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CAREADVANTAGE REPORTS 69% INCREASE IN REVENUE

Iselin, New Jersey, May 16, 2006--CareAdvantage, Inc. (OTC: CADV) (the "Company") today reported that revenue for the quarter ending March 31, 2006 increased 69% compared to the quarter ending March 31, 2005.

"Our success is a tribute to the business partnerships we have established with our clients, and our ongoing commitment to developing industry leading predictive modeling and decision support tools," said Dennis Mouras, President and CEO of CareAdvantage. "I am proud of what we have accomplished, and am dedicated to further enhancing our service offering to enable our clients to develop effective, affordable and timely data-driven strategies."

CareAdvantage generates most of its revenue from the licensing of its predictive modeling and decision support system, RightPath™ Navigator (RPNavigator), and providing consulting services in connection with that licensing. The system, which was originally developed to support the Company's cost containment services, utilizes several methodologies developed by 3M Health Information Systems; including Clinical Risk Groups (CRGs), All Patient Refined DRGs (APR-DRGs), and Ambulatory Payment Groups (APGs).

The Company provides actionable population health management and performance measurement reports and analyses by consolidating and standardizing data from multiple sources, and grouping the information into a single data repository that is accessible via the Internet. RPNavigator integrates financial, clinical, pharmacy and HR data to facilitate more insightful clinical analyses of health status and medical cost trends.

CareAdvantage is in the process of integrating an expanded version of the cohort analysis into the tool to enable end users to dynamically evaluate the cost effectiveness and clinical impact of care management programs, interventions, and drug regimens by measuring disease burden and other variables over time. These analyses establish a framework for internal process improvement, program development, ROI measurement, and enhanced group/product reporting, and can also be utilized to compare performance among physician groups and physician specialties.

The Company has been providing healthcare management and consulting services since 1994, and is in the business of providing services to health plans, employers, national consulting firms, hospital systems, providers, states, unions, and other purchaser groups. The CareAdvantage team consists of former health plan executives, senior medical directors and care management operations directors, as well as experts in clinical data analysis and information technology.

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