



ABOUT THE CALIFORNIA ASSOCIATION OF HEALTH PLANS

CAHP Member Health Plans

- Aetna
- Alameda Alliance for Health
- Anthem Blue Cross of California
- Blue Shield of California
- CalOptima
- Care 1st Health Plan
- CareMore Insurance Services
- CentCal Health
- Central Coast Alliance for Health
- Central Health Plan of California
- Chinese Community Health Plan
- CIGNA Healthcare of California
- Citizens Choice Healthplan
- Community Health Group
- Community Health Plan
- Contra Costa Health Plan
- Easy Choice Health Plan
- Health Net of California
- Health Plan of San Joaquin
- Health Plan of San Mateo
- Heritage Provider Network, Inc.
- Inland Empire Health Plan
- Inter Valley Health Plan
- Kaiser Foundation Health Plan
- Kern Health Systems
- L.A. Care Health Plan
- Molina Healthcare of California
- On Lok Senior Health
- PacifiCare of California
- Partnership HealthPlan of California
- PrimeCare Health Plan
- San Francisco Health Plan
- Santa Clara Family Health Plan
- SCAN Health Plan
- Sharp Health Plan
- SIMNSA
- Valley Health Plan
- Ventura County Health Plan
- Western Health Advantage

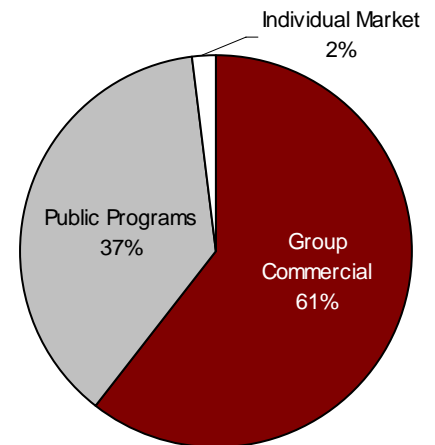
The California Association of Health Plans (CAHP) is a statewide trade association representing 39 public and private health care plans that provide coverage to more than 21 million Californians.

CAHP works to sustain a strong environment in which our member plans can provide access to products that offer choice and flexibility to the Californians they serve. Most of our member plans provide coverage to Californians through the individual and group markets. Many of our member plans partner with the state by participating in government programs that provide health care coverage to children and adults in need.

Health Plans in California

Today, there are two major private models for delivering health care coverage in California. The first model is the **Health Maintenance Organization (HMO)** which provides a wide range of comprehensive health care services for a specified group or individual for a fixed premium. Consumers generally pay a fee, known as a deductible or a co-payment, for physician services, prescriptions and other health care services. With an HMO, consumers can choose from a large selection of primary care physicians within their network. Once selected, most HMOs require that consumers' medical visits begin with the selected physician and that the consumers stay in the HMO network. These plans are licensed by the Knox-Keene Act and regulated by the Department of Managed Health Care.

HMO Market in California



Department of Managed Health Care, 2008

The second plan type is a **Preferred Provider Organization (PPO)**. Health insurers negotiate discounted fees with their "preferred providers"—hospitals, doctors and other health care providers. These plans then encourage enrolled members to use the preferred network of providers by offering lower co-payments and other incentives. Enrolled members also have the option of visiting physicians, hospitals and other providers outside the network of preferred providers but usually will pay more for out-of-network visits and services. PPOs are governed by the Insurance Code (with a few exceptions that are governed by the Knox-Keene Act) and are regulated by the Department of Insurance.

States with Most HMO Enrollees

State	Share of US Market
California	25%
New York	10%
Florida	5%
Pennsylvania	5%
Texas	4%
Michigan	4%
Massachusetts	3%
Ohio	3%
Georgia	3%
New Jersey	3%

Source: Kaiser Family Foundation, 2008

Knox-Keene Act

All of CAHP's member plans are health care service plans regulated by the state of California under the Knox-Keene Health Care Service Act. Under the Act, health plans that provide coverage to Californians must provide basic benefits through a network of providers that are readily available and accessible. Enrollees of Knox-Keene plans also enjoy various consumer protections and provisions that assure quality of care.