25,000 Humana Participating Customers, the PSN and Humana share in the cost of inpatient hospital services and the PSN is responsible for the full cost of all other medical care provided to the Humana Participating Customers. For the remaining Humana Participating Customers, the PSN is responsible for the cost of all medical care provided, including the cost of inpatient hospital services. In return for the provision of these medical services, the PSN receives from Humana a capitation fee for each Humana Participating Customer established pursuant to the Humana Agreements. The amount the PSN receives from Humana represents a substantial percentage of the monthly premiums received by Humana from CMS or the State of Florida with respect to Humana Participating Customers. Revenue from Humana accounted for 82.8% and 99.4% of Metropolitan's total revenue in the third quarter of 2012 and 2011, respectively. Revenue from Humana accounted for 82.8% and 99.5% of Metropolitan's total revenue in the nine months ended September 30, 2012 and 2011, respectively.

In August 2012, Metropolitan formed a joint venture with Humana through which it has begun to operate in the Cincinnati, Ohio/Northern Kentucky and Indianapolis, Indiana markets. The joint venture, Symphony Health Partners Midwest, LLC, which is referred to herein as Symphony, is jointly owned by Metropolitan's wholly-owned subsidiary Symphony Health Partners, Inc. and Humana, with Symphony Health Partners, Inc. being the majority owner. For greater detail on the Humana Agreements, you are encouraged to read The Merger Certain Relationships between Humana and Metropolitan on page 63.

Confidentiality Agreement (page 65)

On July 18, 2012, Metropolitan and Humana entered into a confidentiality agreement for the sole purpose of determining whether or not Humana would enter into an agreement with Metropolitan to acquire Metropolitan or a material amount of the assets or outstanding voting stock of Metropolitan and/or its subsidiaries. Under the terms of the confidentiality agreement, each of Metropolitan and Humana agreed that it will keep in confidence all confidential information (except as required by applicable law) and will use such confidential information only in connection with evaluating, negotiating and consummating any potential transaction with the other party. The restrictions set forth in the confidentiality agreement expire on July 18, 2017.

The Merger; Closing (page 70)

Upon the terms and subject to the conditions of the merger agreement, and in accordance with Florida law, at the effective time, merger subsidiary will merge with and into Metropolitan with Metropolitan continuing as the surviving corporation and a wholly-owned subsidiary of Humana. The surviving corporation is referred to in this proxy statement as the surviving corporation. As a result of the merger, Metropolitan will cease to be a publicly traded company.

Metropolitan encourages you to read the merger agreement in its entirety, which is attached as Annex A to this proxy statement, because it is the principal legal document that governs the merger.

Merger Consideration (page 71)

At the effective time, each share of Metropolitan common stock outstanding immediately before the effective time, other than shares owned by Metropolitan, Humana, merger subsidiary or their respective wholly-owned subsidiaries, will be converted into the right to receive \$11.25 in cash, without interest and less any required withholding taxes.

Table of Contents

Effect of the Merger on Metropolitan s Stock Options (page 72)

Prior to the effective time, each outstanding option to purchase Metropolitan common stock will become fully vested and exercisable and will be canceled in exchange for the right to receive, at the effective time, a cash payment in an amount equal to the product of (a) the total number of shares of Metropolitan common stock subject to the option, and (b) the excess, if any, of \$11.25 over the exercise price per share of such option, without interest and less any required withholding taxes. This cash payment, if any, will be made to the option holder as soon as reasonably practicable after the effective time.

Effect of the Merger on Metropolitan s Restricted Stock Awards (page 72)

Prior to the effective time, each outstanding restricted stock award granted by Metropolitan will become fully vested and will be converted into the right to receive, at the effective time, a cash payment in an amount equal to the product of (a) the total number of shares of Metropolitan common stock subject to the restricted stock award, and (b) \$11.25, without interest and less any required withholding taxes. This cash payment, if any, will be made to the restricted stock award holder as soon as reasonably practicable after the effective time.

Metropolitan s Reasons for the Merger (page 37)

In evaluating the merger, the Metropolitan Board consulted with Metropolitan s management, as well as Metropolitan s legal and financial advisors. In reaching its decision to adopt and approve the merger agreement and to approve the merger and to recommend that Metropolitan shareholders adopt and approve the merger agreement and approve the merger, the Metropolitan Board considered a number of factors, including those listed in The Merger Metropolitan s Reasons for the Merger .

Recommendations of the Metropolitan Board (page 42)

The Metropolitan Board has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are in the best interests of Metropolitan and its shareholders and has unanimously adopted and approved the merger agreement and approved the merger. The Metropolitan Board has resolved to recommend that Metropolitan shareholders vote **FOR** the adoption and approval of the merger agreement and the approval of the merger.

Opinion of Metropolitan s Financial Advisor (page 43)

In connection with the merger, the Metropolitan Board received a written opinion, dated November 3, 2012, from Barclays Capital Inc., referred to as Barclays , that as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the consideration to be offered to the holders of Metropolitan common stock in the proposed transaction is fair, from a financial point of view, to such shareholders. The full text of Barclays written opinion, dated November 3, 2012, is attached to this proxy statement as [Annex B](#). Holders of Metropolitan common stock are encouraged to read Barclays s opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Barclays. Barclays opinion was provided for the benefit of the Metropolitan Board (in its capacity as such) in connection with, and for the purpose of, its evaluation of the merger consideration from a financial point of view and did not address any other aspect of the merger. The opinion did not address the relative merits of the merger as compared to other business strategies or transactions that might be available with respect to Metropolitan or Metropolitan s underlying business decision to effect the merger. The summary of Barclays opinion provided in this proxy statement is qualified in its entirety by reference to the full text of the opinion. The opinion does not constitute a recommendation to any shareholder as to how to vote or act with respect to the merger. See The Merger Opinion of Metropolitan s Financial Advisor .

Table of Contents

The Metropolitan Special Meeting (page 91)

Record Date; Outstanding Shares; Shares Entitled to Vote. The record date for the Metropolitan special meeting is November 16, 2012. This means that you must be a shareholder of record of Metropolitan common stock at the close of business on November 16, 2012 to vote at the Metropolitan special meeting. At the close of business on the record date, there were 44,481,304 shares of Metropolitan common stock outstanding and entitled to vote, held by 240 holders of record. Each share of Metropolitan common stock entitles its holder to one vote on all matters properly presented at the special meeting.

At the Metropolitan special meeting, Metropolitan shareholders will be asked to consider and vote on the following proposals:

to adopt and approve the merger agreement and to approve the merger;

to approve the adjournment of the Metropolitan special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to adopt and approve the merger agreement and to approve the merger at the time of the Metropolitan special meeting; and

to approve, on an advisory (non-binding) basis, golden parachute compensation payments that will or may be paid by Metropolitan to its named executive officers in connection with the merger.

Quorum. The presence, in person or by proxy, of the holders of at least a majority of the outstanding shares of Metropolitan's common stock entitled to vote at the special meeting is necessary to constitute a quorum with respect to all matters presented. Shares of Metropolitan common stock held by shareholders present in person or represented at the special meeting but not voted, including shares of Metropolitan common stock for which proxies have been received but for which shareholders have abstained and broker non-votes, will be treated as present at the special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business.

Required Vote. Adoption and approval of the merger agreement and approval of the merger requires the affirmative vote of the holders of at least a majority of the shares of Metropolitan common stock outstanding and entitled to vote on the proposal at the special meeting. The proposal to adjourn the special meeting, if necessary, to solicit additional proxies to adopt and approve the merger agreement and to approve the merger (if a quorum exists) and the golden parachute compensation proposal will each require the affirmative vote of holders of at least a majority of the shares of Metropolitan common stock present in person or represented by proxy at the Metropolitan special meeting and voting on the proposal. If a quorum does not exist, the adjournment of the meeting, if necessary, to solicit additional proxies to adopt and approve the merger agreement and to approve the merger will require the affirmative vote of holders of at least a majority of the shares of Metropolitan common stock present in person or represented by proxy at the meeting and entitled to vote on the proposal.

Stock Ownership of Directors and Executive Officers of Metropolitan (page 60)

At the close of business on November 16, 2012, the directors and executive officers of Metropolitan beneficially owned and were entitled to vote approximately 2,254,092 shares of Metropolitan common stock, collectively representing approximately 5.07% of the shares of Metropolitan common stock outstanding on that date.

Interests of Metropolitan Directors and Executive Officers in the Merger (page 52)

In considering the recommendation of the Metropolitan Board, you should be aware that Metropolitan directors and executive officers may have financial interests in the merger that are in addition to or different from their interests as shareholders and the interests of Metropolitan shareholders generally and may present actual or potential conflicts of interest. The Metropolitan Board was aware of these interests and considered them, among other matters, in unanimously adopting and approving the merger agreement and approving the transactions contemplated thereby. You should consider these and other interests of Metropolitan directors and executive officers that are described in this proxy statement.

Table of Contents

Such interests of Metropolitan directors and executive officers include the following:

certain executive officers of Metropolitan may continue as officers or employees of the surviving corporation or Humana following completion of the merger;

payment of cash bonuses for 2012, which, based on historical practice, would have been determined and paid in March 2013, were determined in November 2012 and are payable upon the earlier of the consummation of the merger or March 2013;

prior to the effective time, unvested stock options held by Metropolitan's directors and executive officers will become fully vested and, thereafter, the directors and executive officers will be entitled to receive cash payments in connection with the cancellation of their respective stock options at the effective time;

prior to the effective time, restricted stock awards held by Metropolitan's directors and executive officers will become fully vested and exercisable and, thereafter, the directors and executive officers will be entitled to receive cash payments in respect of their respective restricted stock awards at the effective time; and

Metropolitan's directors and executive officers will be entitled to continued indemnification and insurance coverage by the surviving corporation for acts or omissions occurring prior to the merger for a period of six years following the effective time.

Conditions to Completion of the Merger (page 84)

The obligations of Metropolitan and Humana to complete the merger are subject to the satisfaction or, if permissible, waiver, of certain conditions, including:

the adoption and approval of the merger agreement and the approval of the merger by the shareholders of Metropolitan;

the absence of any order, injunction, decree or other legal restraint issued by any governmental authority, or other rule or regulation that is in effect and prevents or prohibits the consummation of the merger;

the expiration or termination of the waiting periods applicable to the consummation of the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to as the HSR Act, and the absence of any proceeding, investigation or inquiry initiated by a governmental authority that is challenging or seeking to prevent or prohibit consummation of the merger or seeking to impose any undertaking, condition or consent decree to compel any material divestiture or operational restriction;

the accuracy of the representations and warranties of the other party and compliance by the other party with its respective obligations under the merger agreement;

Metropolitan's cancellation of each outstanding share of series A preferred stock (by way of redemption, repurchase, conversion or other action of substantially similar effect); and

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the absence of any changes, effects, developments or events that have had or would reasonably be expected to have a material adverse effect on Metropolitan.

Regulatory Approvals Required for the Merger (page 65)

The completion of the merger is subject to compliance with the HSR Act. The notifications required under the HSR Act to the U.S. Federal Trade Commission, which is referred to as the "FTC", and the Antitrust Division of the U.S. Department of Justice, which is referred to as the "Antitrust Division", were filed on November 9, 2012.

Table of Contents

Termination of the Merger Agreement (page 86)

The merger agreement may be terminated at any time before the effective time, whether or not the Metropolitan shareholders have approved the merger agreement:

by mutual written agreement of Metropolitan and Humana;

by either Metropolitan or Humana if:

the merger has not been consummated on or before the outside date of April 30, 2013 (which will be extended to May 10, 2013 if on the outside date only the closing conditions relating to the expiration or termination of the applicable waiting periods under the HSR Act and the absence of any proceedings, investigations or inquiries initiated by a governmental authority challenging or seeking to prevent or prohibit consummation of the merger or seeking to impose any undertaking, condition or consent decree to compel any divestiture or operational restriction have not been satisfied); provided further that the right to terminate pursuant to this provision is not available to a party if the failure of the effective time to occur by the outside date is due wholly or partly to the failure of the party seeking to terminate to fulfill in all material respects all of its obligations under the merger agreement; or

if any governmental authority obtains, enacts, promulgates, issues or enforces any final and non-appealable arbitration award, finding or order restraining, enjoining, preventing, prohibiting or making illegal the consummation of the merger.

by Humana if:

Metropolitan breaches its representations or warranties or fails to perform any covenants set forth in the merger agreement, which breach or failure would cause any of the conditions to the closing not to be satisfied and such breach, if curable, is not cured by the earlier of the outside date or 15 days after the receipt of written notice thereof or the day immediately prior to the outside date;

the Metropolitan Board fails to include in this proxy statement its recommendation to the Metropolitan shareholders that they approve the merger or effects a Metropolitan adverse recommendation change;

Metropolitan enters into an alternative acquisition agreement;

the Metropolitan Board approves or recommends any acquisition proposal;

Metropolitan or the Metropolitan Board publicly announce its intention to take any action described in the preceding three bullets;

a third party commences a tender or exchange offer constituting an acquisition proposal relating to Metropolitan's securities, and Metropolitan does not send (within ten business days after such offer is first published) its shareholders a statement disclosing that the Metropolitan Board recommends rejection of such tender or exchange offer; or

the Metropolitan shareholders do not approve the merger at the special meeting.

by Metropolitan if:

(i) prior to obtaining the Metropolitan shareholders approval of the merger, the Metropolitan Board enters into a definitive agreement relating to a superior proposal and Metropolitan did not enter into such agreement in violation of its non-solicitation obligations under the merger agreement, and (ii) prior to or concurrent with the termination of the merger agreement, Metropolitan pays to Humana the expense reimbursement and termination fee discussed under The Merger Agreement Termination Fees and Expenses ;

Table of Contents

Humana or merger subsidiary breaches its representations or warranties or fails to perform any covenants set forth in the merger agreement, which breach or failure would cause any of the conditions to the closing not to be satisfied and such breach, if curable, is not cured by the earlier of the outside date or 15 days after the receipt of written notice thereof or the day immediately prior to the outside date; or

the Metropolitan shareholders do not approve the merger at the special meeting.

Termination Fees and Expenses (page 88)

If the merger agreement is terminated in certain circumstances described under The Merger Agreement Termination of the Merger Agreement :

Metropolitan may be obligated to pay to Humana a termination fee of \$16 million and to reimburse Humana for up to \$5.333 million of its out-of-pocket costs and expenses incurred in connection with the merger agreement; or

Humana may be obligated to reimburse Metropolitan for up to \$5.333 million of its out-of-pocket costs and expenses incurred in connection with the merger agreement.

In the event of a termination of the merger agreement due to the breach or failure to perform by any party to the agreement, the non-breaching party will be entitled to pursue and recover such additional damages as it may be entitled to under applicable law resulting from the breach or failure to perform by the other party which gave rise to the right to terminate the merger agreement. Metropolitan and Humana expressly agreed that such additional damages may include damages based on the loss of economic benefits of the transactions contemplated by the merger agreement to the non-breaching party and, in the case of Metropolitan, to its shareholders.

In general, except as described above, each of Metropolitan and Humana will bear its own expenses in connection with the merger agreement and the related transactions.

Material United States Federal Income Tax Consequences (page 67)

In general, the exchange of shares of Metropolitan common stock for cash pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes with respect to all of the merger consideration. You should read the section entitled Material United States Federal Income Tax Consequences for a more complete discussion of the U.S. federal income tax consequences of the transaction. Tax matters can be complicated, and the tax consequences of the transaction to Metropolitan shareholders will depend on their particular tax situations. Metropolitan shareholders should consult their tax advisors to determine the tax consequences of the transaction to them.

No Appraisal Rights (page 66)

No appraisal rights are available under the FBCA or Metropolitan's articles of incorporation for any Metropolitan shareholder who dissents from or votes against any of the proposals presented for consideration. See The Merger No Rights of Appraisal.

Litigation Relating to the Merger (page 66)

Since November 8, 2012, seven putative class action complaints challenging the merger have been filed in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida by plaintiffs seeking to represent a class of Metropolitan shareholders. All the cases have been consolidated as *In re Metropolitan Health Networks Shareholder Litigation* matter, Case No. 2012-CA-020609-XXXX-MB-AF.

Table of Contents

The complaint in each of these suits names Metropolitan, the members of the Metropolitan Board, Humana and merger subsidiary as defendants. The complaints allege that the merger consideration is inadequate and the product of conflicts of interest, that the Metropolitan Board breached their fiduciary obligations to Metropolitan's stockholders in approving the merger agreement, and assert that the other defendants aided and abetted the breach of those duties. In addition, two of the complaints allege that the disclosures in the preliminary proxy statement filed by Metropolitan on November 13, 2012 were inadequate. The complaints seek various forms of relief, including injunctive relief that would, if granted, prevent the completion of the merger, rescission if the merger is consummated, unspecified compensatory damages and attorneys' fees and expenses.

All defendants intend to vigorously defend against these actions.

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which is referred to as the Securities Act, and Section 21E of the Exchange Act. All statements that do not relate to historical or present facts, including without limitation information regarding Metropolitan's expected future financial results, the expected completion and timing of the merger and other information related to the merger, are forward looking statements. Such statements are often expressed through the use of words such as anticipate, approximate, believe, plan, estimate, expect, project, could, should, will, intend, may and other similar expressions. Forward-looking statements are made based upon current expectations and beliefs and are subject to risks and uncertainties that could cause actual results to differ materially from those matters expressed or implied by these forward-looking statements.

The following risks and uncertainties, among others, could cause actual results to differ from those set forth in the forward-looking statements:

the failure to receive, on a timely basis or at all, the regulatory clearances required to complete the merger under the HSR Act;

the inability to complete the merger, on a timely basis or at all, due to the failure to obtain the approval of Metropolitan's shareholders or the failure to satisfy any other condition to the completion of the merger;

the possible adverse effect on Metropolitan's business and the price of its common stock if the merger is not completed;

diversion of management time and resources from day to day operations in seeking to complete the merger;

the effect of the announcement of the merger on Metropolitan's business relationships, operating results and business generally, including the ability of Metropolitan to attract and retain key employees and to preserve its relationships with its patients, IPAs and other providers and Contracting HMOs (other than Humana);

the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement, including under circumstances that could require Metropolitan to pay to Humana a termination of \$16 million plus reimbursement of up to \$5.333 million of expenses;

the amount of costs, fees, expenses and charges related to the merger;

limitations placed on Metropolitan's ability to operate its business prior to the completion of the merger or termination of the merger agreement as a result of covenants contained in the merger agreement;

the litigation relating to the merger described in this proxy statement, which may delay or prevent the consummation of the merger and may cause Metropolitan to incur substantial defense costs and/or substantially divert the attention of Metropolitan's management and its resources in general;

the length of time necessary to consummate the merger;

unforeseen material adverse changes to Metropolitan's business and operations; and

other risk factors that are described from time to time in Metropolitan's periodic and other filings with the SEC, including the risk factors discussed in Metropolitan's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and Current Reports on Form 10-Q for the fiscal quarters ended March 31, June 30 and September 30, 2012.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement and are not guarantees of performance or results. There can be no assurance that forward-looking statements will prove to be accurate. Shareholders should also

Table of Contents

understand that it is not possible to predict or identify all risk factors and that neither the preceding list nor the factors identified in Metropolitan's SEC filings should be considered a complete statement of all potential risks and uncertainties. Metropolitan undertakes no obligation to publicly update or release any revisions to the preceding forward-looking statements to reflect events or circumstances after the date of this proxy statement except as required by law.

THE MERGER

The following is a description of the material aspects of the merger, which may not contain all of the information that is important to you and is qualified in its entirety by reference to the merger agreement attached to this proxy statement as Annex A. Shareholders are encouraged to read carefully this entire proxy statement, including the merger agreement, for a more complete understanding of the merger.

Overview

The Metropolitan Board has unanimously adopted and approved the merger agreement and the transactions contemplated by the merger agreement. Pursuant to the merger agreement, merger subsidiary will merge with and into Metropolitan, and Metropolitan will continue as the surviving corporation and a wholly-owned subsidiary of Humana. As a result of the merger, Metropolitan will cease to be a publicly traded company.

Merger Consideration

At the effective time, each share of Metropolitan common stock outstanding immediately before the effective time, other than shares owned by Metropolitan, Humana, merger subsidiary or their respective wholly-owned subsidiaries, will be converted into the right to receive \$11.25 in cash, without interest and less any required withholding taxes.

Prior to the effective time, each outstanding option to purchase shares of Metropolitan common stock will become fully vested and exercisable and will be cancelled in exchange for the right to receive, at the effective time, an amount in cash equal to the product of (1) the total number of shares of Metropolitan common stock subject to such option, multiplied by (2) the excess, if any, of \$11.25 over the exercise price per share of such option, without interest and less any required withholding taxes.

Prior to the effective time, each restricted share of Metropolitan common stock will become fully vested and will be converted into the right to receive, at the effective time, \$11.25 in cash, without interest and less any required withholding taxes.

Background of the Merger

Metropolitan believes that before any shareholder makes a decision whether to vote to approve the merger, it is important to understand various events that occurred, and actions taken by the Metropolitan Board, which led to the Metropolitan Board's decision to sell Metropolitan to Humana pursuant to the terms of the merger agreement.

Historical Consideration of Strategic Alternatives

The Metropolitan Board and management have reviewed and modified from time to time Metropolitan's operating strategy, business focus and performance objectives both in anticipation of and in response to various developments, trends, risks and conditions in and affecting Metropolitan's business and Metropolitan's industry. In particular, the Metropolitan Board reviewed with management the increasing consolidation trend in Metropolitan's industry and how that trend could impact Metropolitan's market share, competitive strengths and weaknesses, business opportunities and threats and short- and long-term value.

Table of Contents

Between May 2007 and November 2011, several of Metropolitan's most senior executives were contacted directly or through Metropolitan's advisors on an unsolicited basis by certain parties that expressed an interest in pursuing a potential transaction with Metropolitan. The Metropolitan Board took the position that, although Metropolitan was not being positioned for sale, consistent with the Metropolitan Board's fiduciary duties to Metropolitan's shareholders, it would engage in exploratory discussions with bona fide third parties who demonstrated the willingness and ability to consummate a transaction that could offer Metropolitan's shareholders maximum value relative to what the Metropolitan Board and management believed could be achieved through the continued execution of management's business plan. Morgan Joseph TriArtisan LLC, which is referred to as MJTA, one of Metropolitan's independent financial advisors engaged to advise the Metropolitan Board with respect to the sale of Metropolitan to Humana, assisted and advised the Metropolitan Board in connection with these unsolicited expressions of interest. Throughout this process, MJTA reviewed with management and the Metropolitan Board Metropolitan's business model and strategic plans and had the opportunity to review and analyze, during that same period, the consolidation trend and valuation methodologies and transaction structures used by acquirors, sellers and business combination partners in various M&A transactions in Metropolitan's industry.

Specifically, in addition to numerous exploratory discussions conducted by representatives of Metropolitan with third parties, the Metropolitan Board received and reviewed with management and MJTA unsolicited expressions of interest with respect to a number of diverse purchase, sale, business combination and recapitalization transactions described below.

In August 2007, the Board reviewed the proposed acquisition of all of Metropolitan's outstanding common stock for cash by a medical group of similar size and market position as the PSN at a price per share of \$2.75 to \$3.00 at a time when the market price of Metropolitan's common stock was approximately \$1.85 per share. In November 2008, the Metropolitan Board reviewed the proposed acquisition of all of Metropolitan's outstanding common stock for cash by a large, privately-held provider of managed healthcare services with operations in a number of states at a price per share of \$2.25 to \$2.45 at a time when the market price of Metropolitan's common stock was approximately \$1.75. In December 2008, the Metropolitan Board reviewed the proposed stock-for-stock combination of Metropolitan with another large operator of PSNs and related businesses at an implied, pro forma price per share (based upon the estimated trading price per share of the common stock of the resulting combined company) of \$1.82 to \$2.34 (which is referred to as the stock swap merger) at a time when the market price of Metropolitan's common stock was approximately \$1.47 per share. During this same month, the Metropolitan Board also received recapitalization proposals from the counterparty to the stock swap merger whereby the counterparty proposed to acquire a controlling interest in Metropolitan in exchange for certain assets and operations of the proponent. The Metropolitan Board also reviewed in December 2008 various business combination proposals between Metropolitan and Continucare.

High level discussions between representatives of Metropolitan and representatives of various interested parties ensued over this approximately 18-month period, but more detailed negotiations of the material terms and conditions, including a specific price per share, of these possible transactions never ensued because, among other reasons, the Metropolitan Board determined that the foregoing indications of price ranges did not adequately reflect the intrinsic value of Metropolitan's common stock. However, in view of these inadequate price indications and the Metropolitan Board's concern about the continued consolidation trend in Metropolitan's industry, the Metropolitan Board instructed MJTA in the fourth quarter of 2008 to test the waters and contact certain of the parties who previously expressed an interest in acquiring Metropolitan to determine whether such parties would be willing to re-engage in exploratory discussions and share with Metropolitan their valuation methodologies, synergies analyses and integration strategies. MJTA's efforts did not result in Metropolitan receiving any proposals that it believed merited further consideration.

Although no firm offers were received by Metropolitan, this transaction review process enabled the Metropolitan Board to more closely study the valuation techniques and transaction structures used in

Table of Contents

Metropolitan's industry (including by certain competitors of Metropolitan), and enhanced the Metropolitan Board's understanding of various methodologies used to derive Metropolitan's intrinsic value.

In conjunction with its review of the foregoing alternatives, from approximately September 2007 through September 2012 the Metropolitan Board, in consultation with MJTA and other advisors described below also reviewed organic growth (stay the course) and strategic acquisition strategies (including platform acquisitions and consolidation-oriented tuck-in transactions). Specifically, the Metropolitan Board reviewed during this time management's long-term business plan and operating strategy in relation to prevailing and anticipated trends in Metropolitan's industry and the potential divestiture of non-core assets and businesses to enhance profitability and increase shareholder value. In the course of this process, as a means to enhance shareholder value, in 2008, the Metropolitan Board determined to sell Metropolitan's non-core HMO business (which was underperforming Metropolitan's core PSN business, generating operating losses and disproportionately using Metropolitan's resources) and to augment the organic growth of Metropolitan's PSN business by acquiring small and more sizable PSNs and/or provider groups and establishing a presence in new domestic geographic markets. In August 2008, Metropolitan sold its HMO business to Humana, which allowed Metropolitan to expand its commercial relationship with Humana pursuant to a practice association agreement entered into with Humana as part of the sale. Following the sale, the Metropolitan Board executed a hybrid strategy of consummating tuck-in acquisitions of other PSNs (in many cases consisting of small individual physician practice groups) and establishing new primary care operations so that a substantial majority of the patients served by Metropolitan were treated by primary care practices owned by Metropolitan.

The foregoing process culminated in Metropolitan's largest acquisition—the acquisition of Continucare on October 4, 2011. At the date of acquisition, Continucare provided managed care for approximately 36,400 Participating Customers (approximately 28,000 on a risk basis and approximately 8,400 on a non-risk basis) through its 19 medical centers and contracted independent physician affiliates. Substantially all of its revenues were derived from managed care agreements with four HMOs: Humana Medical Plans, Inc., UnitedHealthcare of Florida, Inc., Vista Healthplan of South Florida, Inc. and its affiliated companies, a subsidiary of Coventry Health Care, Inc. and Wellcare Health Plans, Inc.

The Continucare acquisition was completed for a total purchase price of approximately \$417 million. The Metropolitan Board authorized the acquisition and determined that it was in the best interest of Metropolitan and its shareholders because of: (i) the expectation that the resources and economies of scale resulting from the newly combined company would facilitate the development of new business relationships and enable Metropolitan to execute strategic and financial transactions not available to it on a stand-alone basis, (ii) anticipated risks for smaller PSNs/providers in the healthcare industry in the wake of Congress' adoption of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2012, which are collectively referred to as the Reform Acts, including reimbursement rate reductions and increased regulatory burdens, adverse market and economic conditions, continued consolidation in Metropolitan's industry, and the potential impact of the foregoing on Metropolitan's growth, development, profitability and strategic direction; (iii) the expectation that the newly combined company's larger economic scale and enhanced growth prospects would increase Metropolitan's value as a potential acquisition target or business combination partner; and (iv) the expectation that the newly combined company would be followed more closely and viewed more favorably by Wall Street equity research analysts and the equity capital markets, and that Metropolitan would have greater access to external sources of financing on better commercial terms, thereby favorably impacting the liquidity in, and market price of, Metropolitan's common stock. The closing price of Metropolitan's common stock on the date the Continucare acquisition was consummated was \$4.78 per share. In connection with the Continucare acquisition, Metropolitan borrowed a total of \$315 million under two credit facilities.

Metropolitan's senior management believed that the Continucare acquisition positioned Metropolitan as the fourth largest MSO in the United States and established a platform for potential accelerated organic growth and growth through further acquisitions. Between August 2011 and February 2012, the Metropolitan Board considered several potential strategic acquisitions of and/or business combinations with operating companies in

Table of Contents

Metropolitan's industry. Most notably, in February 2012, with the assistance of Barclays and MJTA, the Metropolitan Board engaged in exploratory acquisition and/or combination discussions with two large strategic operating companies, each of which was among the ten largest MSOs in the United States. Barclays was contacted by Metropolitan because of the magnitude of the external financing that would be necessary to finance these potential, large acquisitions and/or combinations and because of Barclays' reputation and stature on Wall Street, its significant financial resources, its expertise and experience in the capital markets and its financial and strategic relationships. During this same period, the Metropolitan Board also considered expressions of interest from a number of private equity funds who suggested they might be willing to make significant debt and/or equity investments in Metropolitan, both on a stand-alone basis and as a source of potential acquisition financing. At this time, the Metropolitan Board began consulting with each of Barclays and MJTA to help analyze the strategic and financial alternatives available for Metropolitan and, ultimately, both independent financial advisors would become engaged to assist the Metropolitan Board in analyzing the merger with Humana, with Barclays rendering an opinion regarding the fairness from a financial point of view of the merger consideration to Metropolitan's shareholders. See The Merger Opinion of Metropolitan's Financial Advisor below. Discussions regarding these two proposed acquisitions terminated in the first half of 2012 due to the inability of the parties to reach an agreement-in-principle with respect to material transaction terms and conditions and the perception that, with respect to one such acquisition, the consent or endorsement of the target's largest HMO customer would be needed to secure the financing necessary to conclude the transaction.

Following the completion of the Continucare acquisition and consideration of the transactions discussed above, MJTA was authorized to continue discussions with certain persons who had previously submitted unsolicited expressions of interest to Metropolitan, to identify and contact certain strategic operating targets in Metropolitan's industry to gauge their interest in a potential transaction with Metropolitan, and to identify and contact one or more potential business combination partners who might be interested in a transaction with Metropolitan. During this process, MJTA consulted with the Metropolitan Board with respect to Metropolitan's common stock price, industry growth estimates and Wall Street equity research analysts' estimates regarding Metropolitan's results of operations and common stock price, recently announced and completed healthcare M&A transactions, and the trading multiples of selected peer companies.

Throughout this entire period, the Metropolitan Board also reviewed with management the regulatory and economic trends and conditions in Metropolitan's industry and determined that, while growth in enrollment and premium dollars was likely to continue, long-term sustainability of Metropolitan's historic margins would be difficult to achieve and more aggressive management and reduction of costs would become an increasingly important component of Metropolitan's business plan. The Metropolitan Board also believed that the consolidation trend in Metropolitan's industry would continue and likely accelerate significantly based upon recent transaction announcements and related events in Metropolitan's industry.

Events Leading to the Merger Proposal

On February 27, 2012, Metropolitan's senior management team and MJTA provided the Metropolitan Board with an update on the state of the managed care industry, including rumored M&A transactions, recently announced transactions and the continuing trend of consolidation among risk providers and MSOs across the country. In addition, management reviewed with the Metropolitan Board the anticipated trend of large insurers seeking to acquire physician practices and MSOs to vertically integrate risk providers with existing insurance underwriting operations. The Metropolitan Board reviewed the potential effects of this trend on Metropolitan's business operations and future relationship with Humana, including the challenges that could arise if Metropolitan was required to compete (directly or indirectly) with Humana. In 2011, 2010, 2009 and 2008, Metropolitan's revenue from Medicare Advantage health plans operated by Humana accounted for approximately 94.2%, 99.5%, 99.6% and 83.0%, respectively, of its total revenue and, in the first nine months of 2012, revenue from Medicare Advantage health plans operated by Humana accounted for approximately 82.8% of Metropolitan's total revenue. In addition, most of Metropolitan's agreements with these health plans are short-term in duration (ranging between one and two years) and provide for specified termination rights and restrictive

Table of Contents

covenants as described more fully under "The Merger - Certain Relationships Between Humana and Metropolitan".

On May 4, 2012, Metropolitan's senior management provided the Metropolitan Board with an update regarding the various strategic opportunities that Metropolitan was exploring, including the acquisition of a number of smaller physician practices, the status of Metropolitan's negotiations regarding a potential commercial joint venture with Humana (now known as Symphony), and the status of Metropolitan's discussions with the two larger strategic acquisition targets described above.

On May 4, 2012 and May 5, 2012, Michael M. Earley, Metropolitan's Chief Executive Officer and Chairman of the Metropolitan Board, met in Louisville, Kentucky with Bruce Perkins, President of the Health and Well-Being Services Segment of Humana, during which they discussed the Florida healthcare market in general and the state of Metropolitan's commercial relationship with Humana. Mr. Perkins also inquired about Metropolitan's efforts to raise capital to fund the execution of its growth strategies.

On May 11, 2012, Bruce Broussard, President of Humana, met with Mr. Earley and visited two of Metropolitan's locations in Florida to discuss how to optimize Metropolitan's and Humana's commercial relationship going forward. In this discussion Mr. Broussard outlined Humana's strategy of providing a high-quality, consistent experience for its members in all segments of the healthcare delivery value chain. That same day, Mr. Earley received an e-mail from Mr. Perkins expressing interest to meet in person, which prompted Mr. Earley to coordinate a meeting date in June 2012.

On May 21, 2012, DaVita, Inc., which is referred to as "DaVita", one of the largest kidney care companies in the United States, announced that it had signed a definitive agreement to acquire a PSN, HealthCare Partners, which is referred to as "HCP", for \$4.42 billion in cash and DaVita common stock. The transaction was seen throughout Metropolitan's industry as indicative of the accelerating consolidation trend in the industry, including among some of the largest strategic operating companies.

At or about the time of the DaVita announcement, widespread industry rumors surfaced that Humana was actively seeking, and engaged in discussions with, various PSNs or MSOs to seek to consummate a "platform acquisition", which, if successful, would enable Humana to become a more substantial and vertically integrated care provider over time through subsequent roll-up acquisitions.

On June 5, 2012, Mr. Earley received a call from Mr. Perkins suggesting that they meet the following week. On June 7, 2012, Mr. Earley and Metropolitan's Chief Operating Officer, Dr. Jose A. Guethon, attended a dinner in Louisville, Kentucky with Mr. Perkins, Paul Kusserow, Senior Vice President and Chief Strategy Officer of Humana, and Charles Beckman, Vice President of Corporate Development of Humana, at which Humana's representatives stated that they were interested in pursuing a potential strategic transaction with Metropolitan. Mr. Earley and Dr. Guethon indicated to Humana's representatives that they were not in a position to respond to Humana's general inquiry without better understanding Humana's strategic goals and business plan. No pricing discussions occurred during this meeting.

On June 8, 2012, Mr. Earley and Dr. Guethon attended a meeting with Jim Murray, Executive Vice President and Chief Operating Officer of Humana, Mr. Perkins, Mr. Kusserow, and Mr. Beckman. At that meeting, Humana's representatives outlined Humana's broad acquisition strategy, including stating that Florida was one of Humana's most important Medicare Advantage markets and acknowledging that Metropolitan was one of the largest PSNs in that market. Mr. Earley and Dr. Guethon were informed that this strategy had been discussed with Humana's senior management and Board of Directors and that Humana wished to pursue an acquisition of Metropolitan as an important part of that strategy.

On June 11, 2012, Mr. Earley received a call from Mr. Perkins to notify him that, if Metropolitan did not have an objection to receiving a proposal from Humana, Humana intended to present Metropolitan in the near-

Table of Contents

term with a proposal for a strategic transaction. Mr. Perkins also advised Mr. Earley that Humana would convene a Board meeting the next day to obtain authorization to send a proposal to Metropolitan.

On June 12, 2012, Mr. Earley convened a meeting of the Metropolitan Board to discuss how to respond to Humana's proposal if and when it was received. At this meeting, the Metropolitan Board reviewed a variety of factors regarding whether to explore a potential sale of Metropolitan to Humana and authorized Mr. Earley to inform Humana that the Metropolitan Board would be willing to consider a written proposal on a confidential basis.

In making its decision, the Metropolitan Board considered, among other things: (i) the anticipated trend of large insurers, including Humana, seeking to become more vertically integrated, including Humana's stated intention to acquire platform acquisition targets to further expand Humana's presence in targeted markets (including Florida); (ii) the potential disruption to Metropolitan's business if Humana (Metropolitan's largest customer responsible for over 80% of its revenue) completed one or more acquisitions of Metropolitan's competitors and, as a consequence, opted not to renew its existing customer contracts with Metropolitan after their scheduled expiration (during the next two years); (iii) Humana's rumored acquisition of a large minority interest in a direct competitor of Metropolitan, and how such an acquisition could adversely impact Metropolitan's business and its potential to obtain maximum value in a potential strategic transaction with Humana where Metropolitan could be Humana's PSN platform acquisition target for vertical integration in Florida; (iv) the Metropolitan Board's understanding and analyses of Metropolitan's intrinsic value and the strategic and financial alternatives reasonably available to Metropolitan based upon, among other things, Metropolitan's discussions and negotiations over the past five years with most of the major participants in its industry; (v) the accelerating consolidation trend in Metropolitan's industry; and (vi) the increased competition from third parties, including certain of Metropolitan's competitors and one or more insurers with whom it has contractual relationships, to acquire physician practices throughout Florida.

During the June 12, 2012 meeting of the Metropolitan Board, Barclays and MJTA updated certain of the financial analyses they had previously provided to the Metropolitan Board in connection with prior considerations of strategic and financial alternatives. Greenberg Traurig, Metropolitan's outside legal counsel, also reviewed with the Metropolitan Board its fiduciary obligations which had been previously explained during its prior review of strategic avenues which potentially entailed a change-of-control.

The Metropolitan Board considered the competitive advantages and disadvantages of Humana as a potential purchaser relative to other potential purchaser candidates. The Metropolitan Board also considered Humana's substantial financial resources and its ability to undertake and complete an acquisition of Metropolitan without the need to raise additional equity capital, seek to sell debt securities or arrange for new and amended bank lines of credit.

Accordingly, the Metropolitan Board authorized Mr. Earley to continue exploratory discussions with Humana regarding a potential sale of Metropolitan and to report to the Metropolitan Board as developments warranted.

On June 29, 2012, Mr. Earley received a call from Mr. Perkins to notify him that Humana intended to submit to Metropolitan a written acquisition proposal. The Metropolitan Board authorized Mr. Earley to inform Mr. Perkins that Metropolitan would be willing to consider Humana's confidential submission of a proposal to acquire Metropolitan.

On July 10, 2012, Humana submitted to Mr. Earley a written proposal, based on publicly available information including analyst research reports, to acquire all of Metropolitan's outstanding common stock at a proposed purchase price of \$12.00 per share, which represented a premium of approximately 21% to the \$9.92 closing price of the Metropolitan common stock on such date. Humana also requested that Metropolitan agree to negotiate exclusively with Humana until October 31, 2012.

Table of Contents

On the afternoon of July 10, 2012, Mr. Earley and Arthur D. Kowaloff, in his capacity as Metropolitan's lead independent director, met with Metropolitan's senior management, representatives of Barclays and MJTA, and representatives of Greenberg Traurig to discuss Humana's proposal.

On July 13, 2012, the Metropolitan Board convened a special meeting to review Humana's proposal. The Metropolitan Board requested and received from Barclays and MJTA a presentation highlighting the material terms of Humana's acquisition proposal. The Metropolitan Board also received an update from management regarding certain operating losses Metropolitan experienced through June 30, 2012 with respect to certain insurer contracts, and the potential impact these losses would have on Humana's \$12.00 per share offer, as well as Metropolitan's projected financial performance.

The Metropolitan Board also reviewed at this meeting an analysis prepared by Barclays and MJTA of potential strategic and financial purchaser candidates and the advantages and disadvantages of engaging in transaction discussions and negotiations with these candidates (including with respect to deal structure, offer price capacity, transaction timing, regulatory approvals and external financing requirements). The Metropolitan Board also reviewed certain precedent transactions in the healthcare sector announced over the last few years. The Metropolitan Board further received a presentation from Greenberg Traurig regarding the Metropolitan Board's fiduciary duties in general and in the context of a change of control transaction under Florida law.

After consideration of the foregoing analyses and reports, the Metropolitan Board authorized management to engage in further discussions with Humana and, subject to Humana's execution of an appropriate confidentiality agreement containing customary standstill provisions, to provide Humana with access to limited due diligence materials. The Metropolitan Board determined that, in view of the preliminary nature of the pending transaction discussions, a staged production schedule was appropriate, with more detailed business, operating and financial information being made available to Humana only if an appropriate price indication was submitted to Metropolitan on a firm offer basis and material transaction terms were agreed to. The Metropolitan Board instructed Metropolitan's senior management team not to engage in any discussions with Humana regarding their potential future employment by Metropolitan and/or Humana and to apprise the Metropolitan Board of any communications initiated by Humana with respect to such subject matter or equity participation program, voting or other arrangements. The Metropolitan Board also requested that Metropolitan's management explain to Humana why certain operating losses under specified insurer contracts would not have any material impact on Metropolitan's long-term value.

At this meeting, the Metropolitan Board also reviewed the importance of maintaining strict confidentiality of the discussion process with Humana and that any leaks could cause the termination of such discussions and materially harm Metropolitan's business. The Metropolitan Board concluded that a market check of potential purchaser candidates at that time would not be productive for a variety of reasons, including an increased likelihood of leaks in an industry where consolidation transaction rumors were prevalent, the Metropolitan Board's understanding of Metropolitan's intrinsic value and the valuation methodologies used by potential buyers and sellers in the industry from the prior processes in which it had been engaged, the relatively small number of potential strategic and financial purchaser candidates with the ability and willingness to acquire Metropolitan in its entirety, and the fact that, in light of Humana's commercial relationships with Metropolitan, any potential acquirer would likely condition any transaction upon Humana's consent to the transaction and potentially upon Humana's agreement to maintain certain commercial contracting terms for an agreed upon period of time (which is referred to as a Humana Endorsement). However, to ensure that Metropolitan maintained the flexibility to actively solicit and review solicited and unsolicited competing proposals, the Metropolitan Board instructed management to inform Humana that Metropolitan would not agree to an exclusive discussion period. On July 18, 2012, Metropolitan entered into a confidentiality and standstill agreement with Humana, which did not provide for exclusivity.

On July 19, 2012, members of Metropolitan's senior management met with members of Humana's management team to present to Humana certain financial and operating analyses relating to Metropolitan to

Table of Contents

enable Humana to develop its valuation and vertical integration model for Metropolitan. Metropolitan's and Humana's respective in-house legal and independent financial advisors also attended these discussions in person and via teleconference.

From mid-July 2012 through early November 2012, Humana and its advisors conducted legal, business and financial due diligence on Metropolitan and its subsidiaries. The due diligence process included telephonic and in-person due diligence discussions visits to certain facilities of Metropolitan, and access to Metropolitan's electronic data room containing financial, operational, regulatory, intellectual property, human resources, legal and other information concerning Metropolitan and its subsidiaries. In furtherance of the Metropolitan Board's mandate for a staged production schedule, this diligence review was conducted in two phases, with all diligence efforts conducted prior to October 10, 2012 being more high-level and less granular in nature, and all such efforts conducted after October 10, 2012, when draft transaction documentation had been discussed between the parties, being far more comprehensive.

On July 28, 2012 and July 31, 2012, Metropolitan also made available to Humana additional financial and operating analyses to enable Humana to refine its valuation and vertical integration model for Metropolitan.

On August 9, 2012, Metropolitan issued an earnings release and filed a quarterly report on Form 10-Q for the quarter ended June 30, 2012 and reported adjusted EBITDA for the first six months of 2012 that was lower than published street estimates.

On August 21, 2012, Humana reduced its proposed purchase price to \$10.50 per share from \$12.00 per share, which reduced price reflected a premium of approximately 31% to the closing price of \$8.02 on that date. Humana's representatives indicated that this price reduction was due in large part to differences between Metropolitan's recently announced financial results and consensus street estimates used by Humana to calculate its initial \$12.00 price indication.

On August 22, 2012, the Metropolitan Board met to discuss Humana's revised proposal. The Metropolitan Board reviewed with management, Barclays and MJTA the various strategic alternatives available to Metropolitan and the advantages and disadvantages of each. Following discussion and analysis, the Metropolitan Board instructed Metropolitan's senior management and independent financial advisors to inform Humana that the revised proposal did not reflect Metropolitan's value and that the continuation of transaction discussions would not be productive at that time. However, the Metropolitan Board also authorized management and Metropolitan's independent financial advisors to describe to Humana why its \$10.50 per share proposal undervalued Metropolitan and to invite Humana to review certain additional information to help Humana better understand Metropolitan's intrinsic value.

In addition, to assist the Metropolitan Board in determining whether other purchaser candidates might be interested in proposing a transaction on terms more favorable to Metropolitan's shareholders than Humana's proposal while minimizing disruption to Metropolitan's business, the Metropolitan Board authorized management, Barclays and MJTA to contact another significant healthcare provider, which is referred to as the Alternative Bidder. The Alternative Bidder was selected as an alternative candidate because it had recently concluded a transaction with an entity which, like Metropolitan, earned a substantial portion of its revenues under contracts with Humana, but, based on a review of publicly available information, was not believed to have sought a Humana Endorsement prior to completing such acquisition. As a result, the Alternative Bidder was viewed by Metropolitan as the most viable candidate. Although the Metropolitan Board considered with Metropolitan's financial and legal advisors other potential candidates who might present a strong strategic fit with Metropolitan, the Metropolitan Board believed that the necessity to obtain a Humana Endorsement would chill their interest in pursuing a transaction with Metropolitan.

On August 28, 2012, in response to an invitation from Barclays to the Chief Executive Officer of the Alternative Bidder, the Alternative Bidder expressed an interest in having initial discussions with Metropolitan.

Table of Contents

After executing a customary confidentiality and standstill agreement with Metropolitan on September 6, 2012, members of the Alternative Bidder's senior management team and its independent financial advisors met with members of Metropolitan's senior management team and independent financial advisors to discuss a potential transaction. At this meeting, Metropolitan provided the Alternative Bidder's representatives with certain financial information and other analyses that had been provided to Humana.

Between September 6, 2012 and September 17, 2012, Metropolitan and its independent financial advisors responded to various due diligence questions from the Alternative Bidder. The Alternative Bidder did not ask for, and did not receive, access to comprehensive due diligence materials in Metropolitan's electronic data room.

On September 7, 2012, members of Metropolitan's senior management team and its independent financial advisors met with representatives of Humana, including members of Humana's senior management and Humana's financial advisor, Merrill Lynch, Pierce, Fenner & Smith Incorporated, which is referred to as BofA Merrill Lynch, to discuss Humana's reduced purchase price of \$10.50 per share and Metropolitan's management team's view that such purchase price did not adequately reflect Metropolitan's value. At this meeting, Metropolitan provided Humana's representatives with a written presentation including a merger synergy and integration analysis.

On September 17, 2012, Messrs. Kusserow and Beckman of Humana contacted Mr. Earley and indicated that Humana would be willing to increase its proposed purchase price from \$10.50 per share to \$11.00 per share. The revised purchase price represented a premium of approximately 30% in relation to the \$8.43 closing price of Metropolitan's common stock on that date.

Also on September 17, 2012, the financial advisor to the Alternative Bidder participated in a conference call with representatives of Barclays and MJTA. The financial advisor indicated that the Alternative Bidder intended to submit a written expression of interest the next day.

On September 18, 2012, Barclays and MJTA received from the Alternative Bidder a non-binding proposal to acquire for cash all of Metropolitan's outstanding common stock at an initial price range of \$10.00 to \$11.00, subject to the completion of comprehensive due diligence, negotiation of definitive documentation, other customary conditions, and a condition that the Alternative Bidder receive assurances that it could obtain a Humana Endorsement to the transaction before it would engage in substantive discussions with Metropolitan. The closing price of Metropolitan's common stock on that day was \$8.35.

During the following week, Barclays and MJTA communicated to the Alternative Bidder that Metropolitan was considering its proposal.

On September 19, 2012, Messrs. Earley and Kowaloff met with members of Metropolitan's senior management and representatives of Metropolitan's independent financial advisors and Greenberg Traurig to review the proposals made by Humana and the Alternative Bidder.

During the meeting, Messrs. Earley and Kowaloff suggested that a term sheet with Humana should be prepared to address various issues that the Metropolitan Board identified as being important and to advance the discussions between the parties.

Between September 19, 2012 and September 21, 2012, Metropolitan's senior management, independent financial advisors and Greenberg Traurig prepared a draft term sheet that outlined a potential single-step merger transaction with Humana. Although the draft term sheet excluded any price information (which was being discussed separately), it contained certain material transaction terms, including the proposed timing for the transaction, representations, warranties and covenants of the parties, regulatory and corporate approvals, certain so-called deal protections provisions, conditions to closing, termination provisions and remedies. Moreover, in response to Humana's prior requests for exclusivity, the term sheet proposed a post-signing go-shop period.

Table of Contents

during which Metropolitan could actively solicit competing superior transactions from third parties with a two-tiered, reduced break-up fee payable to Humana under certain circumstances (which is referred to as a "Go Shop Provision").

On September 21, 2012, Barclays delivered to BofA Merrill Lynch Metropolitan's proposed draft term sheet. Prior thereto, Barclays and MJTA informed BofA Merrill Lynch that, although the Metropolitan Board authorized discussions with Humana for the purpose of better understanding the material terms and conditions of Humana's proposal, the Metropolitan Board would not participate in negotiations unless Humana's purchase price was increased and that Barclays and MJTA could not assure Humana that the Metropolitan Board would be interested in discussing a transaction that did not offer to Metropolitan's shareholders a price of at least \$11.50 per share.

On September 24, 2012, representatives of Barclays, MJTA and BofA Merrill Lynch participated in a conference call to discuss various provisions of Metropolitan's draft term sheet. Later the same day, Metropolitan received Humana's written responses to various provisions of Metropolitan's draft term sheet and Humana's proposal to increase its purchase price to \$11.15 per share (which represented a premium of approximately 26.7% to the closing price for Metropolitan's common stock of \$8.80 on that date), subject to Metropolitan accepting the balance of Humana's proposed changes to Metropolitan's term sheet, including: (i) a five-week exclusive diligence and negotiating period; (ii) the elimination of the proposed "Go Shop Provision"; (iii) a singular termination fee equal to 4% of the proposed equity transaction value plus expense reimbursement, which would not be subject to any limit; (iv) a 180-day outside date for terminating the merger agreement if various conditions to closing were not satisfied or waived (which is referred to as the "Outside Termination Date"); and (v) provisions that would not require Humana to divest any of its existing assets or restrict its future operations if any such divestitures or restrictions were required by any competition (or antitrust regulatory) authority as a condition to approving the transaction, which is referred to as the "Competition Out". The email also indicated that Humana was considering a two-step acquisition involving a front-end tender offer and second-step merger in lieu of the single-step merger proposed by Metropolitan.

On September 24, 2012, Messrs. Earley and Kowaloff met with Metropolitan's independent financial advisors and Greenberg Traurig to review Humana's responses to the term sheet. Messrs. Earley and Kowaloff instructed Metropolitan's independent financial advisors and Greenberg Traurig to prepare another draft of the term sheet responding to Humana's written responses referred to above.

On September 25, 2012, Barclays delivered to BofA Merrill Lynch a revised term sheet that continued to exclude pricing information. In response to Humana's request for a five-week exclusive due diligence and negotiating period and refusal to accept a "go-shop" provision, the revised term sheet proposed: (i) a two-week exclusivity period, subject to extension in certain circumstances; (ii) references to customary no-shop and fiduciary out provisions; and (iii) a two-tiered termination fee, whereby a 1.5% fee would be payable to Humana in the case of Metropolitan's termination of the merger agreement within 40 days after signing to accept a superior proposal and a 3.0% fee would be payable to Humana in the case of such termination occurring more than 40 days after signing (in each case inclusive of reimbursement of Humana's transaction expenses). The termination fee was based on the total equity value of the transaction and the revised draft term sheet did not include the Competition Out and included a 90-day Outside Termination Date.

Given the progression of the discussions to date with Humana, per the Metropolitan Board's prior guidance, Barclays contacted the appropriate representatives of the Alternative Bidder and informed them that Metropolitan was still deliberating on its expression of interest but was not ready to move forward. During these discussions with a representative of the Alternative Bidder's financial advisor, the representative indicated without prompting that he did not think that there was "room" for the Alternative Bidder to increase its proposed price range of \$10.00 to \$11.00 per share, suggesting that if Metropolitan had a better offer from another potential acquirer, it should pursue that offer and that in any case the Alternative Bidder would insist on receipt of the Humana

Table of Contents

Endorsement. Accordingly, on September 27, 2012, Metropolitan terminated transaction discussions with the Alternative Bidder.

That same day, Metropolitan received a revised draft of the term sheet from Humana, which did not include any changes to Humana's proposed price of \$11.15 per share. The September 27, 2012 revised draft term sheet contemplated, among other things, (i) structuring the transaction as a two-step acquisition, consisting of a first-step, cash tender offer (with an 80% minimum tender condition) and a second-step, short-form merger permitted under the FBCA when at least 80% of Metropolitan's outstanding shares of common stock were acquired; (ii) a top-up option to enable Humana to effect the short-form, second-step merger immediately following consummation of the tender offer if the 80% minimum tender condition was waived; (iii) the Competition Out; (iv) an Outside Termination Date of 180 days, and up to 365 days if certain regulatory approvals have not been obtained; (v) a no-shop covenant with certain fiduciary outs; (vi) a 3.8% termination fee based upon the proposed equity value of the transaction plus expense reimbursement which would not be subject to any limit; and (vii) a four-week exclusivity period with an optional one-week extension under certain circumstances.

On September 28, 2012, Messrs. Earley and Kowaloff met with representatives of Metropolitan's independent financial advisors and Greenberg Traurig to review the September 27, 2012 revised draft term sheet submitted by Humana.

On the evening of September 28, 2012, Barclays and MJTA had a conference call with BofA Merrill Lynch regarding Humana's September 27, 2012 revised draft term sheet, during which Barclays and MJTA highlighted to BofA Merrill Lynch Metropolitan's preliminary questions and comments with respect to the draft.

On the afternoon of September 30, 2012, Barclays, MJTA, Greenberg Traurig and Metropolitan's General Counsel had a conference call with representatives of Humana, including BofA Merrill Lynch, Humana's outside legal counsel, Fried, Frank, Harris, Shriver & Jacobson LLP, which is referred to as Fried Frank, and Humana's Associate General Counsel, during which the group collectively discussed, among other things, the relative risks and benefits of Humana's proposed two-step acquisition structure and Metropolitan's proposed single-step merger structure and how Metropolitan and Humana should formulate a mutual understanding of how best to present the transaction to any relevant competition authorities.

Between September 30, 2012 and October 5, 2012, Greenberg Traurig's competition lawyers worked with Humana's competition lawyers to: (i) enter into a letter agreement regarding the confidential exchange of competition-related information between Metropolitan and Humana, (ii) identify the competition-related information that Metropolitan and Humana were willing to share with each other, and (iii) review and understand the exchanged information.

On October 4, 2012, Messrs. Earley and Kowaloff met with Metropolitan's independent financial advisors and Greenberg Traurig to discuss Metropolitan's proposed counterproposal to the September 27, 2012 revised draft term sheet.

On the afternoon of October 5, 2012, under the terms of a confidentiality agreement entered into between Humana and Metropolitan, Metropolitan's competition lawyers at Greenberg Traurig received and analyzed certain competition-related information provided by Humana's competition lawyers at Crowell & Moring LLP.

Between September 30, 2012 and October 5, 2012, Metropolitan's senior management team, financial advisors and Greenberg Traurig prepared a revised draft of the term sheet that retained the two-step acquisition structure proposed by Humana, but with a 50% minimum tender condition. The October 5, 2012 revised draft, which did not include any pricing information, contemplated, among other things: (i) a top-up option; (ii) eliminating Humana's Competition Out, but with Humana agreeing to a timetable for seeking and obtaining competition authority approval and paying to Metropolitan a \$30 million reverse termination fee if such approval of the transaction was not obtained; (iii) an Outside Termination Date of 90 days, which could be

Table of Contents

extended to 180 days if competition authority approvals were not obtained; (iv) a no-shop covenant with fiduciary outs; (v) a combined Humana expense reimbursement and termination fee of 3%, based on the total equity value of the transaction; and (vi) a three-week exclusivity period, with an optional one-week extension period under certain circumstances (which extension would not be granted if Metropolitan received a proposal that it reasonably believed was superior during that three week period).

Also on the afternoon of October 5, 2012, Barclays and MJTA participated in a conference call with BofA Merrill Lynch during which Barclays and MJTA reviewed the material changes made in Metropolitan's October 5, 2012 revised draft term sheet. During the call, Barclays requested that Humana reconsider increasing its proposed purchase price from its current \$11.15 per share price indication. That evening, Barclays delivered Metropolitan's October 5, 2012 revised draft term sheet.

On the afternoon of October 6, 2012, Barclays and MJTA participated in a conference call with BofA Merrill Lynch to discuss the changes proposed in Metropolitan's October 5, 2012 revised draft term sheet. BofA Merrill Lynch indicated that Humana would increase its proposed purchase price from \$11.15 per share to \$11.25 per share, but only if Metropolitan accepted as a framework for continued due diligence and negotiations: (i) a transaction structure whereby Humana and Metropolitan would pursue, simultaneously, both a single-step and a two-step acquisition such that, if the number of shares tendered in the tender offer (together with any shares issuable to Humana pursuant to the top-up option) did not equal or exceed the 80% threshold needed to allow Humana to effect a short-form merger without a shareholder vote under the FBCA, Humana could terminate the tender offer without purchasing any shares and require Metropolitan to file with the SEC immediately after the termination of the tender offer a proxy statement relating to a special meeting of Metropolitan's shareholders to vote on the adoption of the merger agreement (which proxy statement would be drafted during the pendency of the tender offer); (ii) an Outside Termination Date of 180 calendar days; (iii) the elimination of the reverse termination fee proposed by Metropolitan; (iv) a termination fee, including reimbursement of Humana's transaction expenses, of up to 4% (based on the total equity value of the transaction); and (v) a three-week exclusivity period with an optional one-week extension, which extension would apply even if Metropolitan received a proposal that it reasonably believed was superior during that three week period.

On the morning of October 7, 2012, on behalf of Humana, BofA Merrill Lynch indicated to Barclays that Humana expected to deliver a revised draft of Metropolitan's October 5, 2012 term sheet reflecting the matters discussed during the October 6, 2012 call.

On the morning of October 8, 2012, Fried Frank sent to Greenberg Traurig (i) a revised draft of the term sheet reflecting Humana's comments and (ii) a proposed draft exclusivity agreement providing for an initial three-week exclusivity period, with an optional one-week extension under certain circumstances.

On the afternoon of October 8, 2012, Barclays, MJTA, Greenberg Traurig and Metropolitan's General Counsel had a conference call with representatives of Humana, including Fried Frank, Humana's Associate General Counsel and BofA Merrill Lynch, to discuss the latest revised draft term sheet. On that call, Humana stated that it would be prepared to pursue single-step merger transaction, which would be conditioned upon the approval of the holders of a majority of Metropolitan's outstanding common stock.

Humana also emphasized on the October 8, 2012 call that, even if Humana and Metropolitan could not agree at that time to all of the material terms of a transaction in a term sheet, if Metropolitan executed Humana's proposed three-week exclusivity agreement, Humana would accelerate its due diligence examination of Metropolitan and instruct Fried Frank to prepare transaction documents with a goal of executing such documents by October 29, 2012.

Following that call, at the direction of Metropolitan's senior management, Metropolitan's independent financial advisors communicated to BofA Merrill Lynch that Metropolitan would present Humana's latest transaction proposal and timetable to the Metropolitan Board.

Table of Contents

On the evening of October 8, 2012 and on the morning of October 9, 2012, at the direction of Metropolitan's senior management, Metropolitan's independent financial advisors and Greenberg Traurig negotiated with Fried Frank, BofA Merrill Lynch, and Humana's Associate General Counsel regarding the terms of the Outside Termination Date, which was determined to be 180 days after the execution of the merger agreement plus an additional 10 days if competition authority approvals were not received.

On October 10, 2012, the Metropolitan Board met to consider Humana's most recent proposal. The Metropolitan Board received a presentation from Barclays, MJTA and senior management regarding, among other things, the material terms of Humana's oral proposal and the proposed exclusivity agreement, a detailed summary of the history of Metropolitan's commercial relationship and transaction discussions with Humana to date and with other potential acquirors over the last several months, including the private equity firms that had approached Metropolitan regarding potential investment and financing transactions, and Metropolitan's efforts to acquire certain large-scale MSOs.

The Metropolitan Board also reviewed the impact of increasing governmental regulation in the managed care and physician services industries and the anticipated effects of such regulation on, among other things, the pricing and quality of Metropolitan's provider services. The Metropolitan Board further reviewed the anticipated effects on Metropolitan's industry of the Reform Acts and anticipated cuts in discretionary and other Federal government programs scheduled to take effect on January 1, 2013 under certain circumstances.

At the October 10, 2012 meeting, the Metropolitan Board reviewed and considered a report from Barclays, MJTA and senior management updating the analyses previously provided to the Metropolitan Board at the July 13, 2012 Board meeting. The Metropolitan Board also reviewed management's presentation of projected financial performance for the next five years. See *The Merger - Projected Financial Information*. The Metropolitan Board further reviewed an updated analysis of potential strategic and financial purchaser candidates, including the advantages and disadvantages of engaging in transaction discussions and negotiations with such candidates, and reviewed certain precedent transactions in the healthcare industry announced over the last few years. The Metropolitan Board also reviewed an updated presentation from Greenberg Traurig regarding the Metropolitan Board's fiduciary duties in general and in the context of a change of control transaction under Florida law. At this meeting, the Metropolitan Board also reviewed with Barclays, MJTA and Greenberg Traurig the advantages and disadvantages of entering into an exclusivity agreement with Humana. The Metropolitan Board considered the disruption, distraction and professional advisory costs incurred in connection with the exploratory transaction processes previously conducted by Metropolitan with numerous potential transaction candidates, the fact that, other than Humana's most recent proposal, no firm offers were received from any other transaction candidate and each proposal that was received had a price range that, in the Metropolitan Board's view, was significantly lower than the intrinsic value of Metropolitan.

After next considering the potential benefits and risks of a proposed change of control transaction with Humana, the Metropolitan Board authorized management to execute and deliver the three-week exclusivity agreement with Humana with a possible one week extension, negotiate with Humana definitive transaction documents relating to the proposed transaction, and provide Humana with second-stage comprehensive due diligence information to expedite the completion of its due diligence investigation.

On October 11, 2012, members of Metropolitan's senior management team, Metropolitan's lead independent director, Mr. Kowaloff, and representatives of Humana had a conference call to discuss an expanded due diligence process that necessarily involved additional Metropolitan personnel as well as Humana's operational plans with respect to Metropolitan if the proposed merger was completed, including Humana's general thoughts with respect to Metropolitan's senior management and managers.

On October 15, 2012, members of Metropolitan's senior management team and representatives of Humana had an in person meeting in Miami, Florida during which Humana presented its long term strategy and desire to generally retain Metropolitan's existing management if the merger was completed.

Table of Contents

On October 18, 2012, Metropolitan and Greenberg Traurig received from Fried Frank an initial draft of the merger agreement to be entered into between Metropolitan, Humana and the merger subsidiary. The draft was based in large part on the merger agreement Metropolitan and Continucare signed in connection with Metropolitan's acquisition of Continucare.

On October 21, 2012 and October 22, 2012, members of Metropolitan's senior management team and representatives of Humana met in person in Ft. Lauderdale, Florida to discuss an expanded due diligence process, diligence items and other procedural matters.

On October 23, 2012, the Metropolitan Board received from management, Barclays, MJTA and Greenberg Traurig an analysis of the October 18, 2012 draft merger agreement and discussed the material issues raised by the draft merger agreement. The Metropolitan Board also requested and received from Barclays, MJTA and Metropolitan's senior management a summary of all discussions that occurred between representatives of Metropolitan and Humana since the October 10, 2012 Metropolitan Board meeting and a summary of various historical information and analyses previously presented to the Metropolitan Board at the October 10, 2012 meeting.

Between October 24, 2012 and November 3, 2012, Metropolitan's and Humana's respective internal and outside advisors engaged in negotiations regarding the terms of the merger agreement and the disclosure schedules to the merger agreement, which negotiations are summarized below. During such period, Mr. Earley also had conversations with Mr. Beckman and/or Mr. Kusserow regarding Metropolitan's management capabilities at various levels.

On October 24, 2012, Greenberg Traurig delivered to Humana and Fried Frank a revised draft of the merger agreement. As directed by Metropolitan's senior management, material revisions reflected in this revised draft included, among other things: (i) eliminating the force vote covenant proposed by Humana; (ii) eliminating the requirement that the Metropolitan Board make certain fiduciary determinations prior to determining whether to take or not take certain actions in respect of unsolicited acquisition proposals received by Metropolitan; (iii) revising provisions enabling the Metropolitan Board to make any communications to Metropolitan's shareholders that it determines are required by its fiduciary duties under applicable law; (iv) reducing the period available to Humana to match any superior proposal from five business days to three business days; (v) eliminating Humana's right to match a superior proposal that had a price of more than 120% of Humana's proposed \$11.25 price per share; (vi) modifying certain of the provisions requiring notification and the delivery of certain information to Humana prior to the Metropolitan Board making an adverse recommendation change; (vii) increasing the stock and asset acquisition threshold in the definition of acquisition proposal to 20% from 15%; (viii) expressly including the ability of the Metropolitan Board to make an adverse recommendation change; (ix) modifying certain conditions to the Metropolitan Board's ability to make an adverse recommendation change in the case of a superior proposal; (x) expressly permitting Metropolitan to furnish information to third party suitors that the Metropolitan Board determines have submitted acquisition proposals reasonably likely to lead to superior proposals under a confidentiality agreement no less restrictive to such suitors than the terms of the confidentiality agreement between Humana and Metropolitan, and further permitting Metropolitan to waive or release third parties from the provisions of preexisting standstill agreements, in certain circumstances, to enable such third parties to submit acquisition proposals to Metropolitan Board on a confidential (non-public) basis; (xi) modifying the rights of Metropolitan and Humana to terminate the merger agreement; (xii) modifying the events triggering Metropolitan's obligation to pay Humana a termination fee and modifying the timing of making such payments, and reducing the termination fee to 2% of the total equity value of the transaction (plus the reimbursement of certain of Humana's transaction expenses not to exceed 1% of the total equity value) from 3% plus the reimbursement of certain of Humana's transaction expenses not to exceed 1% of the total equity value; (xiii) modifying the material adverse effect definition and the exceptions thereto; (xiv) modifying the definition of superior proposal; (xv) the inclusion of a covenant whereby Metropolitan would be prohibited from becoming the beneficial owner of 20% or more of Metropolitan's voting securities or acquiring the power to cause the appointment or election of 25% or more of directors to Metropolitan's Board

Table of Contents

prior to the Closing; (xvi) adding various qualifications and modifications to Metropolitan's representations and warranties in the merger agreement to impose higher thresholds of materiality and other exceptions thereto; (xvii) expanding the subject matter and scope of the representations provided by Humana in the merger agreement, including modifying Humana's representation regarding its ability to pay the aggregate merger consideration and all fees and expenses of the transactions contemplated by the merger agreement; (xviii) limiting the restrictions on Metropolitan's ability to enter into certain transactions and to take certain actions between the signing of the merger agreement and the effective time; (xix) modifying Metropolitan's obligation to prepare and file with the SEC the proxy statement and to notice and convene the shareholder meeting and to postpone and adjourn such meeting under certain circumstances; (xx) revising the covenants of Humana and Metropolitan with respect to seeking governmental and regulatory approvals of the merger agreement and the merger, including the relative efforts covenants in respect thereof; (xxi) changes with respect to some of the provisions relating to available remedies of the parties; (xxii) modifying the obligations of Humana, merger subsidiary and the surviving corporation in the Merger to provide indemnification and advancement of expenses to Metropolitan's officers and directors and the obligations of such parties to obtain and maintain in effect directors' and officers' liability insurance; and (xxiii) eliminating and modifying certain conditions to Humana's obligation to consummate the merger.

On October 28, 2012, Fried Frank distributed a revised draft of the merger agreement to Metropolitan and Greenberg Traurig, which accepted certain of the changes (described above) made by Metropolitan and Greenberg Traurig in their October 24, 2012 revised draft of the merger agreement. After review of the October 28, 2012 draft, Metropolitan, following discussion with Greenberg Traurig, agreed that the following changes made by Humana and Fried Frank in such October 28, 2012 draft were acceptable: (i) expanding the subject matter and scope of certain of Metropolitan's representations and warranties, but adding certain knowledge qualifiers thereto; (ii) eliminating Humana's direct contractual obligation to indemnify Metropolitan's officers and directors for actions in such capacities prior to the effective time and limiting such contractual obligation to the surviving corporation; (iii) increasing the termination fee payable by Metropolitan to Humana to 3% of the total equity value of the transaction (plus the reimbursement of certain of Humana's transaction expenses not to exceed 1% of the total equity value) from Metropolitan's counterproposal of 2% (plus the reimbursement of certain of Humana's transaction expenses not to exceed 1% of the total equity value); (iv) expanding Humana's right to terminate the merger agreement following (1) a Metropolitan adverse recommendation change and (2) the commencement of a tender or exchange offer by an unaffiliated, third party; and (v) the right of prevailing parties in any proceeding to recover reasonable fees and costs.

On October 28, 2012 and October 29, 2012, Mr. Beckman and Mr. Earley discussed the existing employment agreements between Metropolitan and a number of its senior executives, including the change of control provisions in these agreements, and alternate mechanisms for incentivizing Metropolitan's executives to remain with Metropolitan if the merger was completed. At the conclusion of such discussions, Mr. Beckman indicated that Humana would prefer to defer any discussion regarding contracts or retention incentives until a later time.

On October 29, 2012, after discussing the second draft of the agreement with Metropolitan, Greenberg Traurig circulated its comments to the draft merger agreement reflecting additional comments from both Metropolitan and Greenberg Traurig and rejecting various changes reflected in the last draft of the agreement from Fried Frank and Humana. Greenberg Traurig's October 29th draft of the merger agreement included the following material revisions: (i) modifications to certain conditions relating to the Metropolitan Board's ability to make an adverse recommendation change in the case of a superior proposal; (ii) modifications to certain conditions relating to the Metropolitan Board's ability to make an adverse recommendation change in the case of an intervening event; (iii) elimination of the requirement to provide Humana notice prior to making certain communications to Metropolitan's shareholders required by its fiduciary duties under applicable law; (iv) modifications to the provisions relating to the redemption request or conversion of Metropolitan's Series A Preferred Stock; (v) revisions to the provisions relating to filings made under the HSR Act; (vi) modifications to the negative covenants imposed on Metropolitan with respect to its operations and business between the signing

Table of Contents

of the merger agreement and the effective time; (vii) modification to the covenants relating to the preparation of the proxy statement and the noticing and convening of the shareholder meeting; (viii) modifications of certain closing conditions, including making the redemption of Metropolitan's Series A Preferred Stock a reciprocal condition of the parties; (ix) expansion of Humana's representation relating to financing the transactions contemplated by the merger agreement; (x) addition of a covenant that Humana maintain its ability to finance the merger under its existing credit agreement; (xi) various modifications to Metropolitan's representations and warranties in the merger agreement to impose higher monetary thresholds with respect to certain representations; (xii) modifications to the rights of Metropolitan and Humana to terminate the merger agreement; and (xiii) modifications to the merger agreement termination events that would trigger the payment to Humana of a termination fee and the timing of the payment of such fee.

On October 30, 2012, Greenberg Traurig delivered draft schedules to the merger agreement to Fried Frank.

On October 31, 2012, Fried Frank returned a revised version of the merger agreement to Metropolitan and Greenberg Traurig containing the following material changes, which Metropolitan, after consultation with Greenberg Traurig, agreed to: (i) the modification and expansion of certain Metropolitan representations and warranties to encompass employees and include additional knowledge qualifiers; (ii) modifications to certain negative covenants imposed on Metropolitan with respect to its operations and business prior to the effective time; (iii) the addition of a covenant requiring Metropolitan to request the return and destruction of all confidential information regarding Metropolitan possessed by third parties; (iv) modifications to the definition of a Metropolitan adverse recommendation change; (v) modifications to Metropolitan's ability to make an adverse recommendation change for an intervening event; (vi) elimination of the requirement that Humana and Metropolitan comply with any request for additional information pursuant to the HSR Act within four months of receipt of such request; (vii) setting of the outside date at April 30, 2013, plus 10 additional days if competition authority approvals were not obtained; and (viii) modifications of the merger agreement termination events that would trigger the payment to Humana of a termination fee and the timing of the payment of such fee.

On November 1, 2012, Greenberg Traurig provided comments to the merger agreement with changes that addressed nonsubstantive matters. Greenberg Traurig also coordinated with Fried Frank to finalize the disclosure schedules to the merger agreement.

On November 1, 2012, the Metropolitan Board again convened a special meeting to receive an update on management's, Barclays', MJTA's and Greenberg Traurig's negotiations of the merger agreement. At this meeting, the Metropolitan Board approved (including the vote of Mr. Earley as the sole disinterested director) entry into indemnification agreements with each current member of the Metropolitan Board (other than Mr. Earley who was already a party to an indemnification agreement).

Between November 1, 2012 and November 2, 2012, representatives of Humana and Metropolitan worked to and did finalize the merger agreement. A copy of such final form of merger agreement, which was later signed by Metropolitan, Humana and merger subsidiary, was provided to Barclays on November 2, 2012.

On November 2, 2012, a final draft of the merger agreement was sent to the Metropolitan Board and Barclays.

On November 2, 2012, Metropolitan entered into an amendment to its first lien credit facility and second lien credit facility that expressly permits Metropolitan to redeem, repurchase or allow the conversion of its Series A Preferred Stock. On November 2, 2012, Metropolitan delivered a notice of redemption to the holder, who is referred to as the Series A Holder, of all 5,000 of the outstanding shares of Metropolitan's Series A Preferred Stock. Pursuant to the notice of redemption, Metropolitan notified the Series A Holder that Metropolitan was exercising its right to redeem all of the outstanding shares of Series A Preferred Stock at a redemption price of \$105 per share unless the Series A Holder elected to convert all of the Series A Preferred Stock, and any accrued dividends, to Metropolitan common stock pursuant to a conversion rate specified in Metropolitan's Articles of Incorporation.

Table of Contents

On November 7, 2012, the Series A Holder elected to make such a conversion and such conversion was completed on November 13, 2012.

On November 2, 2012, representatives of Humana advised representatives of Metropolitan that Humana's board of directors held a meeting earlier that day during which each member of Humana's board who attended the meeting approved the merger agreement.

On November 3, 2012, a meeting of the Metropolitan Board was held to consider the approval of the merger agreement. At the meeting, the Metropolitan Board was updated on the negotiations of the merger agreement since the November 1, 2012 meeting. Greenberg Traurig circulated and reviewed with the Metropolitan Board an executive summary detailing the process undertaken by Metropolitan since the decision was made by the Metropolitan Board to begin the due diligence and negotiating process with Humana and the progression of such negotiations that culminated in the final terms of the merger agreement (including Metropolitan's fiduciary protection provisions and the deal protection provisions therein). Greenberg Traurig also discussed with the Metropolitan Board previously circulated presentations regarding applicable Florida law concerning the Metropolitan Board's fiduciary duties in the change of control context.

The Metropolitan Board requested and received a presentation from Barclays and senior management providing a summary of the discussions that had comprised the negotiations of the transaction. In addition, to ensure the \$11.25 price point was still a compelling price to induce execution of the merger agreement, the Metropolitan Board requested and received from Barclays and Metropolitan's senior management a financial presentation and analysis of certain historical and projected financial information for Metropolitan.

The Metropolitan Board reviewed the factors which ultimately drove its determination that a sale of Metropolitan to Humana at this time delivered maximum value to Metropolitan's shareholders. For a review of such factors, see [The Merger](#) Reasons for the Recommendation of the Board of Directors .

Barclays then delivered to the Metropolitan Board its oral opinion (which was subsequently confirmed in writing), addressed to the Metropolitan Board that, as of such date, and based upon and subject to the qualifications, limitations and assumptions stated in its written opinion, the merger consideration to be offered to shareholders in the proposed transaction was fair, from a financial point of view, to such holders. The full text of the written opinion of Barclays, dated November 3, 2012, is attached as [Annex B](#) to this proxy statement. See [The Merger](#) Opinion of Metropolitan's Financial Advisor below.

After further discussion among the directors regarding the advisability of entering into the merger agreement, by unanimous vote, the Metropolitan Board:

(i) determined that the merger agreement, the merger and the transactions contemplated thereby are in the best interests of Metropolitan and its shareholders;

(ii) adopted and approved the merger agreement, the merger and the other transactions contemplated thereby in accordance with the FBCA;

(iii) recommended the merger agreement and the merger and the adoption and approval of the merger agreement and the merger to the Metropolitan shareholders in accordance with the relevant provisions of the FBCA and as being in the best interests of Metropolitan and its shareholders;

(iv) adopted and approved the merger agreement, the merger and the acquisition contemplated thereby in accordance with the Florida Control Share Acquisition Statute (Section 607.0902 of the FBCA);

(v) directed that the merger agreement and the merger be submitted to shareholders for their consideration and adoption;

(vi) approved acceleration and conversion of all outstanding and unvested stock options and other equity awards of Metropolitan as contemplated by the merger agreement;

Table of Contents

(vii) approved redemption or purchase by Metropolitan or the conversion by the holder of all outstanding shares of Metropolitan's Series A Preferred Stock (a condition to Humana's obligation to consummate the merger); and

(viii) approved the amendment of certain credit facilities of Metropolitan to allow for the redemption of the Series A Preferred Stock.

On November 3, 2012, Greenberg Traurig advised Fried Frank that the Metropolitan Board had unanimously adopted and approved the merger agreement.

On November 3, 2012, Metropolitan and Humana finalized the disclosure schedules to the merger agreement and executed the merger agreement. In addition, concurrently with the execution of the merger agreement, each of the members of the Metropolitan Board (except Mr. Earley who was already a party to an indemnification agreement) entered into the indemnification agreements referred to above. On November 5, 2012, Metropolitan and Humana issued a press release announcing the transaction.

Metropolitan's Reasons for the Merger

During its evaluation and consideration of the merger agreement and the transactions contemplated thereby, the Metropolitan Board consulted with Metropolitan's senior management team, Greenberg Traurig, Barclays and MJTA. Prior to taking the board actions described above, the Metropolitan Board reviewed, took into account and considered the following factors:

Financial Condition and Prospects of Metropolitan; Economic Conditions.

Best Price Reasonably Available: the Metropolitan Board's belief that the merger consideration constitutes the best price that Metropolitan reasonably could obtain under all prevailing and reasonably anticipated circumstances as evidenced by Metropolitan's inability to obtain a proposal or offer from any strategic or financial third party, including the Alternative Bidder, on terms equal or superior to Humana's offer with respect to price, closing certainty and otherwise, after having engaged in discussions, over an approximately five-year period, with numerous proponents of unsolicited and solicited expressions of interest and proposals to acquire, combine with and recapitalize Metropolitan.

Outlook as a Stand-alone Independent Company; Economic, Market and Industry Conditions: if Metropolitan was to remain a stand-alone, independent company, the risk that Humana may find it in its best interest to provide health care services pursuant to a payment or reimbursement structure other than its managed care agreements with Metropolitan, potentially including the provision of health care services through another PSN or MSO that Humana has a direct financial interest in; the risk that Humana and Metropolitan may have different views regarding the proper pricing of Metropolitan's services in the future; the regulatory and operating risks facing Metropolitan's business; the scheduled reductions of funding of Medicare programs and reimbursement rates; the anticipated and indeterminate effects of the Reform Acts and the anticipated cuts in discretionary and other Federal government programs scheduled to take effective on January 1, 2013 under certain circumstances; and the potential increase in competition with companies having significantly greater resources and the general risks of the foregoing on the realization of management's business plan (as described in Metropolitan's public filings with the SEC).

Acquisition Driven Growth Appears Challenging: although Metropolitan has been successful in completing large and small acquisitions, the Metropolitan Board is not confident that Metropolitan can maintain its recent rate of revenue growth through an acquisition strategy. Since Metropolitan's success in acquiring Continucare in 2011, Metropolitan has encountered increased competition in its efforts to acquire both large PSNs and sizable physician practices. With respect

Table of Contents

to small acquisitions, Metropolitan has continued to pursue and complete acquisitions; however, such acquisitions are not being done at a rate and/or in a manner that is viewed as transformative. To aggressively grow through acquisitions, Metropolitan believes it would need to secure additional capital resources and dedicate additional personnel resources to such effort which Metropolitan has been challenged to accomplish on terms it believed were in the best interest of its shareholders.

Growth Constraints and Need to Supplement Existing Capital Resources: the consolidation trend in the industry has reduced (and is expected to continue to reduce) the number of potential, sizable acquisition targets available for Metropolitan; given the limited strategic alternatives available to Metropolitan to accelerate the realization of Metropolitan's PSN emphasis, Metropolitan believes the long-term enhancement of shareholder value will require Metropolitan to grow organically or through small acquisitions at a rate that cannot be funded exclusively with its existing capital resources; and since Metropolitan has already incurred significant debt to acquire Continucare and is required to dedicate substantially all of its cash flow from operations to the payment of principal and interest, Metropolitan will require new, external equity and/or debt financing, which may not be available to it on commercially reasonable terms, if at all, especially if some of the risks outlined above materialize.

Limitations on Contracts or Relationships with Other HMOs: as a result of various restrictive provisions that appear in some of Metropolitan's managed care agreements with Humana, Metropolitan may, at times, have limitations on its ability to cancel an agreement with an HMO and immediately thereafter contract with a competing HMO with respect to the same service area; the foregoing contracting restrictions may limit its value to any potential acquirer that is seeking to modify its existing portfolio of managed care contracting arrangements with various HMOs. See *The Merger - Certain Relationships between Humana and Metropolitan*.

Uncertainty of Achieving Projected Results: Metropolitan's management's financial projections, and its statements regarding the reasonableness and reliability of its assumptions underlying such projections and its qualifications thereof, and its statements with respect to the inherent uncertainty of, and risks in achieving, such projections, and the fact that the actual financial results for Metropolitan in future periods could differ materially from projected results, all as set forth in this proxy statement under *The Merger - Projected Financial Information* leads to significant uncertainty and concerns regarding management's ability to achieve such results.

Platform Acquisition; Optimal Timing to Sell Control of Metropolitan: the Metropolitan Board's belief that this is the optimum time to sell control of Metropolitan because the industry in which Metropolitan operates is viewed as being on the cusp of competitive changes; its belief that a sale of control at this time takes advantage of the projected wave of consolidation in the industry; and its belief that certain restrictive covenants in Metropolitan's commercial arrangements with Humana would likely chill any bona fide purchaser-candidate from initiating and continuing a transaction process with Metropolitan without first obtaining certain assurances from Humana (as evidenced by Metropolitan's recent discussions with the Alternative Bidder); and its belief that Humana was willing and able to offer and pay a higher price per share at this time because Metropolitan may constitute a platform acquisition in Humana's vertical integration and roll up strategy.

Understanding of Metropolitan's Intrinsic Value and the Valuation Methodologies and M&A Transaction Structures Used in the Industry: the Metropolitan Board's understanding of Metropolitan's intrinsic value derived from its consultation with, and review and consideration of various reports, analyses and presentations received from Metropolitan's management, Barclays and MJTA and its experience valuing and acquiring a large PSN; and, based on its five-year history of engaging in discussions with numerous M&A transaction candidates and analyzing the consolidation trend in the industry, the Metropolitan Board developed an enhanced understanding

Table of Contents

of the valuation methodologies and transaction structures used by such transaction candidates and by the constituent parties in transactions announced in the industry.

Transaction Financial Terms.

Merger Consideration Premiums: the relationship of the Merger Consideration to the current and historical market prices of the Metropolitan common stock, including that the merger consideration represented a premium of approximately 38.4% over the closing price of the Metropolitan common stock reported on the NYSE on August 21, 2012, the day Humana delivered its revised proposal of \$10.50 per share, and a premium of approximately 39.1% over the closing price of the Metropolitan common stock reported on the NYSE on May 18, 2012, the last trading day before announcement of the DaVita acquisition, when prices of companies operating within Metropolitan's sector were trading on a basis that was more agnostic to the consolidation trend impacting the industry.

Immediate Liquidity for Shareholders: the merger consideration will be paid in cash, providing shareholders with the opportunity for immediate liquidity for their investment in Metropolitan.

Opinion of Metropolitan's Financial Advisor: the opinion of Barclays, dated as of November 3, 2012, to the effect that, as of such date, and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, the merger consideration to be offered to Metropolitan's shareholders was fair, from a financial point of view, to such shareholders. (The full text of this written opinion to the Metropolitan Board, setting forth the assumptions made, the procedures followed, the matters considered, and the limitations on the review undertaken by Barclays, is attached as Annex B to this Proxy Statement. **Shareholders are encouraged to read this opinion in its entirety.**)

Identity of Humana; Certainty of Value: Humana is a long-standing and well-known commercial partner of Metropolitan with substantial resources and the ability to consummate the merger promptly, without any financing contingency and with a high degree of closing certainty.

Arms-Length Negotiations with Humana: the approximately four-month period of arms-length discussions and negotiations between Metropolitan and Humana, including multiple drafts and negotiating sessions in respect of the term sheet and the merger agreement.

Absence of Competitive Offer: Metropolitan was unable to elicit an acquisition proposal price and other terms as favorable as Humana's proposal from the Alternative Bidder and, although the Alternative Bidder was viewed by the Metropolitan Board as the strategic party best positioned to make an acquisition proposal that was not conditioned upon receipt of a Humana Endorsement, the Alternative Bidder expressly conditioned its proposal and even engaging in substantive strategic discussions upon receipt of a Humana Endorsement.

Ability of Third Parties to Submit Unsolicited Acquisition Proposals and Fiduciary Provisions of the Merger Agreement: the merger agreement contains certain deal protection provisions that the Metropolitan Board believed do not preclude or unreasonably restrict the ability of potential competing purchasers to submit to Metropolitan unsolicited proposals to acquire Metropolitan and to receive information from and engage in discussions and negotiations with Metropolitan with respect thereto, and which did not jeopardize Metropolitan's ability to obtain for Metropolitan's shareholders the best price reasonably available from Humana (\$11.25 per share) and such potential competing purchasers, including, among other things:

the various fiduciary exceptions to Metropolitan's no-solicitation covenant;

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subject to certain procedural requirements and other conditions, Metropolitan's ability to terminate the merger agreement and simultaneously enter into a definitive acquisition agreement with a third party (other than Humana) providing for a superior proposal;

the Metropolitan Board's ability to withdraw or change its recommendation of the merger agreement in the case of a superior proposal and in the case of an intervening event, and the

Table of Contents

Metropolitan Board's ability to make disclosures to Metropolitan's shareholders if it determines in good faith that such disclosures are required by the Metropolitan Board's fiduciary duties under applicable law;

the termination fee provisions in the merger agreement, including the amount thereof and the limited circumstances under which, and the timing at which, such fee (including the reimbursement of certain of Humana's transaction expenses) would become payable to Humana;

the elimination of Humana's originally proposed force-the-vote covenant; and

the definitions of superior proposal, acquisition proposal and intervening event contained in the merger agreement.

Likelihood of Consummation: the likelihood that the merger will be consummated; in particular, that there are no perceived substantive regulatory approval risks and are no conditions to the merger that make consummation of the merger highly or unusually conditional, including that consummation of the merger is not conditioned on Humana obtaining external financing for the transaction or obtaining any non-governmental third party approvals or consents.

Terms of the Merger Agreement: the Metropolitan Board's belief that the individual and collective provisions of the merger agreement, including the respective representations, warranties, covenants and termination rights of the parties, and the deal protections, fiduciary provisions, remedial provisions and the conditions to consummation of the merger as described above and elsewhere in this proxy statement, were negotiated at arms-length through multiple drafts and negotiating sessions, and that at all times Metropolitan sought to obtain the best price and overall deal terms reasonably attainable under the circumstances.

The Metropolitan Board also reviewed and considered a number of risks, uncertainties and other factors in its deliberations prior to determining whether to approve entering into the merger agreement and the transactions contemplated thereby, including:

Impact on Shareholders: that, subsequent to the completion of the merger, Metropolitan would no longer exist as an independent public company and that the all-cash nature of the transaction would permanently foreclose shareholders from participating in any future earnings or growth potential of Metropolitan or from benefiting from any appreciation in value of the combined company following the effective time.

Effect of Public Announcement: the effect of a public announcement of the merger agreement on Metropolitan's operations, common stock price, customers and employees, and on Metropolitan's ability to attract and retain key management and employees and to preserve its relationships with its patients, IPAs and other providers and Contracting HMOs (other than Humana), pending completion of the merger or if the merger is not consummated.

Operating Covenants: the impact on Metropolitan's business operations from and after the signing of the merger agreement, by reason of Metropolitan's various pre-closing covenants pursuant to which Metropolitan agreed to conduct its business in the ordinary course, consistent with past practice, and not to take various specified actions without the prior written consent of Humana.

Effect of Disruption or Failure to Complete Transaction: the amount of time it could take to complete the merger, including the risk that:

a third-party suitor could seek to disrupt the transaction without a bona fide intention of proposing a superior transaction;

a dispute might arise regarding the terms of the merger agreement; and

the possibility that the merger might not be consummated, resulting in the Metropolitan Board, senior management and other employees having expended extensive time and effort and

Table of Contents

experienced significant distraction from their work during the pendency of the transactions, Metropolitan having incurred significant transaction costs that cannot be amortized or capitalized, Metropolitan having disclosed confidential and proprietary information to a potential competitor, and Metropolitan being imprinted with the negative perception of a failed transaction all of which could have an adverse effect on Metropolitan's continuing business operations and could potentially result in a loss of business partners and employees and a reduced valuation of Metropolitan and market price for Metropolitan's common stock.

Change in Prospects Pending Closing: subject to the Metropolitan Board's right to withdraw or change its recommendation of the merger agreement in the case of an intervening event, the risk that Metropolitan's prospects after the date the merger agreement was entered into could change materially and in a manner unforeseen at such date, including in ways materially beneficial to Metropolitan, and that the cash merger consideration is fixed at \$11.25 per share, and not subject to adjustment regardless of any such changes.

Certain Perceived Business Risks May Never Fully Materialize or May be Short Lived: in considering the intrinsic value of Metropolitan, the Metropolitan Board assessed the various business risks that could have a depressive effect on the intrinsic value of Metropolitan as a stand-alone, independent company and the Metropolitan Board recognized that some of these business risks may never fully materialize or may materialize for only a short period of time resulting in an inflation of the intrinsic value of Metropolitan from which the shareholders will never benefit if the merger is consummated. For example:

Although Humana has indicated that it is seeking to pursue a strategy of increasingly providing health insurance services through one or more PSNs or MSOs in which Humana has a direct financial interest, the Metropolitan Board recognized that Humana could potentially curtail or completely abandon its efforts to pursue such a strategy for a variety of reasons, including difficulties in locating, competition for and the risks of integrating suitable PSN or MSO acquisition targets; the expense and diversion of management and other resources associated with pursuing such a strategy; regulatory impediments to the implementation of such a strategy; and the potential that such a strategy may not yield sufficient operational, economic and other benefits to justify the associated costs and/or risks to Humana.

Although Humana might have a different view than Metropolitan regarding the proper pricing of Metropolitan's services in the future, the Metropolitan Board recognized that Metropolitan's track record with Humana over more than 13 years, including Metropolitan's proven ability to provide superior care coordination and medical management and to lower costs of care while improving outcomes could assist Metropolitan in its efforts to maintain the reimbursement rates it receives from Humana and other HMOs.

Although the implementation of healthcare reform legislation and the anticipated cuts in discretionary and other Federal government programs scheduled to take effect on January 1, 2013 could adversely affect Metropolitan and/or its industry, the Metropolitan Board considered that Metropolitan has limited ability to predict the direct and indirect effects of this legislation and such anticipated cuts to Metropolitan and/or its industry due to, among other things, the scope and complexity of the legislation and Metropolitan's inability to predict or dictate how the Contracting HMOs, Participating Customers and/or its various direct and indirect competitors will react to this legislation and/or such cuts. As a result, the Metropolitan Board recognized the possibility that the implementation of the legislation and the anticipated cuts in discretionary and other Federal government programs might not be as adverse as initially contemplated and could potentially benefit Metropolitan if they caused its industry to increasingly pay higher reimbursement rates to PSNs that provide a high quality, risk-based managed care model.

Taxation: that, because the consideration payable to shareholders in the merger consists entirely of cash, any gain from the sale of shares in the merger will be taxable to shareholders for U.S. federal income tax purposes.

Table of Contents

No Appraisal Rights Under Florida Law or Metropolitan's Organizational Instruments: that irrespective of whether shareholders dissent from or vote against the adoption and approval of the merger agreement and approval of the merger, Metropolitan's shareholders will not be entitled to dissenters' rights or to have the value of their shares appraised by a Florida court under applicable provisions of Florida law or the provisions of Metropolitan's Articles of Incorporation or Bylaws.

The Metropolitan Board also considered a variety of other factors, including:

Potential continued employment of management: the Metropolitan Board considered the possibility that, while the Metropolitan Board had required management to either refrain from discussions with Humana relating to management's potential employment until the principal terms of the merger agreement were agreed and, although the initial discussions with Humana regarding management's potential future employment were observed by the lead independent director of the Metropolitan Board, the Metropolitan Board recognized that management might remain employees of Metropolitan and therefore have interests in the merger that are different from, or in addition to, those of other Metropolitan shareholders. See *The Merger - Interests of Metropolitan Directors and Executive Officers in the Merger* .

Interests of Metropolitan's Directors and Officers: The Metropolitan Board considered the potential conflicts of interest of Metropolitan's directors and executive officers in light of their ownership of shares of Metropolitan's common stock, the effect of the merger on outstanding options and restricted stock awards, and other severance awards and compensation arrangements that are potentially triggered or otherwise accelerated by the merger. See *The Merger - Interests of Metropolitan Directors and Executive Officers in the Merger* .

The Metropolitan Board believed that, in their totality, the potential benefits to the Metropolitan shareholders of Metropolitan entering into the merger agreement with Humana and merger subsidiary, upon the terms and subject to the conditions set forth therein, outweighed any potential risks, and that agreeing to such terms and conditions was consistent with the Metropolitan Board's obligations to seek to obtain for shareholders the best price and overall deal terms reasonably available to Metropolitan under all of the prevailing and reasonably anticipated circumstances.

The foregoing discussion of information and material factors considered by the Metropolitan Board is not intended to be exhaustive, but it does describe all material factors considered. In view of the variety of factors considered in connection with its evaluation of the merger agreement and the merger, the Metropolitan Board did not find it practicable to, and did not, quantify or otherwise seek to assign relative weights to the factors summarized above in reaching its conclusions and in making its recommendation. In addition, each individual member of the Metropolitan Board applied his own personal business judgment to the process and may have given different weight to different factors. Except as specifically described above, the Metropolitan Board did not reach any collective view that any individual factor described above either supported or did not support the overall recommendation of the Metropolitan Board.

Recommendations of the Metropolitan Board

In view of the number and wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the Metropolitan Board did not find it practicable to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered. In addition, the Metropolitan Board did not undertake to make any specific determination as to whether any particular factor was favorable or unfavorable to the Metropolitan Board's ultimate determination or assign any particular weight to any factor, but conducted an overall review of the factors described above, including discussions with Metropolitan's management and legal and financial advisors. In considering the factors described above, individual members of the Metropolitan Board may have given different weight to different factors.

Table of Contents

The Metropolitan Board considered all these factors together and considered them in their totality to be favorable to, and to support, its determination to adopt and approve the merger agreement and to approve the merger and recommend the adoption and approval of the merger agreement and the approval of the merger by the Metropolitan shareholders.

The Metropolitan Board unanimously recommends that you vote FOR the proposal to adopt and approve the merger agreement and to approve the merger, FOR the proposal to adjourn or postpone the special meeting, if necessary, to solicit additional proxies, and FOR the golden parachute compensation proposal.

The Metropolitan shareholders should be aware that Metropolitan's directors and executive officers have interests in the merger that are different from, or in addition to, the Metropolitan shareholders, as described below in *The Merger - Interests of Metropolitan Directors and Executive Officers in the Merger*. The Metropolitan Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending that the merger agreement be adopted and approved and the merger be approved by the Metropolitan shareholders.

Opinion of Metropolitan's Financial Advisor

Metropolitan engaged Barclays to act as its financial advisor with respect to pursuing strategic alternatives for Metropolitan, including a possible sale of Metropolitan. On November 3, 2012, Barclays rendered its oral opinion (which was subsequently confirmed in writing) to the Metropolitan Board that, as of such date and based upon and subject to the qualifications, limitations and assumptions stated in its opinion, from a financial point of view, the consideration to be offered to the Metropolitan shareholders is fair to such shareholders.

The full text of Barclays' written opinion, dated as of November 3, 2012, is attached as Annex B to this proxy statement. Barclays' written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Barclays in rendering its opinion. You are encouraged to read the opinion carefully in its entirety. The following is a summary of Barclays' opinion and the methodology that Barclays used to render its opinion. This summary is qualified in its entirety by reference to the full text of the opinion.

Barclays' opinion, the issuance of which was approved by Barclays' Valuation and Fairness Opinion Committee, is addressed to the Metropolitan Board, addresses only the fairness, from a financial point of view, of the consideration to be offered to the shareholders of Metropolitan and does not constitute a recommendation to any Metropolitan shareholder as to how such shareholder should vote with respect to the proposed transaction or any other matter. The terms of the proposed transaction were determined through arm's-length negotiations between Metropolitan and Humana and were unanimously approved by the Metropolitan Board. Barclays did not recommend any specific form of consideration to Metropolitan or that any specific form of consideration constituted the only appropriate consideration for the proposed transaction. Barclays was not requested to opine as to, and its opinion does not in any manner address, Metropolitan's underlying business decision to proceed with or effect the proposed transaction or the likelihood of consummation of the proposed transaction. In addition, Barclays expressed no opinion on, and it does not in any manner address, the fairness of the amount or the nature of any compensation to any officers, directors or employees of any parties to the proposed transaction, or any class of such persons, relative to the consideration to be offered to the Metropolitan shareholders in the proposed transaction.

In arriving at its opinion, Barclays, among other things:

reviewed and analyzed a draft of the merger agreement, as of November 2, 2012, and the specific terms of the proposed transaction;

reviewed and analyzed publicly available information concerning Metropolitan that Barclays believed to be relevant to its analysis, including Metropolitan's most recently filed Annual Report on Form 10-K and Quarterly Reports on Form 10-Q;

Table of Contents

reviewed and analyzed financial and operating information with respect to the business, operations and prospects of Metropolitan furnished to Barclays by Metropolitan, including financial projections of Metropolitan prepared by Metropolitan's management;

reviewed and analyzed a trading history of Metropolitan's common stock from June 27, 2011 to November 1, 2012 and a comparison of such trading history with those of other companies that Barclays deemed relevant;

reviewed and analyzed a comparison of the historical financial results and present financial condition of Metropolitan with those of other companies that Barclays deemed relevant;

reviewed and analyzed published estimates of independent research analysts with respect to the future financial performance and price targets of Metropolitan; and

reviewed and analyzed a comparison of the financial terms of the proposed transaction with the financial terms of certain other recent transactions that Barclays deemed relevant.

Barclays also considered the commercial relationship between Metropolitan and Humana and its potential implication on the proposed transaction or any other similar transaction. In addition, Barclays had discussions with Metropolitan's management concerning its business, operations, assets, liabilities, financial condition and prospects and also undertook such other studies, analyses and investigations that Barclays deemed appropriate.

In arriving at its opinion, Barclays assumed and relied upon the accuracy and completeness of the financial and other information used by Barclays without any independent verification of such information (and did not assume responsibility or liability for any independent verification of such information). Barclays also relied upon the assurances of management of Metropolitan that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections of Metropolitan, upon advice of Metropolitan, Barclays assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Metropolitan as to Metropolitan's future financial performance and that Metropolitan would perform substantially in accordance with such projections. In arriving at its opinion, Barclays assumed no responsibility for and expressed no view as to any such projections or estimates or the assumptions on which they were based. In arriving at its opinion, Barclays did not conduct a physical inspection of the properties and facilities of Metropolitan and did not make or obtain any evaluations or appraisals of the assets or liabilities of Metropolitan. In addition, at Metropolitan's request Barclays solicited an indication of interest from a third party with respect to the purchase of all or a part of Metropolitan's business. Barclays' opinion was necessarily based upon market, economic and other conditions as they existed on, and could be evaluated as of, November 3, 2012. Barclays assumed no responsibility for updating or revising its opinion based on events or circumstances that may have occurred after November 3, 2012.

Barclays assumed that the executed merger agreement would conform in all material respects to the last draft reviewed by Barclays. In addition, Barclays assumed the accuracy of the representations and warranties contained in the merger agreement and all agreements related thereto. Barclays also assumed, upon the advice of Metropolitan, that all material governmental, regulatory and third party approvals, consents and releases for the proposed transaction will be obtained within the constraints contemplated by the merger agreement and that the proposed transaction will be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any material term, condition or agreement thereof. Barclays did not express any opinion as to any tax or other consequences that might result from the proposed transaction, nor does its opinion address any legal, tax, regulatory or accounting matters, as to which Barclays understands that Metropolitan has obtained such advice as it deemed necessary from qualified professionals.

In connection with rendering its opinion, Barclays performed certain financial, comparative and other analyses as summarized below. In arriving at its opinion, Barclays did not ascribe a specific range of values to the shares of the Metropolitan common stock but rather made its determination as to fairness, from a financial

Table of Contents

point of view, to Metropolitan's shareholders of the consideration to be offered to such shareholders in the proposed transaction on the basis of various financial and comparative analyses. The preparation of a fairness opinion is a complex process and involves various determinations as to the most appropriate and relevant methods of financial and comparative analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description.

In arriving at its opinion, Barclays did not attribute any particular weight to any single analysis or factor considered by it but rather made qualitative judgments as to the significance and relevance of each analysis and factor relative to all other analyses and factors performed and considered by it and in the context of the circumstances of the particular transaction. Accordingly, Barclays believes that its analyses must be considered as a whole, as considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion.

The following is a summary of the material financial analyses used by Barclays in preparing its opinion to the Metropolitan Board. Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses used by Barclays, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. In performing its analyses, Barclays made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Metropolitan or any other parties to the proposed transaction. None of Metropolitan, Humana, merger subsidiary, Barclays or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth below. In addition, analyses relating to the value of the businesses do not purport to be appraisals or reflect the prices at which the businesses may actually be sold.

Historical Share Price Analysis

To illustrate the trend in the historical trading prices of Metropolitan's common stock, Barclays considered historical data with regard to the trading prices of Metropolitan's common stock for the period from June 27, 2011 to November 1, 2012.

Barclays noted that the closing price of Metropolitan's common stock during the previous 52-week period ranged from a low of \$6.12 to a high of \$11.03. The average price of Metropolitan's common stock for the 20-days prior to November 1, 2012 was \$10.30 and the 200 day average price of Metropolitan's common stock was \$8.83.

Research Price Targets Analysis

Barclays considered publicly available research per share price targets for Metropolitan's common stock provided by independent research analysts. Barclays noted that such independent research analysts had provided per share targets for Metropolitan's common stock ranging from a low of \$10.00 per share to a high of \$13.00 per share.

Selected Comparable Company Analysis

In order to assess how the public market values shares of similar publicly traded companies, Barclays reviewed and compared specific financial and operating data relating to Metropolitan with selected companies that Barclays, based on its experience in the managed care industry, deemed comparable to Metropolitan. The selected companies were grouped into three categories (identified by Barclays as Humana, Universal American Corp. and Diversified Companies), each of which Barclays deemed relevant in certain respects. The Diversified Companies consisted of the following:

UnitedHealth Group Incorporated

WellPoint Inc.

Table of Contents

Aetna Inc.

Health Net, Inc.

Cigna Corp

Triple-S Management Corporation

Barclays calculated and compared various financial multiples and ratios of Metropolitan and the selected comparable companies. As part of its selected comparable company analysis, Barclays calculated and analyzed each company's ratio of its current stock price to its projected earnings per share (commonly referred to as a price earnings ratio, or P/E), and each company's enterprise value to certain projected financial criteria (such as revenue, earnings before interest, taxes, depreciation and amortization, which is referred to as EBITDA), for 2012 and 2013, adjusted (x) in the case of Metropolitan by adding back stock-based compensation and (y) in the case of Humana and the other companies, by adding back investment income, or in each of (x) and (y), Adjusted EBITDA (calculated as described under the heading "The Merger Financial Information"). The enterprise value of each company was obtained by adding its short and long-term debt to the sum of the market value of its common equity, the value of any preferred stock (at book value) and the book value of any minority interest, and subtracting therefrom its cash and cash equivalents. All of these calculations were performed, and based on publicly available financial data (including First Call/I/B/E/S International, Inc., which is referred to as IBES) and closing prices, as of November 1, 2012. The results of this selected comparable company analysis are summarized below:

	Diversified	Humana	Universal American Corp.	Metropolitan (per management's projections)	Metropolitan (per IBES)
Estimated 2012 P/E Multiples	9.4x	10.6x	14.7x	15.9x	19.4x
Estimated 2013 P/E Multiples	9.2x	9.6x	12.8x	14.6x	14.0x
Enterprise Value / Estimated 2012 Adjusted EBITDA	6.4x	6.0x	8.0x	7.6x	8.3x
Enterprise Value / Estimated 2013 Adjusted EBITDA	6.2x	5.7x	6.4x	7.1x	7.0x

(1) The multiples for the Diversified Companies represent the average of the multiple for each of the Diversified Companies. Barclays selected the comparable companies listed above because their businesses and operating profiles are reasonably similar to that of Metropolitan. However, because of the inherent differences between the business, operations and prospects of Metropolitan and those of the selected comparable companies, Barclays believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the selected comparable company analysis. Accordingly, Barclays also made qualitative judgments concerning differences between the business, financial and operating characteristics and prospects of Metropolitan and the selected comparable companies that could affect the public trading values of each in order to provide a context in which to consider the results of the quantitative analysis. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degree of operational risk between Metropolitan and the companies included in the selected company analysis. Based upon these judgments, Barclays selected a range of 9.5x to 15.0x multiples of the 2012 estimated earnings per share, which is referred to as EPS, which it adjusted for one-time adjustments for the sleep diagnostics business, under accrued mid-year adjustments, losses under certain contracts, public company expenses and nonrecurring professional costs, which is referred to as Adjusted EPS, for Metropolitan and applied such range to the management projections to calculate a range of implied prices per share of Metropolitan's common stock.

The following summarizes the result of these calculations:

**Implied Equity Value
Per Share of
Metropolitan's
Common Stock**

Price / Estimated 2012 EPS	\$	6.56	10.35
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Table of Contents

Based upon its judgment, Barclays then selected a range of 6.0x to 8.0x multiples of the 2012 Adjusted EBITDA for Metropolitan and applied such range to the management projections to calculate a range of implied equity value per share of Metropolitan's common stock. The following summarizes the result of these calculations:

	Implied Equity Value
	Per Share of Metropolitan's Common Stock
Enterprise Value / 2012 Estimated Adjusted EBITDA	\$ 7.68 11.92

Selected Precedent Transaction Analysis

Barclays reviewed and compared the purchase prices and financial multiples paid in selected other transactions that Barclays, based on its experience with merger and acquisition transactions, deemed relevant. Barclays chose such transactions based on, among other things, the similarity of the applicable target companies in the transactions to Metropolitan with respect to the size, mix, margins and other characteristics of their businesses. Barclays reviewed the following transactions:

Announcement Date	Target	Acquiror
5/21/2012	HealthCare Partners	DaVita Inc.
5/21/2012	HealthCare Partners with Earn-Outs	DaVita Inc.
6/27/2011	Continuicare Corporation	Metropolitan

Using publicly available information for each of the precedent transactions, Barclays calculated and analyzed the Purchase Price to the target company's last 12 months which is referred to as LTM, Adjusted EBITDA. The following table presents the results of this analysis:

Target	Acquiror	Purchase Price /LTM Adjusted EBITDA (with adjustments) (1)	Purchase Price /LTM Adjusted EBITDA (without adjustments) (1)
HealthCare Partners	DaVita	6.9x	8.0x
HealthCare Partners with Earn-Outs(2)	DaVita	7.3x	8.5x
Continuicare	Metropolitan	8.0x	8.0x

(1) DaVita/HealthCare Partners LTM as of 3/31/2012; Metropolitan/Continuicare LTM as of 6/30/2012.

(2) Adjustments to DaVita/HealthCare Partners represent tax benefits associated the transaction.

The reasons for and the circumstances surrounding each of the selected precedent transactions analyzed were diverse and there are inherent differences in the business, operations, financial conditions and prospects of Metropolitan and the companies included in the selected precedent transaction analysis. Accordingly, Barclays believed that a purely quantitative selected precedent transaction analysis would not be particularly meaningful in the context of considering the proposed transaction. Barclays therefore made qualitative judgments concerning differences between the characteristics of the selected precedent transactions and the proposed transaction that would affect the acquisition values of the selected target companies and Metropolitan.

Based upon these judgments, Barclays selected a range of 6.9x to 8.0x multiples of the Purchase Price / LTM Adjusted EBITDA and applied such ranges to Metropolitan's Adjusted EBITDA for LTM ended September 30, 2012, to calculate the range of implied price per share of Metropolitan. The following summarizes the results of these calculations:

Implied Equity Value
Per Share of
Metropolitan's

	Common Stock	
Purchase Price / Adjusted EBITDA	\$9.53	11.84

Table of Contents**Discounted Cash Flow Analysis**

In order to estimate the present value of Metropolitan's common stock, Barclays performed a discounted cash flow analysis of Metropolitan. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors.

To calculate the estimated enterprise value of Metropolitan using the discounted cash flow method, Barclays added (i) Metropolitan's projected after-tax unlevered free cash flows for fiscal years 2013 through 2017 based on management projections to (ii) the terminal value of Metropolitan as of 2018, and discounted such amount to its present value using a range of selected discount rates. The after-tax unlevered free cash flows were calculated by taking the tax-affected earnings before interest and tax, adding back depreciation and amortization, stock-based compensation, subtracting capital expenditures, changes in working capital and changes in deferred tax liability. In addition, Barclays also estimated Metropolitan's estimated enterprise value using the discounted cash flow method by assuming implementation of a 2% tax on all risk premiums of managed care companies starting in 2014 and assuming that management care companies pass through 1% to Metropolitan, referred to as the Premium Tax, with no offset for the medical expense ratio (calculated as the total medical expense divided by revenue, and which is referred to as MER) and adjusted Metropolitan's projected after-tax unlevered free cash flows for the fiscal years 2014 through 2017 by such effect. The residual value of Metropolitan at the end of the forecast period, or terminal value, was estimated by applying a range of next 12-months multiples for Metropolitan of 5.5x to 6.5x to Metropolitan's projected Adjusted EBITDA for 2018. The range of after-tax discount rates of 10.5% to 12.0% was selected based on an analysis of the weighted average cost of capital of Metropolitan and comparable companies. Barclays then calculated a range of implied prices per share of Metropolitan by subtracting estimated net debt from the estimated enterprise value using the discounted cash flow method and dividing such amount by the fully diluted number of shares of Metropolitan's common stock.

The following summarizes the result of these calculations:

	Implied Equity Value	
	Per Share of	
	Metropolitan's	
	Common Stock	
Discounted Cash Flow (without Premium Tax)	\$	10.79 - 13.78
Discounted Cash Flow (with Premium Tax)	\$	9.66 - 12.43

General

Barclays is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The Metropolitan Board selected Barclays because of its familiarity with Metropolitan and its qualifications, reputation and experience in the valuation of businesses and securities in connection with mergers and acquisitions generally, as well as substantial experience in transactions comparable to the proposed transaction.

Barclays is acting as financial advisor to Metropolitan in connection with the merger. As compensation for its services in connection with the merger, Barclays will receive fees for its services of approximately \$8.45 million, of which \$2.25 million became due and payable upon delivery of its opinion on November 3, 2012, and the remainder of which is contingent upon the consummation of the proposed transaction. In addition, Metropolitan has agreed to reimburse Barclays for a portion of its reasonable out-of-pocket expenses incurred in connection with the proposed transaction and to indemnify Barclays for certain liabilities that may arise out of its

Table of Contents

engagement by Metropolitan and the rendering of Barclays' opinion. Barclays has performed various investment banking and financial services for Metropolitan and Humana in the past, and expects to perform such services in the future, and has received, and expects to receive, customary fees for such services. Specifically, an affiliate of Barclays currently serves, and has served since prior to October 10, 2012, as a lender under Humana's \$1 billion five-year revolving credit facility that expires on November 21, 2016.

Barclays and its affiliates engage in a wide range of businesses from investment and commercial banking, lending, asset management and other financial and non-financial services. In the ordinary course of its business, Barclays and affiliates may actively trade and effect transactions in the equity, debt and/or other securities (and any derivatives thereof) and financial instruments (including loans and other obligations) of Metropolitan and Humana for its own account and for the accounts of its customers and, accordingly, may at any time hold long or short positions and investments in such securities and financial instruments.

Certain Projections

Metropolitan does not, as a matter of course, make public forecasts or projections beyond the current fiscal year due to the inherent unpredictability of the underlying assumptions and estimates. However, in connection with the Metropolitan Board's review process, the Metropolitan Board reviewed certain non-public projections, which are referred to as the Projections, that were based on Metropolitan's estimate of its future financial performance as of the date they were provided.

Set forth below are the material portions of the Projections in order to provide Metropolitan's shareholders access to this previously non-public information that Metropolitan prepared for purposes of considering and evaluating the merger. The inclusion of this information should not be regarded as an indication that Metropolitan's management, the Metropolitan Board or Barclays considered, or now considers, this information to be a reliable prediction of actual future results, and such data should not be relied upon as such. Neither Metropolitan nor any of its affiliates or representatives has made or makes any representations to any person regarding the ultimate performance of Metropolitan compared to the information contained in the Projections, and none of them intends to provide any update or revision thereof, even in the event that all or any of the assumptions underlying the Projections are shown to be in error.

The Projections reflect various assumptions and estimates made by Metropolitan's management in preparing such Projections:

Management projections assume no change in existing contract terms and no acquisitions.

Revenue growth driven by:

Modest growth in base rate and improvement in risk score.

Integration of Symphony and shift from non-risk to risk revenue in 2015.

Integration of two IPAs which for purposes of these Projections takes into account that:

An agreement is reached between Metcare of Florida, Inc. and IPA A for which documents were being negotiated at the time the Projections were prepared; and

A definitive acquisition agreement had been signed between Metcare of Florida, Inc. and IPA B at the time the Projections were prepared.

Medical costs driven by:

2-4.5% growth in per customer per month claims expense.

2% growth in member months.

Renegotiated Union risk agreement provides for reduction of impact of pre-tax losses on Participating Customers added under such agreement and, after such negotiation, the Union agreement is break-even in 2012 and 2013 and profitable thereafter.

Table of Contents

Operating costs driven by:

Annual 3.5% payroll expense growth.

Annual 3.0% general and administrative expenses growth.

Projections exclude:

Impact from sequestration. Without Congressional intervention in the immediate future, federal across-the-board spending cuts (also known as a sequestration) are scheduled to take effect on January 2, 2013 and run through fiscal year 2021. In the case of Medicare Parts C and D, reductions are expected to be made to the monthly payments to Medicare Advantage plans. These reductions will be made at a uniform rate and may not exceed 2%. If implemented, sequestration is expected to result in a reduction in capitation fees paid by Medicare Advantage plans, and could result in a decrease in benefits offered by Medicare Advantage plans. It is anticipated that reductions in capitation fees due to sequestration may be partly offset by a decrease in the medical services managed care providers are required to provide and in reduced payments to fee-for-service providers that provide service to Medicare Advantage and/or Medicare Advantage patients.

Impact from premium tax. Beginning in 2014, the Reform Acts will impose an annual fee on U.S. health insurance providers with which Metropolitan contracts. The fee amount will depend upon the amount of the net premiums collected by the health insurance providers such that the more premiums collected, the higher the fees. Metropolitan's projections assume that this fee will not be passed on to Metropolitan or result in a reduction of the capitation fee paid to it.

Operating Projections

The following table shows management's operating projections for the calendar years 2012 through 2017 (in millions):

Operating Projections

	2012P	2013P	2014P	2015P	2016P	2017P	12P CAGR / r bps	17P
Total Revenue	\$ 780	\$ 816	\$ 866	\$ 1,018	\$ 1,087	\$ 1,158		8.2%
<i>% growth</i>	11.7%	4.5%	6.1%	17.6%	6.7%	6.6%		
Medical Costs	\$ 632	\$ 658	\$ 698	\$ 839	\$ 892	\$ 946		8.4%
<i>% MER</i>	81.0%	80.6%	80.6%	82.3%	82.1%	81.7%		72 bps
Operating Costs	\$ 66	\$ 68	\$ 69	\$ 69	\$ 70	\$ 71		1.3%
<i>% of revenue</i>	8.5%	8.3%	8.0%	6.8%	6.4%	6.1%		(238 bps)
Adjusted EBITDA(1)	\$ 104	\$ 110	\$ 118	\$ 128	\$ 141	\$ 155		8.3%
<i>% margin</i>	13.3%	13.5%	13.7%	12.6%	13.0%	13.4%		5 bps
<i>% growth</i>	(5.5%)	5.9%	7.3%	8.3%	10.2%	9.9%		
Net Income	\$ 32	\$ 36	\$ 43	\$ 54	\$ 65	\$ 80		20.1%
<i>% margin</i>	4.1%	4.4%	5.0%	5.3%	6.0%	6.69%		281 bps
<i>% growth</i>	1.2%	11.9%	20.1%	25.0%	21.5%	22.5%		
Diluted EPS	\$ 0.69	\$ 0.75	\$ 0.88	\$ 1.07	\$ 1.27	\$ 1.52		17.1%
<i>% growth</i>	(2.8%)	8.9%	17.0%	21.9%	18.5%	19.6%		

(1) Adjusted EBITDA is not defined under generally accepted accounting principles, which is referred to as GAAP, and it may not be comparable to similarly titled measures reported by other companies. Metropolitan uses Adjusted EBITDA, along with other GAAP

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measures, as a measure of profitability because Adjusted EBITDA helps Metropolitan to compare its performance on a consistent basis by removing from its operating results the impact of its capital structure, the accounting methods used to compute depreciation and amortization and the effect of non-cash stock-based compensation expense.

Table of Contents

Metropolitan believes Adjusted EBITDA is useful to investors as it is a widely used measure of performance and the adjustments Metropolitan makes to Adjusted EBITDA provide further clarity on Metropolitan's profitability. Metropolitan removes the effect of non-cash stock-based compensation from Metropolitan's earnings which can vary based on share price, share price volatility and expected life of the equity instruments Metropolitan grant. In addition, this stock-based compensation expense does not result in cash payments by Metropolitan. Adjusted EBITDA has limitations as a profitability measure in that it does not include the interest expense on Metropolitan's debts, Metropolitan's provisions for income taxes, the effect of Metropolitan's expenditures for capital assets and the effect of non-cash stock-based compensation expense.

The following table presents the projected Adjusted EBITDA (Non-GAAP measure) for the years 2012 through 2017 as well as a reconciliation of the projected Adjusted EBITDA to the projected net income for such periods (in millions):

	2012P	2013P	2014P	2015P	2016P	2017P
Net income	\$ 32	\$ 36	\$ 43	\$ 54	\$ 65	\$ 80
Income taxes	20	23	27	34	41	50
Depreciation and amortization	17	16	15	14	12	11
Interest expense	31	32	29	23	18	9
Stock-based compensation expense	4	4	4	4	4	5
Adjusted EBITDA	\$ 104	\$ 110	\$ 118	\$ 128	\$ 141	\$ 155

Free Cash Flow Projections

The following table presents the projected unlevered free cash flow, which is referred to as "FCF", for the years 2013 through 2017 as well as a reconciliation of the projected unlevered FCF to the projected net income for such periods (in millions). Unlevered FCF is not defined under GAAP and the unlevered FCF projections included below were calculated for use by Barclays in performing its illustrative discounted cash flow analysis described above under "The Merger" Opinion of Metropolitan's Financial Advisor.

	2013P	2014P	2015P	2016P	2017P
Net Income	\$ 36	\$ 43	\$ 54	\$ 65	\$ 80
Income tax provision	23	27	34	41	50
Pre-tax Income	58	70	88	107	131
Interest expense	(32)	(29)	(23)	(18)	(9)
EBIT	91	99	110	124	140
Taxes on EBIT	35	38	42	48	54
After-Tax EBIT	56	61	68	76	86
Depreciation and amortization	16	15	14	12	11
Stock-based compensation expense	4	4	4	4	5
Capital expenditures	(6)	(6)	(7)	(7)	(7)
Changes in net working capital (1)	(6)	(2)	(2)	(2)	(2)
Changes in deferred tax liability	(4)	(4)	(4)	(3)	(3)
Unlevered FCF	\$ 59	\$ 68	\$ 74	\$ 82	\$ 90

(1) Excludes the impact of projected changes in cash and the current portion of Metropolitan's long-term indebtedness. The projected financial information above was prepared by and is the responsibility of management and was not prepared with a view towards public disclosure or compliance with GAAP or with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projected financial information. Metropolitan's independent registered public accounting firm, Grant

Thornton LLP, has neither examined, compiled nor performed any procedures with respect to the projected financial information

Table of Contents

and, accordingly, Grant Thornton LLP does not express an opinion or any other form of assurance with respect thereto. The internal financial forecasts (upon which the projections were based in part) are, in general, prepared solely for internal use and capital budgeting and other management decisions and are subjective in many respects and thus susceptible to interpretation and periodic revision based on actual experience and business developments. The projections described above also reflect numerous assumptions made by Metropolitan's management with respect to industry performance, general business, economic, market and financial conditions and other matters, all of which are difficult to predict and many of which are beyond management's control. Accordingly, there is no assurance that the projected results will be realized or that actual results will not be significantly higher or lower than projected.

Readers of this proxy statement are cautioned not to rely on the projections described above. These projections are forward-looking statements and are based on expectations and assumptions at the time they were prepared. The projections are not guarantees of future performance and involve risks and uncertainties that may cause future financial results and shareholder value of Metropolitan to materially differ from those expressed in the projections. The risks and uncertainties include, but are not limited to, the risks and uncertainties described in Metropolitan's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and its subsequent filings with the SEC. Accordingly, Metropolitan cannot assure you that the projections described above will be realized or that Metropolitan's future financial results will not materially vary from the projections. The projections described above do not take into account the merger or any of the transactions contemplated by the merger agreement.

Interests of Metropolitan Directors and Executive Officers in the Merger

In considering the recommendation of the Metropolitan Board, you should be aware that Metropolitan directors and executive officers may have financial interests in the merger that are in addition to or different from their interests as shareholders and the interests of Metropolitan shareholders generally and may present actual or potential conflicts of interest. The Metropolitan Board was aware of these interests and considered them, among other matters, in unanimously adopting and approving the merger agreement and the transactions contemplated thereby. Such interests relate to, or arise from, among other things, the following:

certain executive officers of Metropolitan may continue as officers or employees of the surviving corporation or Humana following the completion of the merger;

payment of cash bonuses for 2012, which, based on historical practice, would have been determined and paid in March 2013, were determined in November 2012 and are payable upon the earlier of the consummation of the merger or March 2013;

prior to the effective time, unvested stock options held by Metropolitan's directors and executive officers will become fully vested and exercisable and, thereafter, the directors and executive officers will be entitled to receive cash payments in connection with the cancellation of their respective stock options at the effective time;

prior to the effective time, restricted stock awards held by Metropolitan's directors and executive officers will become fully vested and, thereafter, the directors and executive officers will be entitled to receive cash payments in respect of their respective restricted stock awards at the effective time; and

Metropolitan's directors and executive officers will be entitled to continued indemnification and insurance coverage by the surviving corporation for acts or omissions occurring prior to the merger for a period of six years following the effective time.

The Metropolitan Board was aware of the interests of Metropolitan's directors and executive officers during its deliberations on the merits of the merger and in deciding to recommend that Metropolitan shareholders vote **FOR** the adoption and approval of the merger agreement and the approval of the merger at the Metropolitan special meeting. For purposes of all of the agreements and plans described below, the approval of the merger by Metropolitan's shareholders and/or the completion of the merger will constitute a change in control.

Table of Contents

Agreements with Executive Officers

Metropolitan is a party to (1) an amended and restated employment agreement, effective as of April 26, 2010, with Michael M. Earley, its Chairman of the Board and Chief Executive Officer; (2) an employment agreement, effective as of November 16, 2006, as amended effective December 22, 2008, with Robert J. Sabo, its Chief Financial Officer; and (3) an amended and restated employment agreement, effective as of January 3, 2005, as amended effective December 22, 2008, with Roberto L. Palenzuela its General Counsel and Secretary. Dr. Jose A. Guethon, M.D., Metropolitan's President and Chief Operating Officer, entered into an employment agreement with Metcare of Florida, Inc., Metropolitan's wholly-owned subsidiary, which agreement was amended effective December 22, 2008. The foregoing employment agreements are collectively referred to herein as the NEO Employment Agreements.

Each of the NEO Employment Agreements has an initial term of one year and is automatically renewable for successive one-year terms, unless terminated in accordance with the terms of the respective NEO Employment Agreements. Each of the NEO Employment Agreements provides for an annual base salary to be reviewed annually, and the Metropolitan Board may, in its sole discretion, increase a named executive officer's salary and award bonuses and options at any time. The employment agreements with Mr. Earley and Mr. Sabo provide for an automobile allowance in the amount of \$850 and \$800 per month, respectively, a telephone allowance in the amount of \$250 per month, vacation, participation in all benefit plans offered by Metropolitan to its executives and the reimbursement of reasonable business expenses. The employment agreement with Mr. Palenzuela provides for an automobile allowance in the amount of \$500 per month, a telephone allowance in the amount of \$100 per month, vacation, participation in all benefit plans offered by Metropolitan to its executives and the reimbursement of reasonable business expenses. The employment agreement with Dr. Guethon provides for a telephone allowance in the amount of \$100 per month, vacation, participation in all benefit plans offered by Metropolitan to its executives and the reimbursement of reasonable business expenses. Dr. Guethon also receives an automobile allowance. Effective September 1, 2011, the automobile and telephone allowances for each of Metropolitan's named executive officers serving at such time were adjusted so that each such officer would receive an automobile allowance of \$800 per month and a telephone allowance of \$250 per month.

The NEO Employment Agreements also contain non-disclosure, non-solicitation and non-compete restrictions. The non-solicitation and non-compete restrictions survive for a period of two years and one year, respectively, following the date of termination of a named executive officer's employment with Metropolitan. Either party to an NEO Employment Agreement may terminate the applicable named executive officer's employment with Metropolitan at any time.

In the event that following a change in control of Metropolitan (as defined below), a named executive officer is terminated without cause or resigns for good reason within one year of the event causing the change in control, Metropolitan shall be required pursuant to the NEO Employment Agreements to:

pay to the executive any unpaid base salary earned through the date of termination or resignation;

pay to the executive, within 30 days of the date of such termination of employment, a single lump sum payment, in an amount equal to the sum of (a) his or her then annual base salary plus any bonuses payable, (b) the value of annual health and welfare and fringe benefits paid to him or her for the year preceding the year of termination (based on the cost to Metropolitan), and (c) the value of the portion, if any, of his or her benefits under any retirement and/or deferred compensation plan which are forfeited for reason of the termination;

reimburse the executive for reasonable business expenses incurred prior to the date of termination of employment; and

pay to the executive (or his estate, as applicable) for any accrued yet unused vacation days.

A change in control will be deemed to occur pursuant to the NEO Employment Agreements in the event Metropolitan's shareholders approve (x) the sale of substantially all of Metropolitan's assets, (y) Metropolitan's

Table of Contents

liquidation or dissolution or (z) a merger or other similar transaction which would result in Metropolitan's shareholders prior to the transaction owning 50% or less of the combined voting power of the merged entity immediately following the transaction. In addition, with certain exceptions, a change of control will be deemed to occur upon any person or group's acquisition of more than 50% of Metropolitan's outstanding shares or voting power.

Stock Options

Certain of Metropolitan's executive officers and directors hold options, issued pursuant to the Metropolitan Health Networks, Inc. Omnibus Equity Compensation Plan, to purchase shares of Metropolitan common stock. Prior to the effective time, each outstanding option to purchase Metropolitan common stock will become fully vested and exercisable and will be canceled in exchange for the right to receive, at the effective time, a cash payment in an amount equal to the product of (a) the total number of shares of Metropolitan common stock subject to the option, and (b) the excess, if any, of \$11.25 over the exercise price per share of such option, without interest and less any required withholding taxes. This cash payment, if any, will be made to the option holder as soon as practicable after the effective time. The following table sets forth, as of November 16, 2012, for each of Metropolitan's directors, named executive officers, and all other executive officers as a group:

the number of shares subject to outstanding options for Metropolitan common stock held by such person;

the weighted average exercise price for such options; and

the aggregate value of such options (without regard to deductions or withholdings for applicable taxes), assuming the closing of the merger as soon as practicable after the Metropolitan special meeting, calculated by multiplying (1) the number of shares of Metropolitan common stock subject to the options by (2) the excess, if any, of (a) \$11.25 over (b) the weighted average exercise price per share of such options.

	Shares	Stock Options Weighted Average Exercise Price	Value
Directors and Executive Officers			
Michael M. Earley	1,455,900	\$ 2.63	\$ 12,550,692
<i>Chairman and Chief Executive Officer</i>			
Jose A. Guethon, M.D.	495,075	3.20	3,985,590
<i>President and Chief Operating Officer</i>			
Robert J. Sabo	378,000	3.27	3,017,522
<i>Chief Financial Officer</i>			
Gemma Rosello	34,100	8.29	100,936
<i>President - Continucare</i>			
Roberto L. Palenzuela	190,450	3.19	1,534,555
<i>General Counsel and Secretary</i>			
Michael E. Cahr	5,989	3.04	49,170
<i>Director</i>			
Richard A. Franco Sr.	5,989	3.04	49,170
<i>Director</i>			

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Casey L. Gunnell	5,989	3.04	49,170
<i>Director</i>			
Arthur D. Kowaloff	5,989	3.04	49,170
<i>Director</i>			
Mark D. Stolper	5,989	3.04	49,170
<i>Director</i>			
John S. Watts, Jr.	5,989	3.04	49,170
<i>Director</i>			
All directors and executive officers as a group (11 persons)	2,589,459	\$ 2.95	\$ 21,484,315

Table of Contents**Restricted Stock Awards**

Certain of Metropolitan's executive officers and directors hold restricted stock granted pursuant to the Metropolitan Health Networks, Inc. Omnibus Equity Compensation Plan. Prior to the effective time, each outstanding restricted stock award granted by Metropolitan will become fully vested and will be converted into the right to receive, at the effective time, a cash payment in an amount equal to the product of (a) the total number of shares of Metropolitan common stock subject to the restricted stock award, and (b) \$11.25, without interest and less any required withholding taxes. This cash payment, if any, will be made to the restricted stock award holder as soon as practicable after the effective time. The following table sets forth, as of November 16, 2012, for each of Metropolitan's directors, named executive officers, and all other executive officers as a group, the number of shares subject to outstanding restricted stock awards held by such person:

	Shares Subject to Restricted Stock Awards
Directors and Executive Officers	
Michael M. Earley	153,125
<i>Chairman and Chief Executive Officer</i>	
Jose A. Guethon, M.D.	181,772
<i>President and Chief Operating Officer</i>	
Robert J. Sabo	147,130
<i>Chief Financial Officer</i>	
Gemma Rosello	25,900
<i>President - Continucare</i>	
Roberto L. Palenzuela	97,537
<i>General Counsel and Secretary</i>	
Michael E. Cahr	9,069
<i>Director</i>	
Richard A. Franco, Sr.	9,069
<i>Director</i>	
Casey L. Gunnell	9,069
<i>Director</i>	
Arthur D. Kowaloff	9,069
<i>Director</i>	
Mark D. Stolper	9,069
<i>Director</i>	
John S. Watts, Jr.	9,069
<i>Director</i>	
All directors and executive officers as a group (11 persons)	659,878
Indemnification and Insurance	

For a period of six years following the effective time, Humana shall cause the surviving corporation to indemnify and hold harmless each current and former officer and director of Metropolitan and its subsidiaries against any costs or expenses (including advancing reasonable attorneys' fees and expenses upon receipt of an undertaking to repay such amount if it shall be ultimately determined that the indemnified person is not entitled to be indemnified), judgments, fines, losses, claims, damages, liabilities and/or amounts paid in settlement in connection with any actual or threatened claim, action, suit, arbitration, proceeding or investigation in respect of or arising out of acts or omissions occurring or alleged to have occurred at or prior to the effective time, and by reason of the fact that such indemnified person is or was a director, officer, employee or agent of Metropolitan or is or was serving at the request of Metropolitan as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to the fullest extent permitted by applicable law.

All rights in existence under Metropolitan's organizational documents on the date of the merger agreement and existing agreements regarding elimination of liability of directors, indemnification and exculpation of

Table of Contents

officers, directors and employees and advancement of expenses to them shall survive the merger for a period of six years from the effective time.

Prior to the effective time, Metropolitan has agreed to purchase a prepaid six-year officers and directors tail liability policy on terms and conditions that are substantially similar to its existing officers and directors liability policy and providing coverage benefits that are not materially more or less favorable to the indemnified persons than its current such policy. The aggregate cost of the officers and directors insurance shall not exceed 350% of the current annual premium paid by Metropolitan for its existing officers and directors liability policy and if the cost of the officers and directors insurance exceeds such amount, then Metropolitan shall purchase as much comparable insurance as is available for such amount.

In addition, Metropolitan shall cooperate with Humana to enable Humana to purchase tail coverage for professional liability and other similar insurance policies of Metropolitan and its subsidiaries to be placed through such brokers and with such insurance carriers as may be specified by Humana.

Concurrent with its approval of the merger agreement, the Metropolitan Board authorized Metropolitan's entry into a customary indemnification agreement with each director serving on the Metropolitan Board (other than Michael M. Earley, who already was a party to an indemnification agreement with Metropolitan), pursuant to which Metropolitan has agreed, among other things, to indemnify and hold harmless each director against certain liabilities, costs and expenses incurred by such director in connection with proceedings in which such director has been made, or is threatened to be made, a party in respect of such director's service to Metropolitan. Under the indemnification agreements, which were executed and delivered by Metropolitan and each of the directors (other than Mr. Earley) on November 3, 2012, Metropolitan has also agreed to indemnify these individuals against certain liabilities that may arise in connection with their status or service as one of Metropolitan's directors or in their capacity at other specified entities at which they may serve at Metropolitan's request. In addition, pursuant to the indemnification agreements, Metropolitan has agreed to advance expenses to the applicable directors in advance of the final determination of any proceeding in respect of which they may be entitled to indemnification. The indemnification and advancement provisions contained in the indemnification agreements are subject to certain customary conditions, and such provisions are in addition to, and do not otherwise limit, the directors' respective rights to indemnification and advancement of expenses provided for under applicable state law, including the FBCA, and Metropolitan's Articles of Incorporation and/or Bylaws.

For additional information about the indemnification rights of Metropolitan directors and executive officers under the merger agreement, see The Merger Agreement - Covenants and Agreements - Indemnification and Insurance .

Quantification of Potential Payments to Metropolitan Named Executive Officers in Connection with the Merger

Metropolitan's named executive officers for purposes of the disclosure in this proxy statement are the following individuals:

Michael M. Earley, Chairman and Chief Executive Officer;

Jose A. Guethon, M.D., President and Chief Operating Officer;

Gemma Rosello, President - Continucare Corporation;

Robert J. Sabo, Chief Financial Officer; and

Roberto L. Palenzuela, General Counsel and Secretary

In accordance with Item 402(t) of Regulation S-K, the table below sets forth the compensation that is based on or otherwise relates to the merger that may become payable to each of Metropolitan's named executive officers.

Table of Contents

Pursuant to the NEO Employment Agreements, in the event that following a change in control of Metropolitan (as previously defined in The Merger Interests of Metropolitan Directors and Executive Officers in the Merger Agreements with Executive Officers), a named executive officer is terminated without cause or resigns for good reason within one year of the event causing the change in control , Metropolitan shall be required to:

pay to the executive any unpaid base salary earned through the date of termination or resignation;

pay to the executive, within 30 days of the date of such termination of employment, a single lump sum payment in an amount equal to the sum of (a) his then annual base salary plus any bonuses payable, (b) the value of annual health and welfare and fringe benefits paid to him for the year preceding the year of termination (based on the cost to Metropolitan), and (c) the value of the portion, if any, of his benefits under any retirement and/or deferred compensation plan which are forfeited for reason of the termination;

reimburse the executive for reasonable business expenses incurred prior to the date of termination of employment; and

pay the executive (or his estate, as applicable) for any accrued yet unused vacation days.

2012 Cash Bonus Plan

On November 3, 2012, upon the recommendation of Metropolitan s compensation committee, the Metropolitan Board amended Metropolitan s 2012 cash bonus plan for certain executive officers and key management employees to provide for the payment of cash incentive bonuses to each participant in the plan on the earlier of March 1, 2013 or the consummation of the merger, which is referred to as the 2012 Amended Bonus Plan .

In determining the award amounts payable to Metropolitan s named executive officers under the 2012 Amended Bonus Plan, the Metropolitan Board generally considered each named executive officer s progress towards achievement of his or her predetermined goals under Metropolitan s 2012 bonus plan and each named executive officer s direct or indirect contributions to the Metropolitan s efforts to explore and/or pursue strategic alternatives. The cash incentive awards payable to each of Metropolitan s named executive officers are included in the amounts reflected in the Cash column in the table below.

The amounts indicated below are estimates of amounts that would be payable assuming the merger is completed on October 31, 2012. These estimates are based on multiple assumptions that may not actually occur, including assumptions described in this proxy statement. Some of these assumptions are based on information not currently available and, as a result, the actual amounts, if any, to be received by a named executive officer may differ in material respects from the amounts set forth below.

Golden Parachute Compensation

Name	Cash	Equity(1)	Pension/ Non-Qualified Deferred Compensation	Perquisites/ Benefits	Tax Reimbursement	Other	Total
Michael M. Earley (2)	\$ 980,750(3)	\$ 14,273,348					\$ 15,254,098
<i>Chairman and Chief Executive Officer</i>							
Jose A. Guethon, MD (4)	795,963(5)	6,030,525					6,826,488
<i>President and Chief Operating Officer</i>							
Gemma Rosello (6)	250,000(7)	392,311					642,311

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<i>President Continuare</i>			
Robert J. Sabo (8)	676,574(9)	4,672,735	5,349,309
<i>Chief Financial Officer</i>			
Roberto L. Palenzuela (10)	482,629(11)	2,631,846	3,114,475
<i>General Counsel and Secretary</i>			

- (1) The amounts set forth in this column represent payments that the named executive officers will receive in connection with the acceleration and cashout of outstanding stock options and restricted stock awards in

Table of Contents

- connection with the merger, based upon the closing price for Metropolitan's common stock of \$10.93 on October 31, 2012.
- (2) The amounts set forth for Mr. Earley in this table represent amounts payable or potentially payable under or as a result of: (a) the terms of the Amended and Restated Employment Agreement, made and entered into on April 26, 2010, by and between Metropolitan and Michael M. Earley, (b) the 2012 Amended Bonus Plan, which provides for the payment of cash bonuses on the earlier to occur of the effective time or March 1, 2013; and (c) the acceleration and cashout of the outstanding stock option and restricted stock awards previously granted to him (which acceleration and cashout is being made to all holders of Metropolitan stock options and restricted stock).
 - (3) Represents both (i) a cash payment to be made to Mr. Earley under the 2012 Amended Bonus Plan, which shall be paid on the earlier to occur of the effective time or March 1, 2013, which for the above calculation is \$480,533; and (ii) a cash lump sum severance payment to be paid following termination by Metropolitan without cause or by the executive with good cause within one year following a change in control of Metropolitan calculated as follows: the sum of (a) his then-current annual base salary until the date of termination, which for the above calculation is \$460,000, plus any bonuses payable to Mr. Earley in accordance with his employment agreement; (b) any unused vacation pay, which for the above calculation equals \$23,000, and the value of the annual health and welfare fringe benefits (based upon the cost to Metropolitan) required to be provided to Mr. Earley under his employment agreement for the year immediately preceding the year in which his employment terminates, which for the above calculation is \$8,717; and (c) the value of the portion of his benefits under any savings, pension or profit sharing plans that are forfeited under those plans by reason of the termination of his employment, which for the above calculation is \$8,500.
 - (4) The amounts set forth for Dr. Guethon in this table represent amounts payable or potentially payable under or as a result of: (a) the terms of the Employment Agreement, made and entered into on February 1, 2005, by and between Metcare of Florida, Inc. and Jose A. Guethon, M.D., as amended on July 1, 2005, and as further amended on December 22, 2008; (b) the 2012 Amended Bonus Plan, which provides for the payment of cash bonuses on the earlier to occur of the effective time or March 1, 2013; and (c) the acceleration and cashout of the outstanding stock option and restricted stock awards previously granted to him (which acceleration and cashout is being made to all holders of Metropolitan stock options and restricted stock).
 - (5) Represents both (i) a cash payment to be made to Dr. Guethon under the accrued 2012 cash bonuses awarded by the Metropolitan Board, which shall be paid on the earlier to occur of the effective time or March 1, 2013, which for the above calculation is \$328,000; and (ii) a cash lump sum severance payment to be paid following termination by Metropolitan without cause or by the executive with good cause within one year following a change in control of Metropolitan calculated as follows: the sum of (a) his then-current annual base salary until the date of termination, which for the above calculation equals \$410,00, plus any bonuses payable to Dr. Guethon in accordance with his employment agreement; (b) any unused vacation pay, which for the above calculation equals \$27,699, and the value of the annual health and welfare fringe benefits (based upon the cost to Metropolitan) required to be provided to Dr. Guethon under his employment agreement for the year immediately preceding the year in which his employment terminates which for the above calculation equals \$21,764; and (c) the value of the portion of his benefits under any savings, pension or profit sharing plans that are forfeited under those plans by reason of the termination of his employment, which for the above calculation equals \$8,500.
 - (6) The amounts set forth for Ms. Rosello in this table represent amounts payable or potentially payable under or as a result of: (a) the 2012 Amended Bonus Plan, which provides for the payment of cash bonuses on the earlier to occur of the effective time or March 1, 2013 and (b) the acceleration and cashout of the outstanding stock option and restricted stock awards previously granted to her (which acceleration and cashout is being made to all holders of Metropolitan stock options and restricted stock). Ms. Rosello is not a party to an employment agreement with Metropolitan or Continucare Corporation.
 - (7) Represents the cash payment to be made to Ms. Rosello under the 2012 Amended Bonus Plan, which shall be paid on the earlier to occur of the effective time or March 1, 2013, which for the above calculation is \$250,000.

Table of Contents

- (8) The amounts set forth for Mr. Sabo in this table represent amounts payable or potentially payable under or as a result of: (a) the terms of the Employment Agreement, made and entered into as of November 9, 2006, by and between Metropolitan and Robert J. Sabo, as amended on December 22, 2008; (b) the 2012 Amended Bonus Plan, which provides for the payment of cash bonuses on the earlier to occur of the effective time or March 1, 2013; and (c) the acceleration and cashout of the outstanding stock option and restricted stock awards previously granted to him (which acceleration and cashout is being made to all holders of Metropolitan stock options and restricted stock).
- (9) Represents both (i) a cash payment to be made to Mr. Sabo under the 2012 Amended Bonus Plan, which shall be paid on the earlier to occur of the effective time or March 1, 2013, which for the above calculation is \$231,000; and (ii) a cash lump sum severance payment to be paid following termination by Metropolitan without cause or by the executive with good cause calculated as follows: the sum of (a) his then-current annual base salary until the date of termination, which for the above calculation equals \$330,000, plus any bonuses payable to Mr. Sabo in accordance with his employment agreement; (b) any unused vacation pay, which for the above calculation equals \$95,078, and the value of the annual health and welfare fringe benefits (based upon the cost to Metropolitan) required to be provided to Mr. Sabo under his employment agreement for the year immediately preceding the year in which his employment terminates, which for the above calculation equals \$11,996; and (c) the value of the portion of his benefits under any savings, pension or profit sharing plans that are forfeited under those plans by reason of the termination of his employment, which for the above calculation equals \$8,500.
- (10) The amounts set forth for Mr. Palenzuela in this table represent amounts payable or potentially payable under or as a result of: (a) the terms of the Amended and Restated Employment Agreement, made and entered into on January 3, 2005, by and between Metropolitan and Roberto L. Palenzuela, as amended on December 22, 2008; (b) the 2012 Amended Bonus Plan, which provides for the payment of cash bonuses on the earlier to occur of the effective time or March 1, 2013; and (c) the acceleration and cashout of the outstanding stock option and restricted stock awards previously granted to him (which acceleration and cashout is being made to all holders of Metropolitan stock options and restricted stock).
- (11) Represents both (i) a cash payment to be made to Mr. Palenzuela under the 2012 Amended Bonus Plan, which shall be paid on the earlier to occur of the effective time or March 1, 2013, which for the above calculation is \$162,720; and (ii) a cash lump sum severance payment to be paid following termination by Metropolitan without cause or by the executive with good cause within one year following a change in control of Metropolitan calculated as follows: the sum of (a) his then-current annual base salary until the date of termination, which for the above calculation equals \$270,000, plus any bonuses payable to Mr. Palenzuela in accordance with his employment agreement; (b) any unused vacation pay, which for the above calculation equals \$1,442, and the value of the annual health and welfare fringe benefits (based upon the cost to Metropolitan) required to be provided to Mr. Palenzuela under his employment agreement for the year immediately preceding the year in which his employment terminates, which for the above calculation equals \$7,004; and (c) the value of the portion of his benefits under any savings, pension or profit sharing plans that are forfeited under those plans by reason of the termination of his employment, which for the above calculation equals \$8,500.

Table of Contents**Stock Ownership of Directors and Executive Officers of Metropolitan**

At the close of business on the record date for the Metropolitan special meeting, the directors and executive officers of Metropolitan beneficially owned and were entitled to vote approximately 2,254,092 shares of Metropolitan common stock, collectively representing approximately 5.07% of the shares of Metropolitan common stock outstanding on that date.

The following table sets forth the beneficial ownership of Metropolitan common stock as of November 16, 2012, for each of (1) Metropolitan's directors, (2) Metropolitan's named executive officers and (3) all of Metropolitan's directors and executive officers as a group.

Name	Common Stock	Options	Total Common Stock and Common Stock Based Holdings (1) (2)	Percentage of Class (1) (2)
		Currently Exercisable or Exercisable within 60 Days for Shares of Common Stock		
Michael M. Earley	513,695 (3)	1,104,700 (4)	1,618,395	3.64%
Jose A. Guethon, M.D.	307,990 (5)	265,025 (6)	573,015	1.29%
Robert J. Sabo	296,370 (7)	194,650 (8)	491,020	1.10%
Gemma Rosello	28,900 (9)	-0- (10)	28,900	*
Roberto L. Palenzuela	163,378 (11)	102,100 (12)	265,478	*
Michael E. Cahr	708,299 (13)	5,989 (14)	714,288	1.61%
Richard A. Franco, Sr.	38,232 (15)	5,989 (14)	44,221	*
Casey L. Gunnell	37,232 (16)	5,989 (14)	43,221	*
Arthur D. Kowaloff	57,232 (17)	5,989 (14)	63,221	*
Mark D. Stolper	37,232 (18)	5,989 (14)	43,221	*
John S. Watts, Jr.	37,232 (19)	5,989 (14)	43,221	*
Directors and Executive Officers as a group (11 persons)	2,254,092	1,702,409	3,956,501	8.89%

* Represents less than 1% of the total number of shares of Metropolitan common stock outstanding.

- (1) A person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from November 16, 2012 upon the exercise of options, warrants and convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options, warrants and convertible securities that are held by such person (but not those held by any other person) and that are exercisable within 60 days from October 31, 2012 have been exercised.
- (2) Applicable percentage ownership is based on 44,481,304 shares of Metropolitan common stock outstanding as of November 16, 2012.
- (3) Includes (i) 25,200 restricted shares of common stock issued to Mr. Earley that are scheduled to vest on February 5, 2013, (ii) 36,150 restricted shares of common stock issued to Mr. Earley that are scheduled to vest ratably over two years on each of February 24, 2013 and February 24, 2014, (iii) 39,675 restricted shares of common stock issued to Mr. Earley that are scheduled to vest ratably over three years on each of February 28, 2013, February 28, 2014 and February 28, 2015, (iv) 9,000 restricted shares of common stock issued to Mr. Earley that are scheduled to vest ratably over three years on each of October 4, 2013, October 4, 2014 and October 4, 2015 and (v) 43,100 restricted shares of common stock issued to Mr. Earley that are scheduled to vest ratably over four years on each of March 4, 2013, March 4, 2014, March 4, 2015 and March 4, 2016.
- (4) Includes (i) 400,000 shares issuable upon the exercise of options at a price of \$1.83 per share, (ii) 150,000 shares issuable upon the exercise of options at a price of \$1.66 per share, (iii) 192,800 shares issuable upon the exercise of options at a price of \$2.31 per share, (iv) 226,800 shares issuable upon the exercise of options at a price of \$1.62 per share, (v) 108,400 shares issuable upon the exercise of options at a price of \$3.04 per share and (vi) 26,700 shares issuable upon the exercise of options at a price of \$4.97 per share. Does not include (i) 75,600 shares issuable upon the exercise of options at a price of \$1.62 per share,

Table of Contents

- (ii) 108,400 shares issuable upon the exercise of options at a price of \$3.04, (iii) 80,100 shares issuable upon the exercise of options at a price of \$4.97 and (iv) 87,100 shares issuable upon the exercise of options at a price of \$8.29 per share, in each case, that have not yet vested.
- (5) Includes (i) 15,800 restricted shares of common stock issued to Dr. Guethon that are scheduled to vest on February 5, 2013, (ii) 77,597 restricted shares of common stock issued to Dr. Guethon that are scheduled to vest ratably over two years on each of January 26, 2013 and January 26, 2014, (iii) 22,650 restricted shares of common stock issued to Dr. Guethon that are scheduled to vest ratably over two years on each of February 24, 2013 and February 24, 2014, (iv) 29,025 restricted shares of common stock issued to Dr. Guethon that are scheduled to vest ratably over three years on each of February 28, 2013, February 28, 2014 and February 28, 2015, (v) 9,000 restricted shares of common stock issued to Dr. Guethon that are scheduled to vest ratably over three years on each of October 4, 2013, October 4, 2014 and October 4, 2015 and (vi) 27,700 restricted shares of common stock issued to Dr. Guethon that are scheduled to vest ratably over four years on each of March 4, 2013, March 4, 2014, March 4, 2015 and March 4, 2016.
- (6) Includes (i) 25,000 shares issuable upon the exercise of options at a price of \$1.66 per share, (ii) 57,600 shares issuable upon the exercise of options at a price of \$2.31 per share, (iii) 94,850 shares issuable upon the exercise of options at a price of \$1.62 per share, (iv) 68,000 shares issuable upon the exercise of options at a price of \$2.40 per share and (v) 19,575 shares issuable upon the exercise of options at a price of \$4.95 per share. Does not include (i) 47,425 shares issuable upon the exercise of options at a price of \$1.62 per share, (ii) 68,000 shares issuable upon the exercise of options at a price of \$2.40 per share, (iii) 58,725 shares issuable upon the exercise of options at a price of \$4.97 per share and (iv) 55,900 shares issuable upon the exercise of options at a price of \$8.29 per share, in each case, that have not yet vested.
- (7) Includes (i) 12,700 restricted shares of common stock issued to Mr. Sabo that are scheduled to vest on February 5, 2013, (ii) 62,355 restricted shares of common stock issued to Mr. Sabo that are scheduled to vest ratably over two years on each of January 26, 2013 and January 26, 2014, (iii) 18,200 restricted shares of common stock issued to Mr. Sabo that are scheduled to vest ratably over two years on each of February 24, 2013 and February 24, 2014, (iv) 22,575 restricted shares of common stock issued to Mr. Sabo that are scheduled to vest ratably over three years on each of February 28, 2013, February 28, 2014 and February 28, 2015, (v) 9,000 restricted shares of common stock issued to Mr. Sabo that are scheduled to vest ratably over three years on each of October 4, 2013, October 4, 2014 and October 4, 2015 and (vi) 22,300 restricted shares of common stock issued to Mr. Sabo that are scheduled to vest ratably over four years on each of March 4, 2013, March 4, 2014, March 4, 2015 and March 4, 2016.
- (8) Includes (i) 48,600 shares issuable upon the exercise of options at a price of \$2.31 per share, (ii) 76,200 shares issuable upon the exercise of options at a price of \$1.62 per share, (iii) 54,650 shares issuable upon the exercise of options at a price of \$2.40 per share and (iv) 15,200 shares issuable upon the exercise of options at a price of \$4.97 per share. Does not include (i) 38,100 shares issuable upon the exercise of options at a price of \$1.62 per share, (ii) 54,650 shares issuable upon the exercise of options at a price of \$2.40 per share and (iii) 45,600 shares issuable upon the exercise of options at a price of \$4.97 and (iv) 45,000 shares issuable upon the exercise of options at a price of \$8.29 per share, in each case, that have not yet vested.
- (9) Includes (i) 9,000 restricted shares of common stock issued to Ms. Rosello that are scheduled to vest ratably over three years on each of October 4, 2013, October 4, 2014 and October 4, 2015 and (ii) 16,900 restricted shares of common stock issued to Ms. Rosello that are scheduled to vest ratably over four years on each of March 4, 2013, March 4, 2014, March 4, 2015 and March 4, 2016.
- (10) Does not include 34,100 shares issuable upon the exercise of options at a price of \$8.29 per share, that have not yet vested.
- (11) Includes (i) 6,050 restricted shares of common stock issued to Mr. Palenzuela that are scheduled to vest on February 5, 2013, (ii) 51,962 restricted shares of common stock issued to Mr. Palenzuela that are scheduled to vest ratably over two years on each of January 26, 2013 and January 26, 2014, (iii) 8,650 restricted shares of common stock issued to Mr. Palenzuela that are scheduled to vest ratably over two years on each of February 24, 2013 and February 24, 2014, (iv) 11,775 restricted shares of common stock issued to Mr. Palenzuela that are scheduled to vest ratably over three years on each of February 28, 2013, February 28, 2014 and February 28, 2015, (v) 9,000 restricted shares of common stock issued to Mr. Palenzuela that are

Table of Contents

- scheduled to vest ratably over three years on each of October 4, 2013, October 4, 2014 and October 4, 2015 and (vi) 10,100 restricted shares of common stock issued to Mr. Palenzuela that are scheduled to vest ratably over four years on each of March 4, 2013, March 4, 2014, March 4, 2015 and March 4, 2016.
- (12) Includes (i) 8,750 shares issuable upon the exercise of options at a price of \$1.66 per share, (ii) 23,150 shares issuable upon the exercise of options at a price of \$2.31 per share, (iii) 36,300 shares issuable upon the exercise of options at \$1.62 per share, (iv) 26,000 shares issuable upon the exercise of options at \$2.40 per share and (v) 7,900 shares issuable upon the exercise of options at a price of \$4.97 per share. Does not include (i) 18,150 shares issuable upon the exercise of options at a price of \$1.62 per share, (ii) 26,000 shares issuable upon the exercise of options at a price of \$2.40 per share, (iii) 23,700 shares issuable upon the exercise of options at a price of \$4.97 per share and (iv) 20,500 shares issuable upon the exercise of options at a price of \$8.29 per share, in each case, that have not yet vested.
- (13) Includes (i) 14,900 shares owned directly by Mr. Cahr or in individual accounts he controls, (ii) 535,167 shares held in the Cahr Dynastic Trust, over which Mr. Cahr has voting and investment power, (iii) 40,400 shares held by Mr. Cahr jointly with Mr. Cahr's spouse, (iv) 39,900 shares held in Mr. Cahr's individual retirement account, (v) 26,200 shares held by Mr. Cahr in a money purchase plan, (vi) 10,000 shares held in Mr. Cahr's spouse's individual retirement account, (vii) 4,500 shares held by Mr. Cahr in a 401(k) retirement plan and (viii) 9,069 restricted shares of common stock issued to Mr. Cahr that are scheduled to vest in full on June 30, 2013. Does not include 57,700 shares held by Mr. Cahr's daughter, with respect to which Mr. Cahr disclaims beneficial ownership.
- (14) Include 5,989 shares issuable upon the exercise of options at a price of \$3.04 per share.
- (15) Includes (i) 1,000 shares held by Mr. Franco jointly with his spouse, and (ii) 9,069 restricted shares of common stock issued to Mr. Franco that are scheduled to vest in full on June 30, 2013.
- (16) Includes 9,069 restricted shares of common stock issued to Mr. Gunnell that are scheduled to vest in full on June 30, 2013.
- (17) Includes (i) 36,002 shares owned directly by Mr. Kowaloff, (ii) 1,000 shares held in Mr. Kowaloff's individual retirement account and (iii) 9,069 restricted shares of common stock issued to Mr. Kowaloff that are scheduled to vest in full on June 30, 2013.
- (18) Includes 9,069 restricted shares of common stock issued to Mr. Stolper that are scheduled to vest in full on June 30, 2013.
- (19) Includes 9,069 restricted shares of common stock issued to Mr. Watts that are scheduled to vest in full on June 30, 2013.

Security Ownership of Certain Beneficial Owners

The following table sets forth, as to the beneficial owner of more than five percent of Metropolitan common stock, information regarding shares owned by such beneficial owner as of November 16, 2012.

Name and Address

of Beneficial Owner	Common Stock	Percentage of Class (1)
BlackRock, Inc. (2)		
40 East 52nd Street		
New York, NY 10022	2,774,245	6.24%

- (1) Applicable percentage ownership is based on 44,481,304 shares of common stock outstanding as of November 16, 2012.
- (2) Reported share ownership is based upon information contained in Schedule 13G filed by BlackRock, Inc. on February 13, 2012.

Table of Contents**Certain Relationships between Humana and Metropolitan*****Risk Based Managed Care Agreements with Humana***

Pursuant to the Humana Agreements, at September 30, 2012, the PSN provided or arranged for the provision of healthcare services to Medicare Advantage, Medicaid and commercial customers in Florida and has contract rights to expand its service offerings to additional Florida counties. The PSN assumes full financial responsibility for the provision or management of all necessary medical care for each Participating Customer covered by the Humana Agreements (which is referred to as a Humana Participating Customer), even for services it does not provide directly. For approximately 25,000 Humana Participating Customers, the PSN and Humana share in the cost of inpatient hospital services and the PSN is responsible for the full cost of all other medical care provided to the Humana Participating Customers. For the remaining Humana Participating Customers, the PSN is responsible for the cost of all medical care provided, including the cost of inpatient hospital services. In return for the provision of these medical services, the PSN receives from Humana a capitation fee for each Humana Participating Customer established pursuant to the Humana Agreements. The amount the PSN receives from Humana represents a substantial percentage of the monthly premiums received by Humana from CMS or the State of Florida with respect to Humana Participating Customers. Revenue from Humana accounted for 82.8% and 99.4% of Metropolitan's total revenue in the third quarter of 2012 and 2011, respectively. Revenue from Humana accounted for 82.8% and 99.5% of Metropolitan's total revenue in the nine months ended September 30, 2012 and 2011, respectively.

The Humana Agreements covering a majority of the Humana Participating Customers have one-year terms, subject to automatic renewal unless either party provides the other party notice of non-renewal 90, 120 or 180 days prior to the end of the subject agreement's term (as applicable). The remaining Humana Agreements have terms that extend to between August 31, 2013 and July 31, 2014, subject to automatic renewal for additional terms of one to three years, unless either party provides the other party notice of non-renewal 90 or 120 days prior to the end of the subject agreement's term (as applicable).

Under several of the Humana Agreements, Humana may amend the benefit and risk obligations and compensation rights from time to time by providing the PSN 30 days' prior written notice of the proposed amendment. Thereafter, the PSN will generally have 30 days to object to or be deemed to have accepted the proposed amendment. Upon receipt of such an objection, Humana may terminate the subject agreement upon 90 days' notice. In the approximately 13 years that Metropolitan has been working with Humana, after Humana and the PSN have agreed upon the terms pursuant to which the PSN will provide services for an upcoming year, Humana has only occasionally requested contract amendments and has never requested a contract amendment that has materially, negatively impacted the PSN's benefit obligations, risk obligations or compensation rights.

Humana may immediately terminate a Humana Agreement and/or the services of any individual physician in the PSN's primary care physician network if: (i) the PSN's or such physician's continued participation may adversely affect the health, safety or welfare of any Humana customer or bring Humana into disrepute; (ii) Humana loses its authority to do business in total or as to any limited segment or business provided that, in the event of a loss of authority with respect to a limited segment, Humana may only terminate a Humana Agreement as to that segment; (iii) the PSN or such physician violates certain provisions of Humana's policies and procedures manual; and (iv) under certain of the Humana Agreements, the PSN or any of its physicians fails to meet Humana's credentialing or re-credentialing criteria or is excluded from participation in any federal healthcare program.

In addition to the foregoing termination provisions, each of the Humana Agreements permits the PSN or Humana to terminate any such agreement upon 60 to 90 days' prior written notice (subject to certain cure periods) in the event the other party breaches other provisions of the agreement.

Under most of the Humana Agreements, Metropolitan's subsidiary that is party to such agreement and its affiliated providers are generally prohibited, during the term of the applicable agreement plus one year, from:

Table of Contents

(i) engaging in any activities that are in competition with Humana's health insurance, HMO or benefit plans business; (ii) having a direct or indirect interest in any provider sponsored organization or network that administers, develops, implements or sells government sponsored health insurance or benefit plans; (iii) contracting or affiliating with another licensed managed care organization for the purpose of offering and sponsoring HMO, Preferred Provider Organization, which is referred to as PPO, or point of service, which is referred to as POS, products where such subsidiary and/or its affiliated providers obtain an ownership interest in the HMO, PPO or POS products to be marketed; and (iv) under certain provisions of the Humana Agreements, entering into agreements with managed care entities, insurance companies, or provider sponsored networks for the provision of healthcare services to Medicare HMO, POS and/or replacement Participating Customers at the same office sites or within five miles of the office sites where services are provided to the Humana Participating Customers.

In addition, under the Humana Agreements covering a majority of the areas the PSN serves, or is eligible to serve, Metropolitan's subsidiary that is party to any such agreement and/or its participating physicians and affiliated entities (including Metropolitan) are prohibited from entering into a risk contract with any non-Humana Medicare Advantage HMO or provider sponsored organization in the counties subject to the agreement. These restrictions lapse between January 1, 2013 and January 1, 2015, as applicable, and are not applicable to certain previously established contracts that Metropolitan's subsidiaries have with non-Humana HMOs with respect to a number of designated counties.

In addition, under each of the Humana Agreements, Metropolitan's subsidiary that is party to any such agreement and/or its participating physicians and affiliated entities (including us) are prohibited from causing groups of Medicare Participating Customers assigned to an individual physician to disenroll from a Humana plan and to enroll in a competing HMO plan.

PPO/PFS Agreement with Humana

In August 2012, Metcare of Florida, Inc. entered into an agreement with Humana to manage, on a non-risk basis, the provision of healthcare services to approximately 7,000 Medicare Advantage members covered under certain Humana Medicare Advantage PPO, and Private Fee-For-Service, which is referred to as PFS, plans in a three year pilot program covering the 2013 through 2015 plan years. The agreement covers members in the Daytona and Pensacola areas of Florida, including Okaloosa and Walton counties, two counties where Metropolitan and its subsidiaries did not previously have operations. Metcare of Florida, Inc. receives a monthly administrative fee based on the number of Humana Medicare Advantage members covered under the agreement and a percentage of the surplus, if any, generated under the agreement.

Joint Venture with Humana

In August 2012, Metropolitan formed a joint venture with Humana through which Metropolitan has begun to operate in the Cincinnati, Ohio/Northern Kentucky and Indianapolis, Indiana markets. The joint venture, Symphony, is jointly owned by Metropolitan's wholly-owned subsidiary, Symphony Health Partners, Inc. and Humana, with Symphony Health Partners, Inc. being the majority owner.

In August 2012, Symphony entered into two new agreements with Humana. Pursuant to one of these agreements, which was effective retroactive to January 1, 2012, Symphony has agreed to manage the provision of healthcare services to certain Humana Medicare Advantage members in the Cincinnati, Ohio/Northern Kentucky market. There were approximately 7,900 Participating Customers covered under this agreement at September 30, 2012. Through 2013, Symphony is entitled to receive a monthly administrative fee based on the number of Humana Medicare Advantage members covered under the agreement and a percentage of the surplus, if any, generated under the agreement. Symphony is expected to assume partial medical risk for the members covered under the agreement in 2014 and is expected to assume substantially all medical risk for such members in 2015 and thereafter.

Table of Contents

Pursuant to the second agreement, which was effective as of August 1, 2012, Symphony has agreed to manage the provision of healthcare services to certain Humana Medicare Advantage members in the Indianapolis, Indiana market. There were approximately 2,000 Participating Customers covered under this agreement at September 30, 2012. Through 2013, Symphony is entitled to receive a monthly administrative fee based on the number of Humana Medicare Advantage members covered under the agreement and a percentage of the surplus, if any, generated under the agreement. Symphony is expected to assume partial medical risk for the members covered under the agreement in 2014 and is expected to assume substantially all medical risk for such members in 2015 and thereafter.

The other material terms of these two agreements are similar to the material terms of the Humana Agreements, as described above.

Confidentiality Agreement

On July 18, 2012, Metropolitan and Humana entered into a confidentiality agreement for the sole purpose of determining whether or not Humana would enter into an agreement with Metropolitan to acquire Metropolitan or a material amount of the assets or outstanding voting stock of Metropolitan and/or its subsidiaries. Under the terms of the confidentiality agreement, each of Metropolitan and Humana agreed to keep in confidence all confidential information of the other party (subject to exceptions for certain disclosures required by applicable law) and to use such confidential information only in connection with evaluating, negotiating and consummating any potential transaction with the other party. The restrictions set forth in the confidentiality agreement will expire on July 18, 2017.

Regulatory Approvals Required for the Merger

Humana and Metropolitan have agreed to use their commercially reasonable efforts, subject to specified limitations, to take, or cause to be taken, all actions necessary, proper or advisable under applicable law and regulations to complete the merger in the most expeditious manner possible. See *The Merger Agreement* *Covenants and Agreements* .

Under the merger agreement, the use of such commercially reasonable efforts does not require Metropolitan, Humana or any of their affiliates to (A) agree to defend any action or proceeding instituted by any governmental authority or private party challenging the transactions contemplated by the merger agreement or (B) agree or otherwise be required to sell, divest, dispose of, license, hold separate, or take or commit to take, any action that limits in any respect its freedom of action with respect to, or its ability to retain, any businesses, products, rights, services, licenses or other assets of Humana, Metropolitan or any of their subsidiaries, or any interest or interest therein or enter into operational restrictions.

The completion of the merger is subject to compliance with the HSR Act. Under the HSR Act, certain transactions, including the merger, may not be completed unless certain waiting period requirements have expired or been terminated. The HSR Act provides that each party must file a pre-merger notification with the Federal Trade Commission, which is referred to as the *FTC* , and the Antitrust Division of the Department of Justice, which is referred as the *DOJ* . If notice of a transaction is required under the HSR Act, such transaction may not be completed until the expiration of a 30-calendar-day waiting period following the parties' filings of their respective HSR Act notification forms or the early termination of that waiting period. If the DOJ or the FTC issues a Request for Additional Information and Documentary Material prior to the expiration of the initial waiting period, the parties must observe a second 30-calendar-day waiting period, which would begin to run only after both parties have substantially complied with the request for additional information, unless the waiting period is terminated earlier.

Metropolitan and Humana filed Notification and Report Forms with the Antitrust Division of the DOJ and the FTC on November 9, 2012. The parties have requested early termination of the 30-day waiting period under

Table of Contents

the HSR Act. If early termination is not granted, the 30-day waiting period with respect to the merger will expire at 11:59 p.m., Eastern time, on December 10, 2012, unless it is extended by a request for further information or terminated earlier.

No Rights of Appraisal

Shareholders of Metropolitan will not be entitled to appraisal rights under the FBCA or Metropolitan's Articles of Incorporation in connection with the merger. Accordingly, Metropolitan's shareholders will not have the right to dissent and obtain payment for their shares in connection with an appraisal process.

Litigation Related to the Merger

Since November 8, 2012, seven putative class action complaints challenging the merger have been filed in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida by plaintiffs seeking to represent a class of Metropolitan shareholders. All the cases have been consolidated as *In re Metropolitan Health Networks Shareholder Litigation* matter, Case No. 2012-CA-020609-XXXX-MB-AF.

The complaint in each of these suits names Metropolitan, the members of the Metropolitan Board, Humana and merger subsidiary as defendants. The complaints allege that the merger consideration is inadequate and the product of conflicts of interest, that the Metropolitan Board breached their fiduciary obligations to Metropolitan's stockholders in approving the merger agreement, and assert that the other defendants aided and abetted the breach of those duties. In addition, two of the complaints allege that the disclosures in the preliminary proxy statement filed by Metropolitan on November 13, 2012 were inadequate. The complaints seek various forms of relief, including injunctive relief that would, if granted, prevent the completion of the merger, rescission if the merger is consummated, unspecified compensatory damages and attorneys' fees and expenses.

All defendants intend to vigorously defend against these actions.

Table of Contents

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the material U.S. federal income tax consequences of the merger to U.S. holders and non-U.S. holders (as defined below) of Metropolitan common stock who hold their stock as a capital asset (generally, assets held for investment). This summary is based on the provisions of the Code, Treasury regulations, administrative rulings and judicial authority, all as in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. No assurances can be given that any change in these laws or authorities will not affect the accuracy of the discussion set forth herein.

This summary is not a complete description of all the tax consequences of the merger and, in particular, may not address U.S. federal income tax considerations applicable to holders of Metropolitan common stock who are subject to special treatment under U.S. federal income tax law, including, for example, certain U.S. expatriates, financial institutions, an S corporation, partnership, limited liability company taxed as a partnership, or other pass-through entity (or an investor in such pass-through entity), dealers in securities, traders in securities that elect mark-to-market treatment, insurance companies, tax-exempt entities, persons whose functional currency is not the U.S. dollar, holders who acquired Metropolitan common stock pursuant to the exercise of an employee stock option or right or otherwise as compensation, and holders who hold Metropolitan common stock as part of a hedge, straddle, constructive sale or conversion transaction.

This summary does not address U.S. federal income tax considerations applicable to holders of options to purchase Metropolitan common stock or holders of restricted stock awards. In addition, this summary does not address any aspect of state, local or non-U.S. laws or estate, gift, excise or other non-income tax laws. Neither Humana nor Metropolitan has requested a ruling from the Internal Revenue Service, which is referred to as the IRS, in connection with the merger. Accordingly, the discussion below neither binds the IRS nor precludes it from adopting a contrary position. Furthermore, no opinion of counsel has been, or is expected to be, rendered with respect to the tax consequences of the merger.

METROPOLITAN URGES HOLDERS TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER IN LIGHT OF THEIR PERSONAL CIRCUMSTANCES AND THE CONSEQUENCES OF THE MERGER UNDER U.S. FEDERAL NON-INCOME TAX LAWS AND STATE, LOCAL AND NON-U.S. TAX LAWS.

For purposes of this discussion, the term U.S. holder means a beneficial holder of Metropolitan common stock that is:

a citizen or resident of the U.S.;

a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the U.S. or any of its political subdivisions;

a trust that (i) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or

an estate that is subject to U.S. federal income tax on its income regardless of its source.

If a partnership (including any entity or arrangement, domestic or foreign, treated as a partnership for U.S. federal income tax purposes) holds Metropolitan common stock, the tax treatment of a partner will generally depend on the status of the partners and the activities of the partnership. Partnerships and partners in such a partnership should consult their tax advisors about the tax consequences of the merger to them.

U.S. Holders

Tax Consequences of the Merger. The exchange of Metropolitan common stock for cash in the merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder whose Metropolitan common stock

Table of Contents

is converted into the right to receive cash in the merger will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between (1) the amount of cash received by such holder in the merger, and (2) the U.S. holder's adjusted tax basis in such Metropolitan common stock. A U.S. holder's adjusted tax basis in its Metropolitan common stock will generally equal the price the U.S. holder paid for such Metropolitan common stock. Gain or loss will be determined separately for each block of Metropolitan common stock. A block of stock is generally a group of shares acquired at the same cost in a single transaction. Such gain or loss will be long-term capital gain or loss provided that a U.S. holder's holding period for such Metropolitan common stock is more than one year at the time of the completion of the merger.

The maximum rate of U.S. federal income tax for non-corporate taxpayers imposed on long-term capital gain from the sale or exchange of capital assets before January 1, 2013 is 15%. Beginning in 2013, the 15% maximum rate on long-term capital gain is scheduled to increase to 20% (not including the new Medicare contribution tax discussed below). The maximum rate of U.S. federal income tax for non-corporate taxpayers imposed on short-term capital gain from the sale or exchange of capital assets before January 1, 2013 is 35%. Beginning in 2013, the 35% maximum rate on short-term capital gain is scheduled to increase to 39.6% (not including the new Medicare contribution tax discussed below).

Beginning in 2013, there is a new tax, referred to as the Medicare contribution tax, on certain income of taxpayers who are individuals, estates or trusts. The tax only applies to individuals whose modified adjusted gross income exceeds certain threshold amounts. The tax is imposed at the rate of 3.8% of the taxpayer's net investment income, which includes gains from the sale of property (other than property held in a trade or business). Accordingly, if the merger occurs on or after January 1, 2013, this tax may apply to gain recognized by a U.S. holder in the merger. As this tax depends on the investor's personal income level, each investor should consult with its own tax advisor regarding the applicability of this tax.

Non-U.S. Holders

A non-U.S. holder is a beneficial owner of Metropolitan common stock (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. holder.

Tax Consequences of the Merger. Any gain a non-U.S. holder recognizes from the exchange of Metropolitan common stock for cash in the merger generally will not be subject to U.S. federal income tax unless (a) the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States, (b) in the case of a non-U.S. holder who is an individual, such holder is present in the United States for 183 days or more in the taxable year of the sale and other conditions are met or (c) Metropolitan is, or has been in the last five years a United States real property holding corporation and the non-U.S. holder owns, actually or constructively, more than 5% of Metropolitan's common stock. Metropolitan does not believe it is, or has been, a United States real property holding corporation.

Non-U.S. holders described in (a) above will be subject to tax on gain recognized at applicable U.S. federal income tax rates and, in addition, non-U.S. holders that are corporations (or treated as corporations for U.S. federal income tax purposes) may be subject to a branch profits tax equal to 30% (or lesser rate under an applicable income tax treaty) on their effectively connected earnings and profits for the taxable year, which would include such gain. Non-U.S. holders described in (b) above will be subject to a flat 30% tax on any gain recognized, which may be offset by U.S. source capital losses.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to the amounts paid to U.S. holders and non-U.S. holders in connection with the consideration received in connection with the merger, unless an exemption applies. Backup withholding may be imposed (currently at a 28% rate) on the above payments if a

Table of Contents

U.S. holder or non-U.S. holder (1) fails to provide a taxpayer identification number or appropriate certifications or (2) fails to report certain types of income in full.

Any amounts withheld under the backup withholding rules are not additional tax and will be allowed as a refund or credit against applicable U.S. federal income tax liability provided the required information is furnished to the IRS.

THE FOREGOING DISCUSSION OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE MERGER. TAX MATTERS ARE VERY COMPLICATED, AND THE TAX CONSEQUENCES OF THE MERGER TO HOLDERS WILL DEPEND UPON THE FACTS OF THEIR PARTICULAR SITUATION. BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICABILITY TO THEM OF THE RULES DISCUSSED ABOVE AND THE PARTICULAR TAX EFFECTS TO THEM OF THE MERGER, INCLUDING THE APPLICATION OF STATE, LOCAL AND FOREIGN TAX LAWS.

Table of Contents

THE MERGER AGREEMENT

The following is a summary of certain material provisions of the merger agreement, a copy of which is attached as [Annex A](#) to this proxy statement. Metropolitan urges you to read carefully this entire proxy statement, including the annexes and the other documents which have been referred to you. You should also review the section entitled [Where You Can Find More Information](#) .

This summary does not purport to be complete and may not contain all of the information about the merger that is important to you. The merger agreement has been included for your convenience to provide you with information regarding its terms, and Metropolitan recommends that you read it in its entirety. Except for its status as the contractual document that establishes and governs the legal relations between Humana and Metropolitan with respect to the merger, Humana and Metropolitan do not intend for the merger agreement to be a source of factual, business or operational information about either Humana or Metropolitan. The merger agreement contains representations and warranties that Humana and Metropolitan have made to each other for the principal purpose of establishing the circumstances in which a party to the merger agreement may have the right not to consummate the merger if the representations and warranties of the other party prove to be untrue due to a change in circumstances or otherwise, and allocating risk between the parties to the merger agreement, rather than establishing matters as facts. Those representations and warranties are qualified in several important respects, which you should consider as you read them in the merger agreement.

First, except for the parties themselves, under the terms of the merger agreement, only certain other specifically identified persons are third party beneficiaries of the merger agreement who may enforce it and rely on its terms.

Second, certain of the representations and warranties made by Metropolitan are qualified in their entirety by certain information of Metropolitan filed with the SEC prior to the date of the merger agreement, and the representations and warranties of each of Metropolitan and Humana are qualified in their entirety by the respective confidential disclosure schedules that each of Metropolitan and Humana prepared and delivered to the other immediately prior to signing the merger agreement.

Third, certain of the representations and warranties made by Metropolitan, on the one hand, and Humana, on the other hand, were made as of a specified date, may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders, and may have been used for the purpose of allocating risk between the parties to the merger agreement rather than as establishing matters as facts.

Fourth, none of the representations or warranties will survive the closing of the merger and they will therefore have no legal effect under the merger agreement after the closing.

For the foregoing reasons, you should not rely on the representations and warranties as statements of factual information. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement.

The Merger; Closing

Upon the terms and subject to the conditions of the merger agreement, and in accordance with Florida law, at the effective time, merger subsidiary will merge with and into Metropolitan, with Metropolitan continuing as the surviving corporation and a wholly-owned subsidiary of Humana.

Unless Humana and Metropolitan agree otherwise, the closing of the merger will occur as soon as possible, but no later than the third business day following the date on which all of the conditions to the merger, other than

Table of Contents

conditions that, by their nature are to be satisfied at the closing (but subject to satisfaction, or, to the extent permissible, waiver of those conditions at closing).

Assuming timely satisfaction of the necessary closing conditions, Humana and Metropolitan are targeting a closing of the merger during the first calendar quarter of 2013. However, upon the adoption and approval of the merger agreement and approval of the merger by the Metropolitan shareholders and assuming all other conditions to closing are then satisfied, Metropolitan and Humana intend to consummate the merger as soon as commercially practicable, which could be earlier than the first calendar quarter of 2013.

Upon the closing, merger subsidiary and Metropolitan will file articles of merger with the Secretary of State of the State of Florida. The effective time will be the time the articles of merger are filed or at a later time upon which Humana and Metropolitan shall agree to and specify in the articles of merger.

Articles of Incorporation and Bylaws of the Surviving Corporation

At the effective time, the articles of incorporation of Metropolitan will become the articles of incorporation of the surviving corporation.

At the effective time, the bylaws of merger subsidiary will become the bylaws of the surviving corporation.

Directors and Officers of the Surviving Corporation

At the effective time, the directors and officers of merger subsidiary shall continue as the directors and officers of the surviving corporation.

Merger Consideration

At the effective time, each share of Metropolitan common stock outstanding immediately prior to the effective time (other than shares owned by Metropolitan, Humana, merger subsidiary or their respective wholly-owned subsidiaries, which will be canceled) will be converted into the right to receive the merger consideration, without interest.

Payment Procedures

Prior to the effective time, Humana will enter into an agreement with a commercial bank or trust company, which is referred to as the paying agent, selected by Humana and reasonably satisfactory to Metropolitan, to pay the merger consideration to the holders of Metropolitan common stock in connection with the merger. At or prior to the effective time, Humana will deposit with the paying agent, for the benefit of the holders of Metropolitan common stock, cash sufficient to pay the aggregate merger consideration.

At the effective time, each certificate representing shares (or uncertificated shares in book-entry form) of Metropolitan common stock that has not been surrendered, other than any shares owned by Humana, Metropolitan, merger subsidiary or their respective wholly-owned subsidiaries, will represent only the right to receive, upon such surrender and without any interest, the merger consideration. Following the effective time, no further registrations of transfers on the stock transfer books of Metropolitan of the shares of Metropolitan common stock will be made. If, after the effective time, Metropolitan stock certificates or uncertificated shares of Metropolitan common stock in book-entry form are presented to Humana, the surviving corporation or the paying agent they will be canceled and converted into the right to receive payment of the merger consideration as described above, subject to certain exceptions described in the merger agreement.

Exchange of Shares

Promptly after the effective time, Humana will cause the paying agent to mail to each holder of record of a Metropolitan stock certificate or book-entry share whose shares of Metropolitan common stock were converted

Table of Contents

into the right to receive the merger consideration, a letter of transmittal and instructions explaining how to surrender Metropolitan stock certificates or book-entry shares in exchange for the merger consideration.

After the effective time, and upon surrender of a Metropolitan stock certificate or book-entry share to the paying agent, together with a letter of transmittal or agent's message, each holder of the Metropolitan stock certificate or book-entry share will be entitled to receive the merger consideration, and the Metropolitan stock certificates or book entries evidencing book-entry shares so surrendered will be canceled. No interest will be paid or will accrue on any merger consideration payable under the merger agreement. If payment is to be made to a person other than the person in whose name the certificate or book-entry share surrendered is registered, the certificate or book-entry share so surrendered must be properly endorsed or otherwise in proper form for transfer and the person requesting such payment must pay any transfer or other taxes required by reason of the payment to a person other than the registered holder of the certificate or book-entry share so surrendered, unless the person requesting such payment can establish to the satisfaction of the paying agent that such tax has been paid or is not applicable.

METROPOLITAN STOCK CERTIFICATES SHOULD NOT BE RETURNED WITH THE ENCLOSED PROXY CARD(S). Metropolitan stock certificates should be returned with a validly executed transmittal letter and accompanying instructions that will be provided to Metropolitan shareholders following the effective time.

Lost Stock Certificates

If any stock certificate has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the stock certificate to be lost, stolen or destroyed and, if required by the surviving corporation, the posting by such person of a bond in a reasonable amount as the surviving corporation may direct (or in such customary amount as the paying agent may direct in accordance with its standard procedures) as indemnity against any claim that may be made against it with respect to the stock certificate, the paying agent will issue, in exchange for such lost, stolen or destroyed stock certificate, the merger consideration in respect of such shares. These procedures will be described in the letter of transmittal that Metropolitan shareholders will receive, which such shareholders should read carefully in its entirety.

Effect of the Merger on Metropolitan's Stock Options

Prior to the effective time, each outstanding option to purchase Metropolitan common stock will become fully vested and exercisable and will be canceled in exchange for the right to receive, at the effective time, a cash payment in an amount equal to the product of (a) the total number of shares of Metropolitan common stock subject to the option, and (b) the excess, if any, of \$11.25 over the exercise price per share of such option, without interest and less any required withholding taxes. This cash payment, if any, will be made to the option holder as soon as reasonably practicable after the effective time.

Effect of the Merger on Metropolitan's Restricted Stock Awards

Prior to the effective time, each outstanding restricted stock award granted by Metropolitan will become fully vested and will be converted into the right to receive, at the effective time, a cash payment in an amount equal to the product of (a) the total number of shares of Metropolitan common stock subject to the restricted stock award, and (b) \$11.25, without interest and less any required withholding taxes. This cash payment, if any, will be made to the restricted stock award holder as soon as reasonably practicable after the effective time.

Representations and Warranties

The merger agreement contains customary representations and warranties made by each party to the other, which are subject, in some cases, to specified exceptions and qualifications contained in the merger agreement and the matters contained in the confidential disclosure schedules that each of Humana and Metropolitan prepared and delivered to the other prior to signing the merger agreement.

Table of Contents

In the case of Metropolitan, these representations and warranties relate to, among other things:

due organization, good standing and the requisite corporate power and authority to carry on its business;

capitalization;

ownership of subsidiaries;

corporate power and authority to enter into the merger agreement, the valid and binding nature of the merger agreement and enforceability of the merger agreement;

board of directors' adoption and approval and recommendation to shareholders to adopt and approve the merger agreement and to approve the merger;

the affirmative vote required by shareholders of Metropolitan to adopt and approve the merger agreement and to approve the merger;

absence of conflicts with organizational documents, breaches of contracts and agreements, liens upon assets and violations of applicable law resulting from the execution and delivery of the merger agreement and consummation of the transactions contemplated by the merger agreement;

absence of required governmental or other third party consents in connection with execution, delivery and performance of the merger agreement and consummation of the transactions contemplated by the merger agreement, other than governmental filings specified in the merger agreement;

timely filing of required documents with the SEC since January 1, 2010, compliance of such documents with the requirements of the Securities Act and the Exchange Act, and the absence of untrue statements of material facts or omissions of material facts in those documents;

compliance with the Sarbanes-Oxley Act of 2002;

compliance of financial statements with GAAP;

absence, since January 1, 2010, of any transaction that would be required to be disclosed under Item 404 of Regulation S-K promulgated under the Securities Act;

absence, to the knowledge of Metropolitan, since January 1, 2010, of any substantive complaint or allegation regarding improper accounting practices, or reports of material violations of securities laws;

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absence of any GAAP liabilities, other than as and to the extent reflected or reserved against in the consolidated audited balance sheet of Metropolitan and its subsidiaries, incurred in connection with the merger agreement or that would not have or reasonably be expected to have, individually or in the aggregate, a material adverse effect;

absence of specified changes or events and conduct of business in the ordinary course since January 1, 2012;

absence, since January 1, 2012, of any change, effect, development or event that has had, or would reasonably be expected to have, a material adverse effect on Metropolitan or its subsidiaries taken as a whole;

absence of misleading information contained in this proxy statement or any other filings made by Metropolitan with the SEC in connection with the merger;

compliance with applicable laws, including healthcare regulatory laws such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and holding of all necessary permits;

employee benefits matters and ERISA compliance;

labor matters and compliance with labor and employment law;

absence of litigation;

Table of Contents

tax matters;

environmental matters and compliance with environmental laws;

intellectual property;

providers and provider contracts;

material contracts;

the filing and accuracy of all health care regulatory related reports, statements, registrations or filings;

real property and assets;

insurance;

inapplicability of takeover laws;

receipt of an opinion from Metropolitan's financial advisor; and

no brokers' or finders' fees.

Humana made the following representations and warranties to Metropolitan in the merger agreement:

due organization, good standing and the requisite corporate power and authority to carry on its business;

corporate power and authority to enter into the merger agreement, the valid and binding nature of the merger agreement and enforceability of the merger agreement;

absence of conflicts with organizational documents, breaches of contracts and agreements, liens upon assets and violations of applicable law resulting from the execution and delivery of the merger agreement and consummation of the transactions contemplated by the merger agreement;