



February 20, 2009

Dear Clear Choice Shareholder:

In December 2008, I informed you that we had been approached by Agate Resources, a Eugene-based company, about its proposal to takeover Clear Choice in a manner that would require Clear Choice shareholders to take a significant discount in value, while Agate shareholders would receive a substantial premium.

After careful consideration, our Board of Directors and management unanimously agreed that the proposed merger was grossly unfair to our shareholders and not in the best interest of the Company.

Agate may soon be contacting you and all of our shareholders, and in the spirit of transparency, I would like to provide some further background about this matter, which is escalating into a costly, inefficient use of our time.

When Agate first approached us in April of 2008, both companies signed a customary non-disclosure agreement (NDA), which we believe Agate subsequently violated. Under the agreement, Agate agreed to maintain strict confidentiality of information that we would be providing about Clear Choice to enable it to evaluate a proposed "merger" of the two companies. This confidential information included revenue projections for 2008, 2009 and 2010, our future business strategy and our plans to acquire a third party administration firm, which we eventually did at the end of 2008.

Agate retained a New York investment banking firm to assist it in evaluating our confidential business information and used this information, along with publicly available data, to create a business model for valuing the two companies and the proposed combined company. At the same time, Agate began selectively contacting some of our shareholders and providers and disclosed some of our confidential information, which we believe breached their confidentiality obligations under the NDA

Furthermore, while in possession of our confidential information, and after we had rejected Agate's proposal, they proceeded to buy shares of our stock in the open market. In doing so, Agate may have engaged in insider trading, which is a violation of Federal and state antifraud securities laws.

We believe that one of Agate's motivations in wanting to contact our shareholders is to try to convince them, albeit misleadingly, to sell their stock at a discount to the Company's true value. Agate's continued purchase of Clear Choice shares on the open market would likely increase the price they would have to pay.

Therefore, it appears that they will attempt to launch a campaign to purchase Clear Choice shares on a privately negotiated basis directly with our shareholders, so that the purchase price will not be reported on the OTCBB, where our stock is traded, or be publicly reflected in our market value.

You also should be aware of another motivation Agate likely has that is directly related to its business. Agate's current business model is primarily based on the Oregon Health Plan (Medicaid) membership in Lane County, a program whose current form of existence is in doubt at this time. The Department of Medical Assistance Programs (DMAP) in Salem is currently considering a reduction in the number of OHP contractors in an effort to reduce costs. If such consolidation occurs, we believe Clear Choice, through our wholly owned subsidiary, COIHS, will be well positioned to be the single OHP contractor east of the Cascades because of the breadth of our geographic coverage. While we are not certain if this is playing into Agate's aggressive strategy, their almost singular focus on OHP puts their entire organization at risk should consolidation occur.

Clear Choice also is attractive to Agate because our company is well capitalized and our management has had the foresight to diversify our lines of business beyond OHP by expanding into Medicare Advantage, Commercial Insurance and Third Party Administration, and by expanding our geographical footprint to other states.

I would like to emphasize that Agate never approached management or the Board with an outright offer to buy Clear Choice Health Plans. Instead, they violated the NDA and used confidential information, back-door meetings and inaccurate portrayals of management and the Board in an attempt to convince certain shareholders to support a hostile takeover of Clear Choice, or to sell their stock at a discounted price.

Since Agate may continue its efforts against the Company and may contact you, please be aware that they have certain knowledge and information about Clear Choice because of the access they had to our confidential business information and their sophisticated modeling and valuation techniques.

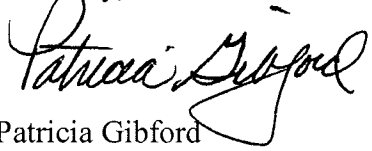
There's no doubt why Agate wants to be a buyer. Their business may be in serious jeopardy, and their management team knows our shares are undervalued at the current time and at today's prices, as many companies are. They want to take full advantage of the current market weakness, but to the detriment of you and all of our shareholders.

If you are contacted by Agate, I urge you to consider all of the issues mentioned above, as well as Agate's true motivations for attempting to take over the company without actually buying it at a fair price. Please balance this against everything that your elected Board of Directors and management team have brought to the organization over the years to build, diversify and position Clear Choice for future growth, and to achieve our collective goal of enhancing shareholder value.

To facilitate communication regarding this matter, as well as to see our press releases and learn more about the Company, please visit our website at www.clearchoicehp.com and click the investor information tab.

If you have any questions specifically regarding Agate, contact Gunnar Hansen, Executive Vice President and Chief Financial Officer, at (541) 330-8100, or me at (541) 330-8114.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Gibford". The signature is written in a cursive style with a large, looping initial "P".

Patricia Gibford
President & Chief Executive Officer